

**EL DORADO HILLS COUNTY WATER DISTRICT**  
**(dba EL DORADO HILLS FIRE DEPARTMENT)**

---

**FINANCIAL STATEMENTS**  
**AND INDEPENDENT AUDITOR'S REPORT**  
**for the fiscal year ended June 30, 2017**

**ROBERT W. JOHNSON**  
**Certified Public Accountant**

## CONTENTS

	<u>Pages</u>
Independent Auditor's Report	1-2
Management's Discussion and Analysis	3-6
Financial Statements:	
Statement of Net Position and Governmental Fund Balance Sheet	7
Statement of Activities and Governmental Fund Revenues, Expenditures and Changes in Fund Balances	8
Statement of Revenues and Expenditures - Compared to Budget	9-10
Notes to Financial Statements	11-27
Supplemental Information:	
Principal Officials	29
Schedule of Funding Progress of Other Postemployment Benefits Plan	30
Schedule of the District's Proportionate Share of the Net Pension Liability	31
Schedule of Contributions for Pensions	32



**Robert W. Johnson**  
*an accountancy corporation*

6234 Birdcage Street, Citrus Heights, California 95610 | robertwjohansoncpagroup@gmail.com | 916.723.2555  
www.bob-johnson-cpa.com

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
El Dorado Hills County Water District  
El Dorado Hills, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the El Dorado Hills County Water District, as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

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 audit. We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 from 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of El Dorado Hills Water District as of June 30, 2017, and the results of its operations for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

## **Other Matters**

### *Required Supplementary Information*

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplemental information. However, we did not audit the information and express no opinion on it.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

*Robert W. Johnson, An Accountant-Certified*

Citrus Heights, California  
October 18, 2017

## MANAGEMENT'S DISCUSSION AND ANALYSIS (MD&A)

---

As management of the El Dorado Hills County Water District (Fire Department), we offer this Management Discussion and Analysis Report as an overview and analysis of the financial activities of the Fire Department for the fiscal year ended June 30, 2017.

Our discussion and analysis of the Fire Department provides the reader with an overview of the District's financial position and performance. The MD&A describes the significant changes from the prior year that occurred in general operations and discusses the activities during the year for capital assets. We encourage the reader to consider the information presented here in conjunction with the additional information furnished in our annual financial report including the financial statements and notes to the financial statements.

### FINANCIAL REPORTING

---

The District maintains its accounts in accordance with general accepted accounting principles as prescribed by the Governmental Accounting Standards Board (GASB). The attached audit report is comprised of both governmental fund and government-wide financial statements.

The governmental fund financial statements are comprised of a Balance Sheet and a Statement of Revenues, Expenditures, and Changes in Fund Balances. These statements report current financial resources on a modified accrual basis and reflect a near term perspective. The fund balance sheet reflects assets and liabilities that are generally current in nature.

The government-wide financial statements include a Statement of Net Position and Statement of Activities. These statements report financial information using the full accrual basis of accounting and reflect a longer-term perspective. The government-wide statement of net position includes non-current assets and liabilities such as net fixed assets and the pension unfunded liability, as well as deferred inflows and outflows.

### INVESTMENT POLICIES AND PROCEDURES

---

The Board reviews the District's investment policy periodically. During the 2016-17 fiscal year, the District was invested mostly with the State of California Local Agency Investment Fund and minimally with the El Dorado County Treasury. A revised investment policy was approved by the Board on October 20, 2016.

### FINANCIAL SUMMARY

---

#### Fund Level:

- Total revenues for fiscal year 2016/17 increased by \$1,227,446 from 2015/16. Contributing to this increase is growth in property tax revenues of \$761,203, or 5.1% from prior year and an increase in development fees of \$485,005, or 19.4%. Other Revenue also increased by \$131,836, or 58.1%

from prior year mostly due to proceeds from the sale of retired assets and higher interest revenue. There were partially offsetting decreases in JPA and OES Revenue, which are both pass through categories offset by expenditures.

#### Summary of Total Revenues

	2016/17	2015/16	\$ Change	% Change
Property Tax Revenue	\$ 15,593,084	\$ 14,831,881	\$ 761,203	5.1%
Development Fees	2,985,102	2,500,097	485,005	19.4%
JPA Revenue	982,207	1,010,264	(28,057)	(2.8%)
OES/Mutual Aid Revenue	613,557	736,099	(122,542)	(16.6%)
Other Revenue	358,774	226,938	131,836	58.1%
<b>Total Revenue</b>	<b>\$ 20,532,724</b>	<b>\$ 19,305,278</b>	<b>\$ 1,227,446</b>	<b>6.4%</b>

- Total expenditures for fiscal year 2016/17 decreased by \$1,514,213, or 8.1% from prior year. This decrease is mostly due to a decrease in fixed assets expenditures and pension lump sum payments. No lump sum payments were made in fiscal year 2016/17 toward the District's pension unfunded liability. Fixed asset expenditures decreased by \$1,243,152 due to the completion of the Station 84 rebuild in September 2015. Wages and benefits increased by \$758,707, or 5.4% due to several factors, including negotiated wage increases, an increase in operating overtime, and an increase in the cost of healthcare. Other Operating Expenditures increased by \$187,274 or 27.8% mostly because of a one-time dispatch CAD system upgrade project and an increase in training costs.

