

# FORESTHILL PUBLIC UTILITY DISTRICT

## AGENDA

### Regular Business Meeting of the FORESTHILL PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS

Wednesday	February 9, 2022	3:00 P.M.
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This meeting is being held via teleconference pursuant to Government Code section 54953(e)(1)(B) and Resolution 2022-01 and in compliance with the Brown Act. On January 12, 2022, the Foresthill Public Utility District Board of Directors determined pursuant to Government Code section 54953(e)(1)(B) that emergency conditions caused by the COVID-19 virus pose a threat to meeting attendees' health and safety and elected to meet via teleconference. The District is required (1) to post notice and agendas as otherwise provided by the Brown Act and applicable law, (2) allow members of the public to access the meeting via call-in line or internet-based service line, (3) provide details on the agenda on how to access the meeting and give public comment, (4) provide an opportunity to comment pursuant to Government Code section 54954.3 and allow a reasonable amount of time during public comment for a person to register, login, and comment, and (5) monitor the call-in line and/or internet-based service line to ensure no disruption hinders access or ability to comment, if there is, take no action until public access is restored. The District is not required to provide a location to attend in-person.

The Governor proclaimed a state of emergency due to the COVID-19 virus pandemic on March 4, 2020. The proclamation remains active and applies statewide. The District is complying with other public access and participation obligations, as required and to ensure that any member of the public may attend, participate, and watch the District's Board of Directors conduct its business.

Any person may access and comment during the meeting by doing the following:

Join Zoom Meeting: <https://us06web.zoom.us/j/82837681166>

Meeting ID: 828 3768 1166

Dial by your location: 408 638 0968 or 669 900 6833

Find your local number: <https://us06web.zoom.us/u/kcy3Vjg2hB>

#### A. CALL TO ORDER: 3:00 PM

#### B. OPEN SESSION - ROLL CALL (3 minutes):

- \_\_\_\_\_ President Robert Palmeri
- \_\_\_\_\_ Vice President Patty Wade
- \_\_\_\_\_ Treasurer Jane Stahler
- \_\_\_\_\_ Director Mark Bell
- \_\_\_\_\_ Director Tyler Hunter

#### C. PUBLIC COMMENT: (20 minutes)

- This is the time for the Board to hear from the public. 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 Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior.

**D. CLOSED SESSION: (2 hours)**

1. Conference with Legal Counsel – Existing Litigation Subdivision (a) of Government Code Section 54956.9. Name of Case: Miner’s Camp vs. Foresthill Public Utility District
2. Conference with Legal Counsel – Existing Litigation Subdivision (a) of Government Code Section 54956.9. Name of Case: Foresthill Public Utility District Petition to State Water Resources Control Board for Extension of Water Right Permit No. 15375.
3. Conference with legal counsel – Anticipated litigation – pursuant to subdivision (b) of Section 54956.9 of the Government Code. Potential cases: One

**E. OPEN SESSION - (Starting at 6:00 PM):**

**F. OPEN SESSION - ROLL CALL (3 minutes):**

- \_\_\_\_\_ President Robert Palmeri
- \_\_\_\_\_ Vice President Patty Wade
- \_\_\_\_\_ Treasurer Jane Stahler
- \_\_\_\_\_ Director Mark Bell
- \_\_\_\_\_ Director Tyler Hunter

**G. ANNOUNCEMENT FROM CLOSED SESSION (5 minutes)**

**H. PRESENTATION:** Dane Wadle from California Special Districts Association will present the District Transparency Certificate of Excellence. The district has received this prestigious award since 2014 and it recognizes the efforts the district has taken to be completely and utterly transparent and a true leader in the industry of providing spectacular public service

**I. PUBLIC COMMENT: (20 minutes)**

- This is the time for the Board to hear from the public. 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 Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior.

**J. CONSENT AGENDA: (5 minutes)** All items listed under the Consent Agenda are considered to be routine in nature and may be approved by one motion.

1. Minutes of the January 12, 2022 Regular Meeting
2. Cash Disbursements Register, December 2021

3. Statement of Net Position, December 2021
4. Statement of Activity Budget vs. Actual, December 2021
5. Investment Policy Compliance, December 2021
6. Quality Analysis Report, December 2021
7. Activity Detail December 2021
8. Portfolio Graphically Presented, December 2021
9. Make findings pursuant to Government Code section 54953(e) that a state of emergency remains active and continues to directly impact the ability of attendees to meet safely in person, such that the Board hereby renews its findings contained in Resolution No. 2022-01 - A resolution of the Board of Directors of the Foresthill Public Utility District ratifying the proclamation of a state of emergency by Governor Gavin Newsom (March 4, 2020) as applicable in the District's jurisdiction and authorizing teleconference meetings of legislative bodies of the District pursuant to the Ralph M. Brown Act and will continue utilizing teleconference meetings pursuant to Government Code section 54953 (e).

**K. ACTION ITEMS: (1 hour)**

1. Consider approval of proposal by Western Hydrologics to provide technical assistance for the State Water Resources Control Board annual water right reporting and support for required 2020 water transfer documentation in an amount not to exceed \$12,000  
Recommended Action: Approve proposal and authorize execution of task order  
Public comment:
2. Presentation of the Annual Financial Report with the Independent Auditor's Report for fiscal year ending June 30, 2021 by Finance Manager Roger Carroll  
Recommended Action: Receive and file the Annual Financial Report for fiscal year ending June 30, 2021  
Public comment:
3. Consider request for a remote service connection by Andrew Ramsey and Laura Truax for Assessor's Parcel Number 007-060-005 (24150 Race Track Street)  
Recommended Action: Authorize remote service connection  
Public comment:

**L. DISCUSSION ITEMS: (20 minutes)**

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

**M. 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 2, 2022.

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.

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Henry N. White, Board Clerk & Ex-Officio Secretary



December 16, 2021

Hank White  
Foresthill Public Utilities District  
PO Box 266  
Foresthill, CA 95631-0266

RE: District Transparency Certificate of Excellence Approval

Dear Cindi Beaudet:

Congratulations! Foresthill Public Utilities District has successfully completed the District Transparency Certificate of Excellence program through the Special District Leadership Foundation (SDLF).

On behalf of the SDLF Board of Directors, I would like to congratulate your district on achieving this important certificate. By completing the District Transparency Certificate of Excellence Program, Foresthill Public Utilities District has proven its dedication to being fully transparent as well as open and accessible to the public and other stakeholders.

Congratulations and thank you for your dedication to excellence in local government.

Most sincerely,

A handwritten signature in black ink, appearing to read 'David Aranda'. The signature is fluid and cursive, with the first name 'David' being more prominent and the last name 'Aranda' following in a similar style.

David Aranda  
SDLF Board President

# FORESTHILL PUBLIC UTILITY DISTRICT

## MINUTES

### Regular Business Meeting of the FORESTHILL PUBLIC UTILITY DISTRICT BOARD OF DIRECTORS

Wednesday	January 12, 2022	3:00 P.M.
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This meeting is being held via teleconference pursuant to Government Code section 54953(e)(1)(B) and in compliance with the Brown Act. Section 54953(e)(1)(B) permits the District Board of Directors to hold a meeting during a proclaimed state of emergency via teleconference in order to determine whether as a result of the emergency, meeting in person would present an imminent risk to attendees' health or safety. To do so, the District is required (1) to post notice and agendas as otherwise provided by the Brown Act and applicable law, (2) allow members of the public to access the meeting via call-in line or internet-based service line, (3) provide details on the agenda on how to access the meeting and give public comment, (4) provide an opportunity to comment pursuant to Government Code section 54954.3 and allow a reasonable amount of time during public comment for a person to register, login, and comment, and (5) monitor the call-in line and/or internet-based service line to ensure no disruption hinders access or ability to comment, if there is, take no action until public access is restored. The District is not required to provide a location to attend in-person.

The Governor proclaimed a state of emergency due to the COVID-19 virus pandemic on March 4, 2020. The proclamation remains active and applies statewide. The District is meeting pursuant to Section 54953(e)(1)(B) to determine if the emergency conditions pose a threat to attendees' health and safety, warranting teleconference meetings. The District is complying with other public access and participation obligations, as required and to ensure that any member of the public may attend, participate, and watch the District's Board of Directors conduct its business.

Any person may access and comment during the meeting by doing the following:

Join Zoom Meeting: <https://us06web.zoom.us/j/81545540126> Meeting ID: 815 4554 0126

Dial by your location: 408 638 0968 or 669 900 6833

Find your local number: <https://us06web.zoom.us/u/kdaufpdxLd>

**A. CALL TO ORDER: 3:00 PM *President Bell called the meeting to order at 3:03 PM***

**B. OPEN SESSION - ROLL CALL (3 minutes):**

_____ President Mark Bell	<b><i>Present</i></b>
_____ Vice President Patty Wade	<b><i>Present</i></b>
_____ Treasurer Jane Stahler	<b><i>Present</i></b>
_____ Director Robert Palmeri	<b><i>Present</i></b>
_____ Director Tyler Hunter	<b><i>Present</i></b>

**C. PUBLIC COMMENT: (20 minutes)**

- This is the time for the Board to hear from the public. 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 Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior. ***An opportunity for the public to provide comment was provided. No public comments were offered.***

**D. ACTION ITEMS: (10 minutes)**

1. Consider making findings pursuant to Government Code Section 54953(e), as amended by Assembly Bill 361, authorizing the continued use of virtual meetings – Adopt Resolution 2022-01, finding a proclamation of state of emergency to apply within the District, conditions of which pose an imminent threat to the health and safety to attendees of in-person public meetings, and authorizing teleconference meetings of District legislative bodies pursuant to Government Code section 54953(e)  
Recommended Action: Discuss issue and consider adopting Resolution 2022-01  
Public comment: ***No public comments were offered.***

***Board Action:*** ***Director Hunter made a motion to approve Resolution 2022-01 – A resolution of the Board of Directors of the Foresthill Public Utility District ratifying the proclamation of a state of emergency by Governor Gavin Newsom (March 4, 2020) as applicable in the District’s jurisdiction and authorizing teleconference meetings of legislative bodies of the District pursuant to the Ralph M. Brown Act. The motion was seconded by Vice President Wade. The motion carried unanimously (5-0).***

**E. CLOSED SESSION: (2 hours) *President Bell announced the Board was going into closed session at 3:08 PM***

1. Conference with Legal Counsel – Existing Litigation Subdivision (a) of Government Code Section 54956.9. Name of Case: Miner’s Camp vs. Foresthill Public Utility District
2. Conference with Legal Counsel – Existing Litigation Subdivision (a) of Government Code Section 54956.9. Name of Case: Foresthill Public Utility District Petition to State Water Resources Control Board for Extension of Water Right Permit No. 15375.
3. Conference with legal counsel – Anticipated litigation – pursuant to subdivision (b) of Section 54956.9 of the Government Code. Potential cases: One

**F. OPEN SESSION - (Starting at 6:00 PM): *President Bell called the meeting to order at 6:06 PM.***

**G. OPEN SESSION - ROLL CALL (3 minutes):**

_____ President Mark Bell	<b><i>Present</i></b>
_____ Vice President Patty Wade	<b><i>Present</i></b>
_____ Treasurer Jane Stahler	<b><i>Present</i></b>
_____ Director Robert Palmeri	<b><i>Present</i></b>
_____ Director Tyler Hunter	<b><i>Present</i></b>

**H. ANNOUNCEMENT FROM CLOSED SESSION (5 minutes)** *At 6:06 PM, President Bell announced that no reportable action was taken during closed session.*

**I. PUBLIC COMMENT: (20 minutes)**

- This is the time for the Board to hear from the public. 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 Board, staff, and members of the public to speak courteously and respectfully. Therefore, the Board prohibits disruptive behavior. *Public comments were received.*

**J. CONSENT AGENDA: (5 minutes)** All items listed under the Consent Agenda are considered to be routine in nature and may be approved by one motion.

