

FORESTHILL PUBLIC UTILITY DISTRICT

AGENDA

Regular Business Meeting of the
FORESTHILL PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
Foresthill Elementary School, 24750 Main Street, Foresthill, CA 95631
www.foresthillpud.com

Wednesday	February 12, 2025	6:00 P.M.
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A. CALL TO ORDER 6:00 PM

B. ROLL CALL

_____ President Chase Dowling
_____ Vice President Mark Bell
_____ Treasurer Roger Pruett
_____ Director Ron Thompson
_____ Director Dianne Foster

C. PLEDGE OF ALLEGIANCE

D. PUBLIC COMMENT:

- Members of the public may provide comments to the Board on items not on the agenda. We welcome and encourage your comments as the Board takes them into consideration in our deliberations.
- Speakers are limited to a maximum of three minutes.
- The Board may not respond to, discuss, or engage in any type of dialog regarding any public comment; however, the President may direct questions to staff for a later response or future consideration by the Board.
- Appropriate and respectful language and behavior is vital to the functioning of a public meeting. We ask the Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior.

E. CONSENT AGENDA: All items listed under the Consent Agenda are routine in nature and may be approved by one motion.

1. Approval of January 8, 2025, Regular Board Meeting minutes.
2. Receive and file combined financial reports for December 2024.

F. ACTION ITEMS:

1. Presentation of the Annual Financial Report with the Independent Auditor's Report for fiscal year ending June 30, 2024
Recommended action: Receive and file the Annual Financial Report for the fiscal year ending June 30, 2024
Public comment:

2. Director Thompson's request to revise Board Policy #5020 Board Agenda.
Recommended action: Adopt Policy #5020 with changes approved 5/9/2024 and 8/14/2024.
Public comment:
3. Revise Policy #3021 Reserve Policy including Capital Reserve balance as requested by Treasurer Bell to conform to the 2021 Cost of Service Study (Rate Study) and update to current needs.
Recommended action: Discuss and approve revision to Policy #3021, Reserves and Capital Reserve balance.
Public comment:
4. Director Foster's request for agenda item: **"Placing the entire contents of the FPUD [Foresthill] Board Policy Handbook on the FPUD [Foresthill] website."**
Recommended action: Discuss and direct staff.
Public comment:
5. Director Foster's request for a discussion and enforcement of Policy Number 5060.12, 5060.13 & 5060.22 which is regarding "recording public comments" in the minutes.
Recommended action: Discuss and direct staff.
Public comment:
6. Director Foster's agenda request: **"Policy #5020 (Board Meeting Agenda) Ad Hoc Committee Report."**
Recommended action: Discuss and direct staff.
Public comment:
7. Director Foster's request to add "Reserve Policy 3021 Revisions" to the agenda.
Recommended action: Discuss and direct staff.
Public comment:
8. Director Foster's request to add to the agenda: "Accommodating Board Policy #5060.12, #5060.13 & #5060.22 by video and audio recording Board meetings, and posting the video/audio on FPUD website to improve clarity and transparency."
Recommended action: Discuss and direct staff.
Public comment:

G. DISCUSSION ITEMS:

1. General Manager Report
2. Remarks/reports by Directors

H. ADJOURNMENT

In accordance with Government Code Section 54954.2(a) this notice and agenda were posted in the district's front window at the Foresthill Public Utility District office, 24540 Main Street, Foresthill, CA 95631 on or before 4:30 PM., February 5, 2025.

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the General Manager at (530)367-2511. Notification 48 hours prior to the meeting will enable the district to make reasonable arrangements to ensure accessibility to this meeting.

Henry N. White, General Manager

FORESTHILL PUBLIC UTILITY DISTRICT

MINUTES

**Regular Business Meeting of the
FORESTHILL PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS
Foresthill Elementary School, 24750 Main Street, Foresthill, CA 95631
www.foresthillpud.com**

Wednesday	January 8, 2025	4:00 P.M.
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A. CALL TO ORDER: 4:00 PM *President Thompson called the meeting to order at 4:08 PM.*

B. OPEN SESSION - ROLL CALL:

_____ President Ron Thompson	<i>Present</i>
_____ Treasurer Mark Bell	<i>Present</i>
_____ Director Roger Pruett	<i>Present</i>
_____ Director Chase Dowling	<i>Present</i>
_____ Director Dianne Foster	<i>Present</i>

Henry N. White, General Manager, and Eric Robinson (via teleconference) were in attendance.

C. PLEDGE OF ALLEGIANCE *President Thompson postponed the pledge until the open session.*

D. PUBLIC COMMENT:

- Members of the public may provide comments to the Board on items not on the agenda. We welcome and encourage your comments as the Board takes them into consideration in our deliberations.
- Speakers are limited to a maximum of three minutes.
- The Board may not respond to, discuss, or engage in any type of dialog regarding any public comment; however, the President may direct questions to staff for a later response or future consideration by the Board.
- Appropriate and respectful language and behavior is vital to the functioning of a public meeting. We ask the Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior.

Public comment period was made available. No comments were offered. No public in attendance.

E. CLOSED SESSION: The board went into closed session at 4:10 PM.

1. Conference with real property negotiators (Gov't Code Section 54956.8). Property: Up to 2,000 acre feet of stored Sugar Pine Reservoir water; District Negotiators: Henry N. White; Negotiating Parties: Prospective water users in the American River Basin, Central Valley or elsewhere in the federal Central Valley Project or State Water Project service areas, including but not limited to; U.S. Bureau of Reclamation, City of Folsom, City of Sacramento, Carmichael Water District, San Juan Water District, Sacramento Suburban Water District, San Luis and Delta-Mendota Water Authority and member agencies (e.g.

Westlands Water District), State Water Contractors and member agencies (e.g. Santa Clara Valley Water District); Under Negotiation: Price and terms of payment for the sale of surplus stored water from Sugar Pine Reservoir

F. CALL TO ORDER 6:00 PM *President Thompson called the meeting to order at 6:02 PM.*

G. ROLL CALL

_____ President Ron Thompson	<i>Present</i>
_____ Treasurer Mark Bell	<i>Present</i>
_____ Director Roger Pruett	<i>Present</i>
_____ Director Chase Dowling	<i>Present</i>
_____ Director Dianne Foster	<i>Present</i>

Henry N. White, General Manager, was in attendance.

H. PLEDGE OF ALLEGIANCE *The pledge was led by Patty Wade.*

I. ANNOUNCEMENT FROM CLOSED SESSION: *General Manager White reported that during closed session, the Board voted and approved a motion to submit a 2025 Notice of Intent to Transfer to the State Water Resources Control Board. White clarified that submitting a Notice of Intent does not commit Foresthill to a 2025 transfer.*

J. PUBLIC COMMENT:

- Members of the public may provide comments to the Board on items not on the agenda. We welcome and encourage your comments as the Board takes them into consideration in our deliberations.
- Speakers are limited to a maximum of three minutes.
- The Board may not respond to, discuss, or engage in any type of dialog regarding any public comment; however, the President may direct questions to staff for a later response or future consideration by the Board.
- Appropriate and respectful language and behavior is vital to the functioning of a public meeting. We ask the Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior.

The Board received public comments, and those comments will be taken into consideration.

K. CONSENT AGENDA: All items listed under the Consent Agenda are routine in nature and may be approved by one motion.

1. Approval of December 11, 2024, Regular Board Meeting minutes.
2. Receive and file combined financial reports for November 2024.

Board Action: *Director Foster requested Consent Agenda Item #1 be heard separately. Treasurer Bell made a motion to approve Consent Agenda Item #2. The motion was seconded by Director Dowling and carried unanimously (5-0).*

Board Action: *Director Foster provided corrections to section G 1 and G 2 of the minutes submitted to the board (Consent Agenda Item #1). Director Foster made a motion to approve*

Consent Agenda Item #1 as corrected. The motion was seconded by Director Dowling and carried unanimously (5-0).

L. ACTION ITEMS:

1. Annual Organizational Meeting – Pursuant to Policy #5010.50, the Board will elect a President, Vice President, and Treasurer from among its members.

Recommended Action: Elect a President, Vice President, Treasurer and appoint the Board Clerk and Ex-Officio Secretary

Public comment:

Board Action: *Director Foster nominated Director Dowling for the office of President. The nomination was seconded by President Thompson. The vote was unanimous (5-0) to elect Director Dowling as President.*

President Dowling assumed the gavel after the vote.

Board Action: *President Dowling nominated Treasurer Bell for the office of Vice President. Director Pruett seconded the nomination. The vote was unanimous (5-0) to elect Treasurer Bell as Vice President.*

Board Action: *Vice President Bell nominated Director Pruett as Treasurer. The nomination was seconded by President Dowling. The nomination was approved by a 3-2 vote with Director Thompson and Director Foster voting no.*

Board Action: *President Dowling appointed General Manager Henry White as the Board Clerk and Ex-Officio Secretary.*

2. Appointment of standing committee members – Pursuant to Policy #4060.30, the Board President shall appoint members of the Planning Committee and Finance Committee.

Recommended Action: Board President to appoint committee members and chair.

Public comment:

Board Action: *President Dowling appointed Vice President Bell (chair) and Treasurer Pruett (member) of the Finance Committee.*

Board Action: *President Dowling appointed Director Foster (chair) and Director Thompson (member) of the Planning Committee.*

3. *(Past)* President Thompson’s request to revise Board Policy #5020 Board Agenda.

Recommended action: Adopt Policy 5020 with changes approved 5/9/2024 and 8/14/2024 and discuss additional changes proposed 12/11/2024.

Public comment:

Board Action: *Director Foster made a motion to establish an ad hoc committee to review Policy 5020 and bring a draft to the board in February 2025. The motion was seconded by Vice President Bell and carried unanimously (5-0).*

Board Action: *President Dowling appointed Director Foster (Chair) and Vice President Bell (member) to the ad hoc committee.*

4. Director Foster's request for agenda item: **"Placing the entire contents of the FPUD [Foresthil] Board Policy Handbook on the FPUD [Foresthil] website."**

Recommended action: Discuss and direct staff.

Public comment:

Board Action: Vice President Bell made a motion to direct staff to investigate the potential liability of posting the policy manual to the web site with certification. The motion was seconded by Director Foster and carried unanimously (5-0).

5. Director Foster's request for a discussion and enforcement of Policy Number 5060.12, 5060.13 & 5060.22 which is regarding "recording public comments" in the minutes.

Recommended action: Discuss and direct staff.

Public comment:

Board Action: Vice President Bell made a motion to direct staff to investigate cost and issues associated with video taping public comments and/or the entire public meeting and report findings to the board. The motion was seconded by Director Foster and carried unanimously (5-0).

M. DISCUSSION ITEMS:

1. General Manager Report A *written report was circulated to the board and public.*
2. Remarks/reports by Directors *None*

N. ADJOURNMENT *President Dowling adjourned the meeting at 7:20 PM*

Submitted by:

Attest:

Chase Dowling, Board President

Henry White, Clerk and Ex-Officio Secretary

Foresthill Public Utility District
Statement of Net Position
December 31, 2024

Item E 2 - Financial Report

	Dec 31, 2024
ASSETS	
Current Assets	
Checking/Savings	
10110 · Cash on Hand	250
10120 · Wells Fargo Checking	522,705
10510 · Local Agency Investment Fund	326,368
10512 · Umpqua Savings account	7,026
10519 · Wells Fargo Adv - Money Mrkt	32,219
10520 · Wells Fargo Adv - Face Value	5,695,000
Total Checking/Savings	6,583,568
Accounts Receivable	326,919
Other Current Assets	191,886
Total Current Assets	7,102,373
Fixed Assets	10,962,435
Other Assets	487,931
TOTAL ASSETS	18,552,739
LIABILITIES & NET POSITION	
Liabilities	
Current Liabilities	
Other Current Liabilities	91,910
Total Current Liabilities	91,910
Long Term Liabilities	1,585,478
Total Liabilities	1,677,388
Net Position	16,875,352
TOTAL LIABILITIES & NET POSITION	18,552,739

Foresthill Public Utility District
Profit & Loss Budget vs. Actual
 July through December 2024

	<u>Jul - Dec 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Ordinary Income/Expense			
Income			
41100 · Consumption Billed	424,025	273,000	151,025
41150 · Base rate - Residential	986,659	1,027,350	(40,691)
41200 · Base rate - Commercial	116,953	114,150	2,803
42300 · Meter Installation	2,250	1,000	1,250
49200 · Interest - LAIF	3,825	0	3,825
49210 · Interest - Taxes	78	0	78
49220 · Portfolio Income	166,217	37,500	128,717
49251 · Interest - Umpqua Bank	0	0	0
49300 · Property Tax Revenues	2,331	65,000	(62,669)
49520 · Service Charges & Reconnect	35,642	10,000	25,642
49930 · Grant Income	0	22,500	(22,500)
Total Income	<u>1,737,980</u>	<u>1,550,500</u>	<u>187,480</u>
Gross Profit	1,737,980	1,550,500	187,480
Expense			
51000 · Wages & Salaries	378,522	405,500	(26,978)
52000 · Taxes & Benefits	204,014	205,600	(1,586)
53000 · Materials & Supplies	60,912	67,500	(6,588)
54000 · Equipment costs	22,254	28,500	(6,246)
55000 · Contracted services	50,112	76,500	(26,388)
55001 · Professional Fees	188,435	112,000	76,435
56000 · Resource development	51,224	36,500	14,724
57000 · Utilities	29,235	38,500	(9,265)
58000 · Regulatory and General	101,828	105,000	(3,172)
61000 · Capital Activities	108,028	213,500	(105,472)
62400 · Depreciation Expense	202,940	0	202,940
Total Expense	<u>1,397,504</u>	<u>1,289,100</u>	<u>108,404</u>
Net Ordinary Income	<u>340,476</u>	<u>261,400</u>	<u>79,076</u>
Net Income	<u><u>340,476</u></u>	<u><u>261,400</u></u>	<u><u>79,076</u></u>

Foresthill Public Utility District
Profit & Loss Budget vs. Actual
July through December 2024

	<u>Jul - Dec 24</u>	<u>Budget</u>	<u>\$ Over Budget</u>
Administration	320,506	269,500	68,368
Capital Expenditures	108,028	213,500	(170,217)
Customer Service	183,097	178,000	4,858
Distribution	210,494	268,000	85,592
Pumping	6,855	12,100	(5,073)
Regulatory Compliance	146,982	152,000	(5,018)
Source of Supply	6,726	12,500	28,954
Treatment	211,876	183,500	89,044
Depreciation	202,940	0	0
TOTAL	<u>1,397,504</u>	<u>1,289,100</u>	<u>108,404</u>

Fund Balances

	<u>7/1/2024</u>	<u>Received</u>	<u>Paid Out</u>	<u>Transfers</u>	<u>Balance</u>
General Fund - unspendable	11,109,706			(94,912)	11,014,794
General Fund - unrestricted	3,158,039	1,737,980	1,204,004	(98,587)	3,593,428
Operating reserves	1,076,100				1,076,100
Debt service reserves*	164,030		85,471	85,471	164,030
Capital reserves	427,000		108,028	108,028	427,000
Emergency reserves	600,000				600,000
Total Fund balances	<u>16,534,875</u>	<u>1,737,980</u>	<u>1,397,503</u>	<u>(0)</u>	<u>16,875,352</u>

* This budget includes Debt Service.

Foresthill Public Utility District Cash Disbursements Register

December 2024

Date	Num	Name	Memo	Paid Amount
Dec 24				
12/03/2024	34204	Auburn Area Answering Service	Answering Service- Dec 2024	-145.03
12/03/2024	34205	Foresthill Garage, Inc.	vehicle maintenance	-2,072.57
12/03/2024	34206	Hach Company	supplies	-961.53
12/03/2024	34207	Home Depot Credit Services	Supplies	-760.11
12/03/2024	34208	Inland Business Systems	Copier Costs - inv date 11/26/2024	-94.10
12/03/2024	34209	Kurt Reed	Health Insurance Nov 2024	-273.00
12/03/2024	34210	Meter, Valve & Control	Meter Endpoints (ERT)	-2,791.45
12/03/2024	34211	Secure Record Management	document disposal Q4 2024	-75.00
12/03/2024	34212	Vision Quest Information Solutions, Inc.	IT Service Jan 2025, UPS Gold plan 2023	-1,901.42
12/03/2024	ACH 120324	Wells Fargo Bank	Authnet Gateway monthly billing	-120.55
12/05/2024	ACH 120524	MidAmerica Admin & Ret Solutions, Inc.	retiree insurance	-670.00
12/05/2024	ACH 120524	CalPERS	PR 120624 457B	-250.00
12/05/2024	ACH 120524	CalPERS	PR 120624 PEPRA contribution	-1,725.96
12/05/2024	ACH 120524	CalPERS	Classic contribution Paydate 12-06-2024	-2,980.62
12/05/2024	ACH 120524	ADP	PR 120624 Taxes	-8,611.73
12/05/2024	ACH 120524	ADP	PR 120624 ADP Wage Pay	-20,292.39
12/06/2024	ACH 120624	Pacific Gas & Electric	Indian Ln Standby Well	-23.93
12/06/2024	ACH 120624	Pacific Gas & Electric	HQ Power	-235.76
12/06/2024	ACH 120624	Kronick, Moskovitz, et al	Legal Services- Client #012257	-12,146.87
12/09/2024	ACH 120924	Pacific Gas & Electric	Todd Valley Standby Well	-24.64
12/09/2024	ACH 120924	LSL CPAs & Assoc.	Nov 2024 accounting assistance (month end & year end audit assistance)	-13,590.00
12/10/2024	34213	Cranmer Engineering, Inc.	Water Quality	-410.50
12/10/2024	34214	Foresthill Valero	Nov Fuel	-783.49
12/10/2024	34215	Grant Hardware, Inc.	Nov Supplies	-109.76
12/10/2024	34216	Infosend	Utility Billing- Nov 2024	-1,494.53
12/10/2024	34217	PBI Engineering Consulting/Verdantas	Phase 1 Todd Valley Tank Project. Project #050.0000024518	-13,551.68
12/10/2024	34218	Sierra Mini Mart, Inc.	Fuel Nov 2024	-165.52
12/11/2024	ACH 121124	Bureau of Reclamation	USBR Sugar Pine Fee- Nov 2024	-1,663.36
12/12/2024	ACH 121224	USDA Forest Service	Payer Code 0003349984. Succor Peak annual rental	-148.16
12/16/2024	ACH 121624	Pacific Gas & Electric	Streetlight	-10.93
12/16/2024	ACH 121624	Economy Pest Control	HQ Pest Control. 2 months services. Acct #128503	-158.00
12/17/2024	34219	Catherine Ratliff	Refund 6402 Fernwood Ct	-122.39
12/17/2024	34220	Denise Murphy	Refund 20700 Birchwood Dr	-95.83
12/17/2024	34221	Eric & Mia Vander Linden	Refund 23183 Winter Hawk Wy	-78.83
12/17/2024	34222	Humana Insurance Co	Jan 2025 Retiree Insurance	-716.12
12/17/2024	34223	Itron, Inc.	Quarterly license for meters and scanners 1/1/25- 3/31/25	-932.52
12/17/2024	34224	J.S. West	Propane. Acct #348921	-389.47
12/17/2024	34225	Keenan & Associates	EE medical insurance Jan 25	-18,942.44
12/17/2024	34226	Lund Construction Co	Refund Sunset Dr hydrant, Foresthill, CA 95631	-1,250.00
12/17/2024	34227	MidAmerica Admin & Ret Solutions, Inc.	HRA Admin Fees 7/1/24 - 9/30/24	-213.00
12/17/2024	34228	Napa Auto Parts	vehicle maintenance- acct # 8802929	-61.30
12/17/2024	34229	Pacific Gas & Electric (customer refund)	Refund Hydrant Baltimore Mine, Foresthill, CA 95631	-1,250.00
12/17/2024	34230	Rodney & Albert Nicholls	Refund 6331 Green Pine Ct	-90.27
12/17/2024	34231	Rogers, Anderson, Malody & Scott (RAMS)	Auditing Services progress payment through 11/30/2024; FYE24	-8,550.00
12/17/2024	34232	Western Hydrologics, LLP	Annual Water rights usage reporting	-1,610.00
12/17/2024	34233	Hank White	boot reimbursement	-100.00
12/17/2024	34234	Placer County , Personnel	Jan 25 Dental Insurance	-618.38
12/17/2024	34235	Mutual of Omaha	EE life insurance Jan 25	-390.82
12/17/2024	ACH 121724	Recology Auburn Placer	Nov refuse WTP Acct #041126614	-39.04
12/17/2024	ach 121724	Recology Auburn Placer	Nov refuse HQ Acct #041126614	-39.04
12/18/2024	ACH 121824	American Messaging	Pager Dec	-11.75
12/19/2024	ACH 121924	CalPERS	PR 122024 457B	-250.00
12/19/2024	ACH 121924	CalPERS	PR 122024 PEPRA contribution	-1,725.96
12/19/2024	ACH 121924	CalPERS	Classic contribution Paydate 12-20-2024	-2,980.62
12/19/2024	ACH 121924	ADP	PR 122024 Taxes	-9,169.04
12/19/2024	ACH 121924	ADP	PR 122024 ADP Wage Pay	-21,874.92
12/20/2024	ACH 122024	Sebastian	Nov telephone. Acct# 00008712-7	-537.67
12/24/2024	ACH 122424	Verizon Wireless	phone/maps Nov 07 24 - Dec 06 24	-38.01
12/26/2024	ACH 122624	Vision Service Plan - (CA)	EE vision insurance Jan 2025- Client ID 30064591	-115.14
12/27/2024	ACH 122724	Pacific Gas & Electric	Sugar Pine Power	-938.23
12/27/2024	ACH 122724	Pacific Gas & Electric	pump plant power	-1,263.54
12/27/2024	ACH 122724	Pacific Gas & Electric	WTP power	-2,481.92
12/30/2024	ACH 123024	Kronick, Moskovitz, et al	Legal Services- Client #012257	-1,029.00
12/31/2024	ACH 123124	PBI Engineering Consulting/Verdantas	Phase 1 Todd Valley Tank Project. Project #050.0000024518	-21,963.50
12/31/2024	34236	Auburn Area Answering Service	Answering Service- Jan 2025	-139.45
12/31/2024	34237	Foresthill Garage, Inc.	vehicle maintenance	-180.02
12/31/2024	34238	Infosend	Lead Service Line Letter	-1,042.51
12/31/2024	34239	Inland Business Systems	Copier Costs - inv date 12/24/2024	-405.64
12/31/2024	34240	Kurt Reed	Health Insurance Dec 2024	-273.00
12/31/2024	34241	Picovale, Inc.	Data/web service Jan-Dec 2025	-886.00
12/31/2024	34242	SWRCB Accounting Office	Water system annual fees 2024-2025. System #3110003. District 9	-18,337.20
12/31/2024	34243	USA Blue Book	supplies. Cust #70441.	-185.85
12/31/2024	34244	Vision Quest Information Solutions, Inc.	IT Service Feb 2025, UPS Gold plan 2023	-1,769.85
12/31/2024	34245	Wells Fargo Bank	supplies & vehicle maintenance	-2,582.15
Dec 24				-213,913.01

