



AGENDA

SPECIAL MEETING OF THE BOARD OF DIRECTORS

District Board Room, 2890 Mosquito Road, Placerville, California

December 30, 2016 — 9:00 A.M.

Board of Directors

George Osborne—Division 1
President

Michael Raffety—Division 3
Vice President

Greg Prada—Division 2
Director

Dale Coco, MD—Division 4
Director

Alan Day—Division 5
Director

Executive Staff

Jim Abercrombie
General Manager

Thomas D. Cumpston
Acting General Manager

Brian D. Poulsen, Jr.
Acting General Counsel

Jennifer Sullivan
Clerk to the Board

Jesse Saich
Communications

Brian Mueller
Engineering

Jose Perez
Human Resources

Tim Ranstrom
Information Technology

Margaret Washko
Operations

PUBLIC COMMENT: Anyone wishing to comment about items not on the Agenda may do so during the public comment period. Those wishing to comment about items on the Agenda may do so when that item is heard and when the Board calls for public comment. Public comments are limited to five minutes per person.

PUBLIC RECORDS DISTRIBUTED LESS THAN 72 HOURS BEFORE A MEETING: Any writing that is a public record and is distributed to all or a majority of the Board of Directors less than 72 hours before a meeting shall be available for immediate public inspection in the office of the Clerk to the Board at the address shown above. Public records distributed during the meeting shall be made available at the meeting.

AMERICANS WITH DISABILITIES ACT: In accordance with the Americans with Disabilities Act (ADA) and California law, it is the policy of El Dorado Irrigation District to offer its public programs, services, and meetings in a manner that is readily accessible to everyone, including individuals with disabilities. If you are a person with a disability and require information or materials in an appropriate alternative format; or if you require any other accommodation for this meeting, please contact the EID ADA coordinator at 530-642-4045 or email at adacoordinator@eid.org at least 72 hours prior to the meeting. Advance notification within this guideline will enable the District to make reasonable accommodations to ensure accessibility.

Pursuant to Government Code section 54953, subdivision (b), Director Coco will participate via teleconference from 3434 Kimberly Road, Cameron Park, CA 95682. Members of the public wishing to address the Board of Directors directly pursuant to Government Code section 54954.3 may also do so at the teleconference location.

CALL TO ORDER

Roll Call
Pledge of Allegiance
Moment of Silence

ADOPT AGENDA

APPROVE CONSENT CALENDAR

Action on items pulled from the Consent Calendar

PUBLIC COMMENT

CONSENT CALENDAR

1. Finance (Pasquarello)

Consideration to adopt resolutions certifying signatures on the District's checking accounts.

Option 1: Adopt resolutions certifying signatures for the Bank of America and El Dorado Savings Bank checking accounts.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

Recommended Action: Option 1.

CLOSED SESSION ITEM C WILL BE COMPLETED BEFORE ITEM 2 IS HEARD.

DIRECTOR ITEMS

2. Board of Directors (Osborne)

Proposed General Counsel Employment Contract.

Option 1: Approve a one-year employment contract with Brian Poulsen to be the District's General Counsel, with the pay and benefit combination presented as the first alternative.

Option 2: Approve a one-year employment contract with Brian Poulsen to be the District's General Counsel, with the pay and benefit combination presented as the second alternative.

Option 3: Take other action as directed by the Board.

Option 4: Take no action.

Recommended Action: Option 1.

ACTION ITEMS

3. Finance (Pasquarello)

Appropriations Limit for Fiscal Year 2017.

Option 1: Adopt the proposed Appropriations Limit Resolution for Fiscal Year 2017.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

Recommended Action: Option 1.

CLOSED SESSION

A. Closed session pursuant to Government Code section 54957.6 (Poulsen)

Conference with Labor Negotiators pursuant to Government Code Section 54957.6

Agency Negotiators: Jack Hughes, Tom Cumpston, Brian Poulsen, Jose Perez, Mark Price, Jim Abercrombie

Employee Organization: Association of El Dorado Irrigation District Employees (general and engineers bargaining units)

B. Closed session pursuant to Government Code section 54956.8 (Poulsen)

Conference with Real Property Negotiators – Real Property Negotiations pursuant to Government Code Section 54956.8.