1. Minutes of the December 8, 2021 Regular Meeting
2. Cash Disbursements Register, November 2021
3. Statement of Net Position, November 2021
4. Statement of Activity Budget vs. Actual, November 2021
5. Investment Policy Compliance, November 2021
6. Quality Analysis Report, November 2021
7. Activity Detail November 2021
8. Portfolio Graphically Presented, November 2021

**Board Action:** *Director Hunter made a motion to approve the consent agenda. The motion was seconded by Vice President Wade and carried unanimously. (5-0)*

**K. ACTION ITEMS: (30 minutes)**

1. Organizational Meeting and election of officers per Policy 5010.50  
**Recommended Action:** Elect a President, Vice President, Treasurer and appoint the Board Clerk and Ex-Officio Secretary  
**Public comment:**

**Board Action:** *Vice President Wade nominated President Bell for the office of President. Director Hunter nominated Director Palmeri for the office of President. A roll call vote on the nomination of President Bell failed with Directors Bell and Wade voting yes and Directors Stahler, Palmeri and Hunter voting no.*

**Board Action:** *A roll call vote on the nomination of Director Palmeri for the office of President was successful with Directors Stahler, Palmeri and Hunter voting yes and Directors Bell and Wade voting No.*

*Newly elected President Palmeri took the gavel and control of the meeting.*



**Board Action:** *Treasurer Stahler nominated Vice President Wade for the office of Vice President. Vice President Wade nominated Director Bell for Vice President. A roll call vote on the nomination of Vice President Wade was approved unanimously.*

**Board Action:** *A roll call vote on the nomination of Director Bell for the office of Vice President failed with Directors Bell and Wade voting yes and Directors Palmeri, Stahler and Hunter voting no.*

*President Palmeri appointed Henry N. White as Board Clerk and Ex-Officio Secretary.*

2. Board President to appoint Standing Committee members and Chairpersons  
**Recommended Action:** Direct staff accordingly  
**Public comment:**

*President Palmeri appointed Treasurer Stahler (Chair) and Director Bell (member) to the Finance Committee.*

*President Palmeri appointed Director Hunter (Chair) and Vice President Wade (member) to the Planning Committee.*

**L. DISCUSSION ITEMS: (20 minutes)**

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

**M. ADJOURNMENT:**

**Board Action:** *At 6:35 PM, director Bell made a motion to adjourn the meeting. The motion was seconded by Director Hunter and carried unanimously.*

Submitted by:

Attest:

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Robert Palmeri, Board President

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Henry N. White, Clerk and Ex-Officio Secretary

**Foresthill Public Utility District**  
**Cash Disbursements Register**  
**December 2021**

Item J2

Date	Num	Name	Memo	Paid Amount
<b>Dec 21</b>				
12/08/2021	32504	American Messaging	Pager - December 2021	-10.12
12/08/2021	32505	Aramark	Uniforms and floor mats - Novemb...	-483.81
12/08/2021	32506	Badger Meter	Meter parts	-86.48
12/08/2021	32507	Gold Rush Chevrolet	Leak truck repairs	-4,658.03
12/08/2021	32508	Hank White/Petty Cash	Replenish petty cash	-142.82
12/08/2021	32509	Home Depot Credit Services	Shop grinder replacement and offic...	-400.11
12/08/2021	32510	Inland Business Systems	Copier repair contract	-116.22
12/08/2021	32511	Pacific Gas & Electric	Electricity at Main office and pump ...	-219.07
12/08/2021	32512	Sebastian	Phone service November 2021	-630.41
12/08/2021	32513	USA Blue Book	Pipe connectors	-703.30
12/08/2021	32514	USDA Forest Service	Sucker Peak annual fee	-133.38
12/06/2021	32515	Bureau of Reclamation	November 2021 restoration fee	-1,617.12
12/13/2021	32516	Cranmer Engineering, Inc.	Regulatory water testing - Novemb...	-421.50
12/13/2021	32517	Diamond Well Drilling Co	Water testing	-40.00
12/13/2021	32518	Foresthill Valero	Fuel November 2021	-524.62
12/13/2021	32519	Grant Hardware, Inc.	Maintenance supplies November 2...	-232.64
12/13/2021	32520	Kronick, Moskovitz, et al	Attorney services November 2021	-6,976.00
12/13/2021	32521	Recology Auburn Placer	Refuse collection at Plant and mai...	-68.38
12/13/2021	32522	Sierra Mini Mart, Inc.	Fuel November 2021	-706.77
12/13/2021	32523	Sierra Saw	Chainsaw repair	-36.96
12/13/2021	32524	Vision Quest Information Solutions, Inc.	Monthly IT contract	-1,275.50
12/13/2021	32525	Worton's Forsethill Grocery	Cleaning supplies for treatment plant	-12.85
12/20/2021	32526	ECORP Consulting, Inc.	Sugar Pine EIS/EIR	-7,665.00
12/20/2021	32527	Infosend	November 2021 utility billing	-1,184.47
12/20/2021	32528	Itron, Inc.	Quarterly software maintenance fee	-754.49
12/20/2021	32529	Justine Leyba's House Cleaning	Office cleaning October/November ...	-225.00
12/20/2021	32530	Keenan & Associates	Employee health ins January 2022	-12,944.90
12/20/2021	32531	Pacific Gas & Electric	Street light electricity	-9.00
12/20/2021	32532	Placer County , Personnel	Employee dental insurance Januar...	-865.84
12/20/2021	32533	Vision Quest Information Solutions, Inc.	VOID: Employee vision insurance ...	0.00
12/20/2021	32534	Wells Fargo Bank	Fuel, pump station battery, decorat...	-930.93
12/20/2021	32535	Roger Carroll	W-2 and 1099 forms and envelopes	-81.63
12/20/2021	32536	Vision Service Plan - (CA)	Employee Vision insurance Januar...	-173.74
12/08/2021	20211201	Starnick	2022 Annual fee for online utility bil...	-14,820.00
12/10/2021	20211210	CalPERS	Classic employee retirement deposit	-5,059.64
12/10/2021	20211211	CalPERS	457 deposit	-1,249.35
12/10/2021	20211212	CalPERS	Pepra employee retirement deposit	-439.18
12/10/2021	20211213	EDD/State of CA	499-0064-0	-1,783.37
12/10/2021	20211214	EFTPS	94-6020935	-6,983.10
12/20/2021	20211215	MidAmerica Admin & Ret Solutions, Inc.	Retiree health insurance January 2...	-1,250.00
12/23/2021	20211215	Salvador Mercado, Jr	VOID:	0.00
12/23/2021	20211220	Salvador Mercado, Jr	2021 boot allowance	-100.00
12/24/2021	20211221	CalPERS	Classic Employee retirement deposit	-5,059.64
12/24/2021	20211222	CalPERS	457 Deposit	-1,249.24
12/24/2021	20211223	CalPERS	Pepra Employee retirement deposit	-420.97
12/24/2021	20211224	EDD/State of CA	499-0064-0	-1,856.51
12/24/2021	20211225	EFTPS	94-6020935	-7,156.18
				<b>-91,758.27</b>
<b>Dec 21</b>				

**Foresthill Public Utility District**  
**Statement of Net Position**  
December 31, 2021

Item J3

**ASSETS**

**Current Assets**

**Checking/Savings**

10110 · Cash on Hand	250
10120 · Wells Fargo Checking	233,090
10510 · Local Agency Investment Fund	882,482
10512 · Umpqua Savings account	506,984
10519 · Wells Fargo Adv - Money Mrkt	25,764
10520 · Wells Fargo Adv - Face Value	4,175,000

**Total Checking/Savings** 5,823,570

**Accounts Receivable** 341,653

**Other Current Assets** 249,429

**Total Current Assets** 6,414,652

**Fixed Assets** 9,260,786

**Other Assets** 372,205

**TOTAL ASSETS** 16,047,642

**LIABILITIES & NET POSITION**

**Liabilities**

**Current Liabilities**

**Accounts Payable** 59,203

**Other Current Liabilities** 310,847

**Total Current Liabilities** 370,050

**Long Term Liabilities** 1,281,388

**Total Liabilities** 1,651,438

**Net Position** 14,396,204

**TOTAL LIABILITIES & NET POSITION** 16,047,642

**Foresthill Public Utility District**  
**Statement of Activity**  
**Budget vs. Actual**  
**For the Six Months ended December 2021**

Item J4

	<u>12/31/2021</u>	<u>Budget</u>	<u>Variance</u>
<b>Income</b>			
41011 · SP Debt Svc assessment	35,894	107,502	(71,608)
41012 · R&R assessment revenue	91,168	274,002	(182,834)
41014 · Gen Fund Reserve assessment	11,750	34,998	(23,248)
41100 · Residential	866,446	744,000	122,446
41105 · Residential Overage Charge	59,754	67,998	(8,244)
41150 · Multi Family Residential	223,307	111,600	111,707
41155 · Multi Family Overage Charge	550	10,200	(9,650)
41200 · Business	89,278	74,400	14,878
41205 · Business Overage Charge	18,410	6,800	11,610
42100 · Low Usage Credit	(5,418)	(22,500)	17,082
42300 · Meter Installation	4,683	3,000	1,683
42320 · Will Serve	63,204		63,204
49200 · Interest - LAIF	1,771		1,771
49220 · Portfolio Income	(19,989)	27,500	(47,489)
49251 · Interest - Umpqua Bank	26		26
49300 · Property Tax Revenues	2,092	56,000	(53,908)
49510 · Water Charges Penalties	-	5,000	(5,000)
49520 · Service Charges & Reconnect	11,876	7,500	4,376
49910 · Miscellaneous Income	114,527	37,500	77,027
<b>Total Income</b>	<u>1,569,329</u>	<u>1,545,500</u>	<u>23,829</u>
<b>Expense</b>			
51000 · Wages & Salaries	393,043	427,769	34,726
52000 · Taxes & Benefits	222,611	255,038	32,428
53000 · Materials & Supplies	48,913	47,598	(1,315)
54000 · Equipment costs	17,922	20,500	2,578
55000 · Contracted services	49,167	59,796	10,629
55001 · Professional Fees	52,559	70,000	17,441
56000 · Resource development	40,107	32,111	(7,997)
57000 · Utilities	25,356	27,250	1,894
58000 · Regulatory and General	76,123	161,269	85,146
61000 · Capital Activities	253,970	210,000	(43,970)
62400 · Depreciation Expense	194,815		(194,815)
<b>Total Expense</b>	<u>1,374,586</u>	<u>1,311,331</u>	<u>(63,255)</u>
<b>Change in Net Position</b>	<u>194,743</u>	<u>234,169</u>	<u>87,083</u>

**Foresthill Public Utility District**  
**Statement of Activity**  
**Budget vs. Actual**  
For the Six Months ended December 2021

	<u>12/31/2021</u>	<u>Budget</u>	<u>Variance</u>
<b>Expenditures by Department</b>			
Source of Supply	18,562	30,838	12,276
Pumping	13,899	20,890	6,991
Treatment	174,284	178,293	4,008
Distribution	169,553	205,807	36,253
Customer Service	257,483	242,284	(15,199)
Regulatory compliance	115,474	175,300	59,826
Management and Administration	158,111	162,692	4,580
Capital Activities	253,970	210,000	(43,970)
Debt Service*	84,785	85,229	444
Depreciation	194,815		(194,815)
Water Transfer	564		(564)
<b>Total Expense*</b>	<u>1,441,500</u>	<u>1,311,331</u>	<u>(130,169)</u>

\* Debt Service includes principal payments of \$66,914

**Foresthill Public Utility District  
Investment Policy Compliance  
with Government Code Standards, and the Foresthill PUD Investment Plan Standards  
As of December 31, 2021**

**Current Portfolio Balance: \$ 5,906,003**

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%	36.67%	Yes
Federal Agency Bonds	100.00%	100.00%	0.00%	Yes
Negotiable certificates of Deposit	30.00%	30.00%	25.91%	Yes
Local Agencies Investment Fund	100.00%	100.00%	14.94%	Yes
Medium Term Corporate Notes	30.00%	30.00%	9.07%	Yes
Money Market Funds	15.00%	15.00%	0.44%	Yes
Collateralized bank deposits	100.00%	100.00%	12.97%	Yes
Shares of Beneficial Interest	20.00%	15.00%	0.00%	Yes
Mortgage pass through security bonds	20.00%	20.00%	0.00%	Yes
<b>Total</b>			100.00%	

Balance by Maturity	Actual %	Actual \$
Range		
1 to 7 days	28%	1,648,320
8 to 180 days	9%	530,000
181 to 360 days	5%	290,964
1 to 2 years	9%	511,247
2 to 3 years	10%	597,199
3 to 4 years	18%	1,082,703
4 to 5 years	21%	1,245,570
Over 5 years	0%	
		5,906,003

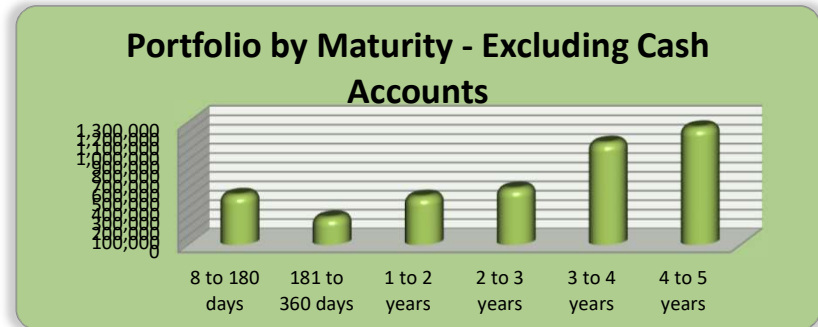
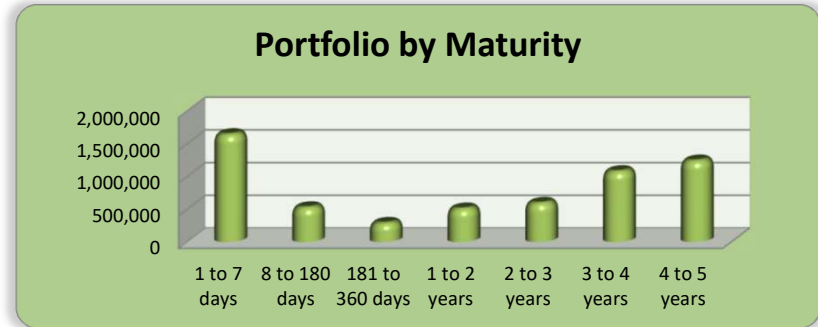
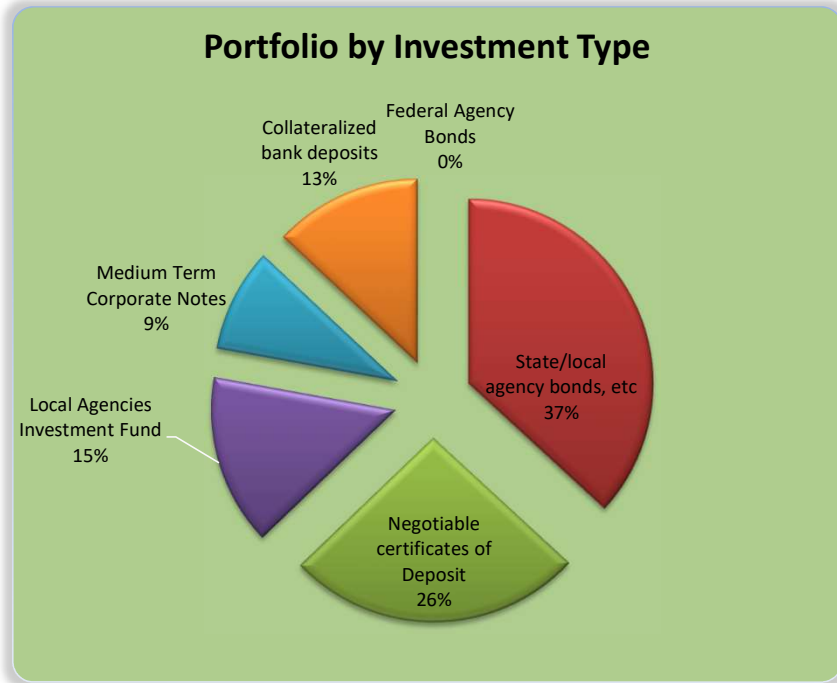
Foresthill PUD  
Quality Analysis Report  
12/31/2021