Foresthill Public Utility District
Investment Policy Compliance
with Government Code Standards, and the Foresthill PUD Investment Plan Standards
As of December 31, 2024

Current Portfolio Balance: \$ 6,590,827

Ca Government Code Section 53601	Govt Code Maximum %	District Maximum %	District Actual %	Complies
Bonds issued by the District		100.00%	0.00%	Yes
Federal Treasury notes, bonds, bills	100.00%	100.00%	0.00%	Yes
State/local agency bonds, etc	100.00%	100.00%	40.56%	Yes
Federal Agency Bonds	100.00%	100.00%	12.39%	Yes
Negotiable certificates of Deposit	30.00%	30.00%	25.03%	Yes
Local Agencies Investment Fund	100.00%	100.00%	4.95%	Yes
Medium Term Corporate Notes	30.00%	30.00%	7.26%	Yes
Money Market Funds	15.00%	15.00%	0.49%	Yes
Collateralized bank deposits	100.00%	100.00%	9.31%	Yes
Shares of Beneficial Interest	20.00%	15.00%	0.00%	Yes
Mortgage pass through security bonds	20.00%	20.00%	0.00%	Yes
Total			100.00%	

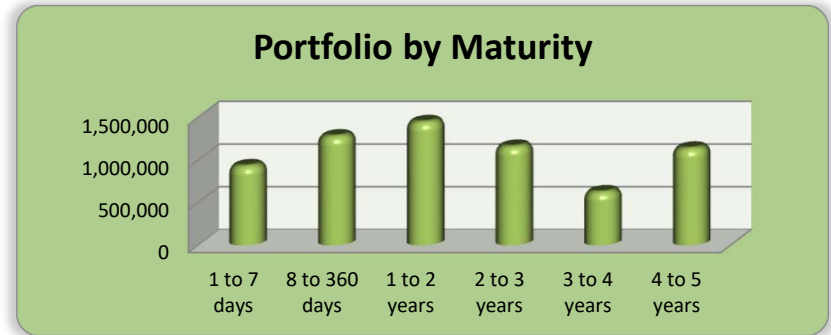
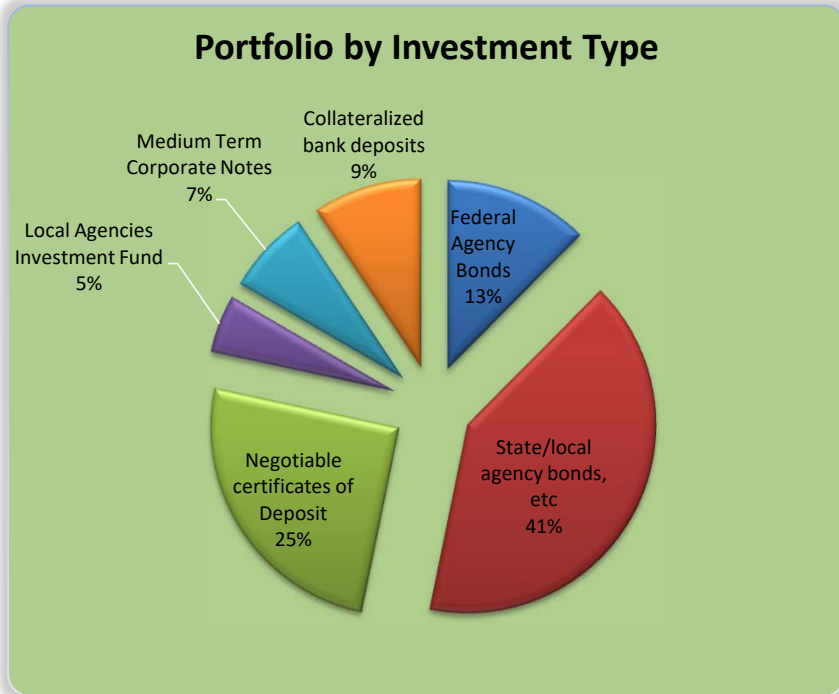
Balance by Maturity	Actual %	Actual \$
Range		
1 to 7 days	14%	931,987
8 to 360 days	19%	1,281,858
1 to 2 years	22%	1,449,572
2 to 3 years	18%	1,161,455
3 to 4 years	10%	627,118
4 to 5 years	17%	1,138,837
Over 5 years	0%	-
		6,590,827

Foresthill PUD
Quality Analysis Report
12/31/2024

Cusip	Rating	NAME	RATE	Trade Date	Settlement Date	Maturity Date	Units	Discount or Premium	Book Value	Market Value
Cash Accounts										
	N/R	Wells Fargo Checking	0.100%				566,373.90		566,373.90	566,373.90
	N/R	Umpqua Bank Savings	0.010%				7,025.85		7,025.85	7,025.85
	N/R	Local Agency Investment Fund	4.434%				326,368.11		326,368.11	326,368.11
Government Bonds										
05600XCP3	CD	BMO Harris Bank	1.000%	3/23/2021	4/13/2021	4/13/2026	100,000.00		100,000.00	96,144.00
066519QT9	CD	BankUnited	0.950%	3/23/2021	3/31/2021	3/31/2026	100,000.00		100,000.00	96,177.00
2546732B1	CD	Discover Bank	4.900%	11/17/2022	11/30/2022	11/30/2027	250,000.00		250,000.00	256,085.00
38149MXU2	CD	Goldman Sachs Bank	1.000%	7/27/2021	8/4/2021	8/4/2026	250,000.00		250,000.00	238,267.50
61690U3L2	CD	Morgan Stanley Bank	4.900%	3/17/2023	3/23/2023	3/23/2028	250,000.00		250,000.00	256,700.00
61768EAQ6	CD	Morgan Stanley Pvt Bank	1.800%	2/13/2020	2/20/2020	2/20/2025	50,000.00		50,000.00	49,814.00
61768ERA3	CD	Morgan Stanley Pvt Bank	4.900%	3/17/2023	3/23/2023	3/23/2028	200,000.00		200,000.00	205,360.00
795451AB9	CD	Sallie Mae Bank	1.000%	7/19/2021	7/21/2021	7/21/2026	200,000.00		200,000.00	190,824.00
856285SK8	CD	State Bank of India	2.000%	1/14/2020	1/22/2020	1/22/2025	50,000.00		50,000.00	49,918.50
856285VE8	CD	State Bank of India	0.900%	3/23/2021	3/25/2021	3/25/2026	100,000.00		100,000.00	96,192.00
90348JN48	CD	UBS Bank	0.750%	6/16/2021	6/23/2021	6/23/2026	100,000.00		100,000.00	95,238.00
Corporate Securities										
037833BY5	AA1	Apple Inc	3.250%	3/23/2021	3/25/2021	2/23/2026	100,000.00	1,848.00	101,848.00	98,793.00
09290DAA9	AA-	Blackrock Funding	4.700%	4/2/2024	4/4/2024	3/14/2029	100,000.00	302.00	100,302.00	100,073.00
166764BW9	AA-	Chevron Corp	1.554%	3/4/2021	3/8/2021	5/11/2025	100,000.00	446.00	100,446.00	98,912.00
30303M8S4	AA3	Meta Platforms	4.300%	10/7/2024	10/8/2024	8/15/2029	100,000.00	1,352.27	101,352.27	98,744.00
30303M8S4	AA3	Meta Platforms	4.300%	11/12/2024	11/13/2024	8/15/2029	75,000.00	(295.73)	74,704.27	74,058.00
	N/R	Wells Fargo Advisors Money Market	0.027%				32,219.30		32,219.30	32,219.30
Total Portfolio							5,727,219.30	(76,330.74)	5,650,882.31	5,583,351.05
Accrued Portfolio Interest							40,197.12		40,197.12	40,197.12
Portfolio and Cash Accounts								(76,330.74)	6,590,827.29	6,523,316.03

Foresthill PUD
 Activity Detail
 12/01/2024 to 12/31/2024

<u>Transaction Date</u>				<u>Amount</u>	<u>Premium/Gain</u>
<u>Transaction Type</u>	<u>Quantity</u>	<u>Description</u>	<u>Price</u>	<u>Int Purch/Sold</u>	<u>(Discount)/(Loss)</u>
Investment Portfolio - Wells Fargo Advisors					
12/2/2024	138.25	California State DWR	1.000	138.25	
Interest Received		0.890% due 12/1/2025			
12/2/2024	187.50	Capistrano CA USD	1.000	187.50	
Interest Received		2.500% due 12/1/2024			
12/2/2024	260.15	Mass Trans Housing	1.000	260.15	
Interest Received		5.203% due 6/1/2025			
12/2/2024	2,067.00	Santa Clarita Pub Fing Auth	1.000	2,067.00	
Interest Received		2.067% due 6/1/2029			
12/2/2024	216.45	Walnut valley CA	1.000	216.45	
Interest Received		0.962% due 6/1/2026			
12/23/2024	61.64	UBS Bank	1.000	61.64	
Interest Received		0.750% due 6/23/2026			
12/30/2024	5,522.50	Fed Home Loan Bank	1.000	5,522.50	
Interest Received		4.700% due 6/30/2027			
12/31/2024	80.68	BankUnited	1.000	80.68	
Interest Received		0.950% due 3/31/2026			
12/31/2024	2.15	Standard bank deposit	1.000	2.15	
Interest Received		Money Market/Sweep Funds			
12/2/2024	(15,000.00)	Capistrano CA USD	1.000	(15,000.00)	
Redemption		2.500% due 12/1/2024			





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Item F 2 - 2023/2024 Audit

February 4, 2025

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MEMBERS

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for CPA Firms*

*Governmental Audit
Quality Center*

California Society of
Certified Public Accountants

To the Board of Directors

We have audited the financial statements of the Foresthill Public Utility District (the entity) as of and for the year ended June 30, 2024, and have issued our report thereon dated February 4, 2025. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated October 21, 2024, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of the system of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the system of internal control of the entity solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.



Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.

We have evaluated whether certain nonattest services performed by our firm during the audit have created a significant threat to our independence in relation to the entity. We have identified a threat to our independence (preparation of the entity's financial statements, creating a self-review threat) that if not reduced to an acceptable level, would impair our independence. In order to reduce the threat to an acceptable level, we have applied the following safeguard:

Prior to the issuance of the entity's financial statements, another partner or manager, independent of the engagement, will review the financial statements.

Significant Risks Identified

We have identified the possibility of the following significant risks:

Management's override of internal controls over financial reporting – Management override of internal controls is the intervention by management in handling financial information and making decisions contrary to internal control policy.

Revenue recognition – Revenue recognition is a generally accepted accounting principle that refers to the conditions under which an entity can recognize a transaction as revenue. Auditing standards indicate that recognizing revenue is a presumed fraud risk and usually classified as a significant risk in most audits.

These significant risks are presumptive in most audits and merit attention by the auditors due to the direct impact over financial reporting and internal control processes. Although identified as significant risks, we noted no matters of management override of controls or deviations from generally accepted accounting principles which caused us to modify our audit procedures or any related matters which are required to be communicated to those charged with governance due to these identified risks.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the entity is included in Note 1 to the financial statements. The entity adopted GASB Statement No. 100, Accounting Changes and Error Corrections during 2024. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates and Related Disclosures

Accounting estimates and related disclosures are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the entity's financial statements are:

Management's estimate of the net pension liability and related deferred inflows and outflows of resources are based on actuarial reports by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the liability for other post-employment benefits (OPEB) and related deferred inflows and outflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimate in determining that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users.

The most sensitive disclosures affecting the entity's financial statements relate to:

The disclosure of fair value of investments in the basic financial statements represents amounts susceptible to market fluctuations.

The disclosure of capital assets (and related accumulated depreciation) in the basic financial statements is based on historical information which could differ from actual useful lives of each capitalized item.

The disclosure of net pension liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

The disclosures of the other post-employment benefits (OPEB) liability and related deferred inflows and outflows of resources in the basic financial statements is based on actuarial assumptions. Actual future liabilities and actuarial deferred inflows and outflows may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. There were no uncorrected misstatements noted.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole or applicable opinion unit.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the entity's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated February 4, 2025.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, the entity utilized the services of LSL, CPA for consulting services related to the fiscal yearend closing process.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the entity, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the entity's auditors.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This report is intended solely for the information and use of the Board of Directors and management of the entity and is not intended to be and should not be used by anyone other than these specified parties.

Very truly yours,

Rogers, Anderson, Malody & Scott, LLP.

February 4, 2025

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of the basic financial statements of Foresthill Public Utility District (the entity) as of June 30, 2024 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows of the entity in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information such that, in the light of surrounding circumstances, there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of February 4, 2025:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated October 21, 2024, for the preparation and fair presentation of the financial statements referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of the system of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- The methods, data and significant assumptions used by us in making accounting estimates and their related disclosures, are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.

- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, if any, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus as amended*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- We have evaluated all of our lease and subscription agreements and have given you our assessment as to whether each agreement is subject to GASB Statement No. 87, *Leases* and GASB Statement No. 96, *Subscription Based Information Technology Arrangements*.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, a process to monitor the system of internal controls.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - A written acknowledgement of all the documents that we expect to issue that will be included in the annual report and the planned timing and method of issuance of that annual report;
 - A final version of the annual report (including all the documents that, together, comprise the annual report) in a timely manner prior to the date of the auditor's report.
- The financial statements and any other information included in the annual report are consistent with one another, and the other information does not contain any material misstatements.
- All information provided in electronic form are true representations of the original documents.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and we believe that our use of the going concern basis of accounting is appropriate.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- We are not aware of any pending or threatened litigation, claims, or assessments, or unasserted claims or assessments that are required to be accrued or disclosed in the financial statements in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements* (FASB Accounting Standards Codification™ (ASC) 450, Contingencies), and we have not consulted a lawyer concerning litigation, claims, or assessments.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The entity has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the entity is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to

be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.

- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- The entity has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Use of a Specialist

- We agree with the findings of specialists in evaluating the entity's net pension and net other post-employment benefit liabilities and related deferred amounts and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.
- We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances

Cybersecurity

- There have been no cybersecurity breaches or other cyber events whose effects should be considered for disclosure in the financial statements, as a basis for recording a loss contingency, or otherwise considered when preparing the financial statements.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the supplementary information in accordance with accounting principles generally accepted in the United States of America.

- We believe the supplementary information, including its form and content, is fairly presented in accordance with accounting principles generally accepted in the United States of America.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
- When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
- We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
- We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- We acknowledge our responsibility for the presentation of the required supplementary information in accordance with U.S. GAAP.
- We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with U.S. GAAP.
- The methods of measurement or presentation have not changed from those used in the prior period.
- We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.



Henry N. White, General Manager



**FORESTHILL PUBLIC UTILITY DISTRICT
ANNUAL FINANCIAL REPORT
with
Independent Auditor's Report Thereon
JUNE 30, 2024**

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FORESTHILL PUBLIC UTILITY DISTRICT

District Officials

District Board of Directors

Ron Thompson	President
Jane Stahler	Vice President
Mark Bell	Treasurer
Roger Pruet	Director
Peter Kappelhof	Director

Other District Officials

Henry White	General Manager
-------------	-----------------



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Independent Auditor's Report

To the Board of Directors
Foresthill Public Utility District
Foresthill, California

PARTNERS

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Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, and each major fund of Foresthill Public Utility District (District) as of and for the year-ended June 30, 2024, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the District as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America and the State Controller's *Minimum Audit Requirements for California Special Districts*.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special Districts*. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.



Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the budget to actual-enterprise fund, schedule of operating expense-enterprise fund and debt covenant ratios but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
February 4, 2025

Foresthill Public Utility District

Management's Discussion and Analysis For the year ended June 30, 2024

This section of the Foresthill Public Utility District (District) annual financial report presents a narrative overview and analysis of the District's financial activities for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with the transmittal letter in the Introductory Section and with the basic financial statements and related notes, which follow this section.

Financial Highlights

- The District's government-wide net position increased 1.03% or \$149,793 to \$14,762,314 in fiscal year 2024 due primarily to an increase in interest income of \$259,910.
- In 2024, the District's Enterprise Fund's total charges for services increased 0.03% or \$895 to \$2,729,509.
- In 2024, the District's Enterprise Fund's operating grants and contributions decreased by \$1,201,900 due to a one-time operating grant received in fiscal year 2023.

Overview of the Financial Statements

The financial section of this report consists of the following parts:

- Independent Auditor's Report;
- Management's Discussion and Analysis (this section);
- Basic Financial Statements:
 - Government-Wide Financial Statements;
 - Fund Financial Statements; and
 - Notes to Financial Statements
- Required Supplementary Information
- Supplemental Information

The basic financial statements include two kinds of statements that present different views of the District.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the District's assets and liabilities, with the difference between the two reported as "net position." Over time, increases or decreases in net position may serve as a useful indicator of the District's financial improvement or deterioration.

Foresthill Public Utility District

Management's Discussion and Analysis
For the year ended June 30, 2024

The Statement of Activities presents information showing how the government's net position changed during the past year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows (accrual basis of accounting). Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenue – “governmental activities” from other functions that are intended to recover all or a significant portion of their costs through users fees and charges – “business-type activities.” The governmental activities of the Foresthill Public Utility District includes debt service for the improvement bonds. The business-type activity of the District's is the water system.

Fund Financial Statements

A “fund” is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories:

- Governmental Funds; and
- Proprietary Funds

Governmental funds are used to account for essentially the same functions reported as “governmental activities” in the government-wide financial statements. However, unlike those statements, the focus in these statements is on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. This information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District has only one governmental fund: Assessment District No. 2 Debt Service Fund. Proprietary funds are generally used to account for services for which the District charges customers. Proprietary funds provide the same type of information as shown in the government-wide financial statements, only in more detail. The District maintains one type of proprietary fund, an enterprise fund, as described below.

Enterprise funds are used to report the same functions as presented as business-type activities in the government-wide financial statements. The District uses an enterprise fund to account for water operations.

Foresthill Public Utility District

Management's Discussion and Analysis
For the year ended June 30, 2024

Notes to the Basic Financial Statements

The Notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages as listed in the table of contents of this report.

Required Supplementary Information

The required supplementary information regarding the funding progress of the District's pension and OPEB plans can be found as listed in the table of contents of this report.