Properties: Assessor's Parcel Numbers 096-020-30

District negotiators: Acting General Counsel, Acting General Manager and Capital Valley Realty Group, Inc.

Under negotiation: price and terms of sale

Negotiating parties: Tatiana Vasileva, Golovey Real Estate; John J. Medina, Capital Valley Realty Group, Inc.

C. Closed session pursuant to Government Code section 54957.6 (Abercrombie)

Conference with Labor Negotiators pursuant to Government Code Section 54957.6

Agency Negotiators: President Osborne, Director Prada

Unrepresented Employee: Acting General Counsel Brian Poulsen

REVIEW OF ASSIGNMENTS

EL DORADO IRRIGATION DISTRICT

Subject: Consideration to adopt resolutions certifying signatures on the District's checking accounts.

Previous Board Action:

The Board annually adopts resolutions certifying signatures on the District's checking accounts to reflect any changes in Board officers and District executive staff.

Board Policies (BP), Administrative Regulations (AR), and Board Authority:

AR 3091.09 requires the District Treasurer to establish procedures to govern all financial transactions.

Summary of Issue:

The Board adopts resolutions as necessary to maintain accurate authorized signers for the District's bank accounts. The District maintains four checking accounts at Bank of America from which money is drawn in the name of El Dorado Irrigation District: Public Funds Checking Account, Controlled Disbursement Account, Non-analyzed Investment Account (Leasing account), and Flexible Spending Health Claims Checking Account. The District also maintains one checking account at El Dorado Savings Bank for the Sly Park recreation facility.

Staff Analysis/Evaluation

Effective December 12, 2016, George W. Osborne became the District's new Board President, replacing Bill George. Therefore, George Osborne's signature needs to be added to the bank signature cards, and Bill George's signature needs to be removed from the bank signature cards.

Two signatures are required on all checks for payment in the name of El Dorado Irrigation District on the District's Bank of America and El Dorado Savings Bank checking accounts. The new Board President, General Manager Jim Abercrombie, and Director of Finance Mark T. Price are approved signers on the accounts. Separate draft resolutions are offered for each of the two banks.

Board Decisions/Options:

Option 1: Adopt resolutions certifying signatures for the Bank of America and El Dorado Savings Bank checking accounts.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

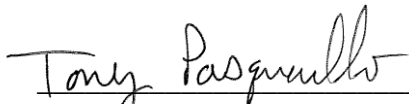
Staff/General Manager's Recommendation

Option 1.

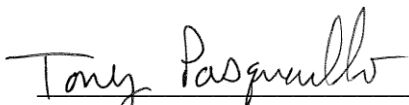
Supporting Documents Attached

Attachment A: Proposed Resolution for Certification of Signatures – Bank of America
Checking Accounts


Attachment B: Proposed Resolution for Certification of Signatures – El Dorado Savings Bank
Checking Account



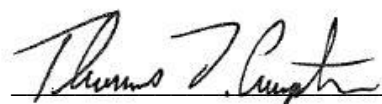
Tony Pasquarello
Accounting Manager



for
Mark Price
Finance Director



Brian Poulsen
Acting General Counsel



Tom Cumpston
Acting General Manager

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**RESOLUTION OF THE BOARD OF DIRECTORS OF
EL DORADO IRRIGATION DISTRICT
CERTIFICATION OF SIGNATURES – BANK OF AMERICA
CHECKING ACCOUNTS**

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BE IT RESOLVED that the EL DORADO IRRIGATION DISTRICT has established in its name accounts with the BANK OF AMERICA, N.A. (“Bank”), upon such terms and conditions as may be agreed upon between the parties, and that the General Manager of the District or his/her designee be and hereby is authorized to establish and maintain such accounts; and

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BE IT FURTHER RESOLVED that the persons of the EL DORADO IRRIGATION DISTRICT named below be and hereby are authorized to sign checks on behalf of the EL DORADO IRRIGATION DISTRICT; provided, however that the authorized signatories of checks for the Health Claims Checking Accounts and Flexible Spending Account are the insurance carrier’s administrator for those programs.