Item J6

Cusip	Rating	NAME	RATE	Trade Date	Settlement Date	Next Coupon	Maturity Date	Units	Discount or Premium	Book Value	Market Value	Unrealized Market Gain/Loss
<b>Cash Accounts</b>												
N/R		Wells Fargo Checking	0.100%					233,090.26		233,090.26	233,090.26	-
N/R		Umpqua Bank Savings	0.350%					506,983.87		506,983.87	506,983.87	-
N/R		Local Agency Investment Fund	0.800%					882,482.24		882,482.24	882,482.24	-
<b>Agency/Treasury Bonds</b>												
<b>Municipal Bonds</b>												
032556E21	AA+	Anaheim CA HSG	1.725%	6/25/2021	6/29/2021	4/1/2022	10/1/2025	25,000.00	693.00	25,693.00	25,384.50	(308.50)
032556G09	AA+	Anaheim CA HSG	1.791%	4/27/2020	4/29/2020	4/1/2022	10/1/2024	30,000.00	-	30,000.00	30,468.60	468.60
046558EJ2	AA3	Atascadero CA USD	0.849%	3/4/2021	3/8/2021	2/1/2022	8/1/2025	10,000.00	-	10,000.00	9,834.10	(165.90)
120627DM9	A2	Bur Glen Pas Arpt Auth	5.000%	12/9/2020	12/11/2020	1/1/2022	7/1/2024	15,000.00	1,402.00	16,402.00	16,635.15	233.15
130179HD9	A	California EFA	3.863%	8/25/2021	8/25/2021	4/1/2022	4/1/2025	10,000.00	-	10,000.00	10,498.70	(265.30)
13048VLJ5	A1	California Muni Finance Authority	2.055%	7/9/2020	7/13/2020	4/1/2022	10/1/2024	25,000.00	-	25,000.00	25,270.25	270.25
13048VLK2	A1	California Muni Finance Authority San Dieg	2.148%	1/27/2021	1/29/2021	4/1/2022	10/1/2025	50,000.00	2,283.00	52,283.00	50,694.50	(1,588.50)
13048VQB7	AA-	California Muni Finance Authority	1.605%	6/26/2020	6/30/2020	5/1/2022	11/1/2023	50,000.00	-	50,000.00	50,373.50	373.50
13063BFS6	AA-	State of CA General Obligation Bond	6.850%	2/5/2019	2/8/2019	3/1/2022	3/1/2022	20,000.00	-	20,000.00	20,204.00	204.00
13063DMA3	AA-	State of CA General Obligation Bond	2.650%	6/16/2021	6/18/2021	4/1/2022	4/1/2026	10,000.00	723.00	10,723.00	10,583.00	(140.00)
13077CT95	AA-	California State University	3.506%	3/4/2021	3/8/2021	5/1/2022	11/1/2025	10,000.00	935.00	10,935.00	10,818.30	(116.70)
139702BJ2	AA	Capistrano CA USD	2.500%	4/30/2020	5/4/2020	12/1/2021	12/1/2024	15,000.00	-	15,000.00	15,254.70	254.70
14574AAC8	AA-	Carson CA	1.823%	6/25/2021	6/29/2021	1/15/2022	1/15/2025	25,000.00	514.00	25,514.00	25,261.00	(253.00)
157411TL3	AA-	Chaffey CA USD	2.375%	6/16/2021	6/18/2021	2/1/2022	8/1/2025	35,000.00	1,929.00	36,929.00	36,203.65	(725.35)
206849FV8	AA3	Conejo Vly CA USD	1.049%	10/30/2020	11/19/2020	2/1/2022	8/1/2024	50,000.00	-	50,000.00	49,894.00	(106.00)
20775CDV3	AAA	Connecticut Housing finance	2.400%	6/29/2020	7/1/2020	5/15/2022	5/15/2024	30,000.00	890.00	30,890.00	31,010.10	120.10
212204LK9	AA1	Contra Costa CA CCD	0.800%	11/19/2021	11/23/2021	2/1/2022	8/1/2024	70,000.00	-	70,000.00	69,657.70	(342.30)
34439TBC9	A+	Folsom, CA Redevelopment	2.250%	2/27/2019	3/1/2019	2/1/2022	8/1/2022	70,000.00	-	70,000.00	70,735.00	735.00
34439TBD7	A+	Folsom, CA Redevelopment	2.368%	5/7/2019	5/7/2019	2/1/2022	8/1/2023	30,000.00	-	30,000.00	30,735.30	735.30
420507CL7	AA	Hawthorne, CA	3.150%	12/9/2020	12/11/2020	2/1/2022	8/1/2024	10,000.00	-	10,000.00	10,291.50	291.50
420507CM5	AA	Hawthorne, CA	3.250%	9/16/2020	9/18/2020	2/1/2022	8/1/2025	15,000.00	-	15,000.00	15,498.90	498.90
451443F34	AA	Idaho Bldg Auth	2.365%	8/31/2020	9/2/2020	3/1/2022	9/1/2025	50,000.00	2,606.00	52,606.00	52,006.50	(599.50)
45571LCU9	A+	Indio, CA	3.350%	8/25/2021	8/25/2021	5/1/2022	11/1/2024	15,000.00	855.00	15,855.00	15,613.05	(241.95)
46569RCN0	AA	Industry, CA	3.250%	3/29/2018	4/3/2018	1/1/2022	1/1/2023	30,000.00	-	30,000.00	30,754.80	754.80
462092E22	AA+	Jarupa CA CSD	6.347%	1/11/2021	1/13/2021	3/1/2022	9/1/2025	25,000.00	4,700.00	29,700.00	29,249.25	(450.75)
54148TAR7	AA	Loma Linda CA	2.750%	8/25/2021	8/25/2021	2/1/2022	8/1/2025	10,000.00	585.00	10,585.00	10,381.80	(203.20)
542411CT4	AA	Long Beach CA	3.800%	12/9/2020	12/11/2020	2/1/2022	8/1/2024	10,000.00	748.00	10,748.00	10,693.40	(54.60)
544587V36	AA-	Los Angeles CA	0.850%	9/30/2020	10/2/2020	5/1/2022	11/1/2023	100,000.00	-	100,000.00	99,711.00	(289.00)
54465AHS4	AA-	Los Angeles Cmty/West Covina	3.125%	12/9/2020	12/11/2020	3/1/2022	9/1/2024	10,000.00	512.00	10,512.00	10,523.10	11.10
56052FF77	AA+	Maine State Housing Fin	2.389%	6/29/2020	7/1/2020	5/15/2022	11/15/2024	25,000.00	702.00	25,702.00	25,779.75	77.75
56453RAX2	AA	Manteca, CA	1.738%	5/12/2020	5/14/2020	4/1/2022	10/1/2023	25,000.00	-	25,000.00	25,334.00	334.00
57604TAB2	AA+	Mass Trans Housing	5.203%	8/26/2020	8/28/2020	12/1/2021	6/1/2025	10,000.00	1,373.00	11,373.00	11,262.20	(110.80)
611583BT1	AA	Monrovia CA	3.750%	8/25/2021	8/25/2021	5/1/2022	5/1/2025	10,000.00	843.00	10,843.00	10,679.00	(164.00)
658207NX9	AA2	North Carolina Housing	3.363%	3/29/2018	4/3/2018	1/1/2022	1/1/2022	5,000.00	-	5,000.00	5,000.00	-
675383TH6	AA3	Oceanside USD	0.380%	11/30/2021	12/2/2021	2/1/2022	8/1/2023	140,000.00	(473.00)	139,527.00	139,134.80	(392.20)
677765GW3	AA+	Ohlone CA Cmty Coll	1.975%	3/4/2021	3/8/2021	2/1/2022	8/1/2025	10,000.00	-	10,000.00	10,250.70	250.70
683042AJ4	AA	Ontario CA Airport	2.898%	8/25/2021	8/25/2021	5/15/2022	5/15/2025	15,000.00	873.00	15,873.00	15,756.00	(117.00)
695802MV7	A+	Pajaro Valley, CA	3.185%	2/26/2018	2/28/2018	2/1/2022	8/1/2022	45,000.00	-	45,000.00	45,658.80	658.80
713575TE8	AA-	Peralta Comm Coll Dist	6.909%	1/22/2021	1/26/2021	2/1/2022	8/1/2025	10,000.00	2,049.00	12,049.00	11,747.50	(301.50)
74138FAW9	AA	Perris, CA Redev	2.340%	11/18/2019	12/3/2019	4/1/2022	10/1/2024	140,000.00	524.00	140,524.00	141,075.20	551.20
725837AZ1	A	Pibley, CA USD	1.227%	9/3/2021	9/16/2021	2/1/2022	8/1/2026	45,000.00	368.00	45,368.00	44,109.45	(1,258.55)
77735AAE7	AA	Rosedale Rio Bravo CA	1.217%	9/11/2020	10/6/2020	1/1/2022	1/1/2025	45,000.00	-	45,000.00	44,470.35	(529.65)
77781RCR2	AA	Roseville, CA Elec Sys	1.111%	3/23/2021	3/25/2021	2/1/2022	2/1/2026	35,000.00	-	35,000.00	34,666.10	(333.90)
77785BD77	AA	Roseville, CA	2.620%	1/27/2021	1/29/2021	3/1/2022	9/1/2025	20,000.00	1,121.00	21,121.00	20,809.20	(311.80)
786091AF5	AA	Sacramento Cnty, CA Pen Ob	6.625%	8/26/2020	8/28/2020	2/1/2022	8/1/2024	20,000.00	2,992.00	22,992.00	22,664.80	(327.20)
79727LBS7	AA-	San Diego CA Convention Cent	1.677%	3/4/2021	3/8/2021	4/15/2022	4/15/2025	40,000.00	658.00	40,658.00	40,027.20	(630.80)
797299LV4	AA-	San Diego CA Pub Fac Fing	3.331%	4/30/2020	5/4/2020	4/15/2022	10/15/2023	45,000.00	1,111.00	46,111.00	46,898.55	787.55
797696ZK7	AA+	San Francisco CA BART Dist	2.208%	1/27/2021	1/29/2021	1/1/2022	7/1/2025	55,000.00	2,579.00	57,579.00	56,715.45	(863.55)
79770GGQ3	AA-	San Francisco CA Red	2.500%	4/30/2020	5/4/2020	2/1/2022	8/1/2023	20,000.00	-	20,000.00	20,529.20	529.20
79771FAY3	AA-	San Francisco CA PUC	0.843%	3/16/2021	3/18/2021	5/1/2022	11/1/2025	25,000.00	-	25,000.00	24,524.00	(476.00)
798136XU6	A-	San Jose Airport	1.209%	3/25/2021	4/7/2021	3/1/2022	3/1/2025	50,000.00	-	50,000.00	49,549.00	(451.00)
798136XV4	A-	San Jose Airport	1.359%	3/25/2021	4/7/2021	3/1/2022	3/1/2026	50,000.00	-	50,000.00	49,292.00	(708.00)
79876CDB9	AA-	San Marcos, CA	3.866%	12/20/2019	12/24/2019	4/1/2022	10/1/2024	50,000.00	1,261.00	51,261.00	52,907.50	1,646.50
81888TAH6	AA	Shafter, CA	3.250%	6/4/2020	6/8/2020	5/1/2022	11/1/2024	25,000.00	1,113.00	26,113.00	26,236.25	122.25
81888TAL2	AA	Shafter, CA	3.375%	2/5/2021	2/7/2021	5/1/2022	11/1/2025	25,000.00	1,854.00	26,854.00	26,577.00	(277.00)
820169DS6	AA3	Shasta CA JPA	3.000%	4/30/2020	5/4/2020	4/1/2022	4/1/2024	45,000.00	1,200.00	46,200.00	46,410.30	210.30
835376ARS	AA-	Somis, CA USD	1.344%	8/6/2020	8/10/2020	2/1/2022	8/1/2025	30,000.00	-	30,000.00	29,904.30	(95.70)
91412HXQ3	AA	University of CA	3.359%	9/16/2020	9/18/2020	5/15/2022	5/15/2025	15,000.00	1,227.00	16,227.00	16,023.45	(203.55)
91412HMF0	AA	University of CA	0.933%	6/16/2021	6/18/2021	5/15/2022	5/15/2025	40,000.00	322.00	40,322.00	39,622.80	(699.20)
91857RBF9	A+	Vacaville CA	2.956%	9/3/2021	9/8/2021	3/1/2022	9/1/2026	15,000.00	1,151.00	16,151.00	15,758.55	(392.45)
95236PEU0	A+	West Covina CA	3.918%	9/16/2020	9/18/2020	5/1/2022	5/1/2023	20,000.00	609.00	20,609.00	20,542.00	(67.00)
95236PGC8	A+	West Covina CA	2.318%	3/26/2021	3/30/2021	2/1/2022	8/1/2025	85,000.00	2,425.00	87,425.00	87,424.20	(0.80)
956134AQ3	A+	West Stanislaus CA IRR	1.280%	1/22/2021	1/26/2021	1/1/2022	1/1/2026	30,000.00	-	30,000.00	29,641.50	(358.50)
<b>Negotiable Certificates of Deposit</b>												
02007GHK2	CD	Ally Bank, UT	2.850%	2/4/2019	2/7/2019	4/7/2022	2/7/2022	130,000.00	-	130,000.00	130,356.20	356.20
02587CFU9	CD	American Express Bank FSB	2.400%	8/25/2017	8/26/2017	3/1/2022	8/29/2022	100,000.00	-	100,000.00	101,414.00	1,414.00
02587DN38	CD	American Express Centurion Bank	2.450%	3/27/2017	4/5/2017	4/5/2022	4/5/2022	25,000.00	-	25,000.00	25,144.75	144.75
02587DX29	CD	American Express Centurion Bank	2.350%	7/17/2019	7/19/2019	2/22/2022	2/22/2022	125,000.00	-			

