

**ROLLING HILLS COMMUNITY SERVICES DISTRICT
MINUTES OF MAY 21, 2024 MEETING OF THE BOARD OF DIRECTORS**

1. Call to Order/Roll Call.

The meeting of the Rolling Hills CSD held on May 21, 2024, was called to order at 7:03 pm by President Brenda Collette. The in-person meeting was held at the Holiday Inn Express conference room, 4360 Town Center Boulevard, El Dorado Hills, CA. In addition to President Collette, Directors Adam Olson and Gordon Fawkes were present at roll call. Also present were General Manager Mark Magee, Clerk Linda Stone, and twenty members of the public.

2. Public Comment (Items not on the agenda).

Resident Tim Haley offered comments about the Folsom Heights Development project and his concerns about meetings among the District, the developers, and/or residents. He said all meetings should be held in an open public meeting for better compliance and cited to the Brown Act. He said the Board should consider a motion to do that. He also said the Board should explore the potential to monetize District land to support the CSD better. He also said he spoke with Adam Vane of the DOT regarding the EVA, noted five pages of drawings, and said there are ongoing discussions with the El Dorado Hills Fire Department as to the continued need of the EVA.

Resident Jen Brown, a resident of Stonebriar, said her property is adjacent to Folsom Heights and expressed questions about the storm water run-off and concerns about the new slope eroding the hill. She has called the City of Folsom requesting copies of the Storm Water Pollution Plan and Erosion Prevention Plan.

3. Swearing in of William Grava and Oath of Office. William Grava took the Oath of Office and was sworn in as a member of the Board of Directors to fill the vacant position through December 6, 2024, by the Clerk of the Board.

4. Old Business

4.c. Elliott Homes Requests Related to Folsom Heights Development Project. Present at the meeting was Price Walker and Ed Regan from Elliott Homes, and Dave Sagan of REI Engineers. They presented information about the project application from 2017, their purchase of the project in 2021, access to the development, water and sewer issues, and conditions of development approval. With respect to the issue of the EVA, they cited that the Prima EVA was a condition of Phase 1 of the project, per conditions No. 174 and 182, reading those conditions out loud. Residents Tim Haley, Stephanie Haley, and Ellen Post expressed their ongoing concerns about the EVA being a paved road, safety concerns, and gates which would allow pedestrian and bicycle access, of which they are not in favor. Further, Stephanie Haley said she attended a meeting with EDI regarding the lift station and she doesn't want the developers storing equipment and trucks on District property causing an eyesore for Stonebriar because EID said it could take up to three years to complete. She also said EID told her it would rather have a gravel road than a paved EVA road. Another resident commented that it is important to find out the proposed footprint for the lift station. Price Walker said the footprint is about the same as the existing lift station, but it will have a new building and new landscaping which will look better than it does now. He also said he expects the lift station should be completed by the end of 2025.

Director Bill Grava said he thinks it is important that the District find out exactly where the Fire Departments stand on the issue of a need for the EVA, as it could help solve everything. All present agreed that if the fire departments agree an EVA is no longer necessary, it would be a win for everyone. He also said Elliott Homes is not proposing any lighting for the EVA. Next steps discussed are that both the EDH and Folsom Fire

Departments will be contacted, and if they are agreeable to remove the need for the EVA, Elliott could seek an amendment to the approved project conditions to delete Nos. 174 and 182.

No decisions were made at the meeting regarding the grading permit request or the lift station project as additional information is needed.