#### Summary of Total Expenditures

	2016/17	2015/16	\$ Change	% Change
Wages & Benefits	\$ 14,808,424	\$ 14,049,717	\$ 758,707	5.4%
Fixed Assets	773,344	2,016,496	(1,243,152)	(61.6%)
Pension Lump Sum Payment	-	1,200,000	(1,200,000)	(100.0%)
Professional Services & IT	461,806	508,681	(46,875)	(9.2%)
Maintenance	371,479	341,646	29,833	8.7%
Other Operating Expenditures	861,741	674,467	187,274	27.8%
<b>Total Expenditures</b>	<b>\$ 17,276,794</b>	<b>\$ 18,791,007</b>	<b>\$ (1,514,213)</b>	<b>(8.1%)</b>

- The District's fund balances totaled \$23,048,107 at the end of 2016/17, an increase of \$3,255,931 from 2015/16. The unassigned fund balance totaled \$13,313,206, which is approximately 77.1% of total fund expenditures for the fiscal year. The committed, or capital replacement fund balance was \$3,052,680 at the end of the fiscal year. The District's restricted, or development fee fund balance was \$6,682,221. There are outstanding reimbursements due to the general fund from the development

fee fund of approximately \$884,103 as of June 30, 2017 for qualifying expenditures in 2015/16 and 2016/17.

#### Summary of Total Fund Balances

	2016/17	2015/16	\$ Change	% Change
General Reserve Fund	\$ 13,313,206	\$ 12,269,033	\$ 1,044,173	8.5%
Capital Replacement Fund	3,052,680	3,826,024	(773,344)	(20.2%)
Unrestricted Fund Balances	\$ 16,365,886	\$ 16,095,057	\$ 270,829	1.7%
Development Fee Fund	6,682,221	3,697,119	2,985,102	80.7%
<b>Total Fund Balances</b>	<b>\$ 23,048,107</b>	<b>\$ 19,792,176</b>	<b>\$ 3,255,931</b>	<b>16.5%</b>

#### Government-Wide:

- The District's net position is \$35,322,676 at the end of fiscal year 2016/17, which is an increase of \$2,248,997 from 2015/16. This increase is primarily attributable to an increase in the District's Current Assets and Deferred Outflows, with a partially offsetting increase in the Net Pension Liability. The increase in Current Assets is mostly due to an increase in the Development Fee Fund balance of \$2,985,102. The increase in Deferred Outflows is primarily due to the delayed recognition of pension expense relating to the difference between actual and expected earnings (loss) for fiscal year 2015/16. This investment loss resulted in an immediate increase in the Net Pension Liability but will be recognized in pension expense over a period of 5 years per GASB 68.

#### Summary of Net Position

	2016/17	2015/16	\$ Change	% Change
Current Assets	\$ 24,829,516	\$ 21,553,390	\$ 3,276,126	15.2%
Capital Assets	\$ 23,089,566	\$ 23,505,810	(416,244)	-1.8%
Deferred Outflows (as restated)	5,425,016	3,561,820	1,863,196	52.3%
Current Liabilities	1,781,410	1,761,214	20,196	1.1%
Net Pension Liability	14,609,638	12,110,428	2,499,210	20.6%
Deferred Inflows (as restated)	1,630,374	1,675,700	(45,326)	-2.7%
Net Position (as restated)	35,322,676	33,073,679	2,248,997	6.8%

- The District purchased fixed assets totaling \$773,344 in 2016/17. This includes \$325,532 in ECG Monitor/Defibrillator replacements. A Battalion Chief vehicle was also purchased totaling \$153,620. Other expenditures include Station 91 remodel costs of \$49,534, Training Facility Design and Planning costs of \$47,420, and Water Rescue equipment costs of \$42,040. All capital assets are valued at historical cost and depreciated over their estimated useful lives using the straight-line method.

## ECONOMIC OUTLOOK

---

The District's net position continues to be adequate and reflects financial stability. Development and property values continue to grow and this trend is expected to continue into the 2017/18 fiscal year. However, the District recognizes the significant challenges that lie ahead with increased pension and healthcare costs, and is active in its efforts to prefund its pension and other post-employment benefit (OPEB) obligations. While the Unrestricted Fund Balances show a marginal increase in fiscal year 2016/17, these balances have declined by 17% since 2012/13. Further, the District's pension unfunded liability increased by more than 20% in 2016/17, and it is expected to increase further as the discount rate is reduced from 7.5% to 7.0%. In September 2017, the Board of Directors committed to evaluating different options for reducing the District's overall operating expenditures so higher pension payments can be made while still preserving the unrestricted reserve balances. The District's Board of Directors and staff continuously monitor economic trends and forecasts to ensure sound fiscal management.

## CONTACT

---

For questions regarding this report, please contact the El Dorado Hills Fire Department Director of Finance at 1050 Wilson Blvd., El Dorado Hills, CA 95762.