<u>Transaction Date</u>	<u>Quantity</u>	<u>Description</u>	<u>Price</u>	<u>Amount</u>	<u>Premium/Gain</u>
<u>Transaction Type</u>				<u>Int Purch/Sold</u>	<u>(Discount)/(Loss)</u>
<b>Investment Portfolio - Wells Fargo Advisors</b>					
12/1/2021	5,000.00	North Carolina Housing	1.000	5,000.00	
Partial call		3.363% due 12/01/2021			70.07
12/1/2021	187.50	Capistraon CA USD	1.000	187.50	
Interest Received		2.5% due 12/01/2024			
12/1/2021	260.15	Massachusetts Housing	1.000	260.15	
Interest Received		5.203% due 6/01/2025			
12/2/2021	32,800.00	From Wells Fargo Checking	1.000	32,800.00	
Transfer		to Wells Fargo Advisors Money market			
12/15/2021	41.67	National Rurual Utilities Corp	1.000	41.67	
Interest Received		1.0% due 9/15/2025			
12/23/2021	61.64	UBS Bank	1.000	61.64	
Interest Received		0.75% due 6/23/2026			
12/23/2021	25,000.00	US Bankcorp	1.000	25,000.00	
Bond called		2.625% due 1/24/2022			271.61
12/31/2021	80.68	BankUnited	1.000	80.68	
Interest Received		0.95% due 3/31/2026			
12/31/2021	0.07	Wells Fargo Advisors	1.000	0.07	
Interest Received		Interest allocation			
<b>Local Agency Investment Fund</b>					
No activity during December 2021					





**RESOLUTION NO. 2022-01****RESOLUTION OF THE BOARD OF DIRECTORS OF THE FORESTHILL PUBLIC UTILITY DISTRICT RATIFYING THE PROCLAMATION OF A STATE OF EMERGENCY BY GOVERNOR GAVIN NEWSOM (MARCH 4, 2020) AS APPLICABLE IN THE DISTRICT'S JURISDICTION AND AUTHORIZING TELECONFERENCE MEETINGS OF LEGISLATIVE BODIES OF THE DISTRICT PURSUANT TO THE RALPH M. BROWN ACT**

**WHEREAS**, the Foresthill Public Utility District ("the District") is committed to preserving and nurturing public access and participation at meetings of its Board of Directors other legislative bodies; and

**WHEREAS**, all meetings of the District's legislative bodies are open and public, as required by the Ralph M. Brown Act, Government Code section 54950 et seq. ("Brown Act"), so that any member of the public may attend, participate, and watch the District's legislative bodies conduct their business; and

**WHEREAS**, long-established Brown Act provisions, Government Code section 54953(b)(3), provides a legislative body may meet via teleconference if each teleconference location is listed on the agenda, open to the public with an opportunity to participate and comment, and notice is given at the location, plus a quorum of the legislative body is present in the jurisdiction; and

**WHEREAS**, on September 16, 2021, Governor Gavin Newsom signed Assembly Bill 361, which, effective immediately, added Government Code section 54953(e) to the Brown Act, providing a legislative body may meet via teleconference without complying with Section 54953(b)(3) if certain conditions exist and specified procedures are followed; and

**WHEREAS**, Section 54953(e)(1) provides a legislative body may meet via teleconference if the Governor has proclaimed a state of emergency pursuant to Government Code section 8625 and either (i) state or local officials have imposed or recommended measures to promote social distancing, (ii) the legislative body meets to determine by majority vote that, as a result of the emergency, meeting in person would present imminent risks to the health or safety of attendees, or (iii) the legislative body has voted as such and is meeting pursuant to that vote; and

**WHEREAS**, a legislative body's decision to meet pursuant to Section 54953(e) must be reevaluated and renewed at least every thirty (30) days, or else the body will be required to adopt new initial findings; and

**WHEREAS**, while a legislative body meets via teleconference pursuant to Section 54953(e), it must take actions to preserve public access and public participation and give notice of the meeting and post agendas as otherwise required, allow members of the public to access the meeting via call-in line or internet-based service line, provide details on the agenda on how to

access the meeting and give public comment, give an opportunity to comment pursuant to Government Code section 54954.3 and allow a reasonable amount of time during public comment for a person to register, login, and comment, and monitor the call-in line and internet-based service line to ensure no disruption hinders access or ability to comment, if there is, take no action until public access is restored; and

**WHEREAS**, on March 4, 2020, Governor Gavin Newsom proclaimed a state of emergency pertaining to the threat to human health and safety posed by the COVID-19 virus pandemic and that proclamation remains in effect to this day in Placer County and statewide; and

**WHEREAS**, the virus has short- and long-term effects – fever and chills, cough, shortness of breath and difficulty breathing, fatigue, headache, nausea, vomiting, gastrointestinal issues, loss of taste and smell, death – and it's prolific spread is severely impacting the health care system, inhibiting access to care for COVID-19 symptoms and other ailments; and

**WHEREAS**, while being vaccinated significantly decreases the likelihood of contracting or dying from the virus, vaccinated and unvaccinated people alike can carry, transmit, and be affected by the virus; and

**WHEREAS**, the COVID-19 virus, and its variants, is spread through the air when a person who is carrying the virus, whether he or she is showing symptoms or not, is in close proximity to another person; and

**WHEREAS**, while the COVID-19 virus remains present in the community, allowing members of the District legislative bodies and members of the public to meet in-person would present an imminent risk to attendee health and safety beyond the control of District services, personnel, equipment, and facilities; and

**WHEREAS**, the District desires to ratify the Governor's March 4, 2020, proclamation of state of emergency related to the COVID-19 virus pandemic as it applies to the jurisdiction of the District and authorize teleconference meetings of District legislative bodies pursuant to Section 54953(e) so long as all provisions of that section are followed to provide public access and opportunity for public comment; and

**WHEREAS**, the District has taken and will continue to take measures to ensure access for the public, including by providing the public a call-in option and/or internet-based service option for all meetings of District legislative bodies.

**WHEREAS**, pursuant to Government Code section 8635 et seq., the Board of Directors has the authority during a state of emergency to take all actions necessary to perform its functions in the preservation of law and order, preservation of the furnishing of local services, and protection of life and property, which includes the authority to direct meetings of all District legislative bodies to be held via teleconference pursuant to this Resolution; and

**NOW, THE BOARD OF DIRECTORS OF THE FORESTHILL PUBLIC UTILITY DISTRICT DOES HEREBY RESOLVE AS FOLLOWS:**

1. The recitals set forth above are true and correct and are incorporated herein by reference as if set forth in full.
2. The Governor's March 4, 2020, proclamation of state of emergency related to the COVID-19 virus pandemic applies to the jurisdiction of the District and is ratified by the District Board of Directors.
3. All meetings of District legislative bodies shall be conducted in accordance with Government Code section 54953(e) and staff are hereby authorized and directed to take all actions necessary to carry out the intent and purpose of this Resolution, including conducting open and public meetings in accordance with Section 54953(e) and other applicable provisions of the Brown Act.
4. This Resolution shall take effect immediately upon its adoption and be effective for thirty (30) days, unless the Board of Directors takes action to rescind the Resolution. On or before the 30th day since adoption, the Board of Directors may take action to extend the Resolution's permissions pursuant to Government Code section 54953(e)(3).

**APPROVED, PASSED AND ADOPTED** by the Board of Directors of the Foresthill Public Utility District on January 12, 2022 by the following vote:

AYES	<u>5</u>
NOES	<u>0</u>
ABSENT	<u>0</u>
ABSTAIN	<u>0</u>




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Mark Bell, President, Board of Directors  
Foresthill Public Utility District

ATTEST:




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Henry N. White, Clerk, Board of Directors  
Foresthill Public Utility District

January 25, 2022

Item K1

Foresthill Public Utility District  
Hank White, General Manager  
P.O. Box 266  
Foresthill, CA 95631

**Subject: Proposal to provide Water Rights and Water Transfer Support**

Dear Mr. White,

Western Hydrologics, L.L.P. (WHC) is pleased to present this proposal to provide consulting services in support of the District's ongoing efforts to protect and exercise its water rights. As requested, this proposal includes technical support for the State Water Resources Control Board (SWRCB) required annual and enhanced water use reporting by water right and support of the Water Transfer program. This proposal provides a scope of work, a budget limit and rate sheet, attached. All work must be approved by the General Manager prior to initiation.

## Scope of Work

Water rights usage will be determined by permit and reported on behalf of the District as required by the SWRCB. FPUD has two water right permits on Mill Creek and a third on North Shirttail Creek. WHC will analyze the District's usage by water right priority and report to the SWRCB as required. WHC will collect the District's operations reports and the data from gaged releases from Sugar Pine Reservoir to perform the analysis. All water usage reports now require detailed information regarding water diversion measurement equipment, methods and information about qualifications of the technicians running the gages and URL's for websites displaying flow and storage data. These data will be gathered and included in the annual reports as required. Once the analysis is complete, Western Hydrologics staff will log into the SWRCB website and enter the data for all FPUD water rights for FPUD review prior to submission.

To support the District's Water Transfer program, WHC will work with FPUD staff to continue to verify the refill of Sugar Pine Reservoir from the 2020 water transfer. WHC will work with District staff to monitor hydrologic conditions within the American River Basin, Folsom Dam operations and the Sacramento-San Joaquin Delta conditions, advise the District on Sugar Pine Operations, and document the refill of Sugar Pine Reservoir. In addition, WHC will assist the District with future water transfer opportunities.

## AMOUNT OF TASK ORDER COMPENSATION

These tasks will be completed on a time and materials basis not to exceed **\$12,000**. Compensation will be based upon actual hours expended multiplied by our current standard billing rates.

Western Hydrologics appreciates the opportunity to provide this proposal. Tasks will be invoiced based on the Rate Schedule for Professional Services (Attachment A). If you have any questions, please contact me at (916) 390-5829.

Sincerely,



Jeffrey K. Meyer, P.E.  
Principal  
Attachment(s)

Rate Schedule for Professional Services

**"Attachment A"**

**RATE SCHEDULE FOR PROFESSIONAL SERVICES<sup>1</sup>**

Project Principal .....	\$210.00
Senior Water Resources Engineer .....	\$185.00

---

**Expense Reimbursement/Other:**

1. Computer, facsimile, and telephone are included in the billing rates, and there is no additional charge.
2. Copies (color and black and white), equipment and other direct expenses are reimbursed with a 5% administrative handling charge (excluding per diem).
3. Subcontractor expenses are reimbursed with a 5% administrative handling charge.
4. Mileage is reimbursed at current IRS rate with a 14% administrative handling charge.
5. Per Diem, depending upon location, may be charged where overnight stays are required.
6. Expert Witness Testimony, including Depositions, is billed at time and a half.
7. When non-standard billing is requested, time spent by office administrative personnel in invoice preparation is a cost to the project and charged as technical labor.

---

<sup>1</sup> Rates effective January 2022 and are subject to change. Depending on the project requirements, titles may vary.






---

**TO:** President and Members of the Board of Directors  
**FROM:** Roger Carroll, Finance Manager  
**DATE:** February 9, 2022  
**RE:** Receipt of 2020/21 Fiscal Audit from Fechter & Company, Certified Public Accountants

---

**Recommendation**

Receive and file the Audited Financial Statements for the Year Ended June 30,2021.

**Issue Statement and Discussion**

A draft of the audited financial statement is included with this staff report.

The District contracts with an outside audit firm, Fechter & Company, Certified Public Accountants, which performed the 2019-2020 audit and gave an “Unmodified Opinion”. An Unmodified Opinion means that the financial statements fairly represent the District’s financial position without attaching adverse qualifications or conditions. The audit does not reflect any material areas of concern. Craig Fechter can be available at a future board meeting to answer questions if the board so desires.

For an overview of the audited financial statements, please read the Management’s Discussion and Analysis in the audit report, pages 3 through 10.

In summary, the District’s net position (equity) increased by \$1,156,138, or 8.87%. This breaks down as follows:

Increase to capital assets	\$ 190,448
Increase in reserve for capital activities	33,459
Increase in reserve for repairs and replacements	534,089
Increase in reserve for debt service	43,856
Excess revenues over expenses from operations before depreciation	741,452
Depreciation expense	<u>(387,166)</u>
Change in Net Position	<u>\$ 1,156,138</u>

The increase in reserves is indicative of a year when no major capital project is undertaken. It is common for a district of our size to gather reserves for a year or two between major projects.

The audit demonstrates that the District is gaining ground on attaining a solid fiscal foundation. While 59% of the Net Position is in fixed asset, which cannot be spent on ongoing operations, the remaining 31%, or \$5,825,083 is made up of cash, investments and short-term receivables that can be used for increasing and updating District facilities, meeting the debt payment

requirements of our loan obligations and our daily operations. The unrestricted portion of Net Position, \$1,680,243, is equal to 7 months budgeted operations.

**CEQA Requirements**

CEQA does not apply to financial reporting.

**Financial and/or Policy Implications**

None.

