

**SIX HUNDRED SIXTY SECOND MEETING OF THE BOARD OF DIRECTORS
OF THE
EI DORADO HILLS COUNTY WATER DISTRICT**

The six hundred sixty second meeting, of the Board of Directors of the El Dorado Hills County Water District was held on Thursday, February 17, 2011 at 6:00 p.m. at the regular meeting place of the District, the District Office, 1050 Wilson Blvd., El Dorado Hills, California. Present were Directors Durante, Hartley, Hidahl and Winn with President Durante residing. (Director Barber attended via teleconference.) Counsel Cook was also in attendance. Interim Chief O’Camb, Chief Roberts and Chief Financial Officer Bair were also present.

President Durante called the meeting to order at 6:01 p.m. and Chief O’Camb led the Pledge of Allegiance.

Director Hartley moved to approve the consent calendar which included the minutes of the 661st meeting held January 20, 2011 and the Financial Statements for January 2011. The motion was seconded by Director Hidahl and unanimously carried.

Mr. Ronald Mikaluco, El Dorado resident, addressed the Board and directed their attention to the Citygate Study. He quoted several excerpts from the document and expressed his strong concern with the financial challenges as well as the ability to provide the same level of service to the community of El Dorado Hills should there be an annexation with other El Dorado County Fire agencies.

Dr. Dan Haverty, Consultant, presented his preliminary findings as to the state of the Department with focus on four key areas: strengths, weaknesses, opportunities, and threats to the Department. He also summarized the qualities, characteristics, traits and skill sets that Department Members would like to see in their next Fire Chief.

A discussion followed regarding the Executive Search process. Jill Englemann reported that to date, CPS had received 25 applications for the Fire Chief position. Director Hidahl also stated that a goal of 90 – 120 days has been established to select the new Chief.

Chief O’Camb stated that the Grand Jury had sent another inquiry and that a response to these questions had been submitted. President Durante and Director Hartley also stated that they had met with the Grand Jury.

President Durante reported that in order to improve communication and efficiencies, the Budget Committee (Directors Durante and Winn) will be combined with the Negotiations Committee (Directors Barber and Hidahl). President Durante assigned Directors Hidahl and Winn to the combined Budget and Negotiations Committee, an Ad Hoc Committee that will meet in open session as appropriate until it becomes necessary for the Negotiations Committee to meet separately and conduct matters in closed session. Directors Hidahl and Barber commented that there has been great benefit in taking a new approach and working together as one entity to find workable solutions to the budget problem. Their goal is to identify solutions with the least amount of impact to employees and to the level of service that we are able to provide to the community.

President Durante stated that closed session items will be moved to the end of the meetings. These items include Item V-A, Conference with Legal Counsel, Pending Litigation (One Matter) Merino et. Al. v. El Dorado Hills County Water District; Item V-B, Conference with Legal Counsel, Pending Litigation (One Matter) Ferlini v. El Dorado Hills County Water District; Items VI-A.1 and 2, Public Employee Discipline/Dismissal/Release; Item VI-A.3, Review and discuss El Dorado Hills Associated Firefighters and Administrative wage and benefit negotiations; Conference with Negotiating Committee and Consultant; and Item VI-C.4,

Conference with Executive Search Committee and Consultant regarding Chief replacement issues.

Director Hidahl reported that the Human Resources Committee has made positive progress in identifying the role that the Human Resources function needs to fulfill as well as the recommended reporting structure; the Committee will be making their recommendation to the Board in closed session.

Directors Barber recapped the Regional Operations Committee Workshop that was held on January 24, 2011 stating it was apparent that the other agencies were looking for leadership and a response from the El Dorado Hills Fire Department as it relates to the possibility of regionalization of El Dorado County Fire Districts. Director Hartley commented that he has come to the conclusion that a massive regionalization would require a tremendous amount of work and would yield little benefit to the El Dorado Hills Fire Department; in fact, it could compromise the level of service to the El Dorado Hills community.

Director Hidahl made a motion to put out notice that Plan A is untenable as proposed (10 Districts operating under the umbrella of El Dorado Hills); however, the Board of Directors extends an open opportunity for any local District to submit a proposal for consideration that may be workable for both parties in terms of consolidation. The motion was seconded by Director Barber and unanimously carried.

Chief O'Camb was directed to draft a letter to the El Dorado County Fire Chiefs (Western Slope) to be co-signed by the President of the Board and himself stating the above position.

President Durante said that he was pleased to report that the Executive Search/Consultant Activities Committee is operating on schedule if not ahead of schedule. Jill

Engelmann, Human Resource Specialist, added that the Executive Search for the Chief's position will close February 26, 2011 and it is anticipated that the number of applicants (now 25) will double as the filing date comes to a close. Director Hidahl commented that it appeared there are currently at least six skilled and qualified candidates. Mr. Ronald Mikaluco, El Dorado Hills resident, raised a concern that the newly selected Chief could retire in a year; President Durante shared his concern and assured him that this will be something that will need to be taken into consideration. President Durante also added that the CPS contract will be submitted tomorrow after Counsel Cook's review and approval.

The Operations Report was received and filed.