EL DORADO HILLS FIRE DEPARTMENT  
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET  
June 30, 2017

ASSETS AND DEFERRED OUTFLOWS	All Funds	Adjustments	Statement of Net Position
Cash (Note 3)	\$24,296,402	\$ -	\$ 24,296,402
Accounts receivable - other	362,939	-	362,939
Prepaid expenses	170,175	-	170,175
Capital assets (Note 4)	-	32,191,358	32,191,358
Less, accumulated depreciation	-	( 9,101,792)	( 9,101,792)
Total assets	<u>24,829,516</u>	<u>23,089,566</u>	<u>47,919,082</u>
DEFERRED OUTFLOWS	<u>-</u>	<u>5,425,016</u>	<u>5,425,016</u>
Total assets and deferred outflows	<u>\$24,829,516</u>	<u>\$ 28,514,582</u>	<u>\$ 53,344,098</u>
LIABILITIES AND DEFERRED INFLOWS			
Accounts payable	\$ 108,260	\$ -	\$ 108,260
Accrued employee benefits payable	443,209	-	443,209
Accrued vacation and sick leave benefits	1,229,941	-	1,229,941
Weed abatement deposits	-	-	-
Net pension liability (Note 6)	-	14,609,638	14,609,638
Total liabilities	<u>1,781,410</u>	<u>14,609,638</u>	<u>16,391,048</u>
DEFERRED INFLOWS	<u>-</u>	<u>1,630,374</u>	<u>1,630,374</u>
FUND BALANCES/NET POSITION			
Fund balances (Note 9):			
Restricted	6,682,221	( 6,682,221)	-
Committed	3,052,680	( 3,052,680)	-
Unassigned	<u>13,313,205</u>	<u>(13,313,205)</u>	<u>-</u>
Total fund balances	<u>23,048,106</u>	<u>(23,048,106)</u>	<u>-</u>
Total liabilities, deferred inflows and fund balances	<u>\$24,829,516</u>		
Net position (Note 9):			
Net investment in capital assets		23,089,566	23,089,566
Restricted		6,682,221	6,682,221
Unrestricted		<u>5,550,889</u>	<u>5,550,889</u>
		<u>\$ 35,322,676</u>	<u>\$ 35,322,676</u>

See notes to financial statements

EL DORADO HILLS FIRE DEPARTMENT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
for the year ended June 30, 2017

	<u>All Funds</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Public protection and support services	\$16,503,449	\$ 590,689	\$17,094,138
Capital outlay	773,344	( 773,344)	-
Depreciation	-	1,092,104	1,092,104
Loss on disposal of equipment	<u>-</u>	<u>97,484</u>	<u>97,484</u>
Total program expenditures/expenses	<u>17,276,793</u>	<u>1,006,933</u>	<u>18,283,726</u>
Program revenues:			
OES/Mutual Aid reimburse	613,557	-	613,557
JPA revenue	982,207	-	982,207
Fire prevention fee	<u>61,437</u>	<u>-</u>	<u>61,437</u>
Total program revenues	<u>1,657,201</u>	<u>-</u>	<u>1,657,201</u>
General revenues:			
Tax revenue	15,557,462	-	15,557,462
Latrobe tax revenue	35,622	-	35,622
Development fees	2,954,286	-	2,954,286
Interest income	140,505	-	140,505
Grant revenue	-	-	-
Contributions	-	-	-
Cell site rental	25,200	-	25,200
Other	<u>162,447</u>	<u>-</u>	<u>162,447</u>
Total general revenues	<u>18,875,522</u>	<u>-</u>	<u>18,875,522</u>
Excess of revenues (expenditures)/ changes in net position	<u>3,255,930</u>	<u>( 1,006,933)</u>	<u>2,248,997</u>
Fund balances/net position:			
Beginning	19,792,176	9,789,223	29,581,399
Prior period entry – to record additional deferred inflows and outflows	<u>-</u>	<u>3,492,280</u>	<u>3,492,280</u>
Beginning, as restated	19,792,176	13,281,503	33,073,679
Ending	<u>\$23,048,106</u>	<u>\$12,274,570</u>	<u>\$35,322,676</u>

See notes to financial statements

EL DORADO HILLS FIRE DEPARTMENT  
STATEMENT OF REVENUES AND EXPENDITURES  
COMPARED TO BUDGET  
for the year ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Favorable/ (Unfavorable) <u>Variance</u>
Revenues:			
Tax revenue	\$15,751,262	\$15,557,462	\$( 193,800)
Development fees	1,600,000	2,954,286	1,354,286
OES/Mutual Aid reimburse	414,000	613,557	199,557
JPA revenue	918,537	982,207	63,670
Latrobe tax revenue	36,840	35,622	( 1,218)
Interest income	70,000	140,505	70,505
Fire prevention fees	70,000	61,437	( 8,563)
Cell site rental	36,000	25,200	( 10,800)
Other	<u>80,000</u>	<u>162,447</u>	<u>82,447</u>
Total revenues	<u>18,976,639</u>	<u>20,532,723</u>	<u>1,556,084</u>
Expenditures:			
Salaries and wages	7,023,388	6,768,234	255,154
Overtime	2,201,102	2,298,879	( 97,777)
Volunteer pay	100,000	69,179	30,821
Director pay	18,000	16,905	1,095
Vacation and sick	150,000	33,955	116,045
Retirement	2,306,236	2,228,851	77,385
Medicare	139,261	128,876	10,385
Other benefits	3,326,286	3,263,545	62,741
Clothing and personal supplies	119,695	124,366	( 4,671)
Communications	222,202	190,553	31,649
Housekeeping	30,214	38,097	( 7,883)
Insurance	55,659	51,023	4,636
Maintenance – equipment	272,903	242,475	30,428
– structures	107,566	129,003	( 21,437)
Medical supplies	5,500	5,031	469
Memberships	11,339	8,172	3,167
Miscellaneous	7,500	6,708	792
Office supplies	24,599	28,116	( 3,517)