**Attachments**

- A. Draft of Audited Financial Statements

**FORESTHILL PUBLIC UTILITY DISTRICT**

**ANNUAL FINANCIAL REPORT  
With  
Independent Auditor's Report Thereon**

**JUNE 30, 2021**



**FORESTHILL PUBLIC  
UTILITY DISTRICT  
ANNUAL FINANCIAL REPORT**

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**FORESTHILL PUBLIC  
UTILITY DISTRICT**

**DISTRICT OFFICIALS**

**DISTRICT BOARD OF DIRECTORS**

- *Mark Bell*..... President
- *Patty Wade*..... Vice President
- *Jane Stahler* ..... Director
- *Robert Palmeri*..... Director
- *Tyler Hunter*..... Director

**OTHER DISTRICT OFFICIALS**

- *Henry White* ..... General Manager
- *Roger Carroll* ..... Finance Manager



## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities and the business-type activities of Foresthill Public Utility District (the District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statement**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2021, and the results of its operations and cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information, the schedule of the District's proportionate share of the net pension liability, and the schedule of contributions, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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 auditing standards generally accepted in the United States of America, 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*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Budget to actual, schedule of operating expense and debt covenant ratios are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information has not been subjected to the auditing procedures applied to the basic financial statements and, accordingly, we express no opinion or provide any assurance on it.

Fechter & Company  
Certified Public Accountants

Sacramento, California  
January 31, 2022

## FORESTHILL PUBLIC UTILITY DISTRICT

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

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, 2021. 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 11.83% or \$1,294,924 to \$12.223 million in fiscal year 2021.
- In 2021, the District's Enterprise Fund's total operating revenues increased 22.45% or \$652,999 from the prior year due to a \$675,000 water transfer.
- In 2021, the District's operating expenses increased by 9.13% or \$203,927 over the prior year.

#### 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
- Other reports

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 (page 11) 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 Fiscal Year Ended June 30, 2021

The Statement of Activities (page 12) 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 government 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 Foresthill Public Utility 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.

## **FORESTHILL PUBLIC UTILITY DISTRICT**

### **Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021**

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.

#### **NOTES TO 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 financial statements can be found on pages 21-42 of this report.

#### **REQUIRED SUPPLEMENTARY INFORMATION**

The required supplementary information regarding the funding progress of the District's pension plan can be found starting on page 43 of this report.

#### **SUPPLEMENTAL INFORMATION**

These schedules are for additional analyses for the District Enterprise Fund and can be found beginning on page 45.

#### **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 exceeded liabilities and deferred inflows of resources by \$12.233 million.

## FORESTHILL PUBLIC UTILITY DISTRICT

### Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2021

The Summary of Net Position is as follows:

	Governmental Activities	Business-Type Activities	Total
<b>Assets:</b>			
Current assets	\$ (106,977)	\$ 6,454,021	\$ 6,347,044
Other noncurrent assets	1,234,032	-	1,234,032
Capital assets, net	-	9,455,599	9,455,599
<b>Total Assets</b>	<b>1,127,055</b>	<b>15,909,620</b>	<b>17,036,675</b>
<b>Deferred Outflows:</b>			
Pension payments	-	325,344	325,344
<b>Liabilities:</b>			
Current liabilities	126,214	707,890	834,104
Long-term liabilities	1,743,800	1,299,399	3,043,199
<b>Total Liabilities</b>	<b>1,870,014</b>	<b>2,007,289</b>	<b>3,877,303</b>
<b>Deferred Outflows:</b>			
Pension receipts	-	33,576	33,576
Special assessments	1,217,531	-	1,217,531
<b>Total Deferred inflows</b>	<b>1,217,531</b>	<b>33,576</b>	<b>1,251,107</b>
<b>Net Position:</b>			
Net investment in capital assets	-	8,369,016	8,369,016
Restricted	-	-	-
Unrestricted (unreserved)	(1,960,490)	5,825,083	3,864,593
<b>Total Net Position</b>	<b>\$ (1,960,490)</b>	<b>\$ 14,194,099</b>	<b>\$ 12,233,609</b>

- Total Net Position increased by \$1,294,924 from 2020 to 2021.
- \$8.369 million 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.
- \$2.18 million (15.39%) in net position are earmarked and represent resources that are subject to external restrictions on how they may be used. The detail of these figure can be found in the Restricted Net position in the Business-type Activities.
- The remaining unrestricted net position for 2021 is \$1,680,243, while in 2020 it was a net position of \$800,005.

**FORESTHILL PUBLIC UTILITY DISTRICT**

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021

**CHANGES IN NET POSITION**

The following table reflects the change in net position for Governmental and Business-Type Activities:

	<b>Revenues</b>		
	<u>Governmental</u>	<u>Business-Type</u>	<u>Total</u>
	<u>Activities</u>	<u>Activities</u>	
<b>Program Revenues:</b>			
Sales of water	\$ -	\$ 1,982,043	\$ 1,982,043
Transfer of surplus water		675,000	675,000
Sugar Pine surcharge	-	214,314	214,314
Rehabilitation and system surcharges	-	544,369	544,369
Water service related fees	-	25,452	25,452
Grant income	-	7,563	7,563
Other income	-	70,158	70,158
Total Operating Revenues	<u>-</u>	<u>3,518,899</u>	<u>3,518,899</u>
<b>Program Expenses:</b>			
Source of supply	-	102,825	102,825
Pumping	-	25,801	25,801
Water treatment	-	275,567	275,567
Transmission and distribution	-	455,970	455,970
Customer service	-	434,817	434,817
Regulatory compliance	-	301,575	301,575
Administration and general	828	460,606	461,434
Depreciation and amortization	-	387,166	387,166
Interest expense	60,715	38,010	98,725
Total	<u>61,543</u>	<u>2,482,337</u>	<u>2,543,880</u>
<b>Non-Operating Revenues (Expenses):</b>			
Interest income	\$ 70	\$ 38,671	\$ 38,741
Assessments received	85,591	-	85,591
Property taxes	-	107,050	107,050
Capital facility fees	-	73,738	73,738
Reimbursements	-	117	117
Other revenue	14,668	-	14,668
Total	<u>100,329</u>	<u>219,576</u>	<u>319,905</u>
Change in Net Position	38,786	1,256,138	1,294,924
Net Position, beginning of year	<u>(2,099,276)</u>	<u>13,037,961</u>	<u>10,938,685</u>
Net Position, end of year	<u>\$ (2,060,490)</u>	<u>\$ 14,294,099</u>	<u>\$ 12,233,609</u>

**FORESTHILL PUBLIC UTILITY DISTRICT**

Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021

Governmental Activities changed the District’s net position by \$38,786. Business-type Activities changed the District’s net position as follows:

Decrease in capital assets, net of related debt	\$ (196,718)
Increase in reserve for capital activities	33,459
Increase in reserve for repairs and replacements	534,089
Increase in reserve for debt service	43,856
Increase in unrestricted reserves	741,452
Change in net position	<u>\$ 1,156,138</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 which ultimately cost \$1,675,127. Additional projects are planned and will be completed as the necessary reserves are accumulated.

**REVENUES**

The Governmental Activities total revenues and transfers were \$100,329 and Business-Type Activity revenues were \$3.74 million for the year ended June 30, 2021. This represented a total decrease of \$581,894 from 2020. Program revenues include charges for services and grants and contributions. Program revenues provided approximately \$3.519 million for business-type activities. General revenues include, among other things, taxes, assessments, and intergovernmental revenues. General revenues provided \$219,576. The majority of general revenues came from property taxes, interest income, assessments, and capital facility fees.

**EXPENSES**

Expenses for the District totaled \$2.544 million for the fiscal year ended June 30, 2021. Governmental activities incurred \$61,543 in expenses and business-type activities incurred \$2.482 million in expenses during the year. Business-type activity expenses were funded by program revenues.

**FINANCIAL ANALYSIS OF THE GOVERNMENT’S FUNDS**

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

**GOVERNMENTAL FUNDS**

The focus of the District’s government funds 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 FY 2020-21, the District’s governmental fund reported committed fund balance of \$16,501 for debt service.

## FORESTHILL PUBLIC UTILITY DISTRICT

Management's Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### CAPITAL ASSETS

The capital assets are reported as follows:

Capital assets, not being depreciated	
Land	\$ 36,568
Construction in progress	11,167
Intangible assets, net	1,052,616
Total assets not being depreciated	<u>1,100,351</u>
Depreciable capital assets	
Assets at cost:	
Source of supply	2,903,206
Pumping plant	31,286
Water treatment	1,507,954
Transmission and distribution	11,287,068
General plant	496,387
Total assets at cost	<u>16,225,901</u>
Less accumulated depreciation	<u>(7,870,653)</u>
Capital Assets, Net	<u>\$ 9,455,599</u>

The District's investment in capital assets, before the related debt, for its governmental and business-type activities as of June 30, 2021, was \$9.456 million (net of accumulated depreciation). 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 in FY 2020-21 of \$.329 million. 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.

#### DEBT ADMINISTRATION

At the end of FY 2020-21, the District had long-term liabilities of \$1,743,800 and \$1.299 million for governmental activities and business-type activities, respectively. Additional information about the District's long-term obligations can be found in Notes 5 and 6 in the Notes to the Basic Financial Statements.

**FORESTHILL PUBLIC UTILITY DISTRICT**

Management’s Discussion and Analysis  
For the Fiscal Year Ended June 30, 2021

Assessment District No. 2 Debt Service Fund:

2017 Water Revenue Refunding Obligation	\$ 800,200
2017 Limited Obligation Refunding Bonds	1,504,300
Total Assessment District	<u>2,304,500</u>

Business-Type Activities:

District Enterprise Fund:

2014 Water Loan Agreement	1,086,583
Add: Unamortized cost of issuance	-
Total Public Utiliti District	<u>1,086,583</u>

Total Long-Term Debt	<u>\$ 3,391,083</u>
----------------------	---------------------

**GOING FORWARD**

The District completed its third successful water transfer during 2020/2021. The water transfer market is difficult to predict and it is unknown if future transfers will be available. The District will investigate future transfers and use the proceeds to fund investments in the public water system. Work continues on an extension of the community’s water right permit. Environmental documentation for the permit extension should be complete in 2022.

The District completed design and is in the process of replacing hydraulic piezometers in the Sugar Pine Dam, which will be completed in late 2021. The existing equipment has reached the end of its service life and needs to be replaced under the guidance of the Division of Safety of Dams.

The pressure reducing station at Hardrock Lane has reached the end of its service life. Rebuilding the station will occur in 2021/2022. Construction of dedicated sample stations is scheduled for 2021/22. The stations are used to test the adequacy of the disinfection process.

The District is in the design phase of the Sierra View project to replace over 6,000 linear feet of pipeline. This project will also replace and modernize the firefighting equipment in that area to improve the safety of the community.

**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, CA, or call (530) 367-2511.

**BASIC FINANCIAL STATEMENTS**





**FORESTHILL PUBLIC UTILITY DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2021**

	Governmental Activities	Business-Type Activities	Totals
<b>Current Assets:</b>			
Cash and cash equivalents	\$ -	\$ 1,953,417	\$ 1,953,417
Investments	-	3,728,232	3,728,232
Accounts receivable:			
Accounts receivable, net	-	478,601	478,601
Due from other governments	-	-	-
Interest receivable	-	23,913	23,913
Prepaid expenses	-	116,020	116,020
Internal balances	(106,977)	106,977	-
Inventory - materials and supplies	-	46,861	46,861
Total current assets	<u>(106,977)</u>	<u>6,454,021</u>	<u>6,347,044</u>
<b>Noncurrent Assets:</b>			
Capital assets, net	-	9,455,599	9,455,599
Assessment receivable	1,217,531	-	1,217,531
Restricted cash and cash equivalents	16,501	-	16,501
Total noncurrent assets	<u>1,234,032</u>	<u>9,455,599</u>	<u>10,689,631</u>
<b>TOTAL ASSETS</b>	<u>1,127,055</u>	<u>15,909,620</u>	<u>17,036,675</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred outflows related to benefits and pensions	-	325,344	325,344
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts payable	-	246,706	246,706
Accrued salaries and benefits	-	33,384	33,384
Accrued interest payable	15,514	5,957	21,471
Customer deposits payable	-	61,618	61,618
Compensated absences liability	-	203,708	203,708
Other post-employment benefits payable	-	22,689	22,689
Long-term debt, due within one year	110,700	133,828	244,528
Total current liabilities	<u>126,214</u>	<u>707,890</u>	<u>834,104</u>
<b>Long-Term Liabilities:</b>			
Net pension liability	-	346,644	346,644
Long-term debt, net of current	1,743,800	952,755	2,696,555
Total long term liabilities	<u>1,743,800</u>	<u>1,299,399</u>	<u>3,043,199</u>
<b>TOTAL LIABILITIES</b>	<u>1,870,014</u>	<u>2,007,289</u>	<u>3,877,303</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred pension inflows	-	33,576	33,576
Special assessments to be collected	1,217,531	-	1,217,531
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,217,531</u>	<u>33,576</u>	<u>1,251,107</u>
<b>NET POSITION</b>			
Net investment in capital assets, net of related debt	-	8,369,016	8,369,016
Restricted for:			
Capital reserve	-	240,583	240,583
Repairs and replacement reserve	-	1,649,618	1,649,618
Debt service reserve	-	294,149	294,149
Unrestricted	(1,960,490)	3,640,733	1,680,243
<b>TOTAL NET POSITION</b>	<u>\$ (1,960,490)</u>	<u>\$ 14,194,099</u>	<u>\$ 12,233,609</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, 2021**