Supplemental Information

These schedules are for additional analyses for the District Enterprise Fund and can be found as listed in the table of contents of this report.

Government-wide Financial Analysis

Analysis of Net Position

With the consolidation of government-wide net position into one statement and other changes such as the exclusion of fiduciary funds, net position may now serve as a useful indicator of a government's financial position. For the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14.76 million. The summary of net position is as follows as of June 30, 2024 and 2023:

	2024	2023	FY 2024 \$ Change	FY 2024 % Change
Assets:				
Current assets	\$ 6,900,932	\$ 6,385,069	\$ 515,863	8.08%
Other non-current assets	918,492	997,636	(79,144)	-7.93%
Capital assets, net	11,165,375	11,208,739	(43,364)	-0.39%
Total Assets	18,984,799	18,591,444	393,355	2.12%
Deferred Outflows of Resources:				
Pension related	434,932	529,683	(94,751)	-17.89%
Liabilities:				
Current liabilities	707,446	767,847	(60,401)	-7.87%
Long-term liabilities	3,018,768	2,759,973	258,795	9.38%
Total Liabilities	3,726,214	3,527,820	198,394	5.62%
Deferred Inflows of Resources:				
Pension related	30,123	-	30,123	100.00%
Special assessments	901,080	980,786	(79,706)	-8.13%
Total Deferred inflows of Resources	931,203	980,786	(49,583)	-5.06%
Net Position:				
Net investment in capital assets	10,500,015	10,297,521	202,494	1.97%
Restricted	2,284,542	2,399,356	(114,814)	-4.79%
Unrestricted	1,977,757	1,915,644	62,113	3.24%
Total Net Position	\$ 14,762,314	\$ 14,612,521	\$ 149,793	1.03%

Foresthill Public Utility District

Management's Discussion and Analysis For the year ended June 30, 2024

- Total net position increased by \$149,793 from 2023 to 2024.
- \$10,500,015 (net of related debt) is invested in capital assets (e.g., land, buildings, other improvements, construction in progress, and equipment) less any outstanding related debt used to acquire these assets. The District uses these capital assets to provide services to the community; consequently, these assets are not available for future spending.
- \$2,284,542 (15.48%) in net position is restricted and represents resources that are subject to restrictions either by enabling legislation or externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments. The detail of this amount can be found in Note 1 to the financial statements.
- The remaining unrestricted net position for 2024 is \$1,977,757, while in 2023 it was \$1,915,644.
- Current assets increased by \$515,863, or 8.08%, primarily due to changes in the fair value of investments and the purchase of new investment securities.
- Long-term liabilities increased by a net of \$258,795, or 9.38%, due to \$264,919 in debt repayments offset by a \$425,557 increase in net OPEB liability due to revised Tier 1 benefit assumptions.

Changes in Net Position

The following table reflects the change in net position for Governmental and Business-type Activities for the years ended June 30, 2024 and 2023:

	2024	2023	FY 2024 \$ Change	FY 2024 % Change
Program Revenues:				
Charges for services				
Sales of water	\$ 2,698,667	\$ 2,700,614	\$ (1,947)	-0.07%
Water service related fees	30,842	28,000	2,842	10.15%
Operating grants and contributions				
Grant income	-	1,201,900	(1,201,900)	-100.00%
Total Program Revenues	2,729,509	3,930,514	(1,201,005)	-30.56%
Program Expenses:				
Source of supply	11,584	23,667	(12,083)	-51.05%
Pumping	14,241	24,970	(10,729)	-42.97%
Water treatment	454,644	450,476	4,168	0.93%
Transmission and distribution	375,920	476,905	(100,985)	-21.18%
Customer service	378,948	332,316	46,632	14.03%
Regulatory compliance	238,689	276,293	(37,604)	-13.61%
Administration and general	542,098	386,355	155,743	40.31%
Pension and OPEB	678,970	463,061	215,909	46.63%
Depreciation and amortization	408,163	387,251	20,912	5.40%
Interest expense	72,937	82,106	(9,169)	-11.17%
Total Program Expenses	3,176,194	2,903,400	272,794	9.40%
General Revenues:				
Interest income (loss)	297,802	37,892	259,910	118.38%
Assessments received	83,393	84,271	(878)	-1.04%
Property taxes	125,281	130,970	(5,689)	-4.34%
Capital facility fees	-	42,136	(42,136)	-100.00%
Loss on disposal of capital assets	(9,998)	-	(9,998)	100.00%
Other revenue	100,000	-	100,000	100.00%
Total General Revenues	596,478	295,269	301,209	102.01%
Change in Net Position	149,793	1,322,383	(1,172,590)	-88.67%
Net Position, beginning of year	14,612,521	13,290,138	1,322,383	9.95%
Net Position, end of year	\$ 14,762,314	\$ 14,612,521	\$ 149,793	1.03%

Foresthill Public Utility District

Management's Discussion and Analysis For the year ended June 30, 2024

Governmental Activities changed the District's net position by \$133,172. Business-type Activities changed the District's net position as follows:

Increase in capital assets, net of related debt	\$ 202,494
Decrease in reserve for operations	(74,730)
Decrease in reserve for debt services	(40,646)
Decrease in unrestricted reserves	(70,497)
Change in net position	<u>\$ 16,621</u>

Such increases in net position are vital to the District as capital projects must be "saved up" for. During the fiscal year, the District completed a pipeline replacement project that ultimately cost \$2,606,630. Additional projects are planned and will be completed as the necessary reserves are accumulated.

Revenues

The Governmental Activities total revenues were \$183,955 and Business-type Activity revenues were \$3,152,030 for the year ended June 30, 2024. For Business-type Activities this represented a total decrease of \$989,179 from 2023. Program revenues include charges for services. Program revenues provided approximately \$2,729,509 for business-type activities. The primary reason for the decrease in program revenues is due to grant funds received and spent during the prior year that were not received in the current year. General revenues include, among other things, taxes, assessments, and contributions from Assessment District No. 2, which is reported as other revenue. General revenues provided \$422,521 for the enterprise fund and \$183,955 for Assessment District No. 2. The majority of general revenues came from property taxes, capital facility fees, and investment earnings.

Expenses

Expenses for the District totaled \$3,186,192 for the fiscal year ended June 30, 2024. Governmental Activities incurred \$50,783 in expenses and Business-type Activities incurred \$3,135,409 in expenses during the year, an increase of 10.09%, primarily due to fluctuations in net pension and OPEB liabilities. Business-type activity expenses were funded by program revenues.

Financial Analysis of the District's Funds

The Foresthill Public Utility District uses fund accounting to segregate accounts for specific activities or objectives, including demonstrating finance-related legal compliance.

Foresthill Public Utility District

Management's Discussion and Analysis
For the year ended June 30, 2024

Governmental Funds

The focus of the District's governmental fund is to provide information on near-term inflows, outflows, and balances of resources that are available to provide services and capital project construction. In particular, unreserved fund balance may serve as a useful measure of a government's net spendable resources.

At the end of fiscal year 2023-24, the District's governmental fund reported restricted fund balance of \$17,412 for debt service and a deficit of \$278,573 in unassigned fund balance.

Capital Asset and Debt Administration

Capital Assets

The capital assets are reported as follows:

	2024	2023
Capital assets, not being depreciated		
Land	\$ 36,568	\$ 36,568
Construction in progress	-	2,275,884
Total assets not being depreciated	<u>36,568</u>	<u>2,312,452</u>
Depreciable capital assets		
Assets at cost:		
Source of supply	3,018,966	3,016,487
Pumping plant	31,286	31,286
Water treatment	553,327	1,538,065
Transmission and distribution	12,164,568	11,313,280
General plant	347,631	498,023
Total assets at cost	<u>16,115,778</u>	<u>16,397,141</u>
Less accumulated depreciation	<u>(5,982,706)</u>	<u>(8,540,687)</u>
Net depreciable assets	<u>10,133,072</u>	<u>7,856,454</u>
Amortized capital assets	1,260,069	1,249,577
Less accumulated amortization	<u>(264,334)</u>	<u>(209,744)</u>
Net amortized assets	<u>995,735</u>	<u>1,039,833</u>
Capital Assets, Net	<u>\$ 11,165,375</u>	<u>\$ 11,208,739</u>

The District's investment in capital assets, before the related debt, for its governmental and business-type activities as of June 30, 2024, was \$11,165,375 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements other than buildings, and equipment. The District's investment in capital assets, before the related debt, had a net decrease of \$43,364 primarily due to the disposal of multiple assets, most of which were fully depreciated. For government-wide financial statement presentation, all depreciable capital assets are depreciated from the acquisition date over their useful lives on a straight-line basis. More information on capital assets can be found in Note 3 of the notes to the basic financial statements.

Foresthill Public Utility District

Management's Discussion and Analysis
For the year ended June 30, 2024

Debt Administration

At the end of FY 2023-24, the District had long-term liabilities of \$1,511,400 and \$665,360 for governmental activities and business-type activities, respectively. Additional information about the District's long-term obligations can be found in Note 5 in the notes to the basic financial statements.

Government Activities:	<u>2024</u>	<u>2023</u>
<i>Assessment District No. 2 Debt Service Fund:</i>		
2017 Water Revenue bonds	\$ 609,200	\$ 674,900
2017 Limited Obligation Refunding bonds	<u>902,200</u>	<u>954,600</u>
Total Assessment District	<u>1,511,400</u>	<u>1,629,500</u>
Business-Type Activities:		
<i>District Enterprise Fund:</i>		
2014 Water loan agreement	<u>665,360</u>	<u>812,179</u>
Total Enterprise Fund	<u>665,360</u>	<u>812,179</u>
Total Long-Term Debt	<u>\$ 2,176,760</u>	<u>\$ 2,441,679</u>

Going Forward

For the District's Adopted Budget for Fiscal Year 2024-25, revenues are projected conservatively, with water service charges remaining the primary source. A 2% rate increase, effective July 15, 2024, is expected to help offset rising operational costs, ensuring financial stability. The Fiscal Year 2024-25 Budget forecasted increase in net position before non-operating activities, such as contributions to the Assessment District No. 2 Debt Service Fund and replenishment of capital reserves, is \$948,800; after these activities, the increase is projected to be \$390,000. This reflects positive financial conditions for the District, with revenues anticipated to exceed expenses, positioning the District to meet its current operations and build reserves for future capital improvements.

The Fiscal Year 2024-25 budget includes a 10% cost-of-living adjustment approved in May 2024, followed by an additional 3% adjustment effective January 2025. The salary increases aim to improve the District's ability to recruit and retain qualified staff, which is critical to maintaining operational efficiency and service reliability. All approved positions are currently filled, reducing reliance on external contractors, particularly within the Distribution cost center. Reflecting a return to stability following staffing challenges in previous years.

Foresthill Public Utility District

Management's Discussion and Analysis
For the year ended June 30, 2024

Building on the prior years, the District plans to advance several critical infrastructure projects to improve water service reliability and operational resilience. Important capital projects planned for Fiscal Year 2024-25 include several equipment purchases, SCADA/GIS system upgrades, and auxiliary generators. These projects address immediate needs, and in the Capital Improvement Plan there are additional longer-term initiatives, such as pipeline replacement projects, that remain a priority for the District, although these projects are contingent on funding availability.

The District continues to balance immediate infrastructure needs with long-term planning, demonstrating a continued commitment to fiscal sustainability while ensuring reliable service for its customers.

Requests for Information

This financial report is designed to provide the District's funding sources, customers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District at 24540 Main Street, Foresthill, California, or call (530) 367-2511.



BASIC FINANCIAL STATEMENTS

FORESTHILL PUBLIC UTILITY DISTRICT

Statement of Net Position June 30, 2024

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ -	\$ 717,135	\$ 717,135
Investments	-	5,420,644	5,420,644
Accounts receivable:			
Accounts receivable, net	-	391,974	391,974
Taxes receivable	-	109,200	109,200
Interest receivable	-	39,704	39,704
Prepaid expenses	-	169,276	169,276
Internal balances	(263,999)	263,999	-
Inventory - materials and supplies	-	52,999	52,999
	<u>(263,999)</u>	<u>7,164,931</u>	<u>6,900,932</u>
Total current assets			
	<u>(263,999)</u>	<u>7,164,931</u>	<u>6,900,932</u>
Noncurrent assets:			
Capital assets, net	-	11,165,375	11,165,375
Assessment receivable	901,080	-	901,080
Restricted cash and cash equivalents	17,412	-	17,412
	<u>918,492</u>	<u>11,165,375</u>	<u>12,083,867</u>
Total noncurrent assets			
	<u>918,492</u>	<u>11,165,375</u>	<u>12,083,867</u>
Total assets	<u>654,493</u>	<u>18,330,306</u>	<u>18,984,799</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows - pension related	-	434,932	434,932
	<u>-</u>	<u>434,932</u>	<u>434,932</u>
LIABILITIES			
Current liabilities:			
Accounts payable	-	66,900	66,900
Accrued salaries and benefits	-	29,229	29,229
Accrued interest payable	14,574	3,271	17,845
Customer deposits payable	-	70,818	70,818
Compensated absences liability	-	253,229	253,229
Long-term liabilities, due within one year	121,800	147,625	269,425
	<u>136,374</u>	<u>571,072</u>	<u>707,446</u>
Total current liabilities			
	<u>136,374</u>	<u>571,072</u>	<u>707,446</u>
Long-term liabilities:			
Net other post-employment benefits payable	-	505,827	505,827
Net pension liability	-	605,606	605,606
Long-term debt, net current	1,389,600	517,735	1,907,335
	<u>1,389,600</u>	<u>1,629,168</u>	<u>3,018,768</u>
Total long-term liabilities			
	<u>1,389,600</u>	<u>1,629,168</u>	<u>3,018,768</u>
Total liabilities	<u>1,525,974</u>	<u>2,200,240</u>	<u>3,726,214</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows - pension related	-	30,123	30,123
Special assessments to be collected	901,080	-	901,080
	<u>901,080</u>	<u>30,123</u>	<u>931,203</u>
Total deferred inflows of resources	<u>901,080</u>	<u>30,123</u>	<u>931,203</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	-	10,500,015	10,500,015
Restricted	17,412	2,267,130	2,284,542
Unrestricted	(1,789,973)	3,767,730	1,977,757
	<u>(1,772,561)</u>	<u>16,534,875</u>	<u>14,762,314</u>
Total net position	<u>\$ (1,772,561)</u>	<u>\$ 16,534,875</u>	<u>\$ 14,762,314</u>

The accompanying notes are an integral part of these financial statements.

FORESTHILL PUBLIC UTILITY DISTRICT

Statement of Activities For the year ended June 30, 2024

<u>Functions/Programs</u>	<u>Program Revenues</u>			<u>Net Changes in Net Position</u>			
	<u>Operating Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Governmental activities:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Interest on long-term debt	50,783	-	-	-	(50,783)	-	(50,783)
Total governmental activities	50,783	-	-	-	(50,783)	-	(50,783)
Business-type activities:							
Water	3,135,409	2,729,509	-	-	-	(405,900)	(405,900)
Total business-type activities	3,135,409	2,729,509	-	-	-	(405,900)	(405,900)
Total	\$ 3,186,192	\$ 2,729,509	\$ -	\$ -	(50,783)	(405,900)	(456,683)
			General revenues:				
			Property taxes		-	125,281	125,281
			Investment earnings		562	297,240	297,802
			Assessments received		83,393	-	83,393
			Other revenue		100,000	-	100,000
			Total general revenues		183,955	422,521	606,476
			Change in net position		133,172	16,621	149,793
			Net position (deficit)				
			Beginning of year		(1,905,733)	16,518,254	14,612,521
			End of year		\$ (1,772,561)	\$ 16,534,875	\$ 14,762,314

The accompanying notes are an integral part of these financial statements.

FORESTHILL PUBLIC UTILITY DISTRICT

Balance Sheet - Governmental Fund
Assessment District No. 2 Debt Service Fund
June 30, 2024

ASSETS

Restricted cash and investments	\$ 17,412
Total assets	<u>\$ 17,412</u>

LIABILITIES AND FUND BALANCE

LIABILITIES

Interest payable	\$ 14,574
Due to other funds	<u>263,999</u>
Total liabilities	<u>278,573</u>

FUND BALANCE (DEFICIT)

Restricted for debt service	17,412
Unassigned	<u>(278,573)</u>
Total fund balance	<u>(261,161)</u>
Total liabilities and fund balance	<u>\$ 17,412</u>

The accompanying notes are an integral part of these financial statements.

FORESTHILL PUBLIC UTILITY DISTRICT

Reconciliation of the Balance Sheet of Governmental Fund to the Government-wide
Statement of Net Position
June 30, 2024

Fund balance (deficit) of governmental fund \$ (261,161)

Amounts reported for governmental activities in the statement of net position are different because:

Long-term amounts not due are available in the current period and, accordingly, are not reported in the governmental funds balance sheet:

Assessment receivable 901,080

Long-term liabilities are not due and payable in the current period and, accordingly, are not reported as governmental funds balance sheet:

Bonds payable (1,511,400)

Deferred assessments (901,080)

Net position (deficit) of governmental activities \$ (1,772,561)

The accompanying notes are an integral part of these financial statements.

FORESTHILL PUBLIC UTILITY DISTRICT

Statement of Revenues, Expenditures, and Changes in Fund Balance – Governmental Fund
Assessment District No. 2 Debt Service Fund
For the year ended June 30, 2024

REVENUES

Interest income	\$ 562
Assessments revenue	83,393
Other revenues	<u>100,000</u>
Total revenues	<u>183,955</u>

EXPENDITURES

Debt Service:	
Interest expenses	50,783
Principal payments	<u>118,100</u>
Total expenditures	<u>168,883</u>

Excess (Deficiency) of Revenues Over (Under) Expenditures 15,072

FUND BALANCE (DEFICIT)

Beginning of year	<u>(276,233)</u>
End of year	<u>\$ (261,161)</u>

The accompanying notes are an integral part of these financial statements.

FORESTHILL PUBLIC UTILITY DISTRICT

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balance of
the Governmental Fund to the Government-wide Statement of Activities
For the year ended June 30, 2024

Net change in fund balance - total governmental fund \$ 15,072

Amounts reported for governmental activities in the statement of activities are
different because:

Repayment of principal is an expenditure in the governmental funds, but in the
Statement of Net Position the repayment reduces long-term liabilities:

Repayment of principal 118,100

Change in net position of governmental activities \$ 133,172

The accompanying notes are an integral part of these financial statements.

FORESTHILL PUBLIC UTILITY DISTRICT

Statement of Net Position
District Enterprise Fund
June 30, 2024

ASSETS

Current assets:

Cash and cash equivalents	\$ 717,135
Investments	5,420,644
Receivables, net:	
Accounts receivable	391,974
Taxes receivable	109,200
Interest receivable	39,704
Prepaid expenses	169,276
Due from other funds	263,999
Inventory-materials and supplies	52,999
	<hr/>
Total current assets	7,164,931

Noncurrent assets:

Capital assets, not depreciated	36,568
Capital assets, net of accumulated depreciation and amortization	11,128,807
	<hr/>
Total noncurrent assets	11,165,375
	<hr/>
Total assets	18,330,306

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows - pension related	434,932
	<hr/>

LIABILITIES

Current liabilities:

Accounts payable	66,900
Accrued salaries and benefits	29,229
Accrued interest payable	3,271
Customer deposits payable	70,818
Compensated absences liability	253,229
Long-term debt, due within one year	147,625
	<hr/>
Total current liabilities	571,072

Noncurrent liabilities:

Net other post-employment benefits payable	505,827
Net pension liability	605,606
Long-term liabilities	517,735
	<hr/>
Total noncurrent liabilities	1,629,168
	<hr/>
Total liabilities	2,200,240

DEFERRED INFLOWS OF RESOURCES

Deferred inflows - pension related	30,123
	<hr/>

NET POSITION

Net investment in capital assets	10,500,015
Restricted	2,267,130
Unrestricted	3,767,730
	<hr/>
Total net position	\$ 16,534,875

The accompanying notes are an integral part of these financial statements.

FORESTHILL PUBLIC UTILITY DISTRICT

Statement of Revenues, Expenses, and Changes in Net Position
District Enterprise Fund
For the year ended June 30, 2024

OPERATING REVENUES

Sales of water	\$ 2,698,667
Water service related fees	<u>30,842</u>
Total operating revenues	<u>2,729,509</u>

OPERATING EXPENSES

Source of supply	11,584
Pumping	14,241
Water treatment	454,644
Transmission and distribution	375,920
Customer service	378,948
Regulatory compliance	238,689
Administration and general	542,098
Pension and OPEB adjustments	678,970
Depreciation and amortization	<u>408,163</u>
Total operating expenses	<u>3,103,257</u>
Operating income	<u>(373,748)</u>

NONOPERATING REVENUES (EXPENSES)

Investment income	297,240
Property taxes	125,281
Loss on disposal of capital assets	(9,998)
Interest expense	<u>(22,154)</u>
Total nonoperating revenues (expenses)	<u>390,369</u>
Change in net position	16,621

NET POSITION

Beginning of year	<u>16,518,254</u>
End of year	<u>\$ 16,534,875</u>

The accompanying notes are an integral part of these financial statements.