(continued)  
See notes to financial statements

EL DORADO HILLS FIRE DEPARTMENT  
STATEMENT OF REVENUES AND EXPENDITURES, continued  
COMPARED TO BUDGET  
for the year ended June 30, 2017

	<u>Budget</u>	<u>Actual</u>	Favorable/ (Unfavorable) <u>Variance</u>
Expenditures (continued):			
Professional services	\$ 390,704	\$ 316,982	\$ 73,722
Information technology	176,118	144,824	31,294
Rents and leases	83,386	58,136	25,250
Small tools	49,850	71,561	( 21,711)
Special departmental expenses	136,637	124,502	12,135
Transportation and travel	110,000	92,052	17,948
Utilities	41,200	63,424	( 22,224)
Fixed asset additions	<u>2,725,405</u>	<u>773,344</u>	<u>( 1,952,061)</u>
 Total expenditures	 <u>19,834,750</u>	 <u>17,276,793</u>	 <u>2,557,957</u>
 Excess of revenues/ (expenditures)	 <u>\$ 858,111</u>	 <u>\$ 3,255,930</u>	 <u>\$ 4,114,041</u>

See notes to financial statements

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS

1. Organization:

In 1963 the El Dorado Hills Fire Department was established under the El Dorado Hills County Water District ("District"). Ten years later, the citizens of El Dorado Hills voted to transfer all water and sewer system powers to the El Dorado Irrigation District; thereby leaving only fire protection under the direction of the District's Board.

The District's functions are governed by a five member Board of Directors elected by the District's voting population. The Board of Directors manages the Fire Chief who oversees all financial, administrative and operational aspects of the District for the purpose of carrying-out fire and emergency services.

El Dorado Hills County Water District operates five fire stations and employs 65 full-time employees. The District provides emergency medical services, rescue, fire suppression, and other public services as needed. The District is a member of the El Dorado County Emergency Services Authority, which also provides advanced life support and ambulance transport within the County.

The District serves approximately 58,500 acres with close to 16,000 homes and an estimated population of 45,000. Commercial development includes a 900-acre business park, a 260-acre town center commercial complex, three grocery stores, and a single large box-store.

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies:

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The District's significant accounting policies are described below.

Measurement Focus and Basis of Accounting

The District reports a *General Fund* that is used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Amortization of assets acquired under capital lease is included in depreciation. Structures and equipment are depreciated using the straight-line method over their estimated useful lives, which range from three to forty years.

Budgets

In accordance with the provisions of Sections 13901 through 13906 of the California Health & Safety Code and other statutory provisions, commonly known as the Budget Act, the District prepares and legally adopts a final balanced budget for each fiscal year.

Compensated Absences

Vested or accumulated vacation and sick leave that are expected to be liquidated with expendable available financial resources is reported as an expenditure and a fund liability.

Cash

The District maintains cash balances with the Treasurer of El Dorado County in an interest-bearing pooled investment account. The District's operating cash is held in a bank. The principal amount of District cash is invested with LAIF, a state local agency investment pool. All cash invested is within State statutes.

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 expenditures during the reporting period. Actual results may differ from those estimates.

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Property Taxes

The District receives property taxes from El Dorado County. Property taxes 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 February 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are levied 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.

Pensions

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



EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

3. Cash:

The District had the following cash balances at June 30, 2017:

Paypal		\$	1,448
Cash in bank			60,479
Cash with County:			
General	\$ 697,376		
Development fees	6,682,221		
JPA Retiree health benefits	-		
Weed abatement	<u>23,504</u>		
			7,403,101
LAIF			<u>16,831,374</u>
	Total cash balance		<u>\$24,296,402</u>

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

4. Capital Assets:

Changes in capital assets for the year ended June 30, 2017 are as follows:

	Balance, beginning of year	Additions	Transfers from	Disposals	Balance, end of year
Land	\$ 4,587,512	\$ -	\$ -	\$ -	\$ 4,587,512
Buildings and improvements	19,261,099	622	-	-	19,261,721
Vehicles	5,355,939	205,348	-	316,337	5,244,950
Equipment	<u>2,862,210</u>	<u>470,420</u>	<u>-</u>	<u>424,167</u>	<u>2,908,463</u>
	32,066,760	676,390	-	740,504	32,002,646
Work in progress:					
Station 91 remodel	-	49,534	-	-	49,534
Training Facility	<u>91,758</u>	<u>47,420</u>	<u>-</u>	<u>-</u>	<u>139,178</u>
	<u>\$32,158,518</u>	<u>\$ 773,344</u>	<u>\$ -</u>	<u>\$ 740,504</u>	<u>\$32,191,358</u>

5. JPA:

The District is a member agency of the El Dorado County Emergency Services Authority, a Joint Powers Authority ("JPA"), which provides ambulance and other pre-hospital emergency transport services on the west slope of El Dorado County. There are ten member agencies in total. [verify this is still true as added CalFire dispatch this year] The governing Board of Directors controls the operations of the JPA. The JPA Board is made up of a Fire Chief or authorized alternate from each member agency. The JPA is independently accountable for its fiscal matters and maintains its own accounting records under the oversight of the El Dorado County Board of Supervisors. Each of the ten member Fire Districts approves the JPA budget and their vote is carried by their Fire Chief to the Board. Separate financial statements for the JPA are available.