Functions/Programs	Program Revenues				Net Changes in Net Position		
	Operating Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	Governmental Activities	Business-Type Activities	Totals
<b>Governmental Activities:</b>							
General government	\$ 828	\$ -	\$ -	\$ -	\$ (828)		\$ (828)
Interest on long-term debt	60,715	-	-	-	(60,715)		(60,715)
Total Governmental Activities	61,543	-	-	-	(61,543)		(61,543)
<b>Business-Type Activities:</b>							
Water utility	2,444,327	3,511,336	7,563	-	-	\$ 1,074,572	1,074,572
Interest on long-term debt	38,010	-	-	-	-	(38,010)	(38,010)
Total Business-Type Activities	2,482,337	3,511,336	7,563	-	-	1,036,562	1,036,562
Totals	\$2,543,880	\$3,511,336	\$ 7,563	\$ -	(61,543)	1,036,562	975,019
<b>General Revenues:</b>							
Property taxes					-	107,050	107,050
Interest income					70	38,671	38,741
Assessments received					85,591	-	85,591
Capital facility fees					-	73,738	73,738
Reimbursements					-	117	117
Interfund transfer					100,000	(100,000)	-
Other revenue					14,668	-	14,668
Total general revenues					200,329	119,576	319,905
Change in net position					138,786	1,156,138	1,294,924
Net position beginning of year					(2,099,276)	13,037,961	10,938,685
Net position end of year					\$ (1,960,490)	\$ 14,194,099	\$ 12,233,609

**FORESTHILL PUBLIC UTILITY DISTRICT  
BALANCE SHEET - GOVERNMENTAL FUND  
ASSESSMENT DISTRICT No. 2 DEBT SERVICE FUND  
AS OF JUNE 30, 2021**

**Assets**

Cash and investments	\$ 16,501
Due from other funds	-
	-
<b>Total assets</b>	<b>16,501</b>

**Liabilities and Fund Equity**

**Liabilities**

Interest payable	15,514
Due to other funds	106,977
	106,977
<b>Total liabilities</b>	<b>122,491</b>

**Fund Balances**

Committed for debt service	16,501
Unassigned	(122,491)
	(122,491)
<b>Total fund balances</b>	<b>(105,990)</b>

<b>Total liabilities and fund balances</b>	<b>\$ 16,501</b>
	<b>16,501</b>

**FORESTHILL PUBLIC UTILITY DISTRICT**  
**Reconciliation of the Governmental Fund Balance Sheet to the**  
**Government-Wide Statement of Net Position**  
**As of June 30, 2021**

Fund Balances of Governmental Funds	\$	(105,990)
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
<p>Long-term amounts not due and available in the current period, and therefore,</p>		
Assessment receivable		1,217,531
Deferred revenues		
<p>Long-term liabilities are not due and payable in the current period, and therefore, are not reported in the governmental funds balance sheet:</p>		
Bonds payable		<u>(3,072,031)</u>
Net position of governmental activities	\$	<u><u>(1,960,490)</u></u>

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 Fiscal Year Ended June 30, 2021**

<b>Revenues:</b>	
Interest income	\$ 70
Assessments revenue	85,591
Other revenues	<u>14,668</u>
Total Revenues	<u>100,329</u>
 <b>Expenditures</b>	
Professional services	828
Debt services:	
Interest expense	60,715
Principal payments	<u>107,500</u>
Total Expenditures	<u>169,043</u>
 <b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	 <u>(68,714)</u>
 <b>Other Financing Sources (Uses)</b>	
Transfers in	<u>100,000</u>
Total Other Financing Sources (Uses)	100,000
 Fund Balances, beginning of year	 <u>(137,276)</u>
 Fund Balances, end of year	 <u><u>\$ (105,990)</u></u>

**FORESTHILL PUBLIC UTILITY DISTRICT**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund**  
**Balance of Governmental Funds to the**  
**Statement of Activities and Changes in Net Position**  
**For the Fiscal Year Ended June 30, 2021**

Net Change in Fund Balances - Total Governmental Funds	\$ 31,286
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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	107,500
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Change in net position of governmental activities	\$ 138,786
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**FORESTHILL PUBLIC UTILITY DISTRICT**  
**STATEMENT OF NET POSITION - DISTRICT ENTERPRISE FUND**  
**June 30, 2021**

<b>Assets</b>	
Cash and cash equivalents	\$ 1,953,417
Investments	3,728,232
Receivables:	
Accounts receivable, net allowance of \$484	478,601
Due from other governments	-
Interest receivable	23,913
Prepaid expenses	116,020
Internal balances	106,977
Inventory- materials and supplies	46,861
Total current assets	<u>6,454,021</u>
<b>Non-current assets</b>	
Capital assets, net of accumulated depreciation	9,455,599
Restricted cash and cash equivalents	-
Total noncurrent assets	<u>9,455,599</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Deferred pension outflows	<u>325,344</u>
<b>Total Assets</b>	<u><u>\$16,234,964</u></u>
<b>Liabilities and net position</b>	
<b>Current liabilities</b>	
Accounts payable	\$ 246,706
Payroll liabilities	33,384
Customer deposits	61,618
Interest payable	5,957
Due to other funds	-
Compensated absences payable	203,708
Other post-employment benefits payable	22,689
Long-term debt, due within one year	133,828
Total current liabilities	<u>707,890</u>
<b>Non-current liabilities</b>	
Net pension liability	346,644
Long-term debt	952,755
Total noncurrent liabilities	<u>1,299,399</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Deferred pension inflows	<u>33,576</u>
<b>Total Liabilities</b>	<u>2,040,865</u>
<b>Net position</b>	
Net investment in capital assets	8,369,016
Restricted for:	
Capital reserve	
Repairs and replacement reserve	
Debt service reserve	
Unrestricted	<u>5,825,083</u>
<b>Total net position</b>	<u>14,194,099</u>
<b>Total liabilities and net position</b>	<u><u>\$16,234,964</u></u>

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, 2021**

<b>Operating Revenues</b>	
Sales of water	\$ 1,982,043
Transfer of surplus water	675,000
Sugar Pine surcharge	214,314
Rehabilitation and system surcharges	544,369
Water service related fees	25,452
Grant income	7,563
Other income	70,158
Total operating revenues	<u>3,518,899</u>
<b>Operating Expenses</b>	
Source of supply	102,825
Pumping	25,801
Water treatment	275,567
Transmission and distribution	455,970
Customer service	434,817
Regulatory compliance	301,575
Administration and general	460,606
Depreciation and amortization	387,166
Total operating expenses	<u>2,444,327</u>
<b>Operating income</b>	<u>1,074,572</u>
<b>Non-Operating Revenues (Expenses)</b>	
Interest income	38,671
Property taxes	107,050
Capital facility fees	73,738
Reimbursements	117
Interest expense	(38,010)
Total non-operating revenues (expenses)	<u>181,566</u>
<b>Income before transfers</b>	1,256,138
Transfers out	<u>(100,000)</u>
<b>Change in net position</b>	1,156,138
Net position - beginning of the year	<u>13,037,961</u>
Net position - ending of the year	<u><u>\$ 14,194,099</u></u>



**FORESTHILL PUBLIC UTILITY DISTRICT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

**CASH FLOWS FROM OPERATING ACTIVITIES:**

Cash received from customers and users	\$ 3,521,086
Cash paid to suppliers	(764,676)
Cash paid to employees and for related benefits	(1,228,258)
Interfund borrowings	30,388
	<u>30,388</u>

**NET CASH PROVIDED BY OPERATING ACTIVITIES:** 1,558,540

**CASH FLOWS FROM CAPITAL FINANCING ACTIVITIES:**

Purchases of capital assets	(59,368)
Interest paid	(38,658)
Payments on long-term debt	(131,800)

**NET CASH PROVIDED BY CAPITAL FINANCING ACTIVITIES** (229,826)

**CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES:**

Grant income received	7,563
Decrease in deferred outflows for pension	46,565
Decrease in deferred inflows for pension receipts	(41,465)
Increase in net pension liability	57,323
Property tax receipts	107,050
Receipts from capital facility fees	73,738
Transfers out	(100,000)
	<u>(100,000)</u>

**NET CASH PROVIDED BY NON-CAPITAL FINANCING ACTIVITIES** 150,774

**CASH FLOWS FROM INVESTING ACTIVITIES:**

Interest received	32,224
	<u>32,224</u>

**NET CASH PROVIDED BY INVESTING ACTIVITIES** 32,224

**INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS** 1,511,712

**Cash and cash equivalents, beginning of the year** 4,169,937

**Cash and cash equivalents, end of the year** \$ 5,681,649

**RECONCILIATION OF CASH AND CASH EQUIVALENTS:**

Cash and cash equivalents	\$ 1,953,417
Investments	3,728,232
	<u>\$ 5,681,649</u>

(Continued)

**FORESTHILL PUBLIC UTILITY DISTRICT  
STATEMENT OF CASH FLOWS - PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021**

(Continued)

<b>Reconciliation of Operating Income to</b>	
<b>Net Cash Provided by Operating Activities:</b>	
Operating income	\$ 1,074,572
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation and amortization	387,166
Accounts receivable	(865)
Due from other governments	
Inventory	12,246
Prepaid expenses	(2,488)
Accounts payable	25,103
Accrued salaries	4,703
Deposits payable	10,615
Accrued expenses	636
Compensated absences	16,464
Due to other funds	30,388
Other post-employment benefit payable	
Net cash provided by operating activities	<u><u>\$ 1,558,540</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 Fiscal Year Ended June 30, 2021

## 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.

### A. 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.

### B. 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 Fiscal Year Ended June 30, 2021

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### B. 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.

# FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### B. 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.

### C. 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.

### D. Inventories

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

### E. 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.

### F. 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

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**F. Investments (continued)**

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.

**G. 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 government-wide financial statements as “internal balances.”

The District’s estimates the amount of uncollectible receivables based on prior experience and history. At June 30, 2021, the allowance for doubtful accounts were as follows:

	Accounts Receivable	Allowance for Doubtful Accounts	Accounts Receivable, Net
District Enterprise Fund	\$ 478,601	\$ -	\$ 478,601

**H. 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.

# FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### H. Capital Assets (continued)

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

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.

### I. Compensated Absences

Vested or accumulated vacation leave and comp 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.

### J. 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.

### K. 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.

### L. Deferred and Unearned Revenues

Deferred 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).

### M. 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 and 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 Fiscal Year Ended June 30, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**N. 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.

**O. 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.

Invested in Capital Assets, Net of Related Debt — 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, 2021, the Restricted Net Position consisted of the following:

Fund Type	Amount	Action
District Enterprise Fund:		
Capital reserve	\$ 240,583	Imposed by board designation
Repairs and replacement reserve	1,649,618	Imposed by board designation
Debt service reserve	<u>294,149</u>	Imposed by board designation
 Total Restricted	 <u><u>\$ 2,184,350</u></u>	



**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**O. Net Position (continued)**

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.

**P. Fund Equity**

In accordance with Government Accounting Standards Board (GASB) No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, the District classifies its governmental fund balance as follows:

- Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action of the highest level of decision-making authority and does not lapse at year-end.

The committed fund balance is comprised of the following:

Fund Type	Amount	Action
Assessment District No. 2		
Debt Service Fund:		
Committed for debt service	16,501	Imposed by loan agreement

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.

**Q. New Accounting Pronouncements**

During the year ended June 30, 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**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 at June 30, 2021 are classified in the accompanying financial statements as follows:

	Governmental Activities	Business-Type Activities	Totals
Cash and cash equivalents	\$ -	\$ 1,953,417	\$ 1,953,417
Investments	\$ -	3,728,232	3,728,232
Restricted cash and cash equivalents	16,501	-	16,501
Total Cash and Investments	\$ 16,501	\$ 5,681,649	\$ 5,698,150

Cash and investments at fair value at June 30, 2021 consist of the following:

	2021
Cash on hand	\$ 250
Investments with the Local Agency Investment Fund	1,310,711
Brokerage account	3,728,310
Deposits with financial institutions	642,378
Total Cash and Investments	\$ 5,681,649
 Restricted Cash:	
Cash pooled with other government	\$ 16,501
Total Restricted Cash	\$ 16,501

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

**Credit Risk**

Generally, 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, 2021:

Credit Risk	Type of Investment					Total
	Local Agency Investment Fund	Municipal Organizations	Taxable Municipal Obligations	Corporate Bonds	Certificates of Deposit	
A1	\$ -	\$ -	\$ 108,286	\$ 125,981	\$ -	\$ 234,266
A2	-	17,026	123,477	148,209	-	288,712
A3	-	-	12,339	50,424	-	62,762
AA1	-	15,410	105,385	135,047	-	255,843
AA2	-	-	171,580	102,469	-	274,049
AA3	-	78,272	132,506	-	-	210,778
No Rating	1,310,711	-	1,145,767	-	1,256,054	3,712,532
	<u>\$ 1,310,711</u>	<u>\$ 110,708</u>	<u>\$ 1,799,340</u>	<u>\$ 562,129</u>	<u>\$ 1,256,054</u>	<u>\$ 5,038,943</u>

**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, 2021, 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 Fiscal Year Ended June 30, 2021

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

**Custodial Credit Risk (continued)**

At June 30, 2021, the carrying amount of the District’s deposits was \$642,378 and the balances in financial institutions were \$1,467,794. Of the balance in financial institutions, up to \$250,000 was covered by federal depository insurance. The cash pooled with the county totaled \$16,501.

