

**EL DORADO HILLS COMMUNITY SERVICES DISTRICT
BOARD OF DIRECTORS REGULAR MEETING**

January 12, 2006

MINUTES

CALL TO ORDER

President Joe Chinn brought the regular meeting to order on Thursday, January 12, 2006, at 7:05 p.m. Directors Justin Masters, Larry Brilliant, David Trapani were present. Constance Wyatt was absent. Also present were General Manager Wayne Lowery, Assistant General Manager Sandi Kukkola, Planning Director Dianna Hillyer, Executive Assistant Charlene Ambrose, Park Supervisor, Ed Lenger, and Legal Counsel Jackie McHaney. Debbie Kossick DRC Clerk and 5 DRC Committee members were present. Approximately 72 members of the public were present.

ADOPTION OF AGENDA

Motion No. 1. Director Brilliant moved and Director Masters seconded the motion to approve the agenda. Motion carried 4-0-1 (Wyatt absent).

PRESENTATIONS & ANNOUNCEMENTS

None.

COMMUNITY COMMENT

Jerry Dover, EDH homebuilder reminded the Board that Joe Anderson's son, Josh, was killed last January. Funds remain in a memorial fund for Josh and the family would like to provide seed money in memory of Josh and Jerry agreed to build a basketball court. He has spoken with the County Planning Department, Peter Maurer, who anticipated no difficulty amending the Master Plan if all the necessary paperwork was submitted and procedures were followed. He asked for this item to be on the next Special Board meeting agenda 1/19/06. An outline and description of the project seeking approval to build a basketball facility of junior high size will be submitted. It is anticipated the court will cost about \$50,000 with all funds being raised by the community, at no cost to the District.

President Chinn directed General Manager Lowery to follow up.

REVIEW OF WRITTEN COMMUNICATIONS

None received.

COMMUNITY SERVICES DISTRICT CALENDAR

2. January-February 2006 Calendar of District Events and Activities.

Lowery reviewed key events in the coming six weeks.

CONSENT CALENDAR

Lowery recommended one item (6) be pulled from the consent calendar.

Motion No. 2. Director Masters moved and Director Brilliant seconded the motion to approve Consent Calendar Items 2) Minutes of December 6, 2005 and December 8, 2005; 3) Ratify cash disbursements through December 31, 2005; 4) Approve Finance Reports for October 31, 2005; 5) Approve Treasurer's Report through September 30, 2005; 7) Approve Board training and activity schedule for 2006 and authorize participation by directors; 8) Approve Resolution No. 2006-01 Accepting the Distribution of the Tax Increment Distribution and Waiving the 60-Day Hearing Requirement for the Soon, *et. al.* Annexation to El Dorado Irrigation District, LAFCO Annexation Project No. 05-12.; 9) Approve Resolution No. 2006-02 Accepting the Distribution of the Tax Increment Distribution and Waiving the 60-Day Hearing Requirement for the Marble Valley Reorganization, LAFCO Annexation Project No. 05-08; 10) Approve Resolution 2006-03 Accepting an Irrevocable Offer of Dedication and Underlying Fee Thereto for Highland Hills Unit No. 4 for Landscape and Fence Maintenance; 11) Approve letter of credit for \$50,441 to the El Dorado Irrigation District for construction of water infrastructure to serve the Community Park Teen Center; 12) Review and approve the mandated Annual Park Impact Fee Report FY 2004-05; and 13) Approve purchase of asset inventory labels and scanner in an amount not to exceed \$12,000 from General Fund Contingency.

Item 6) Approve Resolution No. 2006-04 Adopting Travel Reimbursement Policies for Members of the Board of Directors was pulled from the consent calendar.

Motion carried 4-0-1 (Wyatt absent).

GENERAL BUSINESS

14. Review items pulled from Consent Calendar for action.

6) Approve Resolution No. 2006-04 Adopting Travel Reimbursement Policies for Members of the Board of Directors

Lowery reviewed the backup documents to the agenda item highlighting changes in State law. Not eligible stipend meetings and events were also outlined. General Manager Lowery asked the Board to approve amendments in the District policy. Director Masters wants to leave the policy

as is. Lowery's amendment request was no reimbursement or stipend be made if a meeting or event was not approved in advance. Director Brilliant asked if this was consistent with the new state regulation, which the GM confirmed. Director Masters' opinion was sometimes a director is asked to be a substitute or backup and in those cases an advance approval should not be necessary.

Motion No. 3. Director Brilliant moved and President Chinn seconded the motion to approve Resolution No. 2006-04 Adopting Travel Reimbursement Policies for Members of the Board of Directors with changes requested by General Manager. Motion carried 3-1-1 Masters No (Wyatt absent).

15. Adopt CC&R policy and guidelines establishing criteria for determining harmony and conformity when approving roofing materials in the design review process.

