

**SIX HUNDRED SEVENTY FIRST MEETING OF THE BOARD OF DIRECTORS
OF THE
EI DORADO HILLS COUNTY WATER DISTRICT**

The six hundred seventy first meeting of the Board of Directors of the El Dorado Hills County Water District was held on Thursday, July 28, 2011 p.m. 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, Hidahl and Winn with President Durante presiding. (Director Hartley had not yet arrived.) Counsel Cook was also in attendance. Division Chief Ballenger and Chief Financial Officer Bair were present. President Durante called the meeting to order at 6:00 p.m. and Division Chief Ballenger led the Pledge of Allegiance.

Director Winn moved to approve the consent calendar which included the minutes of the 669th meeting held June 16, 2011, the minutes of the 670th meeting (a special meeting) held June 29, 2011 and the Financial Statements for June 2011. The motion was seconded by Director Barber and unanimously carried.

Dr. Dan Haverty, an El Dorado Hills resident of 22 years, spoke from his vast experience as a former Fire Chief, 30 years in the Fire Service and an Assistant Professor at the University of Southern California in the field of Public Administration. Dr. Haverty reflected on his findings of last spring after having been hired as a consultant to the Board of Directors. He found that the Department was in need of executive leadership and was facing a structural and financial imbalance due to revenue shortfalls, primarily as a result of real estate and economic conditions. He also found the Department to be well run administratively and operationally but there was concern on the labor and benefit side which was outstretching the revenue capabilities

at that time which was much the same in all of California. He also said that based on firsthand knowledge of the organization and as a resident and user of its services, he would put the El Dorado Hills Fire Department up against any Fire Department in California in terms of its professionalism and skill set. He said he was proud of the Board, Staff and Union for not only devising an innovative plan but for their successful implementation of this plan which has financially stabilized the organization and provided executive leadership with a fine Fire Chief. He complimented the Board, Administration and Union for coming together in the labor negotiations and putting aside egos and differences to get the Department back on track so that improvements can continue to be made into the future. He also said he was proud of the organization in terms of its governing body who listen, take heed of public ideas and implement them where appropriate. He concluded with a quote from his father, "*Any jackass can kick in a barn but it takes a carpenter to build it*" and then said that the Board, Staff and Union were all skilled carpenters and thanked them for all that they do.

Ron Mikaluko, El Dorado Hills resident, also spoke saying that he agreed with most of what Dr. Haverty said but disagreed on the point that the Board and Department has taken into consideration input from the public specifically as it relates to the Memorandum of Understanding.

Director Hidahl gave an update on the preparation of the Grand Jury Report Response stating that committee meetings with Staff and Counsel have taken place and data has been collected in preparation for the formal response. Counsel Cook stated that he believes there is a 90 day requirement in which to respond to the Grand Jury Report which would put the due date at about the September 10 – 14 timeframe; however, he is requesting a confirmation of this in writing and will provide that information to the Board upon receipt.

The Fire Committee had nothing to report.

Director Hartley arrived at 6:20 p.m.

The Operations Report was received and filed.

Division Chief Ballenger discussed the cost of weed abatement and stated that although a \$48 administrative fee had always been charged in addition to the mitigation fees on those properties that abatement had occurred, the County recommended that the administrative fee be more clearly identified within the Resolution. The administrative fees are for investigation, boundary determination, contracting, clerical and related costs as authorized by the Health and Safety Code Section 14912. Director Hidahl suggested that Division Chief Ballenger have backup documentation that shows how the \$48 was derived and also inquire as to what Cameron Park and other local jurisdictions charge as a cost comparison.

Director Hidahl made a motion to approve Resolution 2011-10, consistent with Staff recommendation, confirming the report of the Fire Marshal relating to weed abatement costs and imposing such costs upon properties which abatement has occurred. The motion was seconded by Director Hartley and unanimously carried. (Roll Call: Ayes, all.)

Tom Anselmo, President of the El Dorado Hills Professional Firefighters, thanked Dr. Haverty for his participation as a third party during the negotiations. He also said that despite the many changes that have taken place such as the elimination of the Battalion Chief positions and reassignments, things have been going well and heading in the right direction. He acknowledged that many people have been working very hard on the Grand Jury Response and specifically recognized the many hours of personal time that Chris Landry, Secretary of the Professional Firefighters, has devoted to this effort.

Chief Financial Officer Bair and HR Representative Jill Englemann presented a proposal to offer a Flexible Spending Account for unreimbursed medical and dependent care expenses to Department employees and outlined the various initial and ongoing expenses associated with implementation. The FSAs will be administered through ADP as the third party administrator and will offer a tax advantage. Seventeen employees have committed to the program to date and it is possible that more will decide to participate in the future. A discussion was held regarding the setting up of a new bank account for the FSA; CFO Bair recommended using the existing bank account for the time being. Director Hidahl requested that Staff keep track of the costs and do an annual assessment of the program.

Director Hartley made a motion to adopt the Flexible Spending Account program as recommended by Staff. The motion was seconded by Director Barber and unanimously carried.

Counsel Cook asked the Board to give the Board President authorization to sign a Grant of Easement document authorizing El Dorado Irrigation to construct a sewer line on Station 87/Training Facility's parcel; however, the Grant of Easement will not be submitted to EID until such time that a contract has been agreed upon between EID, the neighboring parcel owner and the District which will allow for the sewer line to be constructed at one time.

Director Barber made a motion to approve the Grant of Easement to El Dorado Irrigation District for construction of a sewer line on the Station 87/Training Facility's property and submit it to the El Dorado Irrigation District only if a contract is entered into along with EID and the neighboring parcel owner to install the line. The motion was seconded by Director Hidahl and unanimously carried.

Director Winn gave an update of the JPA stating that they continue to be in compliance and mentioned that a concern was brought up regarding Folsom coverage; Division Chief Ballenger said that Chief O’Camb is working to ensure that our resources are used properly.

The meeting adjourned to closed session at 6:40 p.m. to discuss Item V-A, pursuant to Government Code Section 54956.9, Conference with Legal Counsel, Pending Litigation (One Matter) et. al. v. El Dorado Hills County Water District; Item V-B, pursuant to Government Code Section 54956.9, Conference with Legal Counsel, Pending Litigation (One Matter) Ferlini v. El Dorado Hills County Water District; Item VI-A.2, pursuant to Government Code Section 54956.9 (A); Conference with Legal Counsel regarding Grand Jury Report Response Preparation and Item VI-C.1, pursuant to Government Code Section 54957 and 54957.6; Conference with Chief Transition Committee to develop terms and conditions of employment contract for the new Fire Chief.

The meeting adjourned to closed session at 6:40 p.m.

The meeting reconvened at 7:35 p.m.

President Durante reported that during closed session, Attorney Items V-A and B were reviewed and the Board was advised by Legal Counsel. Regarding Items VI-A.2 and VI-C.1, direction by the Board was given to the Committees for further follow up.

Director Winn thanked Lisa Perillo, Sandy Sanders, and Captain Anselmo’s crew for their community service visit to the El Dorado Hills Boys and Girls Club. In addition to a bicycle safety presentation, 30 bicycle helmets were fitted and given away. President Durante reminded the Board that the 39th Annual Wine, Cheese and Brew Festival will be held on September 10. Director Hidahl commented on the how pleased he was to see the Fire

Department passing out hats to kids at the CSD's Concert in the Park stating that this kind of interaction with the public pays huge dividends and is greatly appreciated by the community.

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

The meeting adjourned at 7:53 p.m.

Approved:

Connie Bair, Board Secretary

Greg Durante, President