**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:

	Total	Remaining Maturity (In Months)				
		12 Months or Less	13 - 23 Months	24 - 36 Months	36 - 48 Months	48 - 60 Months
Local Agency Investment Fund	\$ 1,310,711	\$ 1,310,711	\$ -	\$ -	\$ -	\$ -
Held in Brokerage Account:						
Municipal bonds	110,708	-	-	78,272.1	32,436	-
Taxable municipal bonds	1,799,340	81,358	169,599	275,480	641,460	631,444
Corporate bonds	562,129	101,013	51,135.50		102,469	307,512
Certificates of deposits	1,256,054	466,395	230,831	53,078	105,346	400,405
<b>Total</b>	<b>\$ 5,038,943</b>	<b>\$ 1,959,477</b>	<b>\$ 451,565</b>	<b>\$ 406,830</b>	<b>\$ 881,711</b>	<b>\$ 1,339,360</b>

**Investments by Fair Value Level**

In accordance with GASB Statement No. 72, 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 Fiscal Year Ended June 30, 2021

**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.

	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)
Securities:				
Local Agency Investment Fund	\$ 1,310,711	\$ 1,310,711	\$ -	\$ -
Municipal bonds	110,708	110,708	-	-
Taxable municipal bonds	1,799,340	1,799,340	-	-
Corporate bonds	562,129	562,129	-	-
Certificates of deposits	1,256,054	1,256,054	-	-
Total Investments by Fair Value Level	<u>\$ 5,038,943</u>	<u>\$ 5,038,943</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. The total fair value amount at June 30, 2021 invested by all public agencies in LAIF is \$196,3210,550 managed by the State Treasurer. The investments are as follows:

	As a Percent of Portfolio
Structured notes and medium-term asset backed securities	21.53%
Short-term asset-backed commercial paper	5.74%
Government securities	70.21%
All other investments	2.52%
Fair Value Level	<u>100.00%</u>

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 2 – CASH AND INVESTMENTS (CONTINUED)**

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/](http://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.

**NOTE 3 – CAPITAL ASSETS**

The changes in capital assets for the business-type activities for the fiscal year ended June 30, 2021 are as follows:

	<b>Balance at June 30, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Reclass</b>	<b>Balance at June 30, 2021</b>
Capital assets, not being depreciated					
Land	\$ 36,568	\$ -	\$ -	\$ -	\$ 36,568
Construction in progress	130	12,089	(1,052)	-	11,167
Intangible assets, net	1,065,639	38,802	(51,825)	-	1,052,616
Total assets not being depreciated	<u>1,102,337</u>	<u>50,891</u>	<u>(52,877)</u>	<u>-</u>	<u>1,100,351</u>
Depreciable capital assets					
Assets at cost:					
Source of supply	2,903,206	-	-	-	2,903,206
Pumping plant	31,286	-	-	-	31,286
Water treatment	1,504,433	3,521	-	-	1,507,954
Transmission and distribution	11,282,112	4,956	-	-	11,287,068
General plant	496,387	-	-	-	496,387
Total assets at cost	<u>16,217,424</u>	<u>8,477</u>	<u>-</u>	<u>-</u>	<u>16,225,901</u>
Accumulated depreciation					
Source of supply	(1,017,798)	(64,250)	-	-	(1,082,048)
Pumping plant	(23,715)	(344)	-	-	(24,059)
Water treatment	(1,161,359)	(23,746)	-	-	(1,185,105)
Transmission and distribution	(4,884,667)	(235,994)	-	-	(5,120,661)
General plant	(448,105)	(9,674)	-	(1,001)	(458,780)
Total accumulated depreciation	<u>(7,535,644)</u>	<u>(334,008)</u>	<u>-</u>	<u>(1,001)</u>	<u>(7,870,653)</u>
Net depreciable assets	<u>8,681,780</u>	<u>(325,531)</u>	<u>-</u>	<u>(1,001)</u>	<u>8,355,248</u>
Capital Assets, net	<u>\$ 9,784,117</u>	<u>\$ (274,640)</u>	<u>\$ (52,877)</u>	<u>\$ (1,001)</u>	<u>\$ 9,455,599</u>

No interest was capitalized in the cost of additions in the current year. The District recorded depreciation of \$334,008 and amortization of \$33,371 as part of the program expense.

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**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. Sick time may be bought back upon retirement after age 60 based upon a years of service tier schedule.

**NOTE 5 – LONG-TERM DEBT**

The long-term debt activity for the fiscal year ended June 30, 2021 is as follows:

	Balance at July 1, 2019	Additions	Payments	Balance at June 30, 2020	Current Portion
Governmental Activities:					
<u>Assessment District No. 2 Debt Service Fund:</u>					
2017 Water Revenue Refunding Obligation	\$ 860,100	\$ -	\$ (59,900)	\$ 800,200	\$ 61,700
2017 Limited Obligation Refunding Bonds	1,101,900	-	(47,600)	1,054,300	49,000
Total Governmental	<u>1,962,000</u>	<u>-</u>	<u>(107,500)</u>	<u>1,854,500</u>	<u>110,700</u>
Business-Type Activities:					
<u>District Enterprise Fund:</u>					
2014 Water Loan Agreement	1,218,383	-	(131,800)	1,086,583	133,828
Total Business-Type	<u>1,218,383</u>	<u>-</u>	<u>(131,800)</u>	<u>1,086,583</u>	<u>133,828</u>
Total Long-Term Debt	<u>\$ 3,180,383</u>	<u>\$ -</u>	<u>\$ (239,300)</u>	<u>\$ 2,941,083</u>	<u>\$ 244,528</u>

**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.

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 5 – LONG-TERM DEBT (CONTINUED)**

\$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.

**Business-Type Activities:**

\$2,081,149 Water Loan: 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 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, 2021 are as follows:

Year Ending June 30:	Governmental Activities			Business Activities	Total
	2017 Limited Obligation Bonds	2017 Water Revenue Bonds	Total	Series 2014 Water Loan	
2022	\$ 82,738	\$ 86,814	\$ 169,552	\$ 168,583	\$ 338,135
2023	82,869	86,723	169,592	171,333	340,925
2024	82,947	86,772	169,719	173,383	343,102
2025	82,006	86,752	168,758	169,852	338,610
2026	82,050	86,765	168,815	170,927	339,742
2027-2031	409,369	434,418	843,787	388,979	1,232,766
2032-2036	408,468	86,766	495,234	-	495,234
2037-2038	130,787	-	130,787	-	130,787
	<u>1,361,234</u>	<u>955,010</u>	<u>2,316,244</u>	<u>1,243,057</u>	<u>3,559,301</u>
Less interest	<u>(306,934)</u>	<u>(154,810)</u>	<u>(576,628)</u>	<u>(156,474)</u>	<u>(733,102)</u>
	<u>1,054,300</u>	<u>800,200</u>	<u>1,739,616</u>	<u>1,086,583</u>	<u>2,826,199</u>
Due within one year	<u>(49,000)</u>	<u>(61,700)</u>	<u>(175,586)</u>	<u>(133,828)</u>	<u>(233,486)</u>
	<u>\$ 1,005,300</u>	<u>\$ 738,500</u>	<u>\$ 1,564,030</u>	<u>\$ 952,755</u>	<u>\$ 2,592,713</u>



## FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

### NOTE 6 – DEFINED BENEFIT PENSION PLAN

#### **CalPERS Miscellaneous Pension Plan**

#### *Miscellaneous, Cost-Sharing Multiple-Employer Defined Benefit Pension Plans*

##### Plan Description

The District's Miscellaneous plan became part of CalPERS Miscellaneous Risk Pools for employers with less than 100 active plan members. When these risk pools were established, CalPERS assigned each entity in the pool a share of the net pension liability. The Miscellaneous employees are part of a three-tier cost-sharing multiple-employer defined benefit plan administered by CalPERS. The second-tier retirement program provides a lower level of retirement benefits than the first tier. Employees hired on or after January 1, 1982 who meet eligibility requirements, are enrolled in the second-tier program.

The third-tier program was implemented in January 2013 following the passage of AB340 (PEPRA) by the California Legislature. Employees hired on or after January 1, 2013, who were not previously enrolled in the PERS system elsewhere or who have had a break in service of at least 6 months are required to be enrolled in this retirement program which provides a benefit level that is lower than the first two tiers.

##### 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 10 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. Benefit provisions and all other requirements are established by State statute and may be amended by District contracts with employee bargaining groups.

##### **Contributions**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be 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 the CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

## FORESTHILL PUBLIC UTILITY DISTRICT

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

### NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)

CalPERS Miscellaneous Pension Plan (continued)

Miscellaneous plan participants (tier 1) are required to contribute 7.8311% of their annual covered salary. Miscellaneous tier 3 plan participants are required to contribute 6.25% of their annual covered salary. In addition, the District is required to make an employer contribution at an actuarial determined rate of 14.729% (tier 1) and 7.73% (tier 3) of annual covered payroll for the year ended June 30, 2021. For the year ended June 30, 2021, contributions to the Plan were \$131,478; \$85,696 employer contributions and \$45,782 employee contributions.

#### *Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions*

As of June 30, 2021, the District reported liability of \$344,644 for its proportionate share of the Plan's net pension liability.

The District's net pension liability is measured as the proportionate share of net pension liability. The net pension liability is measured as of June 30, 2019, and the total pension liability for used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018, rolled forward to June 30, 2019. The District's proportion of the net pension liability based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. As of June 30, 2021, the District's proportion was 0.00822 percent of the Miscellaneous risk pool; which was an increase of 0.00099 percent from their proportions measured as of June 30, 2020.

For the year ended June 30, 2021, the District recognized pension expense of \$220,989. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

**Contributions (continued)**

*Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions*

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u>                    </u>	<u>                    </u>
Differences between expected and actual experience	\$ 17,864	\$ -
Differences between Employer's Contributions and Proportionate Share of Contributions	103,766	
Change in assumptions	-	2,472
Net difference between projected and actual earnings on pension plan investments	10,298	
Change in employer's proportion	34,850	31,104
Pension contributions made subsequent to measurement date	<u>158,566</u>	<u>-</u>
 Total	 <u>\$ 325,344</u>	 <u>\$ 33,576</u>

The \$158,566 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	Deferred Outflows/ (Inflows) of Resources
<u>                    </u>	<u>                    </u>
2022	\$ 67,738
2023	40,327
2024	20,198
2025	<u>4,939</u>
 Total	 <u>\$ 133,202</u>

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*Actuarial Assumptions*

The total pension liabilities in the June 30, 2019 actuarial valuation were determined using the following actuarial assumptions:

Valuation date	June 30, 2019
Measurement date	June 30, 2020
Measurement period	July 1, 2019 to June 30, 2020
Actuarial cost method	Entry Age Normal
Asset valuation method	Actuarial value of assets
Actuarial assumptions:	
Discount rate	7.15%
Inflation rate	2.625%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.15% net of pension plan investment and administrative expenses
Mortality rate table	Based on the 2010 CalPERS Experience Study

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increases, mortality, and retirement rates. The Experience Study Report may be accessed on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov). The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of 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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

The table on the next page reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years > 10(b)
Global equity	50.0%	4.80%	5.98%
Global fixed income	28.0%	1.00%	2.62%
Inflation sensitive	0.0%	0.77%	1.81%
Private equity	8.0%	6.30%	7.23%
Real estate	13.0%	3.75%	4.93%
Liquidity	1.0%	-0.55%	-1.05%
	100.00%		

- (a) An expected inflation of 2.0% used for this period
- (b) An expected inflation of 2.92% used for this period

**Discount Rate**

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets.

Therefore, the current 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained at CalPERS’ website under the GASB 68 section.

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 6 – DEFINED BENEFIT PENSION PLAN (CONTINUED)**

*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 for the Miscellaneous plan, calculated using the discount rate of 7.15 percent, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate		
	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
Plan's net pension liability	\$ 754,536	\$ 346,644	\$ 9,616

**NOTE 7 – 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 8 – 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 retire with the District at age 60 or older or must be permanently disabled.

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, 2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2020. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**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	4.6% to 4.8% for the next 10 years
Discount rate	7%

GASB 75 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.

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 (6 percent) or 1-percentage-point higher (8 percent) than the current discount rate:

	1% Decrease <u>6.00%</u>	Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's net OPEB liability	\$ 54,933	\$ 22,829	\$ (4,533)

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.

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 8 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (CONTINUED)**

**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:

	Trend Rate		
	1% Decrease	Current rate	1% Increase
District's net OPEB liability	\$ 10,964	\$ 22,829	\$ 35,096

**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, 2020 for the District:

	Total OPEB	Plan	Net OPEB
	Liability	Fiduciary Net	Liability (Asset)
	(a)	(b)	(c) = (a) - (b)
Balance at June 30, 2020	\$ 218,117	\$ 202,790	\$ 15,327
Changes recognized for the service period:			
Service cost	5,270	-	5,270
Interest	17,279	-	17,279
Changes of assumptions	55,662	-	55,662
Administrative costs	-	(197)	197
Net investment income	-	55,819	(55,819)
Employer contributions	-	-	-
Benefit payments	(15,087)	-	(15,087)
Net changes	63,124	55,622	7,502
Balance at June 30, 2021	\$ 281,241	\$ 258,412	\$ 22,829



**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2021

**NOTE 9 – INTERFUND TRANSACTIONS**

Interfund balances for operations as of June 30, 2021 were as follows:

Fund	Due from Other Funds	Due to Other Funds
Governmental Activities:		
Assessment District No. 2 Debt Service Fund	\$ (106,977)	
Business-Type Activities:		
District Enterprise Fund		\$ 106,977
Total	\$ (106,977)	\$ 106,977

**NOTE 10 – 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. During the 2021 fiscal year, the District purchased certain commercial insurance coverage to provide for these risks with liability limits of \$10,000,000. 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.

**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.

In January 2020, the virus SARS-CoV-2 was transmitted to the United States from overseas sources. This virus, responsible for the Coronavirus disease COVID-19, has proven to be extremely virulent. The economic impact on the State of California and the County of Placer as yet has not been determined and, therefore, any potential impact on the District is not yet known.

**NOTE 12 – SUBSEQUENT EVENTS**

Management has evaluated subsequent events through **December 15, 2021**, the date these June 30, 2021 financial statements were available to be issued.

In January 2020, the virus SARS-CoV-2 was transmitted to the United States from overseas sources. This virus, responsible for the Coronavirus disease COVID-19, has proven to be extremely virulent. The economic impact on the State of California and the County of Placer as yet has not been determined and, therefore, any potential impact on the District is not yet known.