FORESTHILL PUBLIC UTILITY DISTRICT

Statement of Cash Flows
District Enterprise Fund
For the year ended June 30, 2024

CASH FLOWS FROM OPERATING ACTIVITIES	
Cash receipts from customers and users	\$ 2,810,768
Cash paid to suppliers	(1,356,306)
Cash paid to employees and for related benefits	<u>(674,435)</u>
Net cash provided by operating activities	<u>780,027</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Interfund borrowings	14,511
Property tax receipts	<u>28,678</u>
Net cash provided by noncapital financing activities	<u>43,189</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES	
Purchases of capital assets	(374,797)
Retention payments	(99,039)
Interest paid	(22,876)
Payments on long-term, debt	<u>(146,819)</u>
Net cash (used for) capital and related financing activities	<u>(643,531)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest and net investment gains (losses)	<u>289,779</u>
Net cash provided by investing activities	<u>289,779</u>
Net change in cash and cash equivalents	469,464
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>5,668,315</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 6,137,779</u>
Reconciliation to the Statement of Net Position	
Cash and cash equivalents	\$ 717,135
Investments	<u>5,420,644</u>
Total cash and cash equivalents	<u>\$ 6,137,779</u>

The accompanying notes are an integral part of these financial statements.

FORESTHILL PUBLIC UTILITY DISTRICT

Statement of Cash Flows
District Enterprise Fund
For the year ended June 30, 2024

(Concluded)

**RECONCILIATION OF OPERATING INCOME (LOSS) TO
NET CASH PROVIDED BY OPERATING ACTIVITIES**

Operating income (loss)	\$ (373,748)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities	
Depreciation and amortization	408,163
Change in assets and liabilities:	
Accounts receivable	81,259
Inventory-materials and supplies	1,267
Prepaid Expenses	(24,861)
Accounts payable	11,959
Accrued salaries	7,729
Deposits payable	12,100
Compensated absences	3,065
Pension/OPEB related	653,094
	<hr/>
Net cash provided by operating activities	<u><u>\$ 780,027</u></u>

The accompanying notes are an integral part of these financial statements.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of Foresthill Public Utility District (the “District”) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body of establishing governmental accounting and financial reporting principles. As allowed by the GASB, the District has elected to apply to its proprietary activities Financial Accounting Standards Board Statements and Interpretations, Accounting principles Board Opinions, and Accounting Research Bulletins of the Committee of Accounting Procedures issued after November 30, 1989 where not in conflict with GASB pronouncements. The more significant of the District’s accounting policies are described below.

The Reporting Entity

The Foresthill Public Utility District (the District) was formed in 1950 and operates under The Public Utility District Act (The Act). The Act confers upon the District the rights and powers to fix rates and charges for commodities or services furnished, to incur indebtedness and issue bonds or other obligations, and, under certain circumstances, to levy and collect ad valorem property taxes. The District is governed by a five-member Board of Directors elected by the voters within the District.

Basis of Presentation

Basis of Presentation – Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external parties.

Separate financial statements are provided for the Assessment District No. 2 Debt Service governmental fund and District Enterprise proprietary fund.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are included in the program expenses of most business-type activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred. Grant revenue is recognized when program expenditures are incurred in accordance with program guidelines. When such funds are received, they are recorded as deferred revenues until earned. Earned but unbilled water services are accrued as revenue.

Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues when all eligibility requirements are met.

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Separate financial statements are provided for governmental funds and proprietary funds.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds.

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The District reports the following governmental fund:

Assessment District No. 2 Debt Service Fund – To account for revenues and expenditures associated with the Assessment District No. 2 bonds. The fund does not adopt a legally enforceable budget.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation (continued)

The District reports the following enterprise fund:

District Enterprise Fund – The District Enterprise Fund is used to account for all revenues and expenses for operation maintenance and capital improvement funding of the Foresthill Public Utility District facilities.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Property Taxes

The District receives property taxes from Placer County. Property taxes receivable are recorded in the fiscal year for which the tax is levied based on the property's assessed value. They become a lien on the first day of the year they are levied. Secured property tax is levied on July 1 and due in two installments, on November 1 and March 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are due on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this program, the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

Inventories

Inventories have been valued at the lower of cost (first-in, first-out) or market. Inventories consist of materials and supplies.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt investments purchased with a maturity of three months or less to be cash equivalents, including restricted assets, along with all pooled deposits and investments in the Local Agency Investment Fund, which are available upon demand.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Investments

Investments, including LAIF, are stated at fair value, which represents the quoted or stated market value. Investments that are not traded on a market, such as investments in external pools, are valued based on stated fair value as represented by the external pool. Investments are within the State statutes and the District's investment policy.

Receivables and Payables

Property and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and are considered available if received within 60 days of year end. Federal and state grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide statement of Net Position. The amount recognized as revenue under the modified accrual basis is limited to the amount that is deemed measurable and collectible.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the governmentwide financial statements as "internal balances."

The District estimates the amount of uncollectible receivables based on prior experience and history. There was no allowance for doubtful accounts as of June 30, 2024.

Capital Assets

Capital assets, which include land, ponds, buildings and improvements, machinery and equipment, and vehicles are reported in the applicable business-type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,500 and an estimated useful life in excess of one year. Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at the estimated fair market value at the date of donation. For certain assets, estimated historical costs are used.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation is calculated by the straight-line method over the estimated useful lives of the respective assets that range from five to forty years.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets (continued)

It is the District's policy to capitalize all land and equipment with a cost of \$2,500 or more. Costs of assets sold or retired (and related amounts of accumulated depreciation) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related fund. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures, and changes in fund balances as proceeds from sale.

Compensated Absences

Vested or accumulated vacation leave and compensation time that is expected to be liquidated with expendable available resources is reported as a current liability. Accumulated sick leave is vested upon age sixty.

Budget and Budgetary Accounting

The Board of Directors annually adopts an operating budget. The operating budgets are prepared on the accrual basis to match the operating statements.

Restricted Assets

Certain proceeds of the District's long-term debt are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "reserve" account is used to report resources set aside to make up potential future deficiencies in the bond's debt service.

Unavailable and Unearned Revenues

Unavailable revenues in governmental funds arise when a potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when resources are received by the District before it has legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures).

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results may differ from those estimates.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
 For the year ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-activities, or proprietary fund type statement of Net Position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs are reported as deferred charges and are amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

Net Position

The government-wide financial statements utilize a Net Position presentation. Net Position are categorized as invested capital assets (net of related debt), restricted and unrestricted.

Net investment in capital assets – This category groups all capital assets into one component of Net Position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted net position – This category presents external restrictions imposed by creditors, grantors, contributors, laws, or regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation. As of June 30, 2024, the restricted net position for Business-type Activities consisted of the following:

Fund Type	Amount	Action
District Enterprise Fund:		
Capital reserve	\$ 427,000	Imposed by Resolution 2021-07
Emergency reserve	600,000	Imposed by Resolution 2021-07
Operating reserve	1,076,100	Imposed by Resolution 2021-07
Debt service reserve	<u>164,030</u>	Imposed by Resolution 2021-07
 Total Restricted Net Position	 <u>\$ 2,267,130</u>	

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Net Position (continued)

As of June 30, 2024, the restricted net position for Governmental Activities is \$17,412 (see Fund Balance below).

Unrestricted net position – This category represents Net Position of the District not restricted for any project or other purpose.

In the government-wide financial statements, when both restricted and unrestricted resources are available for use, it is the government’s policy to use restricted resources first, then unrestricted resources as they are needed.

Fund Balance

In accordance with generally accepted accounting principles, the District classifies its governmental fund balance as follows:

Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions or by enabling legislation. The restricted fund balance is comprised of the following:

Fund Type	Amount	Action
Assessment District No. 2		
Debt Service Fund:		
Restricted for debt service	\$ 17,412	Imposed by debt agreement

Unassigned – include the residual amounts that have not been restricted, committed, or assigned to specific purposes in the Debt Service Fund, and deficit fund balances in any other funds, if applicable.

The District uses restricted or committed amounts to be spent first when both restricted and unrestricted fund balance is available unless there are legal documents or contracts that prohibit doing this, such as a grant agreement requiring dollar for dollar spending. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made.

The District does not have a formal minimum fund balance policy.

New Accounting Pronouncements

The District adopted the provisions of GASB Statement No. 100 (GASB 100), *Accounting Changes and Error Corrections*. The District had no significant impact as a result of adoption.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until then.

In addition to liabilities, the statement of net position and the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Pension Plan

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD) June 30, 2022
Measurement Date (MD) June 30, 2023
Measurement Period (MP) July 1, 2022 to June 30, 2023

OPEB Plan

The District qualifies to use the Alternative Measurement Method for the calculation of total OPEB liability without a full actuarial calculation. The Alternative Measurement Method is similar to an actuarial valuation, but with simplifications of several assumptions permitted per GASB guidelines.

Generally accepted accounting principles requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used.

Valuation Date (VD) June 30, 2024
Measurement Date (MD) June 30, 2024
Measurement Period (MP) July 1, 2023 to June 30, 2024

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS

Investments

California statutes authorizes the District to invest in a variety of credit instruments as provided for in the California Government Code Section 53600, Chapter 4 – Financial Affairs. The Government Code allows investments in obligations of the U.S. Treasury, agencies, and instrumentalities, commercial paper rated A-1 by Standard & Poor’s or P-1 by Moody’s, bankers’ acceptance, repurchase agreements, medium-term corporate notes, mutual funds, and the State Treasurer’s Local Agency Investment Fund (LAIF).

Cash and investments as of June 30, 2024, are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Totals
Cash and cash equivalents	\$ -	\$ 717,135	\$ 717,135
Investments	-	5,420,644	5,420,644
Restricted cash and cash equivalents	<u>17,412</u>	<u>-</u>	<u>17,412</u>
 Total cash and investments	 <u>\$ 17,412</u>	 <u>\$ 6,137,779</u>	 <u>\$ 6,155,191</u>

Cash and investments at fair value as of June 30, 2024, consist of the following:

Cash on hand	\$ 250
Investments with the Local Agency Investment Fund	318,944
Investments	5,420,644
Deposits with financial institutions	<u>397,941</u>
 Total cash and investments	 <u>6,137,779</u>
 Restricted cash	
Cash pooled with other government	<u>17,412</u>
 Total restricted cash	 <u>17,412</u>
 Total cash and investments	 <u>\$ 6,155,191</u>

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below are the District’s investment policy and actual ratings of the investments as of June 30, 2024:

Credit Risk	Type of Investment					Total
	Local Agency Investment Fund	Municipal Bonds	Taxable Municipal Bonds	Corporate Bonds	Certificates of Deposit	
A+	\$ -	\$ -	\$ 97,078	\$ -	\$ -	\$ 97,078
A	-	15,000	105,381	-	-	120,381
A-	-	-	-	-	-	-
AAA	-	-	446,979	-	-	446,979
AA-	-	-	706,491	196,373	-	902,864
AA	-	14,895	936,439	-	-	951,334
AA+	-	480,019	603,395	97,196	-	1,180,610
No Rating	318,944	-	132,193	-	1,589,205	2,040,342
Totals	\$ 318,944	\$ 509,914	\$ 3,027,956	\$ 293,569	\$ 1,589,205	\$ 5,739,588

Concentration of Credit Risk

The investment policy of the District limits the amount that can be invested in any one issuer to the lesser of the amount stipulated by the California Government Code or 50% of total investments, with the exception of U.S. Treasury obligations, U.S. Agency Securities, and LAIF. As of June 30, 2024, the District had no individual investment that exceeded 5% of its total investments.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of a depository financial institution or for amounts held with fiscal agents, the District will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party such as a broker-dealer. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the local amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk (Continued)

As of June 30, 2024, the bank balances of the District’s deposits are insured up to \$250,000 by federal depository insurance. The cash pooled with the county totaled \$17,412.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

Information about the sensitivity of the fair values of the District’s investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity:

Type	Total	Remaining Maturity (In Months)				
		12 Months or Less	13-23 Months	24-36 Months	37-48 Months	49-60 Months
Local Agency Investment Fund	\$ 318,944	\$ 318,944	\$ -	\$ -	\$ -	\$ -
Held in Brokerage Account:						
Municipal bonds	509,914	29,895	-	-	232,744	247,275
Taxable municipal bonds	3,027,956	1,239,982	914,974	209,403	529,047	134,550
Corporate bonds	293,569	96,807	97,196	-	-	99,566
Certificates of deposit	1,589,205	98,006	279,829	507,980	703,390	-
Total	\$ 5,739,588	\$ 1,783,634	\$ 1,291,999	\$ 717,383	\$ 1,465,181	\$ 481,391

Investments by Fair Value Level

In accordance with generally accepted accounting principles, the District’s investments in its brokerage account are categorized into the following fair value categories:

Level 1 inputs – quoted prices (unadjusted) in active markets for identical assets or liabilities that the District can access at the year end.

Level 2 inputs – Inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs – Unobservable inputs for an asset or liability.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 2 – CASH AND INVESTMENTS (CONTINUED)

Investments by Fair Value Level (continued)

Fair value can be determined using the market approach, cost approach, and income approach. The District’s brokerage investments are valued with the market approach by using the available quoted market prices at year end. LAIF is not subject to the fair value hierarchy.

Type	Total	Fair Value Measurement Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Municipal bonds	\$ 509,914	\$ 509,914	\$ -	\$ -
Taxable municipal bonds	3,027,956	3,027,956	-	-
Corporate bonds	293,569	293,569	-	-
Certificates of deposit	1,589,205	1,589,205	-	-
Total Investments by Fair Value Level	<u>\$ 5,420,644</u>	<u>\$ 5,420,644</u>	<u>\$ -</u>	<u>\$ -</u>

Investment in LAIF

The District maintains an investment in the State of California Local Agency Investment Fund (LAIF), managed by the State Treasurer. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code. Participants in the pool include voluntary and involuntary participants, such as special districts and school districts for which there are legal provisions regarding their investments. The Local Investment Advisory Board (Board) has oversight responsibility for LAIF. The Board consists of five members as designated by State Statute. LAIF is stated at amortized cost, which approximates fair value. The LAIF is a special fund of the California State Treasury through which local governments may pool investments.

Copies of LAIF’s annual financial report and other information may be obtained from LAIF at 915 Capitol Mall, Room 110, Sacramento, CA 95814 or at its website www.treasurer.ca.gov/pmia-laif/. The fair value of the District’s investment in this pool is reported in the accompanying financial statements at amounts based upon the District’s pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

The balance available for withdrawal is based on the accounting records maintained by LAIF, which is recorded on an amortized costs basis. LAIF is not rated. LAIF has a minimum \$5,000 transaction amount in increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 3 – CAPITAL ASSETS

The changes in capital assets for the business-type activities for the fiscal year ended June 30, 2024, are as follows:

	Beginning balance	Additions	Retirements	Reclass	Ending balance
Capital assets, not being depreciated					
Land	\$ 36,568	\$ -	\$ -	\$ -	\$ 36,568
Construction in progress	2,275,884	340,100	-	(2,615,984)	-
Total assets not being depreciated	<u>2,312,452</u>	<u>340,100</u>	<u>-</u>	<u>(2,615,984)</u>	<u>36,568</u>
Depreciable capital assets					
Assets at cost:					
Source of supply	3,016,487	5,466	(2,987)	-	3,018,966
Pumping plant	31,286	-	-	-	31,286
Water treatment	1,538,065	2,749	(987,487)	-	553,327
Transmission and distribution	11,313,280	4,369	(1,769,065)	2,615,984	12,164,568
General plant	498,023	11,621	(162,013)	-	347,631
Total assets at cost	<u>16,397,141</u>	<u>24,205</u>	<u>(2,921,552)</u>	<u>2,615,984</u>	<u>16,115,778</u>
Accumulated depreciation					
Source of supply	(1,219,957)	(69,455)	2,987	-	(1,286,425)
Pumping plant	(24,747)	(344)	-	-	(25,091)
Water treatment	(1,236,020)	(24,717)	982,694	-	(278,043)
Transmission and distribution	(5,585,406)	(254,706)	1,768,686	-	(4,071,426)
General plant	(474,557)	(4,351)	157,187	-	(321,721)
Total accumulated depreciation	<u>(8,540,687)</u>	<u>(353,573)</u>	<u>2,911,554</u>	<u>-</u>	<u>(5,982,706)</u>
Net depreciable assets	<u>7,856,454</u>	<u>(329,368)</u>	<u>(9,998)</u>	<u>2,615,984</u>	<u>10,133,072</u>
Amortized assets					
Intangible assets	1,249,577	10,492	-	-	1,260,069
Accumulated amortization	(209,744)	(54,590)	-	-	(264,334)
Net amortized assets	<u>1,039,833</u>	<u>(44,098)</u>	<u>-</u>	<u>-</u>	<u>995,735</u>
Total capital assets, net	<u>\$ 11,208,739</u>	<u>\$ (33,366)</u>	<u>\$ (9,998)</u>	<u>\$ -</u>	<u>\$ 11,165,375</u>

The District recorded depreciation of \$353,573 and amortization of \$54,590 as part of the program expense.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 4 – COMPENSATED ABSENCES

The District provides vacation time which accrues based upon years of service. Vacation is paid for accumulated time upon termination subject to an accumulated maximum of 2 years accrual.

	Years of Service		
	0-4	5-14	>14
Vacation time	10 days	15 days	20 days

The District also provides sick time to employees which accrue at a rate of one day per month with a maximum accrual of 80 days.

NOTE 5 – LONG-TERM DEBT

The long-term debt activity for the fiscal year ended June 30, 2024 is as follows:

	Beginning balance	Additions	Payments	Ending balance	Current Portion
Governmental Activities:					
<i>Assessment District No. 2 Debt Service Fund:</i>					
2017 Water Revenue Refunding Obligation	\$ 674,900	\$ -	\$ (65,700)	\$ 609,200	\$ 67,800
2017 Limited Obligation Refunding Bonds	954,600	-	(52,400)	902,200	54,000
Total Governmental	1,629,500	-	(118,100)	1,511,400	121,800
Business-type Activities:					
<i>District Enterprise Fund - direct borrowing:</i>					
2014 Water loan agreement	812,179	-	(146,819)	665,360	147,625
Total Business-Type	812,179	-	(146,819)	665,360	147,625
Total long-term debt	\$ 2,441,679	\$ -	\$ (264,919)	\$ 2,176,760	\$ 269,425

Governmental Activities:

\$1,190,200 – 2017 Limited Obligation Refunding Bonds: On August 9, 2017, the District issued the 2017 Limited Obligation Refunding Bonds for the refunding of limited obligation improvement bonds. Principal payments ranging from \$42,300 to \$78,700 are due annually beginning September 2, 2018 through 2037 with interest at 3.20% per annum payable, semi-annually on March 2 and September 2.

\$1,037,500 – 2017 Water Revenue Refunding Loan Obligation: On August 9, 2017, the District issued the 2017 Water Revenue Refunding Loan Obligation for the refunding of limited obligation improvement bonds. Principal payments ranging from \$28,100 to \$85,400 are due semi-annually beginning November 1, 2017 through 2031 with interest at 3.20% per annum, payable semi-annually on May 1 and November 1.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 5 – LONG-TERM DEBT (CONTINUED)

Business-Type Activities:

\$2,081,149 Water Loan – direct borrowing: Dated August 1, 2014 to repay the Series 2003QQ Certificates of Participation that were issued on October 30, 2003 for the finance of the acquisition of water facilities, improvement, and water rights. The note is secured by a pledge of the net revenues of the District’s. Interest rate accrues at 3.25% per annum with semi-annual principal payments from \$56,881 to \$168,516 through November 1, 2028. The District maintains a Trustee reserve fund equal to the maximum annual installment payable. Interest and principal are payable on May 1 and November 1 of each year.

