

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

The six hundred sixty third meeting, of the Board of Directors of the El Dorado Hills County Water District was held on Thursday, March 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, Barber, Hartley, Hidahl and Winn with President Durante presiding. Counsel Cook was also in attendance. Battalion Chief Roberts and Chief Financial Officer Bair were also present.

President Durante called the meeting to order at 6:00 p.m. and Chief Roberts led the Pledge of Allegiance.

Director Hartley made a motion to approve the consent calendar which included the minutes of the 662nd meeting held February 17, 2011 and the financial statements for February 2011. The motion was seconded by Director Hidahl and unanimously carried.

Mr. Pete Voy, Mr. Richard Ross and Mr. Pete CaJacob, El Dorado Hills residents, addressed the Board. They complimented the Department on being a first-class organization; however, they expressed serious concerns relative to the state of the budget; operating expenses being \$2 million over revenue, high cost of wages and benefits, and possible changes in the CalPERS Pension funding that could have significant impact. They urged the Board, the Union, and management to work together to act swiftly to address these concerns and asked that they communicate their plan of action.

Dr. Dan Haverty, Consultant, gave an in depth presentation to the Board entitled "Options for Improvement". Taking into account the bleak economic predictors indicating that

the Sacramento Region is projected to continue to lag behind California in its economic recovery, Dr. Haverty identified a number of budgetary options for developing a sustainable budget plan. He also suggested revising the existing Reserve Policy and adopting a comprehensive Reserve Policy. He stated that he had met with three of the four individuals that have come forward and expressed their desire to retire with modifications to the Retirement Incentive Program. If this were to happen, along with a restructuring of the administrative organization that this attrition plan would allow for, there could be a potential cost savings of approximately \$925,000 to \$1.2 million annually. Because of the magnitude of these cost savings, Dr. Haverty recommended the Attrition Plan.

Tom Anselmo, Union President, pointed out that the Attrition Plan also had another dimension that needed to be taken in consideration, the morale factor. He stated that the Attrition Plan would eliminate the floater position which would allow for more shift continuity as well as diminishing the possibility of demotions and layoffs.

President Durante requested that with Board approval, the closed session items be moved to later on the agenda after New Business. The Board concurred.

CFO Bair reported that the CalPERS window for the Two Year Additional Service Credit is expiring on April 20, 2011. She also stated that CalPERS will be undergoing a major computer system upgrade which is scheduled to be completed in the October timeframe. Due to this upgrade, there will be no opportunity to reopen another window for the additional service credit until the upgrade is completed.

Mr. Bob Luca, resident, expressed his concern regarding use of taxpayers' money for buyout and leave incentives.

The Fire Committee had nothing to report.

President Durante read a letter that he signed as Board President along with Interim Chief O’Camb to the El Dorado County Fire Chiefs stating the District’s position as it relates to regionalization. The letter states that, “a large scale merging of services would be too complex and create operational challenges that would not be in the best interest of the community of El Dorado Hills at this time. We are, however, open to proposals from neighboring Districts and will review them on a case-by-case basis for mutual benefit.” Director Hidahl added that a newspaper article had been published informing the community of this position.

Director Hidahl gave an update on the Executive Search Committee’s progress regarding the Chief selection process. He stated that the committee is ahead of schedule and that final dates for the Assessment Center have been established. In addition, the interview process for the final candidates has been defined. He stated that there are 48 applicants which include two internal candidates. President Durante stated that the Assessment Center is scheduled for April 1 and 2 with Board interviews to be held on April 13 to wrap up the process.

Director Winn gave an update on the Ad Hoc Community Garden Committee. She stated that she and Director Barber feel that the Community Garden would be of positive benefit to the community and the Senior Nutrition Program, which is in jeopardy of losing its funding. She also stated that the Community Garden would be funded by the community and would have no financial impact on the District. She stated that it was likely that a recommendation to the Board approving usage of a one acre parcel located on the Bass Lake Road Station’s property for the Community Garden could be made at the next Board Meeting after Counsel Cooks review and approval of a written proposal.

Director Hidahl thanked CFO Bair for the work she did in creating a revenue analysis chart and summarized its findings. President Durante asked that the revenue analysis be agendized for the next Board Meeting.

The Operations Report was received and filed.

Chief Roberts gave a review and update on the JPA. The Preliminary Budget was presented for review.

Director Winn made a motion to approve the Preliminary JPA Budget for fiscal year 2011-2012 as recommended by Staff. The motion was seconded by Director Hartley and unanimously carried.

Chief Roberts discussed the need to purchase three Mobile Data Computers to update the existing JLT computers. He stated that this purchase had been budgeted for and requested Board approval to purchase.

Director Winn made a motion to approve the purchase of three Mobile Data Computers from Lehr Electric as recommend by Staff in the amount of \$18,502.18. The motion was seconded by Director Hidahl and unanimously carried.

CFO Bair presented the 2010 Annual Report complimenting Angelica Silveira, Systems Administrator, for the fine work she did in publishing the report.

CFO Bair stated that LAFCO had made a request for a second nomination for Election of Alternate Special District Representative to El Dorado LAFCO.

Director Hidahl made a motion to nominate Director Winn for a second nomination for the Election of Alternate Special District Representative to El Dorado LAFCO. The motion was seconded by Director Hartley and unanimously carried.

President Durante announced that two Special Meetings will take place on April 2 and April 13, 2011. The meeting on April 2 will begin at 1:00 p.m. and the meeting on April 13, 2011 will begin at 9:00 a.m. The regularly scheduled Board Meeting on April 21 has been rescheduled to April 26.

The meeting adjourned to closed session at 8:01 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; Item V-C, Conference with Legal Counsel, Anticipated Litigation (One Matter); Items VI-A.1 and 2, Public Employee Discipline/Dismissal/Release; and Item VI-A.3, review and discuss El Dorado Hills Associated Firefighters and Administrative wage and benefit negotiations and conference with Negotiating Committee and Consultant Dr. Dan Haverty.

The meeting reconvened at 9:31 p.m.

President Durante reported that during closed session, no action was taken on Items V-A and V-B. Counsel was given direction on Item V-C. Also, no action was taken on Items VI-A.1, 2 and 3 as well as Item VI.A-4.

Director Hartley suggested that consideration be given to placing closed items at the end of the agenda for future meetings and the Board agreed to take this under consideration.

Director Hidahl stated that he and Director Hartley attended the Cameron Park Dinner and encouraged other Board Members to attend stating that these dinners provide a constructive opportunity to meet and converse with those from other Departments.

Chief Roberts recognized the crew that responded to the Powers Fire for their outstanding job on a very difficult fire; the crew received appreciation from the residents for

saving their personal belongings. He also reported that the joint Engineers Testing Process with Folsom Fire is going extremely well.

CFO Bair reported that CalPERS had voted to maintain the 7.75 assumed annual rate of investment return which is very good news from a District perspective.

Director Barber made a motion to adjourn the meeting, seconded by Director Winn and unanimously carried.

The meeting adjourned at 9:39 p.m.

Approved:

Greg Durante, President

Connie Bair, Board Secretary