4.b. Revenue Options; Need for Increased Revenue for Future Sustainability. Sara Mares of NBS Consulting joined the meeting by telephone. The Board reviewed and discussed the current version of the revised draft Revenue Modeling Scenarios memo. Director Adam Olson noted it does not include a 5-year Capital Improvement Plan. Sara Mares said that was not included in the Scope of Work. She confirmed that NBS' recommendation moving forward is that the District seek a parcel tax as the additional revenue funding mechanism. She said that is a special tax that requires 2/3 vote of registered voters within CSD boundaries voting in the election, including both owners and renters. The owners that live elsewhere would have no voice in the process. Adam noted the Memo looked at a flat rate per parcel and a flat rate per building square foot. He asked if NBS looked at a flat rate based on lot size. Sara said NBS did not, but they could do that. Answering questions about the NBS recommendation, Sara said a parcel tax is more straight- forward, does not have the requirements for a finding by the District and an engineer to identify a special benefit versus a general benefit, which is more vulnerable due to the higher standard of proof, which burden would be on the District. She said a special tax can include a term or escalation increase, if desired. The assessment avenue, however, is done by a protest ballot proceeding. Each property owner's ballot is weighted by the amount of the assessment assigned to that owner's property. Of the property owners' ballots returned, if a majority of the weighted ballots oppose the assessment, a majority protest exists, and the assessment may not be imposed. In response to a question from the Board, Sara confirmed that a separate special benefits assessment could be done for each neighborhood and be used to target actual needs based on the specifics of the neighborhood, instead of a flat amount the same for everyone. She said an engineer would need to draw the boundaries around each and do a report area including just the parcels in that area. After discussion, Sara left the call.

The Board then discussed its options. While no formal motion was made, Board members Olson, Grava, and Fawkes agreed that the Board is not ready to move forward with a decision on selection of the revenue option to meet the July 3 deadline for submission of ballot measure language, but President Collette disagreed. Adam Olson summed it up by saying the Board will not target the 2024 election so it can put together a cohesive and informative package for voters, he suggests using the special tax as the mechanism, but the Board will decide at a later date. He wants NBS to model the parcel size option for comparison, and put together a 5-year Capital Improvement Plan as part of its Memo. Following completion of the Memo would come public engagement. The Board wants the residents to have a vested interest in the outcome.

4.c. Consider Appointment of Board Member to Fill Vacancy.

The Board considered the Statement of Interest and Qualifications received from resident David Gagetta interested in serving on the Board. Discussion was had between the Board and Mr. Gagetta. Director Bill Grava made a motion to appoint David Gagetta to fill the vacant term which expires in December 2026; second by President Brenda Collette. A roll call vote was taken; the motion carried as follows:

AYES: Collette, Olson, Fawkes, and Grava

NOES: None

ABSENT: None

ABSTAIN: None

David Gagetta will be sworn-in at the next meeting of the Board.

5. Monthly Reports

5.a. General Manager Report. The General Manager gave an oral report.

5.b. District Budget Report – An updated budget report was included in the meeting materials

6. Consent Items. The draft Minutes of the March 19, 2024, regular meeting of the Board of Directors were considered. It was noted that the April 16, 2024, regular meeting was cancelled due to lack of a quorum. Director Adam Olson moved to approve and accept/file the Consent item; Director Bill Grava seconded. A roll call vote was taken; the motion carried as follows:

AYES: Collette, Olson, Fawkes, and Grava

NOES: None

ABSENT: None

ABSTAIN: None

7. New Business

7.a. Claim Submitted by Resident on Prima Drive for \$500 for Costs Incurred as a Result of Damage to Hot Tub and Deck from Fallen Tree. The Board considered and discussed this claim for \$500 which occurred as result of a fallen tree during excessive wind and storms causing property damage. The resident estimates the damages incurred from the event total \$1,302.74, including deck repair estimated at \$670 plus replacement of the hot tub cover of \$632.74. After discussion, President Collette made a motion to approve reimbursement in the amount of \$500, provided that the resident signs a Release; second by Director Olson. A roll call vote was taken; the motion carried as follows:

AYES: Collette, Olson, Fawkes, and Grava

NOES: None

ABSENT: None

ABSTAIN: None

7.b. Preliminary Budget for Fiscal Year 2024-2025 – The Board to considered the Preliminary Budget presented by General Manager Mark Magee in the amount of \$200,000 for FY25. Director Olson said he continues to be concerned about revenue projections and is committed to keep expenses within estimated revenue. Director Olson made a motion to approve the preliminary budget presented in the amount of \$200,000 for FY25; second by President Collette. A roll call vote was taken; the motion carried as follows:

AYES: Collette, Olson, Fawkes, and Grava

NOES: None

ABSENT: None

ABSTAIN: None

8. Adjournment. Upon motion and second, the President adjourned the meeting at 9:35 p.m.

Submitted by:

/s/ Linda Stone
Linda Stone, Clerk

Approved by Board: June 18, 2024