The future annual maturities of long-term borrowings as of June 30, 2024, are as follows:

Year Ending June 30:	Governmental Activities			Business-type Activities	
	2017 Limited Obligation Bonds	2017 Water Revenue Bonds	Total	Series 2014 Water Loan	Total
2025	\$ 82,006	\$ 86,752	\$ 168,758	\$ 166,164	\$ 166,164
2026	82,050	86,765	168,815	167,239	167,239
2027	82,035	86,907	168,942	167,789	167,789
2028	81,865	86,771	168,636	167,813	167,813
2029	81,935	86,963	168,898	44,158	44,158
2030-2034	408,714	260,542	669,256	-	-
2035-2037	294,074	-	294,074	-	-
	1,112,679	694,700	1,807,379	713,163	713,163
Less Interest	(210,479)	(85,500)	(295,979)	(47,803)	(47,803)
	902,200	609,200	1,511,400	665,360	665,360
Due within one year	(54,000)	(67,800)	(121,800)	(147,625)	(147,625)
Totals	\$ 848,200	\$ 541,400	\$ 1,389,600	\$ 517,735	\$ 517,735

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 6 – DEFINED BENEFIT PENSION PLAN

CalPERS Miscellaneous Pension Plan

General Information

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan or PERF C) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of a miscellaneous pool and a safety pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous and safety rate plans, respectively. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District participates in one rate plan (miscellaneous). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website, at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The Plan’s provisions and benefits in effect as of June 30, 2024, are summarized as follows:

	<u>Miscellaneous Prior to January 1, 2013</u>	<u>Miscellaneous PEPRA On or after January 1, 2013</u>
Hire date		
Benefit formula	3% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 67	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.0% to 2.5%
Required employer contribution rates	16.44%	7.68%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

Employer Contributions to the Plan for the fiscal year ended June 30, 2024, were \$92,714. The actual employer payments of \$112,623 made to CalPERS by the District during the measurement period ended June 30, 2023, differed from the District’s proportionate share of the employer’s contributions of \$153,504 by \$(40,881), which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

Net Pension Liability

The District’s net pension liability for the Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2023, using an annual actuarial valuation as of June 30, 2022, rolled forward to June 30, 2023 using standard update procedures.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

The collective total pension liability for the June 30, 2023, measurement period was determined by an actuarial valuation as of June 30, 2022, with update procedures used to roll forward the total pension liability to June 30, 2023. The collective total pension liability was based on the following assumptions:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Fair value of assets
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

⁽¹⁾ The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the 2021 experience study report from November 2021 that can be found on the CalPERS website.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The expected real rates of return by asset class are as follows:

Asset Class	Assumed Asset Allocation	Real Return ^{1,2}
Global equity - cap-weighted	30.00%	4.54%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

Change of Assumptions

There were no assumption changes in 2023. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

Pension Plan Fiduciary Net Position

Information about the pension plan’s assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS’ audited financial statements, which are publicly available reports that can be obtained at CalPERS’ website, at www.calpers.ca.gov. The plan’s fiduciary net position and additions to/deductions from the plan’s fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

Proportionate Share of Net Pension Liability

The following table shows the District’s proportionate share of the Plan’s net pension liability over the measurement period.

	Increase (Decrease)		
	Proportionate Share of Total Pension Liability	Proportionate Share of Fiduciary Net Position	Proportionate Share of Net Pension Liability
Balance at: 6/30/2022 (VD)	\$ 3,966,087	\$ 3,463,144	\$ 502,943
Balance at: 6/30/2023 (MD)	4,298,113	3,692,507	605,606
Net Changes during 2022-23	<u>\$ 332,026</u>	<u>\$ 229,363</u>	<u>\$ 102,663</u>

Valuation date (VD, Measurement date (MD)

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The District’s proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS’ website, at www.calpers.ca.gov. The District’s proportionate share of the net pension liability for the miscellaneous Plan as of the June 30, 2022 and 2023 measurement dates was as follows:

Proportionate Share - June 30, 2022	0.01075%
Proportionate Share - June 30, 2023	0.01211%
Change - Increase (Decrease)	0.00136%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District’s proportionate share of the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.9 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.9 percent) or 1 percentage-point higher (7.9 percent) than the current rate:

	Discount Rate		
	1% Decrease 5.90%	Discount Rate 6.90%	1% Increase 7.90%
Plan's Net Pension Liability/(Asset)	<u>\$ 1,186,908</u>	<u>\$ 605,606</u>	<u>\$ 127,145</u>

Amortization of Deferred Outflows and Deferred Inflows of Resources

Under generally accepted accounting principles, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The amortization period differs depending on the source of the gain or loss:

Net difference between projected and actual earnings on pension plan investments	5-year straight-line amortization
All other amounts	Straight-line amortization over the expected average remaining service lives (EARSL) of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2023 is 3.8 years, which was obtained by dividing the total service years of 600,538 (the sum of remaining service lifetimes of the active employees) by 160,073 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members’ probability of decrementing due to an event other than receiving a cash refund.

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2022), the District’s net pension liability/(asset) was \$502,943. For the measurement period ending June 30, 2023 (the measurement date), the District incurred a pension expense of \$320,251.

As of June 30, 2024, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	\$ 26,138	\$ -
Differences between Employer’s Contributions and Proportionate Share of Contributions	14,064	30,123
Changes of Assumptions	36,563	-
Net difference between projected and actual earnings on pension plan investments	98,053	-
Change in Employer’s proportion	167,400	-
Pension Contributions Made Subsequent to Measurement Date	92,714	-
Totals	\$ 434,932	\$ 30,123

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

The amounts above are net of outflows and inflows recognized in the 2022-23 measurement period expense. Contributions subsequent to the measurement date of \$92,714 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

<u>Fiscal year ending June:</u>	<u>Deferred Outflows/(Inflows) of Resources</u>
2025	\$ 147,700
2026	87,521
2027	74,061
2028	2,813
Thereafter	<u>-</u>
Total	<u>\$ 312,095</u>

Payable to the Pension Plan

As of June 30, 2024, the District reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year then ended.

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FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

Plan Description

The District offers medical, dental, or other health benefits to eligible retirees and their eligible dependents. The contribution requirements of the plan members and the District are established and may be amended by the District. The plan does not issue stand-alone financial reports.

Under the current health plan, the District pays for coverage of the retiree and their eligible dependents. To be eligible, employees must have completed 15 or more years of full-time continuous employment at the District and retire from the District. The District has fewer than 100 plan members and has elected to use the alternative measurement method. The assumptions and methods used are based on past history and experience.

Net OPEB liability

The District's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2024. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

Contributions

Under the alternative method, the District does not have annual required contribution and makes contributions to the plan based on the availability of funds and with board approval.

Actuarial assumptions

The total OPEB liability was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary increases	3.00%
Healthcare cost trend rate	5.8% to 4.1% for the next 10 years
Discount rate	5.01%

Generally accepted accounting principles requires a discount rate that reflects the following:

- a) The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be sufficient to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- b) A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
 For the year ended June 30, 2024

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

To determine a resulting single (blended) rate, the amount of the plan’s projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District’s Total OPEB liability is based on these requirements.

Sensitivity of the District’s Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using a discount rate that is 1- percentage point lower (4.01%) or 1- percentage-point higher (6.01%) than the current discount rate:

	1% Decrease 4.01%	Discount Rate 5.01%	1% Increase 6.01%
Net OPEB liability	<u>\$ 578,415</u>	<u>\$ 505,827</u>	<u>\$ 443,673</u>

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend.

Sensitivity of the District’s Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1- percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Trend Rate Current Rate	1% Increase
Net OPEB liability	<u>\$ 509,377</u>	<u>\$ 505,827</u>	<u>\$ 502,336</u>

Participants

The number of members participating in the plan as of June 30, 2024 were as follows:

<u>Participants</u>	
Active	6
Transferred	-
Terminated	1
Retired	3
Total	<u>10</u>

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

Changes in the OPEB liability

The table below shows the changes in the total OPEB liability, the Plan Fiduciary Net Position, and the net OPEB liability during the measurement period ending on June 30, 2024 for the District:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (Asset) (c) = (a) - (b)
Balance at June 30, 2023	\$ 318,241	\$ 237,971	\$ 80,270
Changes recognized for the service period:			
Service cost	6,776	-	6,776
Interest on total OPEB liability	20,403	-	20,403
Changes of assumptions	103,165	-	103,165
Actuarial gains/losses	368,733	-	368,733
Administrative costs	-	(209)	209
Net investment income	-	26,218	(26,218)
Employer contributions	-	47,511	(47,511)
Benefit payments	(47,511)	(47,511)	-
Net changes	451,566	26,009	425,557
Balance at June 30, 2024	<u>\$ 769,807</u>	<u>\$ 263,980</u>	<u>\$ 505,827</u>

The OPEB expense recognized by the District for the fiscal year ended June 30, 2024 was \$473,069 and is made up of the following:

Description	Amount
Service cost	\$ 6,776
Interest on total OPEB liability	20,404
Administrative expenses	209
Expected return on investments	(26,218)
Actuarial gains/losses	368,733
changes in assumptions	103,165
OPEB expense	<u>\$473,069</u>

Changes in assumptions

The discount rate went from 6.76% to 5.01%.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 7 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)

The expected rates of return by asset class are as follows:

<u>Asset class</u>	<u>Target allocation</u>	<u>Target returns</u>
Global equity	49%	5%
Fixed income	23%	5%
TIPS	5%	3%
REITS	20%	5%
Commodities	3%	3%
Cash	0%	2%
	<u>100%</u>	

NOTE 8 – INTERFUND TRANSACTIONS

Interfund balances for operations as of June 30, 2024, were as follows:

<u>Fund</u>	<u>Due to Other Funds</u>	<u>Due from Other Funds</u>
Governmental Activities:		
Assessment District No. 2 Debt Service Fund	\$ 263,999	\$ -
Business-Type Activities:		
District Enterprise Fund	-	<u>263,999</u>
Total	<u>\$ 263,999</u>	<u>\$ 263,999</u>

The balances represent the net amount owed to the District for the net accumulation of cash received from assessments and debt service payments by the District on behalf of the Assessment District No. 2.

NOTE 9 – RISK OF LOSS

Foresthill Public Utility District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. The District uses the Special District Risk Management Authority for insurance coverage. During the 2024 fiscal year, the District purchased property, mobile equipment, general and auto liability, and workers compensation coverage to provide for these risks with liability limits ranging from \$500,000 (public official) to \$1,000,000,000 (property). There have been no significant reductions in coverage from coverage in the prior year and there have not been any settlements that have exceeded the coverage in the past three years.

FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements
For the year ended June 30, 2024

NOTE 10 – SECTION 457 PLAN

The District adopted a California PERS Section 457 Deferred Compensation Plan. The District does not contribute to this plan. All contributions and administrative fees are paid by the employees.

NOTE 11 – CONTINGENCIES

The District is currently engaged in ongoing litigation in which the outcome is unknown as of the date of these financial statements.

NOTE 12 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through February 4, 2025, the date these June 30, 2024, financial statements were available to be issued.



REQUIRED SUPPLEMENTARY INFORMATION

FORESTHILL PUBLIC UTILITY DISTRICT

Schedule of the Proportionate Share of the Net Pension
Liability and Related Ratios as of the Measurement Date – Pension
For the Last 10 Years

Measurement Date	Employer's Proportion of the Collective Net Pension Liability ¹	Employer's Proportionate Share of the Collective Net Pension Liability	Covered Payroll	Employer's Proportionate Share of the Collective Net Pension Liability as a percentage of the Covered Payroll	Pension Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
6/30/2014	Unknown	Unknown	Unknown	Unknown	Unknown
6/30/2015	0.00455%	\$ 312,182	\$ 433,752	71.97%	82.11%
6/30/2016	0.00490%	423,882	452,791	93.62%	78.82%
6/30/2017	0.00502%	497,381	618,627	80.40%	77.37%
6/30/2018	0.00263%	253,597	587,967	43.13%	89.46%
6/30/2019	0.00282%	289,321	618,369	46.79%	89.23%
6/30/2020	0.00319%	346,644	600,226	57.75%	89.23%
6/30/2021	-0.00154%	(83,028)	657,975	-12.62%	86.49%
6/30/2022	0.00435%	502,943	668,899	75.19%	87.32%
6/30/2023	0.01211%	605,606	616,343	98.26%	85.91%

¹ Proportion of the net pension liability represents the plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

FORESTHILL PUBLIC UTILITY DISTRICT

Schedule of the Plan Contributions – Pension
For the Last 10 Years

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
6/30/2015	\$ 70,162	\$ (70,162)	\$ -	\$ 491,742	14.27%
6/30/2016	51,584	(51,584)	-	469,596	10.98%
6/30/2017	51,584	(51,584)	-	469,596	10.98%
6/30/2018	367,590	(150,945)	216,645	587,967	62.52%
6/30/2019	153,526	(132,377)	21,149	618,369	24.83%
6/30/2020	145,864	(145,864)	-	600,226	24.30%
6/30/2021	158,566	(158,566)	-	657,975	24.10%
6/30/2022	202,299	(202,299)	-	668,899	30.24%
6/30/2023	112,623	(112,623)	-	616,343	18.27%
6/30/2024	92,714	(92,714)	-	561,701	16.51%

Notes to Schedule:

Changes in Benefit Terms: There were no changes to benefit terms that applied to all members of the Public Agency Pool. Additionally, the figures above do not include any liability impact that may have resulted from Golden Handshakes that occurred after the June 30, 2021 valuation date, unless the liability impact is deemed to be material to the Public Agency Pool.

FORESTHILL PUBLIC UTILITY DISTRICT

Schedule of Changes in the Net OPEB Liability and Related Ratios as of the Measurement Date – OPEB For the Last 10 Years*

Measurement Period	2024	2023	2022	2021	2020	2019	2018**
Total OPEB Liability							
Service cost	\$ 6,776	\$ 7,545	\$ 5,270	\$ 5,270	\$ -	\$ 25,512	\$ -
Interest on total OPEB liability	20,403	18,453	22,232	17,279	5,952	8,495	-
Changes in assumptions	103,165	(30,591)	26,167	55,662	14,643	7,581	-
Actuarial gains/losses	368,733	28,385	-	-	-	-	-
Benefit payments	(47,511)	(22,902)	(17,559)	(15,087)	(13,899)	(9,000)	-
Net change in Total OPEB Liability	451,566	890	36,110	63,124	6,696	32,588	-
Total OPEB Liability, beginning	318,241	317,351	281,241	218,117	211,421	178,833	178,833
Total OPEB Liability, ending (a)	769,807	318,241	317,351	281,241	218,117	211,421	178,833
Plan Fiduciary Net Position							
Contribution - employer	47,511	22,902	17,557	15,087	13,900	49,000	-
Net investment income	26,218	14,451	(34,481)	55,819	6,933	9,299	-
Benefit payments	(47,511)	(22,902)	(17,559)	(15,087)	(13,899)	(9,000)	-
Administrative costs	(209)	(193)	(216)	(197)	(98)	-	-
Net change in Plan Fiduciary Net Position	26,009	14,258	(34,699)	55,622	6,836	49,299	-
Plan Fiduciary Net Position, beginning	237,971	223,713	258,412	202,790	195,954	146,655	146,655
Plan Fiduciary Net Position, ending (b)	263,980	237,971	223,713	258,412	202,790	195,954	146,655
Net OPEB Liability, ending (a) - (b)	\$ 505,827	\$ 80,270	\$ 93,638	\$ 22,829	\$ 15,327	\$ 15,467	\$ 32,178
Plan fiduciary net position as a percentage of the total OPEB liability	34.29%	74.78%	70.49%	91.88%	92.97%	92.68%	82.01%

Notes to schedule:

Changes Since the Prior Valuation:

The discount rate of 5.01% was used in the valuation. The interest rate used in the prior valuation was 6.76%.

** Information not available.

* Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as Fiscal year 2017-18 was the first year of implementation.

FORESTHILL PUBLIC UTILITY DISTRICT

Schedule of Plan Contributions – OPEB
For the Last 10 Years*

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Employee Payroll	Contributions as a Percentage of Covered Payroll
6/30/2018	Unknown	Unknown	Unknown	Unknown	Unknown
6/30/2019	\$ 9,000	\$ 49,000	\$ (40,000)	\$ 655,692	1.37%
6/30/2020	13,900	13,900	-	679,951	2.04%
6/30/2021	15,087	15,087	-	689,246	2.19%
6/30/2022	17,559	17,557	2	721,310	2.43%
6/30/2023	22,902	22,902	-	682,867	3.35%
6/30/2024	47,511	47,511	-	592,139	8.02%

Valuation date used 6/30/2024

Actuarial cost method	Entry age normal
Amortization method	Level % of payroll
Amortization period	20 years closed
Asset valuation method	Fair Value
Inflation	2.00%
Healthcare cost trend rates	5.80%
Salary increases	3.00%
Investment rate of return	5.01%
Mortality	Pub-2010 Public Retirement Plans Mortality Tables

*Historical information is required only for measurement periods for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.



OTHER INFORMATION

FORESTHILL PUBLIC UTILITY DISTRICT

Budgetary Comparison Schedule – District Enterprise Fund For the year ended June 30, 2024

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Operating Revenues				
Sales of water	\$ 2,540,000	\$ 2,540,000	\$ 2,698,667	\$ 158,667
Water service related fees	21,000	21,000	30,842	9,842
Total operating revenues	2,561,000	2,561,000	2,729,509	168,509
Operating Expenses				
Source of supply	40,000	40,000	11,584	28,416
Pumping	32,500	32,500	14,241	18,259
Water treatment	370,000	370,000	454,644	(84,644)
Transmission and distribution	531,000	531,000	375,920	155,080
Customer service	397,000	397,000	378,948	18,052
Regulatory compliance	316,000	316,000	238,689	77,311
Administration and general	427,000	427,000	542,098	(115,098)
Pension and OPEB adjustments	-	-	678,970	(678,970)
Depreciation and amortization	-	-	408,163	(408,163)
Total operating expenses	2,113,500	2,113,500	3,103,257	(989,757)
Operating income	447,500	447,500	(373,748)	(821,248)
Non-Operating Revenues (Expenses)				
Grant income	40,000	40,000	-	(40,000)
Interest income	65,000	65,000	297,240	232,240
Property taxes	125,000	125,000	125,281	281
Loss on disposal of capital assets	-	-	(9,998)	(9,998)
Interest expense	-	-	(22,154)	(22,154)
Total non-operating revenues (expenses)	230,000	230,000	390,369	160,369
Change in Net Position	\$ 677,500	\$ 677,500	\$ 16,621	\$ (660,879)

FORESTHILL PUBLIC UTILITY DISTRICT

Schedule of Operating Expenses – District Enterprise Fund For the year ended June 30, 2024

Source of Supply

Supervision and labor	\$	390
Utilities		7,755
Other		3,439
		<hr/>
Total source of supply		11,584
		<hr/>

Pumping

Materials and supplies		620
Power		12,510
Propane		1,111
		<hr/>
Total pumping		14,241
		<hr/>

Water Treatment

Supervision and labor		343,240
Materials and supplies		19,650
Maintenance		1,420
Contract services		10,602
Chemical and Analysis		52,325
Power		26,587
Propane		367
Other		453
		<hr/>
Total water treatment		454,644
		<hr/>

Transmission and Distribution

Supervision and labor		221,759
Materials and supplies		53,506
Other		1,326
Maintenance		7,549
Contract services		69,961
Vehicle expenses		18,642
Propane		207
Utilities		2,970
		<hr/>
Total transmission and distribution		375,920
		<hr/>

FORESTHILL PUBLIC UTILITY DISTRICT

Schedule of Operating Expenses – District Enterprise Fund, (continued) For the year ended June 30, 2024

Customer Service

Supervision and labor	292,306
Materials and supplies	12,978
Vehicle expenses	188
Contract services	57,222
Power	3,640
Utilities	8,989
Other expenses	3,625
	<hr/>
Total customer service	378,948

Regulatory Compliance

Supervision and labor	61,937
Maintenance	80
Contract services	127,612
Restoration fee	22,383
Training and seminars	420
State Department of Health Services	16,597
Other expenses	9,660
	<hr/>
Total regulatory compliance	238,689

Administrative and General

Supervision and labor	101,077
Materials and supplies	760
Contract services	185,139
Utilities	503
Insurance	117,562
Other expenses	137,057
	<hr/>
Total administrative and general	542,098

Pension and OPEB Adjustments

Pension and OPEB	678,970
	<hr/>
Total pension and OPEB adjustments	678,970

Total Operating Expenses Before Depreciation and Amortization 2,695,094

Depreciation and amortization 408,163

Total Operating Expenses \$ 3,103,257

FORESTHILL PUBLIC UTILITY DISTRICT

Debt Covenant Ratio
For the year ended June 30, 2024

Total operating revenues	\$	2,729,509
Total outstanding debt		665,360
Revenue to outstanding debt ratio		410%

Item F 2

To: Board of Directors
From: Henry N. White
Date: February 5, 2025
Subject: Director's request to revise Policy #5020

Recommendation: Discuss the issue and direct staff accordingly.