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BE IT FURTHER RESOLVED that the Bank is hereby requested, authorized and directed to honor all checks for payment of money drawn in the name of the El Dorado Irrigation District on its Controlled Disbursement Account and Non-analyzed Investment Account (Leasing Account), including those drawn to individual orders of any person or persons whose names appear thereon as signer(s) thereof, when such checks bear the signatures of any two of the persons of EL DORADO IRRIGATION DISTRICT named below, and further that the facsimile signatures for Board President George W. Osborne, General Manager Jim Abercrombie, and Director of Finance Mark T. Price shall be deemed good and sufficient signatures for such purpose.

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BE IT FURTHER RESOLVED that the Bank is hereby requested, authorized and directed to honor all checks for payment of money drawn in the name of the El Dorado Irrigation District on its Health Claims Checking Accounts and Flexible Spending Account when such checks bear the signatures of the insurance carrier’s administrator for those programs, and further that the facsimile signatures of such insurance carrier’s administrator shall be deemed good and sufficient signatures for such purpose.

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BE IT FURTHER RESOLVED that the specimen signatures appearing opposite the names and titles below are the genuine signatures of such persons:

Signatures

George W. Osborne President, Board of Directors _____

Jim Abercrombie General Manager _____

Mark T. Price Director of Finance _____

BE IT FURTHER RESOLVED that Clerk to the Board Jennifer Sullivan duly certifies the genuineness of said signatures of the foregoing persons of EL DORADO IRRIGATION DISTRICT.

BE IT FURTHER RESOLVED that this Resolution shall take effect and be effective immediately upon its adoption.

The foregoing Resolution was introduced at a special meeting of the Board of Directors of EL DORADO IRRIGATION DISTRICT, held on the 30th day of December 2016, by Director _____, who moved its adoption. The motion was seconded by Director _____, and a poll vote taken which stood as follows:

AYES:

NOES:

ABSENT:

ABSTAIN:

The motion having a majority of votes “Aye”, the resolution was declared to have been adopted, and it was so ordered.

George W. Osborne
President, Board of Directors
EL DORADO IRRIGATION DISTRICT

1 ATTEST:
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3 _____
4 Jennifer Sullivan
5 Clerk to the Board
6 EL DORADO IRRIGATION DISTRICT

7 (SEAL)
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14 I, the undersigned, Clerk to the Board of EL DORADO IRRIGATION DISTRICT hereby
15 certify that the foregoing resolution is a full, true and correct copy of a Resolution of the Board of
16 Directors of EL DORADO IRRIGATION DISTRICT entered into and adopted at a special meeting
17 of the Board of Directors held on the 30th day of December 2016.
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20 _____
21 Jennifer Sullivan
22 Clerk to the Board
23 EL DORADO IRRIGATION DISTRICT
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**RESOLUTION OF THE BOARD OF DIRECTORS
OF EL DORADO IRRIGATION DISTRICT
CERTIFICATION OF SIGNATURES-EL DORADO SAVINGS BANK
CHECKING ACCOUNT**

BE IT RESOLVED that the EL DORADO IRRIGATION DISTRICT has established in its name an account with EL DORADO SAVINGS BANK, upon such terms and conditions as may be agreed upon between the parties, and that the General Manager of the District be and hereby is authorized to establish and maintain such account; and

BE IT FURTHER RESOLVED that the persons of the EL DORADO IRRIGATION DISTRICT named below be and hereby are authorized to sign checks on behalf of the EL DORADO IRRIGATION DISTRICT.

BE IT FURTHER RESOLVED that the bank is hereby requested, authorized and directed to honor all checks for payment of money drawn in the name of the El Dorado Irrigation District on its SLY PARK RECREATION AREA checking account, including those drawn to individual orders of any person or persons whose names appear thereon as signer(s) thereof, when such checks bear the signatures of any two persons of EL DORADO IRRIGATION DISTRICT named below, and further that the facsimile signatures for Board President George W. Osborne, General Manager Jim Abercrombie, and Director of Finance Mark T. Price shall be deemed good and sufficient signatures for such purpose.