**REQUIRED SUPPLEMENTARY INFORMATION**



**FORESTHILL PUBLIC UTILITY DISTRICT**

**Notes to Required Supplementary Information – Pension  
For the Fiscal Year Ended June 30, 2021**

Last 10 Fiscal Years \*

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
District's proportion of the net pension liability	0.01132%	0.01138%	0.01220%	0.01262%	0.00673%	0.00722%	0.00822%
District's proportionate share of the net pension liability	\$ 279,805	\$ 312,182	\$ 423,882	\$ 497,381	\$ 253,597	\$ 289,321	\$ 346,644
District's covered employee payroll	396,998	433,752	452,791	618,627	587,967	618,369	600,226
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	70.48%	71.97%	93.62%	80.40%	43.13%	46.79%	57.75%
Plan Fiduciary net position as a percentage of the total pension liability	82.60%	82.11%	78.82%	77.37%	89.46%	89.23%	89.23%

\* Amounts presented above were determined as of 6/30.  
Additional years will be presented as they become available

CALPERS - Schedule of District Contributions

Last 10 Fiscal Years \*:

	<u>FY 2014</u>	<u>FY 2015</u>	<u>FY 2016</u>	<u>FY 2017</u>	<u>FY 2018</u>	<u>FY 2019</u>	<u>FY 2020</u>
Actuarially determined contribution	\$ 51,680	\$ 51,680	\$ 73,528	\$ 74,679	\$ 98,676	\$ 100,806	\$ 145,864
Total action contribution	<u>(58,224)</u>	<u>(58,224)</u>	<u>(55,783)</u>	<u>(60,898)</u>	<u>(98,676)</u>	<u>(100,806)</u>	<u>(145,864)</u>
Contribution deficiency (excess)	<u>\$ (6,544)</u>	<u>\$ (6,544)</u>	<u>\$ 17,745</u>	<u>\$ 13,781</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered-employee payroll	\$ 311,714	\$ 491,742	\$ 469,596	\$ 469,596	\$ 587,967	\$ 618,369	\$ 618,369
Contributions as a percentage of covered employee payroll	18.68%	11.34%	12.97%	12.97%	16.78%	16.30%	23.59%

**FORESTHILL PUBLIC UTILITY DISTRICT**

Notes to Required Supplementary Information - OPEB  
For the Fiscal Year Ended June 30, 2021

**NOTE 1 – CHANGE IN BENEFIT TERMS**

The amounts above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2014 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Year Additional Service Credit (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statements as CalPERS considers such amount to be separately financed employer-specific liabilities.

**NOTE 2 – CHANGE IN ASSUMPTIONS**

The discount rate was lowered from 7.50% to 7.00% using a three-year phase-in beginning with the June 30, 2016.

**NOTE 3 – SIGNIFICANT METHODS AND ASSUMPTIONS**

Valuation date	June 30, 2020
Measurement date	June 30, 2020
Measurement period	July 1, 2019 to June 30, 2020
Actuarial cost method	Entry Age Normal
Asset valuation method	Actuarial value of assets
Actuarial assumptions:	
Discount rate	7.00%
Inflation rate	2.625%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.25% net of pension plan investment and administrative expenses
Mortality rate table	Based on the 2010 CalPERS Experience Study

**NOTE 4 – OPEB EXPENSE RECOGNIZED**

The OPEB expense recognized by the employer for the fiscal year ended June 30, 2021 was \$7,502.

**NOTE 5 – PARTICIPANT DATA**

The number of members participating in the plan as of June 30, 2021 were as follows:

Number of members:	
Active	7
Transferred	0
Separated	1
Retired	3

**SUPPLEMENTAL INFORMATION**



**FORESTHILL PUBLIC UTILITY DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE - DISTRICT ENTERPRISE FUND**  
**For the Fiscal Year Ended June 30, 2021**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Positive (Negative)
<b>Operating Revenues</b>				
Sales of water	\$ 1,978,000	\$ 1,978,000	\$ 1,982,043	\$ 4,043
Transfer of surplus water	-	-	675,000	675,000
Sugar Pine surcharge	-	-	214,314	214,314
Rehabilitation and system surcharges	-	-	544,369	544,369
Water service related fees	20,000	20,000	25,452	5,452
Grant income	-	# -	7,563	7,563
Other income	85,000	85,000	70,158	(14,842)
Total operating revenues	2,083,000	2,083,000	3,518,899	1,435,899
<b>Operating Expenses</b>				
Source of supply	63,561	63,561	102,825	(39,264)
Pumping	39,380	39,380	25,801	13,579
Water treatment	218,564	218,564	275,567	(57,003)
Transmission and distribution	429,142	429,142	455,970	(26,828)
Customer service	482,567	482,567	434,817	47,750
Regulatory compliance	330,887	330,887	301,575	29,312
Administration and general	284,407	284,407	460,606	(176,199)
Depreciation and amortization	-	-	387,166	(387,166)
Total operating expenses	1,848,508	1,848,508	2,444,327	(595,819)
<b>Operating income</b>		234,492	1,074,572	840,080
<b>Non-Operating Revenues (Expenses)</b>				
Interest income	65,000	65,000	38,671	(26,329)
Property taxes	103,000	103,000	107,050	4,050
Capital facility fees	-	-	73,738	73,738
Reimbursements	-	-	117	117
Interest expense	-	-	(38,010)	(38,010)
Total non-operating revenues (expenses)	168,000	168,000	181,566	13,566
<b>Income Before Transfers</b>		402,492	1,256,138	853,646
Transfers out		-	-	-
<b>Change in Net Position</b>		\$ 402,492	\$ 1,256,138	\$ 853,646

**FORESTHILL PUBLIC UTILITY DISTRICT  
SCHEDULE OF OPERATING EXPENSES  
DISTRICT ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2021**

**Source of Supply**

Supervision and labor	\$ 93,119
Materials and supplies	2,305
Maintenance	59
Contract services	-
Power	6,749
Utilities	720
Other expenses	-
Total Source of Supply	102,952

**Pumping**

Supervision and labor	7,054
Materials and supplies	587
Maintenance	5,989
Power	9,202
Equipment costs	-
Propane	2,969
Total Pumping	25,801

**Water Treatment**

Supervision and labor	209,354
Materials and supplies	7,223
Maintenance	3,123
Contract services	2,825
Chemical and analysis	34,455
Power	17,737
Propane	850
Other expenses	-
Total Water Treatment	275,567

**Transmission and Distribution**

Supervision and labor	310,026
Materials and supplies	58,884
Maintenance	9,445
Contract services	63,084
Equipment rental	-
Vehicle expense	13,465
Propane	310
Restoration fee	-
Utilities	962
Other expenses	-
Total Water Treatment	456,176

**FORESTHILL PUBLIC UTILITY DISTRICT  
SCHEDULE OF OPERATING EXPENSES  
DISTRICT ENTERPRISE FUND  
FOR THE YEAR ENDED JUNE 30, 2020**

<b>Customer Service</b>	
Supervision and labor	367,827
Materials and supplies	3,320
Maintenance	660
Vehicle expense	1,876
Contract services	51,795
Insurance	-
Power	145
Propane	-
Utilities	8,854
Other expenses	340
Total Customer Service	434,817
<b>Regulatory Compliance</b>	
Supervision and labor	59,437
Materials and supplies	4,603
Maintenance	
Contract services	175,590
Utilities	-
Restoration fee	47,884
State Department of Health Services	4,360
Other expenses	9,701
Total Regulatory Compliance	301,575
<b>Administrative and General</b>	
Supervision and labor	209,970
Materials and supplies	7,351
Maintenance	18,372
Vehicle expense	250
Equipment rental	1,030
Power	2,838
Propane	1,059
Contract services	94,013
Insurance	63,186
Utilities	597
Other expenses	61,607
Total Administrative and General	460,273
<b>Total Operating Expenses Before Depreciation and Amortization</b>	<b>\$ 2,057,161</b>



**FORESTHILL PUBLIC UTILITY DISTRICT  
DEBT COVENANTS  
FOR THE YEAR ENDED JUNE 30, 2021**

For the year ended June 30, 2021

Net Revenues	3,518,899
Total debt	1,086,583
Revenue to Debt Ratio	324%

Item K3

**To:** Board of Directors  
**From:** Henry N. White  
**Date:** February 2, 2022  
**Subject:** Remote Service Connection Request for 24150 Race Track Street,  
Assessor's Parcel Number 007-060-005

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Assessor's Parcel Number 007-060-005 is located within the Foresthill Public Utility District's service area boundary and as such is entitled to derive service from the district.

The parcel in question is situated in a location that is not adjacent to the public water system. Generally, the district requires an extension of the public water system to a point adjacent to a property requesting service. An alternative to extending public facilities is to establish a remote service connection and a private water line serving the parcel.

In this instance, the parcel is not adjacent to the existing public water system. Extending public facilities to the parcel is not recommended at this time due to the expense associated with such an extension and the limited public benefit the extension would provide. Staff's recommendation is to approve a remote service connection to provide water service to the property. Staff recommends conditioning the approval on the property owner providing proof of an easement for the private water line and executing a participation agreement. The participation agreement would require the parcel owner to financially participate if the public water system is extended to the property in the future.

January 3, 2022

Board Of Directors

Foresthill Public Utility District

24540 Main Street

Foresthill, CA 95631

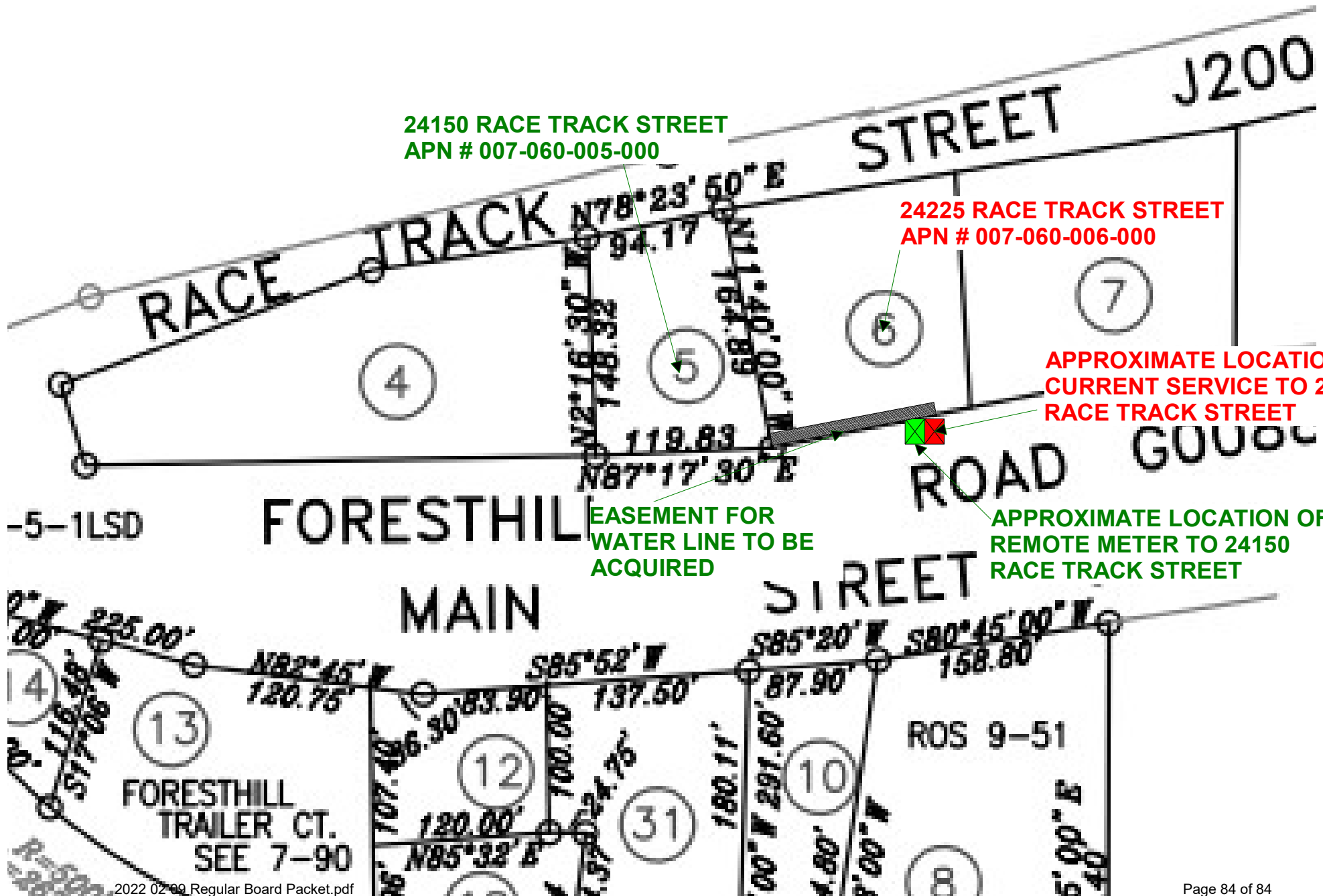
Dear Board of Directors:

We are requesting that the Board of Directors consider and approve a “remote water meter service” to our property, 24150 Race Track Street, in order to service a single-family residence. We are asking for this approval pending a satisfactory recorded easement across our neighbor’s property, 24225 Race Track Street, for the service line.

Attached is site plan for a clearer understanding of our request.

Sincerely,

Andrew Ramsey & Laura Truax



24150 RACE TRACK STREET  
 APN # 007-060-005-000

24225 RACE TRACK STREET  
 APN # 007-060-006-000

APPROXIMATE LOCATION OF  
 CURRENT SERVICE TO 24225  
 RACE TRACK STREET

EASEMENT FOR  
 WATER LINE TO BE  
 ACQUIRED

APPROXIMATE LOCATION OF  
 REMOTE METER TO 24150  
 RACE TRACK STREET

-5-1LSD

FORESTHILL  
 MAIN

STREET

ROAD GOULD

J200

FORESTHILL  
 TRAILER CT.  
 SEE 7-90

ROS 9-51