Background: During the Regular Board Meeting held on January 8, 2025, the Board of Directors established an ad hoc committee to discuss revisions to Policy 5020 and report to the full board in February 2025. The committee consisted of Director Foster (Chair) and Vice President Bell (member).

The attached documents are the results of the committee's work.

Financial Implications: The financial impact of revising Policy 5020 is negligible.

FORESTHILL PUBLIC UTILITY DISTRICT POLICY HANDBOOK

POLICY TITLE: Board Meeting Agenda
POLICY NUMBER: 5020

Approved by Board of
Directors 8/14/2024

5020.10 The ~~Board President~~General Manager, in consultation with the ~~General Manager~~Board President, shall prepare an agenda meeting the requirements of the Ralph M. Brown Act for each regular and special meeting of the Board of Directors. . Absent approval of the General Manager, the agenda will be “closed” to the addition of new items at 12:00 PM on the seventh day preceding the regular meeting of the Board of Directors. For example, if Board meetings are on Thursday, the agenda will be closed to new items at 12 PM on the preceding Thursday.

5020.20 Any member of the public may request that a matter directly related to District business be considered for placement on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

5020.21 The request must be in writing and be submitted to the General Manager and forwarded to the President together with supporting documents and information, if any, at least seven business days prior to the close of the agenda for the meeting where the item is to be considered. If the General Manager decides the request should be placed on a Board agenda, General Manager may exercise his/her discretion in including the item on the next, or a subsequent meeting, agenda depending on the press of other business before the Board.

5020.22 The Board President, in consultation with the General Manager shall ~~decide be the sole judge of~~ whether the request is or is not a "matter directly related to District business" in determining whether to place the matter on a meeting agenda. The person requesting the agenda addition may submit a request to the Board of Directors to reconsider any adverse decision. Any Director may request that the item be placed on the agenda of a regularly scheduled Board regular meeting at the earliest feasible date.

5020.23 No matter which is authorized for consideration by the Board in closed session will be accepted under this policy.

5020.24 The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting, and may limit the time allowed for any one person to speak on the issue at the meeting.

5020.30 This policy does not prevent the Board from taking public comment at regular meetings of the Board on matters which are not on the agenda which a member of the public may wish to bring before the Board. However, the Board shall not discuss or take action on such matters at that meeting.

5020.40 At least 72 hours prior to the time of all regular meetings, an agenda, which includes all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review at the District office. The agenda shall also be posted on the District's website for public information. All information made available to the Board of Directors (except confidential information allowed by State law per legal counsel authority) shall be available for public review at the time it is made available to the Board.

5020.41 At least 24 hours prior to the time of a special meeting, an agenda, which includes all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review at the District office. The agenda shall also be posted on the District's website for public information. All information made available to the Board of Directors (except confidential information allowed by State law per legal counsel authority) shall be available for public review at the time it is made available to the Board.

FORESTHILL PUBLIC UTILITY DISTRICT POLICY HANDBOOK

POLICY TITLE: Board Meeting Agenda
POLICY NUMBER: 5020

Draft by Mark Bell
2/4/25 based on last
approved version on
8/14/24 [REDACTED]

5020.10 The General Manager, in consultation with the Board President, shall prepare an agenda meeting the requirements of the Ralph M. Brown Act ([CA Governemnt Code Section 5495N](#) for each regular and special meeting of the Board of Directors. Board members must submit items for the agenda 9 days before the meeting date. Absent approval of the General Manager, the agenda will be “closed” to the addition of new items at 12:00 PM on the seventh day preceding the regular meeting of the Board of Directors. For example, if Board meetings are on ~~Thursday~~Wednesday, the agenda will be closed to new items at 12 PM on the preceding ~~Thursday~~Wednesday.

5020.20 Any member of the public may request that a matter directly related to District business be considered for placement on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

5020.21 The request must be in writing and be submitted to the General Manager and forwarded to the President together with supporting documents and information, if any, at least seven business days prior to the close of the agenda for the meeting where the item is to be considered. If the General Manager decides the request should be placed on a Board agenda, General Manager may exercise his/her discretion in including the item on the next, or a subsequent meeting, agenda depending on the press of other business before the Board.

5020.22 The ~~Board President, in consultation with the~~ General Manager shall decide whether the request is or is not a "matter directly related to District business" in determining whether to place the matter on a meeting agenda. The person requesting the agenda addition may submit a request to the Board of Directors to reconsider any adverse decision. Any Director may request that the item be placed on the agenda of a regularly scheduled Board regular meeting at the earliest feasible date.

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bring before the Board. However, the Board shall not discuss or take action on such matters at that meeting.

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5020.41 At least 24 hours prior to the time of a special meeting, an agenda, which includes all matters on which there may be discussion and/or action by the Board, shall be posted conspicuously for public review at the District office. The agenda shall also be posted on the District's website for public information. All information made available to the Board of Directors (except confidential information allowed by State law per legal counsel authority) shall be available for public review at the time it is made available to the Board.

From: [Dianne Foster](#)
To: [Hank White](#); [Chase Dowling](#)
Cc: [Mark Bell](#)
Subject: #5020 Ad Hoc report
Date: Saturday, February 1, 2025 5:49:26 PM

Director Foster's request for an agenda item to discuss Policy 5020

I would like to place on the Feb. 12, 2025 General Meeting Agenda the following:

"Policy #5020 (Board Meeting Agenda) Ad Hoc Committee Report"

Mark Bell and I are on this committee with the assigned job to "Review the Policy." As it turns out, Mark and I have different perceptions as what evolved in the revisions for Policy #5020 and the timeline of events. So we will each give our own presentation from our own perspective of events, and a conclusion of what we believe is the current Policy 5020 language as facts provide, and voted on by the majority of the Board.

Dianne Foster/Committee Chair
Submitted this agenda item on Feb. 1, 2025

From: [Dianne Foster](#)
To: [Chase Dowling](#); [Hank White](#)
Cc: [Dianne Foster](#)
Subject: Agenda item request
Date: Sunday, February 2, 2025 12:14:04 PM
Attachments: [recommended revisions based on 5020 passed in May 2024 meeting.pdf](#)

Director Foster's request for an agenda item to revise Policy #5020

I would like placed on the agenda for Feb. 12, 2025 General Meeting the attached 5020 document passed unanimously on May 2024 Board meeting for some minor revisions.

Dianne Foster
Submitted Feb. 2, 2025

*Draft by D. Foster
based in May 2024
approved version*

FORESTHILL PUBLIC UTILITY DISTRICT
POLICY HANDBOOK

POLICY TITLE: Board Meeting Agenda
POLICY NUMBER: 5020

Director Foster's proposed revision
to Policy #5020

5020.10 The Board President, in consultation with the General Manager, shall prepare an agenda ~~(meeting)~~ which meets the requirements of the Ralph M. Brown Act (CA Government code Section 54950) for each regular and special meeting of the Board of Directors. Absent approval of the General Manager, the agenda will be "closed" to the addition of new items at 12 PM on the seventh day preceding the regular meeting of the Board of Directors. For example, if Board meetings are on **Wednesday**, the agenda will be closed to new items at 12 PM on the preceding **Wednesday**.

5020.20 Any member of the public may request that a matter directly related to District business be considered for placement on the agenda of a regularly scheduled meeting of the Board of Directors, subject to the following conditions:

5020.21 The request must be in writing and be submitted to the General Manager and forwarded to the President together with supporting documents and information, if any, at least seven business days prior to the close of the agenda for the meeting where the item is to be considered. If the General Manager decides the request should be placed on a Board agenda, General Manager may exercise his/her discretion in including the item on the next, or a subsequent meeting, agenda depending on the press of other business before the Board.

5020.22 The Board President, in consultation with the General Manager shall ~~(be the sole judge of)~~ **decide** whether the request is or is not a "matter directly related to District business" in determining whether to place the matter on a meeting agenda. The person requesting the agenda addition may submit a request to the Board of Directors to reconsider any adverse decision. Any Director may request that the item be placed on the agenda of a regularly scheduled Board regular meeting at the earliest feasible date.

5020.23 No matter which is authorized for consideration by the Board in closed session will be accepted under this policy.

5020.24 The Board of Directors may place limitations on the total time to be devoted to a public request issue at any meeting, and may limit the time allowed for any one person to speak on the issue in the meeting.

5020.30 This policy does not prevent the Board from taking public comment at regular meetings of the Board on matters which are not on the agenda which a member of the public may wish to

FPUD POLICY HANDBOOK
Amended May 14, 2014, February 8, 2024 and May 9, 2024

Policy #5020 – "Board Meeting Agenda"

Code sections relevant to special district meeting agendas.

State of California

GOVERNMENT CODE

Section 54953

54953. (a) All meetings of the legislative body of a local agency shall be open and public, and all persons shall be permitted to attend any meeting of the legislative body of a local agency, except as otherwise provided in this chapter.

(b) (1) Notwithstanding any other provision of law, the legislative body of a local agency may use teleconferencing for the benefit of the public and the legislative body of a local agency in connection with any meeting or proceeding authorized by law. The teleconferenced meeting or proceeding shall comply with all otherwise applicable requirements of this chapter and all otherwise applicable provisions of law relating to a specific type of meeting or proceeding.

(2) Teleconferencing, as authorized by this section, may be used for all purposes in connection with any meeting within the subject matter jurisdiction of the legislative body. If the legislative body of a local agency elects to use teleconferencing, the legislative body of a local agency shall comply with all of the following:

(A) All votes taken during a teleconferenced meeting shall be by rollcall.

(B) The teleconferenced meetings shall be conducted in a manner that protects the statutory and constitutional rights of the parties or the public appearing before the legislative body of a local agency.

(C) The legislative body shall give notice of the meeting and post agendas as otherwise required by this chapter.

(D) The legislative body shall allow members of the public to access the meeting and the agenda shall provide an opportunity for members of the public to address the legislative body directly pursuant to Section 54954.3.

(3) If the legislative body of a local agency elects to use teleconferencing, it shall post agendas at all teleconference locations. Each teleconference location shall be identified in the notice and agenda of the meeting or proceeding, and each teleconference location shall be accessible to the public. During the teleconference, at least a quorum of the members of the legislative body shall participate from locations within the boundaries of the territory over which the local agency exercises jurisdiction, except as provided in subdivisions (d) and (e).

(c) (1) No legislative body shall take action by secret ballot, whether preliminary or final.

(2) The legislative body of a local agency shall publicly report any action taken and the vote or abstention on that action of each member present for the action.

(3) Prior to taking final action, the legislative body shall orally report a summary of a recommendation for a final action on the salaries, salary schedules, or compensation paid in the form of fringe benefits of a local agency executive, as defined

in subdivision (d) of Section 3511.1, during the open meeting in which the final action is to be taken. This paragraph shall not affect the public's right under the California Public Records Act (Division 10 (commencing with Section 7920.000) of Title 1) to inspect or copy records created or received in the process of developing the recommendation.

(d) (1) Notwithstanding the provisions relating to a quorum in paragraph (3) of subdivision (b), if a health authority conducts a teleconference meeting, members who are outside the jurisdiction of the authority may be counted toward the establishment of a quorum when participating in the teleconference if at least 50 percent of the number of members that would establish a quorum are present within the boundaries of the territory over which the authority exercises jurisdiction, and the health authority provides a teleconference number, and associated access codes, if any, that allows any person to call in to participate in the meeting and the number and access codes are identified in the notice and agenda of the meeting.

(2) Nothing in this subdivision shall be construed as discouraging health authority members from regularly meeting at a common physical site within the jurisdiction of the authority or from using teleconference locations within or near the jurisdiction of the authority. A teleconference meeting for which a quorum is established pursuant to this subdivision shall be subject to all other requirements of this section.

(3) For purposes of this subdivision, a health authority means any entity created pursuant to Sections 14018.7, 14087.31, 14087.35, 14087.36, 14087.38, and 14087.9605 of the Welfare and Institutions Code, any joint powers authority created pursuant to Article 1 (commencing with Section 6500) of Chapter 5 of Division 7 for the purpose of contracting pursuant to Section 14087.3 of the Welfare and Institutions Code, and any advisory committee to a county-sponsored health plan licensed pursuant to Chapter 2.2 (commencing with Section 1340) of Division 2 of the Health and Safety Code if the advisory committee has 12 or more members.

(e) (1) The legislative body of a local agency may use teleconferencing without complying with the requirements of paragraph (3) of subdivision (b) if the legislative body complies with the requirements of paragraph (2) of this subdivision in either of the following circumstances:

(A) The legislative body holds a meeting during a proclaimed state of emergency for the purpose of determining, by majority vote, whether as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(B) The legislative body holds a meeting during a proclaimed state of emergency and has determined, by majority vote, pursuant to subparagraph (A), that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees.

(2) A legislative body that holds a meeting pursuant to this subdivision shall do all of the following:

(A) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment. The agenda shall identify and include an

opportunity for all persons to attend via a call-in option or an internet-based service option.

(B) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(C) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(D) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(E) (i) A legislative body that provides a timed public comment period for each agenda item shall not close the public comment period for the agenda item, or the opportunity to register, pursuant to subparagraph (D), to provide public comment until that timed public comment period has elapsed.

(ii) A legislative body that does not provide a timed public comment period, but takes public comment separately on each agenda item, shall allow a reasonable amount of time per agenda item to allow public members the opportunity to provide public comment, including time for members of the public to register pursuant to subparagraph (D), or otherwise be recognized for the purpose of providing public comment.

(iii) A legislative body that provides a timed general public comment period that does not correspond to a specific agenda item shall not close the public comment period or the opportunity to register, pursuant to subparagraph (D), until the timed general public comment period has elapsed.

(3) If a state of emergency remains active, in order to continue to teleconference without compliance with paragraph (3) of subdivision (b), the legislative body shall, not later than 45 days after teleconferencing for the first time pursuant to subparagraph (A) or (B) of paragraph (1), and every 45 days thereafter, make the following findings by majority vote:

(A) The legislative body has reconsidered the circumstances of the state of emergency.

(B) The state of emergency continues to directly impact the ability of the members to meet safely in person.

(4) This subdivision shall not be construed to require the legislative body to provide a physical location from which the public may attend or comment.

(f) (1) The legislative body of a local agency may use teleconferencing without complying with paragraph (3) of subdivision (b) if, during the teleconference meeting, at least a quorum of the members of the legislative body participates in person from a singular physical location clearly identified on the agenda, which location shall be open to the public and situated within the boundaries of the territory over which the local agency exercises jurisdiction and the legislative body complies with all of the following:

(A) The legislative body shall provide at least one of the following as a means by which the public may remotely hear and visually observe the meeting, and remotely address the legislative body:

(i) A two-way audiovisual platform.

(ii) A two-way telephonic service and a live webcasting of the meeting.

(B) In each instance in which notice of the time of the teleconferenced meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the means by which members of the public may access the meeting and offer public comment.

(C) The agenda shall identify and include an opportunity for all persons to attend and address the legislative body directly pursuant to Section 54954.3 via a call-in option, via an internet-based service option, and at the in-person location of the meeting.

(D) In the event of a disruption that prevents the legislative body from broadcasting the meeting to members of the public using the call-in option or internet-based service option, or in the event of a disruption within the local agency's control that prevents members of the public from offering public comments using the call-in option or internet-based service option, the legislative body shall take no further action on items appearing on the meeting agenda until public access to the meeting via the call-in option or internet-based service option is restored. Actions taken on agenda items during a disruption that prevents the legislative body from broadcasting the meeting may be challenged pursuant to Section 54960.1.

(E) The legislative body shall not require public comments to be submitted in advance of the meeting and must provide an opportunity for the public to address the legislative body and offer comment in real time.

(F) Notwithstanding Section 54953.3, an individual desiring to provide public comment through the use of an internet website, or other online platform, not under the control of the local legislative body, that requires registration to log in to a teleconference may be required to register as required by the third-party internet website or online platform to participate.

(2) A member of the legislative body shall only participate in the meeting remotely pursuant to this subdivision, if all of the following requirements are met:

(A) One of the following circumstances applies:

(i) The member notifies the legislative body at the earliest opportunity possible, including at the start of a regular meeting, of their need to participate remotely for just cause, including a general description of the circumstances relating to their need to appear remotely at the given meeting. The provisions of this clause shall not be

used by any member of the legislative body for more than two meetings per calendar year.

(ii) The member requests the legislative body to allow them to participate in the meeting remotely due to emergency circumstances and the legislative body takes action to approve the request. The legislative body shall request a general description of the circumstances relating to their need to appear remotely at the given meeting. A general description of an item generally need not exceed 20 words and shall not require the member to disclose any medical diagnosis or disability, or any personal medical information that is already exempt under existing law, such as the Confidentiality of Medical Information Act (Chapter 1 (commencing with Section 56) of Part 2.6 of Division 1 of the Civil Code). For the purposes of this clause, the following requirements apply:

(I) A member shall make a request to participate remotely at a meeting pursuant to this clause as soon as possible. The member shall make a separate request for each meeting in which they seek to participate remotely.

(II) The legislative body may take action on a request to participate remotely at the earliest opportunity. If the request does not allow sufficient time to place proposed action on such a request on the posted agenda for the meeting for which the request is made, the legislative body may take action at the beginning of the meeting in accordance with paragraph (4) of subdivision (b) of Section 54954.2.

(B) The member shall publicly disclose at the meeting before any action is taken, whether any other individuals 18 years of age or older are present in the room at the remote location with the member, and the general nature of the member's relationship with any such individuals.

(C) The member shall participate through both audio and visual technology.

(3) (A) The provisions of this subdivision shall not serve as a means for any member of a legislative body to participate in meetings of the legislative body solely by teleconference from a remote location for more than the following number of meetings, as applicable:

(i) Two meetings per year, if the legislative body regularly meets once per month or less.

(ii) Five meetings per year, if the legislative body regularly meets twice per month.

(iii) Seven meetings per year, if the legislative body regularly meets three or more times per month.

(B) For the purpose of counting meetings attended by teleconference under this paragraph, a "meeting" shall be defined as any number of meetings of the legislative body of a local agency that begin on the same calendar day.

(g) The legislative body shall have and implement a procedure for receiving and swiftly resolving requests for reasonable accommodation for individuals with disabilities, consistent with the federal Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132), and resolving any doubt in favor of accessibility. In each instance in which notice of the time of the meeting is otherwise given or the agenda for the meeting is otherwise posted, the legislative body shall also give notice of the procedure for receiving and resolving requests for accommodation.

(h) The legislative body shall conduct meetings subject to this chapter consistent with applicable civil rights and nondiscrimination laws.

(i) (1) Nothing in this section shall prohibit a legislative body from providing the public with additional teleconference locations.

(2) Nothing in this section shall prohibit a legislative body from providing the public with additional physical locations in which the public may observe and address the legislative body by electronic means.

(j) For the purposes of this section, the following definitions shall apply:

(1) “Emergency circumstances” means a physical or family medical emergency that prevents a member from attending in person.

(2) “Just cause” means any of the following:

(A) A childcare or caregiving need of a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner that requires them to participate remotely. “Child,” “parent,” “grandparent,” “grandchild,” and “sibling” have the same meaning as those terms do in Section 12945.2.

(B) A contagious illness that prevents a member from attending in person.

(C) A need related to a physical or mental disability as defined in Sections 12926 and 12926.1 not otherwise accommodated by subdivision (g).

(D) Travel while on official business of the legislative body or another state or local agency.

(3) “Remote location” means a location from which a member of a legislative body participates in a meeting pursuant to subdivision (f), other than any physical meeting location designated in the notice of the meeting. Remote locations need not be accessible to the public.

(4) “Remote participation” means participation in a meeting by teleconference at a location other than any physical meeting location designated in the notice of the meeting. Watching or listening to a meeting via webcasting or another similar electronic medium that does not permit members to interactively hear, discuss, or deliberate on matters, does not constitute remote participation.

(5) “State of emergency” means a state of emergency proclaimed pursuant to Section 8625 of the California Emergency Services Act (Article 1 (commencing with Section 8550) of Chapter 7 of Division 1 of Title 2).

(6) “Teleconference” means a meeting of a legislative body, the members of which are in different locations, connected by electronic means, through either audio or video, or both.

(7) “Two-way audiovisual platform” means an online platform that provides participants with the ability to participate in a meeting via both an interactive video conference and a two-way telephonic function.

(8) “Two-way telephonic service” means a telephone service that does not require internet access, is not provided as part of a two-way audiovisual platform, and allows participants to dial a telephone number to listen and verbally participate.

(9) “Webcasting” means a streaming video broadcast online or on television, using streaming media technology to distribute a single content source to many simultaneous listeners and viewers.

(k) This section shall remain in effect only until January 1, 2026, and as of that date is repealed.