BE IT FURTHER RESOLVED that the specimen signatures appearing opposite the names and titles below are the genuine signatures of such persons:

		<u>Signatures</u>
George W. Osborne	President, Board of Directors	_____
Jim Abercrombie	General Manager	_____
Mark T. Price	Director of Finance	_____

BE IT FURTHER RESOLVED that Clerk to the Board Jennifer Sullivan duly certifies the genuineness of said signatures of the foregoing persons of EL DORADO IRRIGATION DISTRICT.

BE IT FURTHER RESOLVED that this Resolution shall take effect and be effective immediately upon its adoption.

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The foregoing Resolution was introduced at a special meeting of the Board of Directors of EL DORADO IRRIGATION DISTRICT, held on the 30th day of December 2016, by Director _____, who moved its adoption. The motion was seconded by Director _____, and a poll vote taken which stood as follows:

- AYES:
- NOES:
- ABSENT:
- ABSTAIN:

The motion having a majority of votes “Aye”, the resolution was declared to have been adopted, and it was so ordered.

George W. Osborne
President, Board of Directors
EL DORADO IRRIGATION DISTRICT

ATTEST:

Jennifer Sullivan
Clerk to the Board
EL DORADO IRRIGATION DISTRICT

(SEAL)

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I, the undersigned, Clerk to the Board of EL DORADO IRRIGATION DISTRICT hereby certify that the foregoing resolution is a full, true and correct copy of a Resolution of the Board of Directors of EL DORADO IRRIGATION DISTRICT entered into and adopted at a special meeting of the Board of Directors held on the 30th day of December 2016.

Jennifer Sullivan
Clerk to the Board
EL DORADO IRRIGATION DISTRICT

EL DORADO IRRIGATION DISTRICT

Subject: Proposed General Counsel Employment Contract.

Previous Board Action:

October 24, 2016 – Board voted to appoint Brian Poulsen as General Counsel for a one-year term beginning January 2, 2017.

Board Policies (BP), Administrative Regulations (AR) and Board Authority:

BP 2010 – The General Manager and General Counsel are appointed by the Board of Directors and serve at the Board's pleasure.

Summary:

On October 24, the Board unanimously appointed Brian Poulsen as the District's General Counsel for a one-year term, beginning January 2, 2017. The Board named Director Prada and me as an ad-hoc committee to negotiate an employment contract.

Director Analysis:

General Counsel (Acting General Manager) Tom Cumpston is retiring in early 2017, after General Manager Jim Abercrombie returns from medical leave. The Board voted unanimously on October 24 to appoint Acting General Counsel Brian Poulsen as the next General Counsel, beginning January 2, 2017. The appointment is for one year. It requires quarterly performance evaluations and a comprehensive six-month report on the activities of the Office of the General Counsel.

The Board also unanimously assigned Director Prada and me to negotiate an employment contract with Mr. Poulsen for the Board to consider in public session. First, we received and reviewed sample contracts of current District employees and of executives at other government agencies in the region. We also reviewed Mr. Poulsen's personnel file and a summary of his recent pay and the value of District-paid benefits. Mr. Poulsen also sent us a draft contract proposal.

We met twice with Mr. Poulsen to negotiate contract terms. Afterwards, he offered two alternative pay and benefit combinations. One offer excludes three benefits that the District's department directors receive – 80 hours of administrative leave, a maximum \$2,000 District match of deferred compensation contributions, and a maximum \$5,000 reimbursement of out-of-pocket medical expenses. In this offer, Mr. Poulsen proposes Step 2 of the General Counsel's pay scale – \$164,486.40 per year. His other offer includes those three department director benefits but proposes Step 1 of the pay scale – \$156,644.80 per year. Both offers also include Director Prada's proposal of an end of year stay bonus of \$10,000, if Mr. Poulsen receives a satisfactory performance evaluation from the Board.

On December 19th, Director Prada presented Mr. Poulsen with nine additional concerns. Mr. Poulsen revised his contract offers to address seven of the nine concerns presented by Director Prada.