Director Hartley reported that the JPA met on February 16, 2011 and that the JPA approved the hiring of legal counsel to sue El Dorado County should TLC Ambulance be awarded the contract for service that would be in direct conflict with the JPA contract. He also reported that the JPA hired a fiscal auditor to audit the previous three years of books. The auditor has identified some exceptions and concerns. These exceptions are being reviewed and discussed by a couple of the agencies with the County being the final mediator. He commented that El Dorado Hills had no exceptions. Chief O'Camb stated that there will be a JPA budget before the Board for approval at the next Board meeting. He also stated that there are positive indications that the Board of Supervisors are in support of granting 224 Rights to the JPA which will eliminate any concerns in regard to TLC .

Chief Brad Ballenger presented a conceptual overview of a request made by the El Dorado Hills Community Coalition to locate a Community Garden at the west end of Station 86 on Bass Lake Road. He stated that there will be no cost to the Department and that the garden will be open to all those in the community. The garden will be of high quality and modeled after

the Fours Season's community garden. The garden's end product will be marketed at the Farmer's Market with all proceeds going back to the Senior Nutritional Program. A member of the public commented that the Senior Nutritional Program is in jeopardy of being discontinued to financial constraints. Their goal is to have the garden in place by Spring 2012. Director Barber suggested obtaining a specific drawing of the proposed garden. President Durante requested that Directors Barber and Winn form an Ad Hoc Committee working with Chief Ballenger for further evaluation and recommendation to the Board at the next Board meeting.

Chief O'Camb asked for Board approval to declare three vehicles as surplus and offer for sale a 1992 Spartan, Type 1 Engine; a 1993 International, Type 3 Engine, and a 2001 Ford Expedition . This request will result in an estimated cost savings of \$8,000 per year in maintenance costs. It is expected that approximately \$71,000 will be received in revenue from the sales.

Director Hartley made a motion to declare the above stated vehicles as surplus. The motion was seconded by Director Hidahl and unanimously carried.

The meeting adjourned to closed session at 7:45 p.m. to discuss Item V-A, Conference with Legal Counsel, Pending Litigation (One Matter) Merino et. al. v. El Dorado Hills County Water District; Item V-B, Conference with Legal Counsel, Pending Litigation (One Matter) Ferlini v. El Dorado Hills County Water District; Items VI-A.1 and 2, Public Employee Discipline/Dismissal/Release; Item VI-A.3, Review and discuss El Dorado Hills Associated Firefighters and Administrative wage and benefit negotiations; Conference with Negotiating Committee and Consultant; and Item VI-C.4, Conference with Executive Search Committee and Consultant regarding Chief replacement issues.

The meeting reconvened at 8:45 p.m.

President Durante reported that during closed session, updates were received regarding Items V-A and B, Items VI-A.1, 2, and 3, and Item VI-C.4 and no action was taken. President Durante also requested that CFO Bair make arrangements for the installation of a dedicated phone line in the conference room. Director Hidahl requested that a Human Resource Committee meeting be scheduled for next week.

CFO Bair presented a quote from Robert W. Johnson, CPA, to perform the annual audit for fiscal year ending June 30, 2011, 2012 and 2013.

Director Hidahl moved approval of retention of Robert W. Johnson, CPA, as auditor for the fiscal period through June 30, 2011. The motion was seconded by Director Hartley and unanimously carried.

CFO Bair presented a letter from LAFCO requesting the nomination of an Alternate Special District Representative to El Dorado LAFCO.

Director Hartley made a motion to nominate Director Winn as the Alternate Special District Representative to El Dorado LAFCO. The motion was seconded by President Durante. A vote was taken and the motion carried four to one (abstaining vote by Director Barber).

A request was made by President Durante for Board approval to attend the FDAC Conference in Tahoe from April 14 – 16, 2011.

Director Barber made a motion to approve President Durante's attendance at the FDAC Conference. The motion was seconded by Director Hidahl and unanimously carried.

After a discussion and opposing comments from Mr. Ronald Mikaluco, El Dorado Hills resident, President Durante removed his request from the agenda to attend the Special District Institute Advanced Studies session in Indian Wells, April 28 and 29, 2011.

President Durante requested that the April Board meeting be rescheduled from April 21 to April 26, 2011. This date change was acceptable to all Directors with the exception of Director Winn who stated that she will attend via teleconference. Director Winn also requested that CFO Bair send an Outlook calendar invite for future Board meetings.

Chief O’Camb stated that he will be unable to attend the March Board meeting and that Chief Roberts will be filling in for him. He encouraged attendance at the El Dorado County Board Members and Chief Officers’ Dinner on March 11 at the Cameron Park CSD. He also complimented the crews on their outstanding customer service and referenced a letter from a resident published in the Village Life Newspaper involving a fallen tree and the above and beyond the call of duty service he had received.

President Durante asked that former Board Member Mark Thomsen be invited to the March Board meeting so that the Board can present a Resolution of Appreciation to him.

Director Winn made a motion to adjourn the meeting. The motion was seconded by Director Hidahl and unanimously carried.

The meeting was adjourned at 9:09 p.m.

Approved:

Connie Bair, Board Secretary

Greg Durante, President