(Amended (as amended by Stats. 2023, Ch. 534, Sec. 1) by Stats. 2024, Ch. 389, Sec. 1. (AB 2302) Effective January 1, 2025. Repealed as of January 1, 2026, by its own provisions. See later operative version, as amended by Sec. 2 of Stats. 2023, Ch. 534.)

State of California

GOVERNMENT CODE

Section 54954

54954. (a) Each legislative body of a local agency, except for advisory committees or standing committees, shall provide, by ordinance, resolution, bylaws, or by whatever other rule is required for the conduct of business by that body, the time and place for holding regular meetings. Meetings of advisory committees or standing committees, for which an agenda is posted at least 72 hours in advance of the meeting pursuant to subdivision (a) of Section 54954.2, shall be considered for purposes of this chapter as regular meetings of the legislative body.

(b) Regular and special meetings of the legislative body shall be held within the boundaries of the territory over which the local agency exercises jurisdiction, except to do any of the following:

(1) Comply with state or federal law or court order, or attend a judicial or administrative proceeding to which the local agency is a party.

(2) Inspect real or personal property which cannot be conveniently brought within the boundaries of the territory over which the local agency exercises jurisdiction provided that the topic of the meeting is limited to items directly related to the real or personal property.

(3) Participate in meetings or discussions of multiagency significance that are outside the boundaries of a local agency's jurisdiction. However, any meeting or discussion held pursuant to this subdivision shall take place within the jurisdiction of one of the participating local agencies and be noticed by all participating agencies as provided for in this chapter.

(4) Meet in the closest meeting facility if the local agency has no meeting facility within the boundaries of the territory over which the local agency exercises jurisdiction, or at the principal office of the local agency if that office is located outside the territory over which the agency exercises jurisdiction.

(5) Meet outside their immediate jurisdiction with elected or appointed officials of the United States or the State of California when a local meeting would be impractical, solely to discuss a legislative or regulatory issue affecting the local agency and over which the federal or state officials have jurisdiction.

(6) Meet outside their immediate jurisdiction if the meeting takes place in or nearby a facility owned by the agency, provided that the topic of the meeting is limited to items directly related to the facility.

(7) Visit the office of the local agency's legal counsel for a closed session on pending litigation held pursuant to Section 54956.9, when to do so would reduce legal fees or costs.

(c) Meetings of the governing board of a school district shall be held within the district, except under the circumstances enumerated in subdivision (b), or to do any of the following:

(1) Attend a conference on nonadversarial collective bargaining techniques.

(2) Interview members of the public residing in another district with reference to the trustees' potential employment of an applicant for the position of the superintendent of the district.

(3) Interview a potential employee from another district.

(d) Meetings of a joint powers authority shall occur within the territory of at least one of its member agencies, or as provided in subdivision (b). However, a joint powers authority which has members throughout the state may meet at any facility in the state which complies with the requirements of Section 54961.

(e) If, by reason of fire, flood, earthquake, or other emergency, it shall be unsafe to meet in the place designated, the meetings shall be held for the duration of the emergency at the place designated by the presiding officer of the legislative body or his or her designee in a notice to the local media that have requested notice pursuant to Section 54956, by the most rapid means of communication available at the time.

(Amended by Stats. 2004, Ch. 257, Sec. 1. Effective January 1, 2005.)

Item F 3

To: Board of Directors
From: Henry N. White
Date: February 5, 2025
Subject: Director's request to revise Policy #3021

Recommendation: Discuss the issue and direct staff accordingly.

Background: During the Regular Board Meeting held on December 11, 2024, the Board of Directors established a deadline of January 15, 2025, for directors to submit comments on a revision of Policy #3021 Reserves. Final comments from Directors Bell and Foster are included in this packet as well as a copy of the currently approved Policy #3021.

Financial Implications: The financial impact of revising Policy 3021 is negligible.

Foresthill Public Utility District POLICY HANDBOOK

POLICY TITLE: Reserves
POLICY NUMBER: 3021

3021.10 Purpose.

The Foresthill Public Utility District Reserve Policy has been developed to consider the minimum level necessary to maintain the District's credit worthiness and to adequately provide for:

- Cash flow requirements
- Contingencies for unforeseen operating or capital needs
- Economic uncertainties, local disasters or catastrophic events and other financial hardships or downturns in the local, state or national economy.

3021.20 Policy.

Through the annual budget process, the District will maintain a minimum discretionary fund balance as close to 50% of the operating revenues in the General Fund as is practicable at fiscal year-end.

3021.30 Specific Designations of Discretionary Fund Balance.

3021.31 Rate Stabilization

This designation represents the portion of fund balance set aside as a rate stabilization fund.

3021.32 Depreciable Asset Replacement

This designation represents the portion of fund balance set aside to cover expenditures arising from depreciable asset replacements. For General Fund assets, the District will provide the timely replacement of vehicles and capital equipment. The annual designation will be based on the estimated life schedule for vehicles and equipment.

3021.33 Emergency Events

This designation represents the portion of fund balance set aside to cover expenditures associated with emergency situations.

3021.34 Insurances

This designation represents the portion of fund balance set aside for possible future insurance claims and fluctuations in insurance premiums.

3021.35 Other Designations.

In addition to the designations noted above, fund balance levels will be sufficient to meet funding requirements for:

- Projects approved in prior years which are carried forward into the new year.

- Debt service requirements as prescribed by the bond covenants adopted at the time of the issuance of debt.
- Encumbrances and other designations required by contractual obligations, state law, or generally accepted accounting principals.

3021.50 Specific Designations of Restricted Fund Balance

3021.51 Sugar Pine Designation.

This designation represents the restricted portion of fund balance generated by Sugar Pine Surcharge as per Ordinance No. 03-02.

3021.52 Assessment 708 Designation.

This designation represents the portion of fund balance generated by District's Assessment 708 which is restricted for the sole purpose of said assessment.

3021.53 Capital Reserves Designation.

The Board will designate specific fund balance levels for future acquisitions and for the development of capital projects as determined in the Five-Year Plan or in the best long-term interests of the District.

3021.60 Annual Evaluation.

The Finance Committee shall perform a reserve analysis to be submitted to the District Board upon the occurrence of the following events:

- District Board deliberation of the annual budget.
- Presentation of the annual audit.
- Mid-year budget review.
- When a major change in conditions threatens the reserve levels established within this policy.

To: Foresthill PUD Board of Directors

From: Mark Bell, Board Vice-President and past Board Treasurer

Subject: February Board meeting action item on Reserve Policy 3021

Brief Background:

- This item returns to the Board from the discussion during the December Board meeting. At that meeting, the board members were asked to submit proposed revisions to Hank by January 15 for inclusion in the agenda for the February Board meeting.
- I have revised my proposed policy and sent it to Hank White.
- I submitted a letter to the Board about the prior proposed changes, and that was in the December Board packet. All of the reasons for change elaborated therein remain.

Details on the changes from the last proposal:

- I have used several of Diane Foster's suggestions:
 - The Reserve sections are now within the numbering system used in the 2014 version of the Policy
 - Changes are now also within the same sections with deletions and additions.
 - The review of the reserves was in each reserve section. Those are now removed from each section and placed in the last heading. This is where they were in the 2014 version.
 - Added modifiers to fund amounts, such as "close to", or "approximately".
- The specific property tax revenue source for the Debt Reserve is more completely described.

What remains from the prior proposal:

- Each section continues to have more detail on sources of funding, use of the funds, and how the fund is managed. This is particularly true for the Capital Reserve wherein it is made clear that the funds in this reserve roll over from year to year and that a specific contribution is made annually.
- Suggested changes provided by our accounting firm, LSL. These provide information that better informs them, as well as the Board, and the public, on how the funds are treated.
- The minimum discretionary fund balance of close to 50% for the entire group of funds is deleted from section 3021.20, as suggested fund balances are now established for each of the Reserves, as in the 2021 Rate Study.

To: Foresthill PUD Board of Directors

From: Mark Bell, Board Treasurer

Subject: Action Item before the BOD regarding Reserve Policy

Why we need to change the Policy.

The current revision of the policy dates to 2014 and reflects the situation at that time in accordance with the prior rate study. At that time, there were items on each bill that designated where funds were to be used. Those designations resulted in the reserves at that time as well as the Policy on Reserves.

In the 2021 Rate Study, the reserves were reviewed, and changes and additions were made that differ from the prior rate study as well as the policy revision from 2014. Those changes were accepted when the Board approved the rate study. However, the policy has yet to be changed to reflect what was accepted by the rate study. A primary change was there was no longer any specified funds on customer billings.

2021 Rate Study

The 2021 Rate Study examined all revenues, expenses, and funding requirements of the District for the subsequent 5 years. Part of that review included setting aside money into reserves for specific purposes. Four Reserve Funds were described and evaluated for funding level. Those four are: Operating Reserves, Debt Service Reserve, Capital Reserve, and Emergency Reserve. As a result of the rate study, the rate payer billings no longer specifically listed any revenues for reserve funds.

Another basic change in the funding for the Capital Reserve changed in this rate study. In prior times, the funding was solely from rate payers. Then, additional funds came in from grants as well as sales from water transfers to other regions. These two additional funding sources were considered as part of the rate study, and thereby the funding from rate payers was reduced. However, the anticipated final level of funding was expected to remain the same based on an expectation of grants and water transfers. The funding level expected averages \$883,816 per year while the funding contribution via ratepayers was reduced to \$427,000 per year.

There are two places within the Rate Study wherein Reserves are addressed. The first is on page 12 where the funds are described, and target balances and contribution levels are provided. The second is later in the document in the Appendix, Water Rate Model. In that section it is clarified that the Capital Reserve amount is an annual contribution, and not a final fund balance.

Excerpts from the rate study are in an Attachment for review.

Development of the changes.

Brief chronology of changes:

1. There was a 2022 effort that made some attempts at correcting the wording. This effort stalled due to events at the time.
2. Work commenced again in February of 2024 by first looking at the Capital Reserve report, and then at the Policy.
3. I ran a few policy changes by Hank, starting with the 2022 revision and continuing to add clarity.
4. In October of 2024 changes to the Capital Reserve reporting were evaluated by myself, Hank, and Jennifer Castle, Senior Consulting and Advisory, LSL Consulting CPAs, to bring the report in line with the expectation from the Rate Study, which is to have the \$427,000 an annual contribution and not a year-end balance.
5. In late November 2024 Hank, Jennifer, and myself reviewed and modified expectations for reporting the Capital Reserve. A portion of that Excel Workbook is extracted for review in the Attachment. Also in that attachment is another extract showing the reserve balances expected had the original intended amount of \$883,816 been available.
6. In November of 2024 the policy revisions were sent to Noah Daniels, Director Consulting and Advisory, LSL Consulting CPAs. He suggested modifications to improve everything from the Purpose on.
7. I adjusted his inputs to better reflect our situation while using almost everything he added.

Where we stand.

As a result of the development above, the Board Packet contains three copies of the proposed Policy 3021, Reserves. One copy is of the last revision from 2014. Another copy shows all the proposed revisions to the policy using the Track Changes feature in Microsoft Word. The final copy shows what the policy would look like if the changes were accepted.

The Capital reserve contributions are \$627,264 behind expectation. (See Attachment for details). The Fund Balances report for July 2024 shows \$3,917,251 in the unrestricted General Fund. The Capital Reserve could be made whole by a board decision to move \$627,264 from the General Fund to the Capital Reserve.

RESERVE FUNDS

Rates are set to generate sufficient revenue to cover annual expenses. In addition, rates are set to maintain adequate reserves.

Operating Reserve

The District's reserve policy states that the minimum operating reserve balance will equal six months' annual O&M expense plus the debt service reserve. It is essential to not drop below this minimum balance to ensure adequate cash flow is available to the District throughout the year. Maintaining the minimum balance for the operations reserve is recommended as the highest priority for the District.

Debt Service Reserve

The purpose of a debt service reserve is to provide funding to avoid defaulting on any existing loans if the District failed to make a loan payment. We recommend maintaining a full year's loan repayment. As such, the District's target debt service reserve is between \$280,802 and \$338,135 depending on the specific fiscal year.

Capital Reserve

Just as working capital is needed to pay on-going O&M expenses, working capital is also needed to fund construction of water rate-funded (i.e., as opposed to debt-funded, grant-funded, etc.) capital projects. For purposes of this study, we recommend a Capital Reserve target equal to the average annual water-rate-funded capital expenses (\$427,000).³

Emergency Reserve

Should a District asset unexpectedly fail, this reserve will provide funding toward replacement or repair. In light of the District's decision to assume a significant amount of funding for capital projects will need to come from connection fees, grants, and/or revenue from the sale of surplus water, all of which are not guaranteed to materialize, we recommend maintaining an additional reserve amount for emergency repair and replacement purposes. As such, the reserve balance target includes an emergency reserve amount of \$600,000 (in addition to the operating, debt, and capital reserve targets discussed above), which is equal to 2% of the book value of the District's existing assets.

Extract from page 7/16 of the Appendix, Water Rate Model
Notes:

- Annual transfer of \$427,385 into the Capital Reserve.
- Ending balance fluctuates depending on actions within the year.

19	Capital Improvement Reserve (includes "Repair & Replacement Reserve")					
20	Beginning Balance	\$1,391,475	\$1,439,937	\$1,072,781	\$918,054	\$918,037
21						
22	Capital Projects Expenditures (PAYGO)	(\$400,000)	(\$413,246)	(\$426,932)	(\$441,070)	(\$455,676) From Table 5
23						
24	Transfers (to)/from:					
25	Revenue Requirements	\$427,385	\$427,385	\$427,385	\$427,385	\$427,385 To Table 2
26	Operating Reserves	\$0	\$0	\$0	\$0	\$0 To below
27	Emergency Reserves	\$0	(\$400,000)	(\$170,000)	\$0	\$0 To below
28	Debt Service Reserves	\$0	\$0	\$0	\$0	\$0 To below
29	Fund Subtotal	\$1,418,860	\$1,054,076	\$903,234	\$904,369	\$889,746
30	Estimated interest earnings	\$21,078	\$18,705	\$14,820	\$13,668	\$13,558 Avg. Bal. * Table 1A assumption f.
31	Ending Balance	\$1,391,475	\$1,439,937	\$1,072,781	\$918,054	\$918,037
32	Target Balance	\$427,385	\$427,385	\$427,385	\$427,385	\$427,385 Avg. Annual PayGo Capital Expense

Extract from Excel Workbook on Capital Reserve contributions and balances.

Year	Year end beginning	Capital Expenses (revised)	Capital Additions		Change in year	Year end balance
			Routine	Grants		
2021	328,804.00	63,912.22	427,000.00	-	363,087.78	691,891.78
2022	691,891.78	314,763.39	427,000.00	-	112,236.61	804,128.39
2023	804,128.39	2,042,517.62	427,000.00	1,200,000.00	(415,517.62)	388,610.77
2024	388,610.77	473,836.82	427,000.00		(46,836.82)	341,773.95
Total additions				2,908,000.00		
Comparison to prior amount of contribution			Capital Additions			
Year			Routine			
2021			883,816.00			
2022			883,816.00			
2023			883,816.00			
2024			883,816.00			
Total Additions				3,535,264.00		
			Difference between 427k and prior.		(627,264.00)	

Extract from October Board packet on General Fund balance as of July end, 2024.

Fund Balances

	7/1/2024*	Received	Paid Out	Transfers	Balance
General Fund - unspendable***	11,109,706				11,109,706
General Fund - unrestricted***	3,792,937	333,861	209,547		3,917,251

**Foresthill Public Utility District
POLICY HANDBOOK**

POLICY TITLE: Reserves
POLICY NUMBER: 3021

Director Bell's proposed
policy 3021 in track changes

3021.10 Purpose.

The Foresthill Public Utility District Reserve Policy has been developed to establish and maintain prudent financial resources that safeguard the District's ability to continue operations and provide critical services in the event of temporary unexpected revenue shortfalls or unpredicted one-time expenses. The Reserve Policy ensures that appropriate reserves are available to: to consider the minimum level necessary to maintain the District's credit worthiness and to adequately provide for:

- Provide for Cash flow requirements
- Maintain the District's credit worthiness.
- Address Contingencies for unforeseen operating or capital needs
- Respond to Economic uncertainties, local disasters or catastrophic events and other financial hardships or downturns in the local, state or national economy.
- Perform routine investments in critical infrastructure and long-term capital improvements and replacements.

3021.20 Policy.

~~Through the annual budget process, the District will maintain a minimum discretionary fund balance as close to 50% of the operating revenues in the General Fund as is practicable at fiscal year-end.~~

By enacting this policy, the District is setting the following reserves and goals:

3021.30 Specific Designations of Discretionary Fund Reserves Balance.

3021.31 Operating Reserve Rate Stabilization

~~This designation represents the portion of fund balance set aside as a rate stabilization fund. Set goal of maintaining a minimum level of operating reserve to approximately 50%, or six months, of operating budget appropriations for the upcoming fiscal year. Funds from this reserve are to be used to pay operating expenses during any and each month wherein the expenses cannot be paid via the unrestricted General Fund.~~

3021.32 Capital Reserves Depreciable Asset Replacement

~~This designation represents the portion of fund balance set aside to cover expenditures arising from depreciable asset replacements. For General Fund assets, the District will provide the timely replacement of vehicles and capital equipment. The annual designation will be based on the estimated life schedule for vehicles and equipment. Set an annual goal of reserving \$427,000 for water-rate-funded capital expenses, reflecting the District's commitment to funding critical infrastructure and long-term capital improvements. Additional funds from connection charges (Will Serve) are designated to be added to this reserve. Additional funds may be allocated to the reserve~~

from grants, surplus revenues, water transfer revenue, or by any other formal vote of the Board of Directors. Funds from this reserve are designated exclusively for capital expenditures, insuring the District can address its infrastructure needs in a timely and effective manner. Unspent reserves will roll over annually, allowing for the accumulation of funds for large-scale or multi-year capital projects.

3021.33 Emergency Reserve Events

Set a goal to establish and maintain a reserve for emergency repair and replacement purposes of approximately 2% of the book value of the District's depreciable capital assets (\$600,000 in 2021). Funds from this reserve are designated exclusively for addressing urgent and unforeseen needs, such as major equipment failures, infrastructure damage, or disaster abatement and recovery. Any use of this reserve must be either approved in advance by the Board of Directors, or in extreme emergencies, or in cases wherein gathering the Board of Directors is not possible, the expenditures are reported to the Board of Directors at the next scheduled meeting. This designation represents the portion of a fund balance set aside to cover expenditures associated with emergency situations.

3021.34 Insurances

This designation represents the portion of fund balance set aside for possible future insurance claims and fluctuations in insurance premiums.

3021.345 Debt Service Reserve. Other Designations.

In addition to the designations noted above, fund balance levels will be sufficient to meet funding requirements for:

- Projects approved in prior years which are carried forward into the new year.
- Set a goal of maintaining approximately a fiscal year's loan debt service payments, including both principal and interest obligations. Funds from this reserve are strictly designated for meeting annual debt service obligations, insuring timely and complete payment. The district's debt service payment varies by year and is between \$280,802 and \$338,135 for the years 2021-2026. Reserve funds will be used for each fiscal year for debt service. Replenishment of reserve funds will include contributions from Assessment District #2, a specific property tax revenue, as well as being replenished in the subsequent budget cycle from the unrestricted General Funds to the targeted reserve level. Debt service requirements as prescribed by the bond covenants adopted at the time of the issuance of debt.
- Encumbrances and other designations required by contractual obligations, state law, or generally accepted accounting principals.

3021.50 Specific Designations of Restricted Fund Balance

3021.51 Sugar Pine Designation.

This designation represents the restricted portion of fund balance generated by Sugar Pine Surcharge as per Ordinance No. 03-02.

3021.52 Assessment 708 Designation.

~~This designation represents the portion of fund balance generated by District's Assessment 708 which is restricted for the sole purpose of said assessment.~~

~~**3021.53 Capital Reserves Designation:**~~

~~The Board will designate specific fund balance levels for future acquisitions and for the development of capital projects as determined in the Five-Year Plan or in the best long-term interests of the District.~~

3021.60 Annual Reserve Evaluations.

The Finance Committee, or General Manager, shall ~~may~~ perform a reserve analysis to be submitted to the District Board based upon the occurrence of any one of the following events for each of the designated Reserves:

- ~~• District Board deliberation of the annual budget.~~
- ~~• Presentation of the annual audit.~~
 - ~~• Mid-year budget review.~~
- For all Reserves:
 - When a major change in conditions threatens the reserve levels established within this policy.
 - During and after completion of a cost-of-service-study.
- Operating Reserve;
 - Shall be evaluated after any use of this Reserve.
- Debt Service Reserve;
 - May be reviewed during the annual budget cycle to ensure adequacy relative to the outstanding debt obligations, anticipated property tax revenues and compliance with debt covenants.
- Capital Reserve;
 - As part of any additional contributions to this Reserve from grants, surplus revenues, or other formal vote of the Board of Directors.
- Emergency Reserve
 - After any use of funds from this Reserve.