I support and recommend Mr. Poulsen's first offer to the Board, as revised. It directly responds to issues that Director Prada and I had raised about executive management benefits, and it substitutes pay for performance, instead. Total compensation is considerably less than the current General Counsel contract. The contract has been further revised to address most of Director Prada's additional concerns.

After we first received a draft contract with the first offer's terms in November, Director Prada asked Mr. Poulsen to withdraw all contract offers until the Board has discussed the District's benefits package for executive management. I disagree with this. The Board has two employees – the General Manager and General Counsel, and Mr. Poulsen has willingly negotiated for fewer benefits to meet Board Member concerns. The General Manager is responsible for hiring department directors and other employees, and he is directly accountable to the Board.

It is imperative to have Tom Cumpston's successor in place before he retires. I recommend that the Board approve the attached contract.

Board Decision/Options:

Option 1: Approve a one-year employment contract with Brian Poulsen to be the District's General Counsel, with the pay and benefit combination presented as the first alternative.

Option 2: Approve a one-year employment contract with Brian Poulsen to be the District's General Counsel, with the pay and benefit combination presented as the second alternative.

Option 3: Take other action as directed by the Board.

Option 4: Take no action.

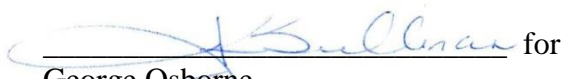
Director's Recommended Action:

Option 1.

Support Documents Attached:

Attachment A: Proposed employment contract (first alternative)

Attachment B: Draft employment contract (second alternative)


George Osborne
Board Director, Division 1

EL DORADO IRRIGATION DISTRICT

EMPLOYMENT AGREEMENT

This employment agreement (“Agreement”) is made this ___ day of December, 2016, by and between the El Dorado Irrigation District, a public agency organized and operating under the California Irrigation District Law (“District”) and Brian D. Poulsen, Jr. (“Employee”), to set forth the terms and conditions of Employee’s employment as District’s General Counsel, as follows:

1. Appointment and Status

Effective January 2, 2017 (“Effective Date”), District hereby appoints Employee and Employee agrees to serve as District’s General Counsel. Employee’s status shall be as an “at will” employee, serving at the pleasure of, and reporting solely and directly to, the District’s Board of Directors.

2. Term

This Agreement shall commence on the Effective Date and continue in effect until January 2, 2018, unless earlier terminated as provided in Section 7 below. Although the failure to do so shall not affect the term of this Agreement, District’s Board of Directors shall endeavor in good faith to provide at least 60 days written notice before the Agreement’s expiration of the Board’s intent not to offer a new or extended Agreement. If, after the third quarterly review (as provided for in Paragraph 6), the Board of Directors determines that Employee’s job performance is satisfactory (which, for purposes of this Agreement shall be defined as a “meets expectations” evaluation from at least three Board Members), Employee and the Board of Directors shall meet and confer to renew and/or extend this Agreement, prior to its expiration.

3. Duties

(a) Under the direction of the District’s Board of Directors, Employee shall perform all lawful acts necessary or advisable to fulfill the job duties set forth in the Class Specification annexed hereto as Exhibit A. Employee states that he has read the Exhibit A and affirms that he is qualified to perform all duties, and physically able to perform the essential duties, as described therein.

(b) Employee shall perform his duties diligently within the time parameters set by the Board of Directors, to the best of his ability and in accordance with the highest professional and ethical standards of the industry. Employee shall work the hours that are necessary to perform all duties, including time beyond regular or customary District business hours or workdays, but shall receive no overtime pay for any such time or work. Accordingly, Employee shall have flexibility in determining the work schedule necessary to perform his duties as specified in this Section 3.

(c) Employee shall refrain from engaging in any activity which is or may become a conflict of interest or prohibited contract, or which may create an incompatibility of office as defined in California law. Provided, however, that nothing in this Agreement shall prevent, limit, or otherwise interfere with Employee's rights to engage in outside activities that do not interfere with or that enhance his performance of duties under this Agreement.