The JPA contracts with the District for one medic unit with six employees working shift work. The District is fully reimbursed for all authorized costs incurred in the execution of the contract.

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Defined Benefit Retirement Plan:

A. General Information About the Pension Plan

Plan Description

The District contributes to the California Public Employees Retirement System (CalPERS), a cost sharing multiple-employer defined benefit pension plan. The District participates in the 3% at age 50 risk pool (safety) and 3% at age 60 risk pool (miscellaneous). Effective on January 1, 2013, in accordance with Public Employees' Pension Reform Act (PEPRA), new employees who meet the definition of new member of CalPERS will have benefit formulas calculated as (safety) 2.7% at age 57 and (miscellaneous) 2% at age 62. The District also instituted a 3% at age 55 (safety) and 2% at age 55 (misc.) Tier 2 plan that applies to new employees who were members of CalPERS with a different agency.

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public employers within the State of California. CalPERS require agencies with less than 100 active members in the plan to participate in the risk pool. All permanent District employees are eligible to participate in the System. Benefits vest after five years of service. Pre-PEPRA (January 1, 2013 and earlier hires) District employees who retire at age 50 to 55 and with over 5 years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 3.00 percent of their average salary (safety) during their last highest year of employment, based on years of employment, and 2.00 to 3.00 percent of their average salary for (miscellaneous) employees retiring between age 50 and 60. Employees hired after January 1, 2013 use last highest three years of employment to determine retirement benefit.

A menu of benefits provision as well as other requirements is established by State Statutes within the Public Employees Retirement Law. The plan selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through District resolution. CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS' annual financial report may be obtained from the CalPERS executive office, 400 P Street, Sacramento, California, 95814.

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Defined Benefit Retirement Plan, continued:

Funding Policy

The District is required to contribute at an actuarially determined rate. The contribution requirements of the plan members and the District are established and may be amended by CalPERS. The District's contributions for the year ended June 30, 2017 was \$2,228,851.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	<u>Safety - Classic</u>	<u>Miscellaneous - Classic</u>	<u>PEPRA Safety</u>
Benefit formula	3% @ 50	3% @ 60	2.7% @ 57
Employee Contribution Rate	15%	11.5%	11.5%
Employer Contribution Rate	13.536%	9.157%	12.082%
EPMC (Employer Paid Member Contribution)*	9%	8%	0%

	<u>Safety Tier 2</u>	<u>Misc. Tier 2</u>	<u>PEPRA Misc.</u>
Benefit Formula	3% @ 55	2% @ 55	2% @ 62
Employee Contribution Rate	15%	10.5%	6.25%
Employer Contribution Rate	10.656%	4.877%	6.555%
EPMC (Employer Paid Member Contribution)*	9%	7%	0%

\* The Employer Paid Member Contribution (EPMC) represents the portion of the Employee Contribution Rate that is paid by the Employer. The net amount paid by the employee is calculated by subtracting the EMPC from the Employee Contribution Rate.

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Defined Benefit Retirement Plan, continued:

**Contributions** - Section 20814(c) of the California Public Employees' Retirement Law 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. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

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

As of June 30, 2017, the District reported net pension liability as follows:

Net pension liability	<u>\$14,609,638</u>
-----------------------	---------------------

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2016, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. The District's proportion of the net pension liability was 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.

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Defined Benefit Retirement Plan, continued:

For the year ended June 30, 2017, the District recognized pension expense of \$2,199,934. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in employer's proportion	\$ 515,293	\$ 969,821
Changes in assumptions	-	517,167
Differences between expected and actual experiences	-	111,579
Net differences between projected and actual earnings on pension plan investments	2,547,424	-
Difference between employer contributions and proportionate share of employer contributions	753,054	31,807
Pension contributions subsequent to measurement date	<u>1,609,245</u>	<u>-</u>
	<u>\$5,425,016</u>	<u>\$ 1,630,374</u>

\$1,609,245 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, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	
2018	\$ 203,814
2019	213,706
2020	1,104,863
2021	663,014

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Defined Benefit Retirement Plan, continued:

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>	PEPRA <u>Safety</u>
Valuation date	June 30, 2015	June 30, 2015	June 30, 2015
Measurement date	June 30, 2016	June 30, 2016	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method		
Actuarial Assumptions:			
Discount rate	7.5%	7.5%	7.5%
Inflation	2.75%	2.75%	2.75%
Payroll Growth	3.0%	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2%	3.3% - 14.2%	3.3%-14.2%
Investment Rate of Return	7.5%	7.5%	7.5%

**Discount Rate** – The discount rate used to measure the total pension liability was 7.5% for each Plan. 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Defined Benefit Retirement Plan, continued:

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, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound 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.

The table below reflects the 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. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	<u>2.0%</u>	-0.55%	-1.05%
Total	<u>100%</u>		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.



EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

6. Defined Benefit Retirement 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 each Plan, calculated using the discount rate for each Plan, 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:

	<u>Safety &amp; Misc.</u>
1% Decrease	6.65%
Net Pension Liability	\$23,272,092
Current Discount Rate	7.65%
Net Pension Liability	\$14,609,638
1% Increase	8.65%
Net Pension Liability	\$ 7,496,352

***Pension Plan Fiduciary Net Position*** – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

7. Other Post-Employment Benefits (OPEB):

**Plan Description:** In addition to pension benefits, the District provides certain post-employment health care benefits to eligible retirees and their eligible dependents who retire from the District at age 50 with at least five years of service, or become fully disabled while working. The District provides health benefits to any retiree with a PERS pension, and continues it for surviving spouses. Coverage for dependents is paid by the District. Coverage is for medical benefits only.

**Funding Policy:** The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. Annually, the District intends to make a total contribution equal to or greater than the Annual Required Contribution (ARC). For the fiscal year ended June 30, 2017, the District contributed \$856,646. Retiree benefit costs are to be paid directly by the District and any remaining amount (up to 100% of the ARC) is deposited into the OPEB California Employers' Retiree Benefit Trust (CERBT) fund. At June 30, 2017 the CERBT account balance was \$6,308,048.

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

7. Other Post-Employment Benefits (OPEB), continued:

Annual OPEB Cost and Net OPEB Obligation: The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The District has paid the annual required contribution (ARC) to CERBT each year. Therefore, the net OPEB obligation is \$0.

Funded Status and Funding Progress: As of July 1, 2017, there were 31 retirees receiving health benefits. The actuarial accrued liability for benefits was \$11,983,770 of which 52.6% was funded. The covered payroll (annual payroll of active employees covered by the plan) was \$7,132,639 and the ratio of UAAL to the covered payroll was 79.6%.

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. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the value of assets, consistent with the long-term perspective of the calculations.

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

7. Other Post-Employment Benefits (OPEB), continued:

In the July 1, 2017 actuarial valuation, the projected unit credit actuarial method was used. The investment return assumption is 7.0% per year. This interest rate is appropriate if the District will fund the ARC fully with investments that are expected to earn that rate of return. This rate is also used to discount expected future benefit payments to present value. The UAAL is the present value of benefits attributed to the past which have not yet been funded. The UAAL is amortized over 30 years beginning July 1, 2008. The remaining amortization period at June 30, 2017 is twenty two years. Healthcare premiums are expected to rise 5% per annum in the future.

8. Development Fees:

The use of development fees is restricted solely for financing public facilities and equipment necessary to serve new developments.

Activities of development fees cash for 2016-17 follows:

Cash – beginning, El Dorado Hills Fire Department, July 1, 2016		\$ 3,697,119
2016-17 activity:		
Add, development fees collected	\$ 2,954,286	
interest income	30,816	
Deduct, transfers for prior year capital items	—	<u>2,985,102</u>
Ending County cash, Development Fees, June 30, 2017		6,682,221
Deduct, outstanding transfer, 2015-16	798,693	
outstanding transfer, 2016-17	<u>85,410</u>	
		<u>884,103</u>
Development fee cash available for use, future years		<u>\$ 5,798,118</u>

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

9. Equity:

General Fund:

Restricted for:

Development fees	\$6,682,221	
JPA medical benefits	<u>-</u>	\$ 6,682,221

Committed for:

Capital replacement		3,052,680
---------------------	--	-----------

Unassigned

13,313,205

Total General Fund Equity \$23,048,106

Statement of Net Position:

Net investment in capital assets \$23,089,566

Restricted:

Development fees	\$ 6,682,221	
JPA medical benefits	<u>-</u>	6,682,221

Unrestricted:

Board designated:		
Capital replacement	3,052,680	

Undesignated:	<u>2,498,209</u>	<u>5,550,889</u>
---------------	------------------	------------------

Total Net Assets \$35,322,676

EL DORADO HILLS FIRE DEPARTMENT  
NOTES TO FINANCIAL STATEMENTS, continued

10. Operating Lease:

The District leases various equipment including solar energy systems. Monthly payments for these leases total approximately \$6,000.

11. Risk of Loss

El Dorado Hills Fire Department is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2017 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

12. Litigation:

Certain claims, suits and complaints arising in the ordinary course of operations have been filed or are pending against the District. The District's management estimate that any potential claims against the District from such litigation would not materially affect the operations or financial condition of the District.

13. Subsequent Events:

Management has evaluated subsequent events through October 18, 2017, the date these June 30, 2017 financial statements were available to be issued.