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Foresthill Public Utility District POLICY HANDBOOK

POLICY TITLE: Reserves
POLICY NUMBER: 3021

3021.10 Purpose.

The Foresthill Public Utility District Reserve Policy has been developed to establish and maintain prudent financial resources that safeguard the District's ability to continue operations and provide critical services in the event of temporary unexpected revenue shortfalls or unpredicted one-time expenses. The Reserve Policy ensures that appropriate reserves are available to:

- Provide for cash flow requirements
- Maintain the District's credit worthiness.
- Address contingencies for unforeseen operating or capital needs
- Respond to economic uncertainties, local disasters or catastrophic events and other financial hardships or downturns in the local, state or national economy.
- Perform routine investments in critical infrastructure and long-term capital improvements and replacements.

3021.20 Policy.

By enacting this policy, the District is setting the following reserves and goals:

3021.30 Specific Designations of Discretionary Fund Reserves .

3021.31 Operating Reserve

Set goal of maintaining a minimum level of operating reserve to approximately 50%, or six months, of operating budget appropriations for the upcoming fiscal year. Funds from this reserve are to be used to pay operating expenses during any and each month wherein the expenses cannot be paid via the unrestricted General Fund.

3021.32 Capital Reserves

Set an annual goal of reserving \$427,000 for water-rate-funded capital expenses, reflecting the District's commitment to funding critical infrastructure and long-term-capital improvements. Additional funds from connection charges (Will Serve) are designated to be added to this reserve. Additional funds may be allocated to the reserve from grants, surplus revenues, water transfer revenue, or by any other formal vote of the Board of Directors. Funds from this reserve are designated exclusively for capital expenditures, insuring the District can address its infrastructure needs in a timely and effective manner. Unspent reserves will roll over annually, allowing for the accumulation of funds for large-scale or multi-year capital projects.

3021.33 Emergency Reserve

Set a goal to establish and maintain a reserve for emergency repair and replacement purposes of approximately 2% of the book value of the District's depreciable capital assets (\$600,000 in 2021). Funds from this reserve are designated exclusively for

addressing urgent and unforeseen needs, such as major equipment failures, infrastructure damage, or disaster abatement and recovery. Any use of this reserve must be either approved in advance by the Board of Directors, or in extreme emergencies, or in cases wherein gathering the Board of Directors is not possible, the expenditures are reported to the Board of Directors at the next scheduled meeting. This designation represents a fund balance set aside to cover expenditures associated with emergency situations.

3021.34 Debt Service Reserve.

Set a goal of maintaining approximately a fiscal year's loan debt service payments, including both principal and interest obligations. Funds from this reserve are strictly designated for meeting annual debt service obligations, insuring timely and complete payment. The district's debt service payment varies by year and is between \$280,802 and \$338,135 for the years 2021-2026. Reserve funds will be used for each fiscal year for debt service. Replenishment of reserve funds will include contributions from Assessment District #2, a specific property tax revenue, as well as being replenished in the subsequent budget cycle from the unrestricted General Funds to the targeted reserve level.

3021.60 Reserve Evaluations.

The Finance Committee, or General Manager, may perform a reserve analysis to be submitted to the District Board based upon the occurrence of any one of the following events for each of the designated Reserves:

- For all Reserves:
 - When a major change in conditions threatens the reserve levels established within this policy.
 - During and after completion of a cost-of-service-study.
- Operating Reserve;
 - Shall be evaluated after any use of this Reserve.
- Debt Service Reserve;
 - May be reviewed during the annual budget cycle to ensure adequacy relative to the outstanding debt obligations, anticipated property tax revenues and compliance with debt covenants.
- Capital Reserve;
 - As part of any additional contributions to this Reserve from grants, surplus revenues, or other formal vote of the Board of Directors.
- Emergency Reserve
 - After any use of funds from this Reserve.

Hank White

From: Dianne Foster
Sent: Wednesday, January 29, 2025 7:27 PM
To: Mark Bell; Hank White
Cc: Dianne Foster
Subject: my additional edits for Reserves #3021
Attachments: Polic 3021 Reserves draft.docx

Attached is my additional edits to the Reserves draft. Overall I think it is well done now. But regarding #3021.60, I would like the full Board to make the decision on its wording. I am fine with whatever the Board decides.

Dianne

Director Foster correspondence
in regards to Policy #3021

Director Foster's comments on proposed policy 3021

Policy Title Reserves #3021

I think Mark did a good job implementing my additions and changes. I just a few things I would like to see added.

On #3021.32 , -- Capital Reserves -- *I would like to see added "If the project cost exceeds fund available, the project will not go forward."* (This sentence was in the Rate Study.)

On #3021.33,- Emergency Reserves -- I would like to see added, *"Funding will need to come from connection fees, grants, and sale of surplus water."* (This sentence was in the rate study.)

I would request that 3021.60 be presented to the Board at the Feb General Meeting and let them read both Mark and my version of 3021.60, and get additional input in this section.

On 3021.60 -- Reserve Evaluations

The Finance Committee, or (change to and) General Manager, may (change to will) perform a reserve analysis to be submitted to the District Board upon the occurrence of the following events:

- District Board deliberation of the annual budget
- Presentation of the annual audit
- When a major change in conditions threatens the reserve levels established within the policy.

Dianne Foster

January 30

From: [Dianne Foster](#)
To: [Hank White](#); [Chase Dowling](#)
Cc: [Mark Bell](#); [Dianne Foster](#); [Roger Pruet](#); [Ron Thompson](#)
Subject: Agenda item request
Date: Saturday, February 1, 2025 1:23:49 PM

Director Foster's request to place
Item F 4 on the agenda.

I would like placed on the February 12, 2025 FPUD General Board meeting agenda the following items:

1. Placing the FPUD (Foresthill) *Board Policy Handbook* on the FPUD (Foresthill Website) to improve transparency.
2. Accommodating Board Policy #5060.12, #5060.13 & #5060.22 by video and audio recording Board meetings, and Posting the video/audio on FPUD website to improve clarity and transparency.

Submitted by Director Dianne Foster/Feb. 1, 2025

Director Foster's request to place
item F 4 on the agenda.

From: [Dianne Foster](#)
To: [Hank White](#); [Ron Thompson](#); [Jane Stahler](#); [Mark Bell](#); [Roger Pruett](#)
Cc: erobinson@kmtg.com; vpiggott@kmtg.com; diannefoster@sebastiancorp.net
Subject: Request to add an agenda item for Dec. 11 FPUD General Meeting
Date: Sunday, December 1, 2024 2:51:31 PM

I would like placed as an agenda item for the December 11, 2024 FPUD Meeting the following item for discussion: “ **Placing the entire contents of the FPUD Board Policy Handbook on the FPUD website.**” (This certainly would show more transparency.) Dianne Foster

Staff report for Item F 4

To: Board of Directors
From: Henry N. White
Date: February 5, 2025
Subject: Report on issues associated with posting Foresthill's policy manual to the district's website

Recommendation: Discuss the issue and direct staff accordingly.

Background: During the Regular Board Meeting held on January 8, 2025, the Board of Directors requested that staff investigate potential liability issues related to posting Foresthill's policy manual on the district's website.

Staff engaged in discussions with legal counsel and have found no significant risk associated with making the policy manual publicly available online.

Financial Implications: The financial impact of posting the policy manual on the district's website is negligible. The work required for this task will be handled internally, with minimal expenditure involved.

Director Foster's request to place item F 5 on the agenda

From: [Dianne Foster](#)
To: [Hank White](#)
Cc: [Ron Thompson](#); [Roger Pruet](#); [Chase Dowling](#); [Mark Bell](#); vpiggott@kmtg.com; erobinson@kmtg.com
Subject: Adding agenda item to Jan. 8th Board meeting
Date: Sunday, December 29, 2024 10:59:19 AM

Please add the following item for discussion and approval as an agenda item for Jan. 8, 2025 Board Meeting --Discussion and enforcement of Policy Number 5060.12. 5060.13 & 5060.22 which is in regards to "recording public comments" in the minutes.

Dianne Foster
FPUD Director

FORESTHILL PUBLIC UTILITY DISTRICT POLICY HANDBOOK

POLICY TITLE: Minutes of Board Meetings
POLICY NUMBER: 5060

Copy of current Policy
#5060

5060.10 The Board's Clerk and Ex-Officio Secretary shall keep minutes of all regular and special meetings of the Board.

5060.11 Copies of a meeting's minutes will be distributed to Directors as part of the information packet for the subsequent meeting as soon as practical, at which time the Board will consider approving the minutes as presented or with modifications. Once approved by the Board, the official minutes shall be kept in a fireproof vault or in a fire-resistant, locked cabinet, and will be posted on the District's web site.

5060.12 An audio tape recording of regular and special meetings of the Board of Directors may be made. The recording will be posted on Vimeo (on_line) by volunteers from the community.

5060.13 Motions, resolutions or ordinances shall be recorded in the minutes as having passed or failed and individual votes will be recorded unless the action was unanimous. All resolutions and ordinances adopted by the Board shall be numbered consecutively, starting new at the beginning of each year. In addition to other information that the Board may deem to be of importance, the following information (if relevant) shall be included in each meeting's minutes:

- 5060.14 Date, place and type of each meeting;
- 5060.15 Directors present and absent by name;
- 5060.16 Management staff present by name;
- 5060.17 Call to order;
- 5060.18 Time and name of late arriving Directors;
- 5060.19 Time and name of early departing Directors;
- 5060.20 Names of Directors absent during any agenda item upon which action was taken;
- 5060.21 Summary record of staff reports;
- 5060.22 Summary record of public comment regarding matters not on the agenda, including names of commentators;
- 5060.23 Approval of the minutes or modified minutes of preceding meetings;
- 5060.24 Approval of financial reports;

- 5060.25 Complete information as to each subject of the Board's deliberation;
- 5060.26 Record of the vote of each Director on every action item for which the vote was not unanimous;
- 5060.27 Resolutions and ordinances described as to their substantive content and sequential numbering;
- 5060.28 Record of all contracts and agreements, and their amendment, approved by the Board;

- 5060.29 Approval of the annual budget;
- 5060.30 Approval of all policies, rules and/or regulations;
- 5060.31 Approval of all dispositions of District assets;
- 5060.32 Approval of all purchases of District assets; and,
- 5060.33 Time of meeting's adjournment.

5060.40 The Board's Clerk and Ex-Officio Secretary of the Board of Directors will not record or keep minutes of closed session discussions.

From: [Dianne Foster](#)
To: [Hank White](#)
Subject: Policy #5020 Ad Hoc Committee Report
Date: Saturday, February 1, 2025 5:53:47 PM

Director Foster's request to add item F 6 to the agenda.

I would like to place on the Feb. 12, 2025 General Meeting Agenda the following:

"Policy #5020 (Board Meeting Agenda) Ad Hoc Committee Report"

Mark Bell and I are on this committee with the assigned job to "Review the Policy." As it turns out, Mark and I have different perceptions as what evolved in the revisions for Policy #5020 and the timeline of events. So we will each give our own presentation from our own perspective of events, and a conclusion of what we believe is the current Policy 5020 language as facts provide, and voted on by the majority of the Board.

Dianne Foster/Committee Chair
Submitted this agenda item on Feb. 1, 2025

From: [Dianne Foster](#)
To: [Hank White](#); [Chase Dowling](#)
Cc: [Ron Thompson](#); [Dianne Foster](#); [Roger Pruett](#); [Mark Bell](#)
Subject: Adding to agenda for discussion
Date: Saturday, February 1, 2025 1:32:57 PM
Attachments: [Polic 3021 Reserves draft.docx](#)

Director Foster's request to
place item F 7 on the agenda.

I would like to add the following item to the Feb. 12, 2025 General Meeting Agenda —

"Reserve Policy 3021 Revisions " (see attached)

Submitted by Director Dianne Foster

February 1, 2025

Director Foster's comments on Policy #3021

Policy Title Reserves #3021

I think Mark did a good job implementing my additions and changes. I just a few things I would like to see added.

On #3021.32 , -- Capital Reserves -- *I would like to see added "If the project cost exceeds fund available, the project will not go forward."* (This sentence was in the Rate Study.)

On #3021.33,- Emergency Reserves -- I would like to see added, *"Funding will need to come from connection fees, grants, and sale of surplus water."* (This sentence was in the rate study.)

I would request that 3021.60 be presented to the Board at the Feb General Meeting and let them read both Mark and my version of 3021.60, and get additional input in this section.

On 3021.60 -- Reserve Evaluations

The Finance Committee, or (change to and) General Manager, may (change to will) perform a reserve analysis to be submitted to the District Board upon the occurrence of the following events:

- District Board deliberation of the annual budget
- Presentation of the annual audit
- When a major change in conditions threatens the reserve levels established within the policy.

Dianne Foster

January 30

From: [Dianne Foster](#)
To: [Hank White](#); [Chase Dowling](#)
Cc: [Mark Bell](#); [Dianne Foster](#); [Roger Pruet](#); [Ron Thompson](#)
Subject: Agenda item request
Date: Saturday, February 1, 2025 1:23:49 PM

Director Foster's request to
place item F 8 on the agenda

I would like placed on the February 12, 2025 FPUD General Board meeting agenda the following items:

1. Placing the FPUD (Foresthill) *Board Policy Handbook* on the FPUD (Foresthill Website) to improve transparency.
2. Accommodating Board Policy #5060.12, #5060.13 & #5060.22 by video and audio recording Board meetings, and Posting the video/audio on FPUD website to improve clarity and transparency.

Submitted by Director Dianne Foster/Feb. 1, 2025

Staff report for Item F 8

To: Board of Directors
From: Henry N. White
Date: February 5, 2025
Subject: Report on issues associated with video taping public comments and/or the entire public meeting.

Recommendation: Discuss the issue and direct staff accordingly.

Background: During the Regular Board Meeting held on January 8, 2025, the Board of Directors requested that staff investigate the cost and potential issues associated with videotaping public comments and/or the entire public meeting and report to the board.

Staff engaged in discussions with legal counsel and determined that recording the board meetings may expose the district to claims associated with factually or legally incorrect statements made by the board. The recorded statements may present some legal risk to the district. Counsel did not identify risks associated with filming the public comments presented at the public meetings.

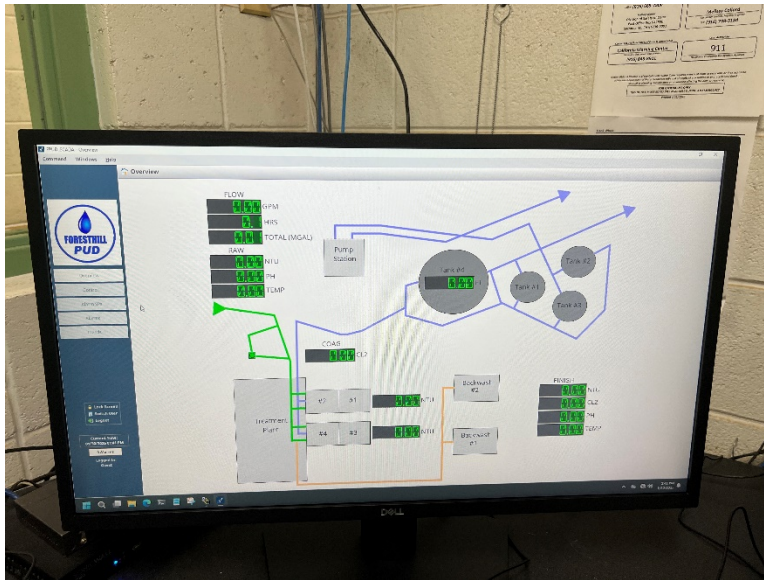
Financial Implications: Video equipment for recording board meetings can be purchased for less than \$2,000.

Item G 1

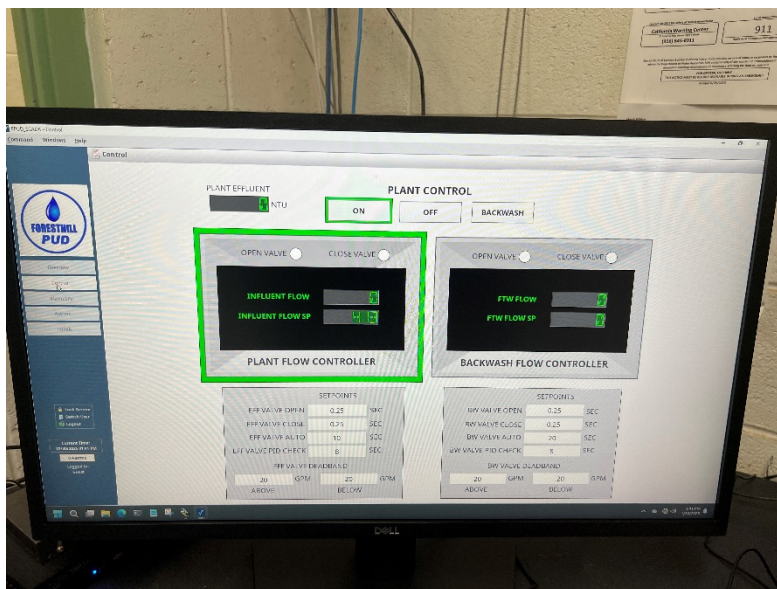
To: Board of Directors
From: Henry N. White
Date: February 5, 2025
Subject: General Manager's Report

Topics of General Interest:

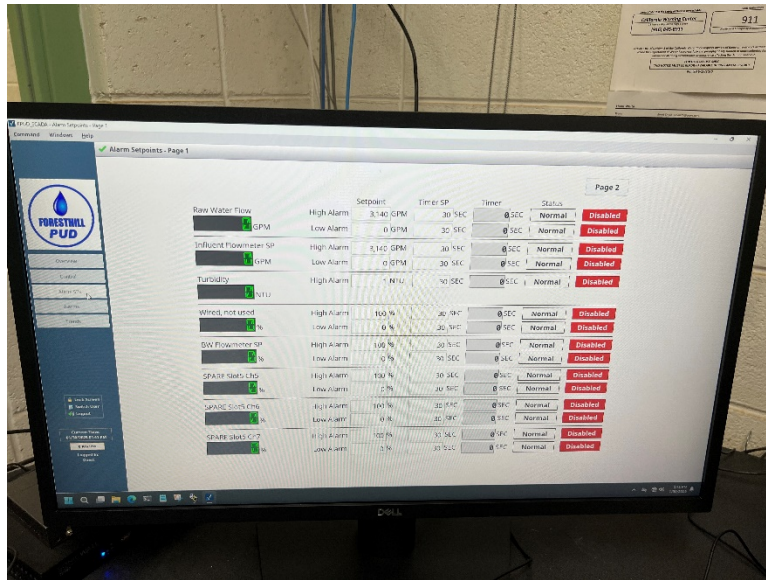
- 1. Fiscal Year 2024 Audit Update** - Field work for the FY 2024 began on November 12, 2024. A draft document will be issued January 10, 2025, with comments due January 31, 2025. A final document is expected February 5, 2025, and will be presented to the board on February 12, 2025.
- 2. Safety Meeting Update** - Foresthill staff participate in a series of safety meetings throughout the year. On January 9, 2025, staff reviewed Dog Bite Prevention, focusing on safely working around customer's pets. Safety meetings reflect Foresthill's ongoing commitment to ensuring the safety and well-being of our staff.
- 3. Completed significant water quality sampling during December** - The Division of Drinking Water required a significant sampling event late in December. Results and cost associated with the sampling event are still pending.
- 4. Completed sampling event for polyfluoroalkyl (PFAS) contamination on January 7, 2025** - The federal Environmental Protection Agency requested Foresthill to sample for PFAS. The sample analysis was funded by the EPA.
- 5. January 28, 2025 Added Virtual Endorsement to check scanning deposits** - Added a feature to the deposit process to speed deposits and improve efficiency.
- 6. SCADA system design underway** - The SCADA system approved by the board is in development. These photos from 1/30/2025 show the operator interface and the parameters that are being collected:



Master/operator control station



Operations screen



Alarm screen

7. **Submitted Annual Debt Transparency Report** – Staff submitted the Annual Debt Transparency Report on January 22, 2025. The report discloses Foresthill’s debt to the California Debt and Investment Advisory Commission.
8. **2025 Intent to Transfer submitted** – The 2025 Intent to Transfer was submitted to the Department of Water Resources on January 14, 2025. The potential transfer would consist of transferring 2,000 Acre Feet of water stored in Sugar Pine Reservoir during the months of June through September.