4. Compensation

Employee shall be compensated as follows:

(a) Employee's annual salary shall be \$164,486.40, prorated and paid bi-weekly in accordance with District practices, for the duration of this Agreement.

(b) Except as otherwise specified in this Section 4, Employee shall receive the same paid time off, holiday, healthcare, and retirement benefits provided to the District's Executive Management personnel.

(i) Employee shall not receive any Executive Administrative Leave.

(ii) Employee shall not be eligible for the Medical Reimbursement Program as provided in Administrative Regulation 4014.

(iii) District shall not match any Employee contribution to a deferred compensation fund (457B).

c) Employee shall receive a monthly automobile allowance of \$500.

d) Employee shall receive paid term life insurance equal to two times his annual salary.

e) If, after the third quarterly review (as provided for in Paragraph 6), the District's Board of Directors determines that Employee's job performance is satisfactory, Employee shall receive additional merit-based compensation of \$10,000 prior to the expiration of the term of this Agreement.

5. Job-Related Expenses

District shall reimburse Employee for the costs of State Bar Membership. District shall reimburse Employee for, or pay directly, the reasonable costs of mandatory continuing legal education and professional meetings (including registration/tuition, travel, meals, and lodging) that Employee, in his professional discretion, subject to oversight by the Board of Directors or the General Manager, deems necessary for the performance of his duties. District shall pay for the reasonable costs of providing Employee with the computer and other information technology, including mobile technology, necessary for the performance of his duties, consistent with the District's then-current Administrative Regulations and Employee Handbook. All job-related expenses described herein shall be

paid for out of funds allocated to the Office of the General Counsel's annual operations budget, approved by the Board of Directors as part of its annual budget adoption.

6. Performance Evaluations

The Board of Directors shall review and evaluate Employee's job performance on a quarterly basis during the term of this Agreement, to maintain an optimal working relationship and mutual understanding of Employee's duties, priorities, and performance. To facilitate the quarterly evaluations, Employee shall request closed session meetings with the Board during its March 27, June 26, September 11, and December 11, 2017 regular Board meetings.

7. Termination

This Agreement may be terminated prior to its expiration in any of the following ways:

(a) Employee may terminate this Agreement, with or without cause, upon thirty calendar days' written notice of resignation.

(b) District's Board of Directors may terminate this Agreement, without cause, upon written notice. District's Board of Directors shall endeavor in good faith to provide at least thirty calendar days' notice, but in no event shall provide less than seven calendar days' notice.

(c) District's Board of Directors may immediately terminate this Agreement for good cause, including but not limited to the following: misfeasance or malfeasance of duties; misconduct; conflict of interest or incompatibility of office; intentional failure or refusal to perform duties under this Agreement or lawful directives of the District's Board of Directors; or conviction of a felony or crime of moral turpitude.

(d) By operation of Labor Code section 2920, this Agreement shall be immediately terminated upon Employee's death or legal incapacity.

8. Severance

(a) If this Agreement is terminated under Section 7(a), 7(c), or 7(d), Employee or his heirs shall receive as compensation at severance all salary, vacation, and holiday pay earned as of the termination date, less applicable taxes and withholdings required by law, including federal and state income tax, Medicare tax, Social Security tax, and other withholdings by way of judicial process, order, or judgment.

(b) If this Agreement is terminated under Section 7(b), Employee shall be immediately appointed to his previously-held position of Senior Deputy General Counsel.

(c) If this Agreement is terminated for any reason, Employee shall fully reimburse any cash settlement related to the termination if Employee is convicted of a crime involving an abuse of Employee's office or position, as "abuse of office or position" is defined by Government Code section 53243.4.

9. Leaves of Absence

Employee shall be permitted to take a leave of absence, with or without pay, only upon prior approval of the Board of Directors. Any approved leave of absence without pay shall be subject to the same terms and conditions of leaves of absences applied to District employees under the District's then-current Employee Handbook.

10. Indemnification and Defense

To the fullest extent and manner provided for public employees by applicable law, the District shall indemnify, defend, and hold Employee harmless from and against all demands, claims, suits, actions, and legal proceedings brought against him in his official or personal capacity and arising out of events within the scope of his employment.