## SUPPLEMENTAL INFORMATION

EL DORADO HILLS FIRE DEPARTMENT  
PRINCIPAL OFFICIALS

Board of Directors:

Charles J. Hartley	President
John Giraudo	Vice-President
Barbara Winn	
Greg Durante	
Doug Hus	

Operations:

David Roberts	Chief
Jessica Braddock	Director of Finance

EL DORADO HILLS FIRE DEPARTMENT  
SCHEDULE OF FUNDING PROGRESS  
Other Post-Employment Benefits (OPEB)  
for the year ended June 30, 2017

The table below shows an analysis of the actuarial value of assets as a percentage of the actuarial accrued liability and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30:

Actuarial Valuation Date	(1) Actuarial Value of Plan Assets	(2) Actuarial Accrued Liability (AAL)	(3) Funded Ratio	(4) Unfunded Actuarial Accrued Liability (UAAL) (2) - (1)	(5) Annual Covered Payroll	(6) UAAL as a % of Covered Payroll (4) / (5)
7/1/2017	\$6,308,048	\$11,983,770	52.60%	\$5,675,722	\$7,132,639	79.60%
7/1/2015	\$4,784,268	\$10,798,030	44.31%	\$6,013,762	\$7,361,364	81.69%
7/1/2013	\$3,325,000	\$8,873,200	37.47%	\$5,548,200	\$5,449,000	101.82%
7/1/2011	\$2,015,900	\$7,376,143	27.33%	\$5,361,000	\$5,544,200	96.70%
1/1/2010	\$1,367,279	\$5,814,000	23.52%	\$4,446,721	\$6,641,000	66.96%
1/1/2008	\$ 483,612	\$5,353,000	9.03%	\$4,869,388	\$6,123,000	79.53%



EL DORADO HILLS FIRE DEPARTMENT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET  
PENSION LIABILITY  
As of June 30, 2017  
Last 10 years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Proportion of the net pension liability	0.168837%	0.176436%	0.166733%
Proportionate share of the net pension liability	\$14,609,638	\$12,110,427	\$10,374,901
Covered – employee payroll	\$ 7,132,639	\$ 6,686,466	\$ 6,342,947
Proportionate Share of the net pension liability as percentage of covered-employee payroll	204.83%	181.12%	163.57%
Plan fiduciary net position as a percentage of the total pension liability	74.06%	78.40%	79.82%

Notes to Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2015 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years 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 statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes in assumptions: None

(1) Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only three years are shown.

EL DORADO HILLS FIRE DEPARTMENT  
SCHEDULE OF CONTRIBUTIONS FOR PENSIONS  
As of June 30, 2017  
Last 10 years (1)

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$1,609,245	\$ 1,506,948	\$1,535,189
Contributions in relation to the actuarially determined contributions	<u>1,609,245</u>	<u>2,706,948</u>	<u>1,535,189</u>
Contribution deficiency (excess)	\$ <u>-</u>	<u>\$(1,200,000)</u>	\$ <u>-</u>
Covered – employee payroll	\$7,684,157	\$ 7,132,639	\$6,686,466
Contributions as a percentage of covered employee payroll	20.94%	37.95%	22.96%
Notes to schedule:			
Valuation date:	6/30/16	6/30/15	6/30/14

Methods and assumptions used to determine contribution rates:

Amortization method	Entry Age Normal Cost Method
Remaining amortization period	15 Years
Asset valuation method	Market Value
Inflation	2.75%
Salary increases	Varies by Entry Age and Service
Investment rate of return	7.5% Net of Pension Plan Investment and Admin. Expenses

(1) Fiscal year 2015 was the 1<sup>st</sup> year of implementation, therefore only three years are shown.

RESOLUTION 2017-31  
A RESOLUTION OF THE BOARD OF DIRECTORS  
APPROVING THE SALE OF REAL PROPERTY AND AUTHORIZING  
THE PRESIDENT TO TAKE ALL ACTIONS NECESSARY TO CONCLUDE SUCH SALE

WHEREAS, the Board of Directors previously declared that certain five acre parcel of property located at the corner of Cypress Point Court and Golden Foothill Parkway (APN 117-082-05-100) (the "Property") to be surplus property and solicited sealed bid proposals for the purchase and sale of said property; and

WHEREAS, the Board of Directors, at its regularly scheduled September meeting, approved Benny Wilkins as the high bidder and authorized entry into a purchase and sale agreement through which the District would sell the Property to Benny Wilkins; and

WHEREAS, Benny Wilkins has executed the purchase and sale agreement, performed necessary due diligence and is prepared to close the purchase of the Property; and

WHEREAS, the Title Company handling the transaction requires a Resolution from the District approving the sale and authorizing the appropriate officer to execute the necessary documentation to accomplish that sale.

NOW THEREFORE, the Board of Directors resolves as follows:

1. The sale of the Property is determined to be in the best interest of the District and is hereby approved.
2. The President of the Board of Directors, Charles Jim Hartley, is hereby authorized to sign the Grant Deed and all other documentation necessary to conclude the sale of the Property.

Passed and adopted this 16<sup>th</sup> day of November, 2017 by the following vote:

AYES:	_____
NOES:	_____
ABSTAIN:	_____
ABSENT:	_____

---

Charles J. Hartley, President

ATTEST:

---

Jessica Braddock, Board Secretary

RECEIVED

November 8th, 2017

BY:.....

Dear Fire Station,

Thank you for putting out mean fires and also making sure my house doesn't fully burn down. Thank you for saving cats from trees, Also saving people from houses on fire.

Sincerely,

Milo

Milo

November 3, 2017

Dear Firefighters,

I know it has been a rough year for fires so far. You have saved lots and lots of people from losing their lives. This has been a very nice thing you are doing. I know it has been hard for you and that is why I am writing this letter to thank you for your services. You should be very proud of yourselves for doing these things.

I also think that it is very kind that you guys put the toy bucket in the christmas time to give to kids that can't afford those kind of things.

I am thankful for all those things that you have done for our country.