Mr. Lowery provided an overview of this agenda item by stating that the Board had directed staff and general counsel to assist the DRC by adopting a policy to determine harmony and conformity issues when approving roofing materials in the design review process. The staff recommendation was not to delay this policy adoption any further, but to receive comments from the public, DRC and Board and move forward on adopting a final policy. Director Masters encouraged the President to gather comments from the DRC members as well as the general public that staff could compile for review and finalization. President Chinn asked for public comment from the 40 plus members of the public in attendance for this issue. Several members of the public offered their comments to the BOD on this issue including the roofing contractor for Mrs. Crouse (Item 16 on the agenda). Six members of the DRC were present which included four regular members and two alternate members. DRC Chairman, Jeff Haberman spoke on behalf of the Committee and answered questions from both the Board and public.

Board comments were as follows: Director Trapani indicated that the CC&R's do not state that tile roofing material must be used on the roofs within Stonegate Village, and that they must be in harmony and conformity with the surrounding development. The DRC is appointed by the Board and acts on the Board's behalf on these issues. He noted that adding additional roofing materials to the new policy should be considered and that the policy is much too limited in his view and conflicting with the CC&R's. The policy needs to co-exist with the CC&R's.

President Chinn noted that this was not a meeting for the audience and speakers to debate back and forth, but that one at a time should approach the podium, each having three minutes to speak.

Mr. Haberman provided a history of the roofing material policy, which included the change from wood shake roofing material, which were the only roofs that existed in Stonegate, to Class A required roof by the County Building Department. At the time that the County changed the roofing requirements, the Board, at the same time, adopted the policy to use tile-roofing products in all villages that had wood shake roofing material. Unless the CC&R's were modified in particular Villages and Units, then the DRC could approve only tile roofing products.

President Chinn sought clarification from Mr. Lowery on the CC&R amendment process Mr. Lowery noted that these varied from village to village, but in the case of Stonegate would be a majority vote of 50 percent plus one of the total number of homeowners within the Village including all owners on title. In Stonegate Village this would be a majority of 225 plus 1 or 226 votes needed to amend the CC&R's.

Mr. Sgamba, alternate member of the DRC, noted that the residents of Stonegate as well as other villages do have a choice. They can amend their CC&R's, which he stated that he and his wife did several years ago in their village of Green Valley Hills.

President Chinn closed public comments at 8:50 pm and opened the meeting for Board comments.

Director Masters made the following comments to public comment.

- State law allows solar roofing tiles
- Companies out of business should be removed from our list and he would like to see a process to add new materials
- Comments undermining the DRC are not necessary as the Board is going through this process to bring a little more conformity to the process

Director Trapani stated Director Masters comments were very well put.

Director Brilliant relayed the harmony and conformity consistency. The DRC works and acts on behalf of the Board. Public should work together in their community to change CC&Rs and not attack the people that are trying to help them. He said the District has a very good group of DRC members working a lot of hours and they do the job for free. He encouraged the public to be specific as to what they could all agree on as a community or a village. The Board is trying to help to gain consistency and this will take time.

Director Trapani advised the public that the District is currently seeking DRC members. Amending the CC&Rs is one way to resolve this issue. There are other options. The CC&Rs are a legal contract between the homeowners and Board.

This item will be placed on the February 9, 2006 Board agenda for a second reading and possible adoption.

A five-minute break was requested and granted at 9:11 pm.

President Chinn re-opened the meeting.

16. Muriel Crouse, 1055 St. Andrews Drive (Stonegate Village), appeal of CC&R Design Review Committee denial of application to install Gerard Shakes roofing material. (Continued October 13, 2005; Agenda Item No. 20 & November 29, 2005, Agenda Item No. 2.

President Chinn advised this item will be going in the following order: staff, DRC, applicant, public comment, then move to Board discussion.

General Manager Lowery asked for recommendation to support denial of the roofing material. The DRC has been in place 13 years, the members are customer-service oriented, open-minded. Jeff Haberman, DRC Chairman restated the committee's denial of stone-coated steel roofing because it is not in harmony and conformity. CC&Rs are the guidelines. The DRC strongly recommends the amendment process as per policy that was adopted in 1993. He went on record to Director Masters that variance of current practice has come before them and he asked if he would want to see citizens come before this Board who have no amendments in place. In Stonegate there are only two types of roofing materials - wood shakes and concrete tile. This is why the decision was made to deny the application for stone-coated steel roofing because it did not conform with the materials already in place in Stonegate Village.

Muriel Crouse and her daughter and son-in-law from Folsom spoke on their position. They have the product on their home as does Muriel's other daughter. The family has worked hard to consider harmony and conformity, color, have looked at many roofs. Mrs. Crouse has a need to conclude the roofing project on her home.

President Chinn restated that the Board can review and enforce policy but cannot amend policy. He has driven around to look for harmony and conformity in that neighborhood as well as Gold River and the dominance of two materials clearly differs now in appearance from this material presented for reconsideration.

Motion No. 4. Director Masters moved and Director Trapani seconded the motion to approve the roofing materials for the Crouses. Motion failed 2-1-1; Masters & Trapani Aye, Chinn No, Brilliant Abstain, (Wyatt absent).

Three board members must make a decision. Proper procedure is to make a new motion; a five-minute recess was granted for Director Brilliant to confer with the DRC Committee.