11. At-Will Employment

The parties to this Agreement expressly understand and agree that the District intends to and does employ Employee on an "at will" basis, and that this Agreement and his employment may be terminated by the District upon good cause, or by either party for no cause, as provided in Section 7 above. District has made and makes no express or implied representations, assurances, or promises to Employee of any form of continued employment. Employee understands and agrees that he does not have and shall not acquire any property interest in continued employment, nor any contractual interest for any specified term. If disciplined or terminated (collectively, "adverse action"), Employee understands and agrees that he will be given no due process hearing, either before or after any adverse action. The parties understand and agree, however, that Employee does not waive any legal rights to protection from adverse action for illegal purposes, such as discrimination based on race, ethnicity, gender, age, or disability.

12. Personnel Rules

Except as otherwise provided in this Agreement, all provisions of the EID Employee Handbook and any applicable procedures and practices pertaining to personnel administration shall be applicable to Employee. To the extent of any conflict between those sources and this Agreement, this Agreement shall prevail.

13. General Terms

(a) All notices pursuant to this Agreement shall be in writing and given by delivery in person or U.S. mail, addressed as follows:

For the District:

President of the Board of Directors
El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667

For Employee:

Brian D. Poulsen Jr.
PO Box 511
Lotus, CA 95651

Notices shall be deemed given upon the date of delivery in person or two calendar days after deposit into the U.S. mail, as applicable.

(b) This Agreement is the entire agreement between the parties regarding the District's employment of Employee and supersedes all prior oral or written understandings. This Agreement cannot be modified except by a written amendment signed by both parties.

(c) The provisions of this Agreement shall be liberally construed to effectuate its purposes. Each party has entered freely into this Agreement and has had the opportunity to have it reviewed and its' meaning and legal consequences explained to them by counsel of their choosing. Therefore, the language of this Agreement shall be construed according to its plain meaning and shall not be construed for or against either party.

(d) If any portion of this agreement is finally determined to be invalid or unenforceable by a court or arbitrator of competent jurisdiction, the remainder of the Agreement shall not be affected and shall remain in full force and effect to the maximum extent permitted by law, to fulfill the parties' intent to the maximum degree possible.

(e) If a dispute arises regarding the interpretation, implementation, enforcement, or validity of this Agreement, including termination with or without cause, the dispute shall first be submitted to mediation before a mediator mutually acceptable to the parties. The parties shall share the costs of the mediator equally, and each party shall bear all of its own attorneys' fees and costs otherwise associated with the mediation.

(f) If, after mediation, any action is brought in an arbitration or court proceeding regarding the interpretation, implementation, enforcement, or validity of this Agreement, including termination with or without cause, the prevailing party shall be entitled to recover attorneys' fees and costs actually and reasonably incurred in good faith, which may be determined by the court or arbitrator.

(g) This Agreement shall be governed and construed in accordance with the laws of the State of California. Any action concerning this agreement shall be brought in the Superior Court of El Dorado County, California.

IN WITNESS WHEREOF, the parties have executed this Agreement in Placerville, El Dorado County, California.

Brian D. Poulsen, Jr.
General Counsel

George Osborne
President, Board of Directors
El Dorado Irrigation District

EXHIBIT "A"

EL DORADO IRRIGATION DISTRICT Class Specification

CLASS TITLE: General Counsel

DEFINITION

Under policy direction, the General Counsel plans, organizes, directs and reviews the activities and operations of the Office of the General Counsel including advising the General Manager, Board of Directors, and Department Directors on legal transactions and activities of the District; coordinates assigned activities with other departments and outside agencies; and provides highly responsible and complex administrative support to the General Manager.

DISTINGUISHING CHARACTERISTICS

This is a single-position executive management classification. The General Counsel duties are administrative/managerial and highly complex in nature, involving highly technical functions. The incumbent has broad management authority for the day-to-day operations of the Office of the General Counsel, as well as functional authority/responsibility for overseeing legal and administrative functions of the District. This is an at-will position under contract with the Board of Directors.