Sincerely,  
*Patrick*

Patrick



November, 3rd, 2107

Dear Firefighters,

Thank you for risking your lives to save us from the fires and saving us from being stuck in an elevator and getting our cats from trees. I want to say thank you because I want to be a good firefighter when I get older I want to do the exact same things that you guys do to save us and risk my life to save other people.

Sincerely,

Bradley





**CITY OF FOLSOM  
FIRE DEPARTMENT**

535 Glenn Drive Folsom, CA 95630  
Office (916) 984-2280 Fax (916) 984-7081



**FOLSOM**  
DISTINCTIVE BY NATURE

September 19, 2017

Chief Mike Lilenthal  
El Dorado Hills Fire Department  
1050 Wilson Blvd.  
El Dorado Hills, CA 95762

Dear Chief Lilenthal,

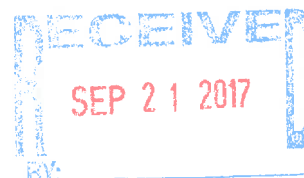
This letter is to express my appreciation for the assistance given to Folsom Fire Department from your agency. On September 13, 2017, crews from TR85 and E87 were dispatched for a vehicle accident with entrapment on US-50 near the East Bidwell overcrossing.

Crew members assisted with patient extrication and patient care. This patient was pinned inside a vehicle with a severe arm injury, was unconscious and required significant effort to extricate the patient out of the passenger side.

Please extend my thanks to the crews of TR85 and E87 for their teamwork and professionalism. From the outside, this call ran as if M37, Sac Metro Fire HM109, TR85 and E87 worked together for years when in fact, some had never met each other before. No one would ever guess that these were three separate agencies working together. The crews of TR85 and E87 were able to locate a severed appendage and it was transported to UCD where an effort was made for reattachment. It is this type of seamless teamwork that made for the best chance of survival of this patient.

Sincerely,

Mark Piacentini  
Division Chief  
City of Folsom Fire Department



Rolling Hills Middle School

To the El Dorado Hills Fire Department,

I would like to write you a letter of gratitude for all the years of saving countless places from fires. I would especially like to thank you for saving the fire that was in Serrano about five years ago. I was six when it happened and the fire was burning right behind my house. If it was not for you guys and gals my house might not be here right now. I would have lost so many things. I would really like to thank you for that. Also, I would like to thank you for keeping El Dorado Hills safe from fires. Many, many places would be gone if it was not for you. Thank you again, for your service and thank you for saving countless fires and homes.

Sincerely,

*Andy*

Andy





Rolling Hills Middle school

To Whom It May Concern

I would like to write you a letter of gratitude. Thank you el dorado hills fire department for responding to very dangerous situations like fires and other things. I would also like to thank you for always responding to most things.

Thank you,

A handwritten signature in black ink that appears to read "Ben".

Ben



Kathleen

25 October 2017

Dear Responders,

This is to all of you who are not only first responders, but responders of every area and of every expertise who responded in one way or another during the wild fire crisis in Northern California during the month of October, 2017.

I am an ordinary citizen of the city of Napa. I was very fortunate in that my home happens to be in a neighborhood that was untouched by the fire. We also had cell phone service and electricity during the entire crisis. That's not to say we weren't very nervous as the situation remained fluid for so many days.

As I had errands to take care of during these days, I couldn't help but notice the multitude of police, sheriff and fire vehicles that originated from so many places...with city or county names I didn't even recognize. It was this that touched me to my core. I know you all will say you were just doing your jobs, but to me, you all are the heroes who came to our aide in our most desperate hours. I thought of the families you left behind, some under evacuation. And I thought of those of you whose homes were burned to the ground as you fought to save our communities. I thought of your selflessness as you worked long hours in unforgiving conditions. I saw the many white tents and the trucks all lined up at the Town and Country Fair Grounds in Napa. As I drove past, I willed my truck to be quiet so as not to disturb your sleep. It felt as though even the ground you slept on was sacred, bringing much needed rest.

I have never witnessed such sacrifice by so many for communities where they are not even known. This is humanity at its best, while in the worst of circumstances. This was nothing short of amazing.

I wish to convey my deepest appreciation to all of you, each and every one, although I doubt there are words adequate to this task.

Thank you from the bottom of my heart.

Sincerely,

  
Kathleen



WE ARE PRAYING  
FOR YOUR LOVE



## Thank You

---

To the hard working firefighters who joined our community Hub 1 event. The El Dorado Hills Library always appreciates your support!



Our homeschool kindergarten  
co-op wants you to know  
we are praying for you.

Thank you for keeping  
us safe!

Love,  
Harli, Levi, Ford, Davis,  
Colton and Kelsey



*Thank You*

Thank you for all your recent help in the October 2017 Northern California Wildfire. We appreciate everything you did to help save, protect and defend our lives and property during this fire.

North Bay Industries Activity Center  
Rohnert Park, Ca

**Thank you for helping us**



*You are the Best!*  
*Yvonne*

*Thank you!*  
*Thank you!*  
*Thank you!*  
*Catherine*



*Grateful*  
*Lashley*

from

*Alice*

**Sonoma County**

Thank you for  
The HELP-  
MAKDA  
SEYOU M

Love

Lisa

Ami



*Louise*

CHRIS MARIE