11:45 pm the Board meeting was re-opened by the President.

Motion No. 5. Director Trapani moved and Director Masters seconded the motion to see if the Board will reconsider the issue to approve the roofing materials for the Crouses. Motion carried 4-0-1 (Wyatt absent).

Motion No. 6. Director Trapani moved and Director Masters seconded the motion to approve the Crouse roofing materials as presented. Motion failed 2-2-1; Masters & Trapani Aye, Chinn & Brilliant No, (Wyatt absent).

Director Masters asked for full Board vote. Director Trapani agreed. Legal counsel provided clarification. Jackie McHaney advised the Board on defacto denial. The motion to approve the appeal did not carry.

23. Public Hearing: Lease agreement with Nextel for cellular antennae - Board to direct General Manager to negotiate and sign a mutually acceptable lease agreement by and between the District and Nextel of California, Inc.

President Chinn moved the item up, stating the late agenda item was not finalized by general counsel when the agenda closed. Proposal presented for an additional cell site is not atypical from other agreements. The Board authorized the General Manager to proceed with the contract to closure.

The proposed Nextel cellular antennae equipment will go on top of existing PG&E tower as well as underneath the tower. Rent will go to PG&E and to the District, the total length of the contract is 30 years with a 5 year initial period. Nextel increased demand and EDH topography warrants an additional tower to support the demand.

Motion No. 7. Director Masters moved and Director Trapani seconded the motion to direct General Manager to negotiate and sign a mutually acceptable lease agreement by and between the District and Nextel of California, Inc. Motion carried 4-0-1 (Wyatt absent).

17. PUBLIC HEARING: Public Hearing to Consider a Resolution approving an increase in the 2006 Park Development Impact Fee based on the 2.98% change in the Engineering News Record Construction Cost Index for the twelve month period through October of the prior year.

Adopt Resolution No. 2006-05 Approving a Park Development Impact Fee Increase and Requesting the County of El Dorado Board of Supervisors to Adopt and Implement the Fee on Behalf of the District.

President Chinn opened the public hearing. There being no comment he closed the public hearing.

Motion No. 8. Director Trapani moved and Director Brilliant seconded the motion to Adopt Resolution No. 2006-05 Approving a Park Development Impact Fee Increase and Requesting the County of El Dorado Board of Supervisors to Adopt and Implement the Fee on Behalf of the District. Motion carried 4-0-1 (Wyatt absent).

18. Board of Directors to Adopt Resolution No. 2006-06 Approving the Preliminary Engineer's Report, Declaring Its Intention to Levy FY2006-2007 Assessment in Blackstone Landscaping and Lighting Assessment District #28 and Notice of Public Hearing, in Accordance with the Street and Highways Code Section 22624.

President Chinn asked Lowery to review. Lowery recommended approval.

Motion No. 9. Director Trapani moved and Director Brilliant seconded the motion to Adopt Resolution No. 2006-06 Approving the Preliminary

Engineer's Report, Declaring Its Intention to Levy FY2006-2007 Assessment in Blackstone Landscaping and Lighting Assessment District #28 and Notice of Public Hearing, in Accordance with the Street and Highways Code Section 22624. With an amendment to delete the 3% cap for CPI inflation adjustment, Motion carried 4-0-1 (Wyatt absent).

19. Election of President and Vice President.

In the last regular meeting Lowery advised that in June, 2005 President Chinn's term was extended through the incorporation voting process. The election will carry through to the end of this current term.

Motion No. 10. Director Trapani moved and Director Brilliant seconded the motion to elect Justin Masters as President and Director Brilliant to Vice President through the end of the current term June 2006. Motion carried 4-0-1 (Wyatt absent).

16. Presidential appointment of board committees for Calendar Year 2006

It was decided to eliminate the Incorporation Committee and to eliminate the Hazardous Materials Committee.

Motion No. 11. Director Trapani moved and Director Brilliant seconded the motion to assign Larry Brilliant as replacement to David Trapani on the CC&R Committee; eliminate the Incorporation Committee, eliminate the Hazardous Materials Committee and leave all other remaining committee assignments intact. Motion carried 4-0-1 (Wyatt absent).

GENERAL MANAGER REPORTS

None

BOARD OF DIRECTORS COMMENTS & FUTURE AGENDA ITEMS

None

CLOSED SESSION

The Board went into closed session at approximately 1:00 am.

President Chinn asked if there were public comments on closed session items. No public comment. Chinn closed the public session and entered closed session.

21. Closed session under California Government Code §54956.9, conference with legal counsel regarding potential litigation in one case.

Closed session under California Government Code §54957, regarding the appointment, employment, evaluation of performance, or dismissal of an employee. Position: General Manager.

President Chinn re-opened the Regular Meeting and reported that staff and counsel were given general direction but no specific action was taken.

ADJOURNMENT

President Chinn adjourned the meeting at approximately 1:20 am.

APPROVED: _____ **DATE:** _____
Joseph A. Chinn, President
EDHCSD Board of Directors

ATTEST: _____ **DATE:** _____
Wayne A. Lowery, General Manager
Secretary to the Board of Directors