SUPERVISION RECEIVED AND EXERCISED

Policy direction is provided by the Board of Directors. Responsibilities include broad management authority over a large and diverse group of management, supervisory, professional, technical, and support positions whose incumbents perform the full range of legal, property management, and right-of-way activities.

EXAMPLES OF ESSENTIAL DUTIES: *the duties specified below are representative of the range of duties assigned to this class and are not intended to be an inclusive list.*

Develops, plans and implements Department goals and objectives; recommends and administers policies and procedures.

Coordinates Department activities with those of other departments and outside agencies and organizations; provides staff assistance to the General Manager and Board of Directors; prepares and presents staff reports and other necessary correspondence.

Directs, oversees and participates in the development of the Department's work plan; assigns work activities, projects and programs; monitors work flow; reviews and evaluates work products, methods and procedures.

Supervises and participates in the development and administration of the Office of the General Counsel budget; directs the forecast of additional funds needed for staffing, equipment, materials and supplies; monitors and approves expenditures; implement mid-year adjustments.

Selects, trains, motivates and evaluates personnel; provides or coordinates staff training; conducts performance evaluations; implements discipline procedures; maintains discipline and high standards necessary for the efficient and professional operation of the Department.

Counsels and represents the General Manager, Board of Directors, and the District in legal transactions and events involving District interests and activities.

Represents the District, its Officers, and employees in litigation and administrative hearings.

Secures and manages the services of outside counsel and consultants in transactions and litigation involving the District.

Researches, prepares and presents legal reports to the General Manager, Board of Directors, and Department Directors.

Reviews proposed contracts, insurance policies, and other documents affecting the District.

Conducts complex legal research; renders legal opinions to the General Manager, Board of Directors, and Department Directors as required; analyzes legislation affecting District activities.

Represents the Department and District to outside groups and organizations; participates in outside community and professional groups and committees; provides technical assistance as necessary.

Researches and prepares technical, legal, and administrative reports and studies; prepares written correspondence as necessary.

Builds and maintains positive working relationships with co-workers, other District employees and the public using principles of good customer service.

Performs related duties as assigned.

QUALIFICATIONS

Knowledge of:

Principles and practices of local agency government law including California water, environmental, labor/employment, and public contract law. Principles and practices of legal research. Principles and practices of leadership, motivation, team building and conflict resolution. Pertinent local, State and Federal laws, rules and regulations. Organizational

and management practices as applied to the analysis and evaluation of programs. Principles and practices of organization, administration and personnel management. Principles and practices of budget preparation and administration.

Skill/Ability to:

Plan, direct and control the administration and operations of the Office of the General Counsel. Prepare and administer department budgets. Develop and implement department policies and procedures. Supervise, train and evaluate assigned personnel. Gain cooperation through discussion and persuasion. Analyze problems, identify alternative solutions, project consequences of proposed actions and implement recommendations in support of goals. Interpret and apply California law and District and department policies, procedures, rules and regulations. Manage and direct outside counsel and consultants. Research, understand, apply and communicate complex legal issues. Effectively advise the General Manager, Board of Directors, and Department Directors on legal matters affecting the District. Communicate clearly and concisely, both orally and in writing. Establish and maintain effective working relationships with those contacted in the course of work. On a continuous basis, analyze budget and technical reports; interpret and evaluate staff reports; know laws, regulations and codes; observe performance and evaluate staff; problem solve department related issues; remember various personnel rules; and explain and interpret policy. On a continuous basis, sit at desk and in meetings for long periods of time; intermittently twist to reach equipment surrounding desk; perform simple grasping and fine manipulation; use telephone; write or use keyboard to communicate through written means; and lift or carry weight of 10 pounds or less.

Experience and/or Education:

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:

Experience:

Eight years of supervisory or higher-level experience that involved municipal or other government law including trial experience; including three years in a management capacity.

Education:

A Juris Doctorate from an accredited law school.

SPECIAL QUALIFICATIONS

License and Certificate:

Possession of, or ability to obtain, a valid California driver's license at the time of appointment. Individuals who do not meet this requirement due to physical disability will be reviewed on a case-by-case basis.

Active membership in the State Bar of California.

EL DORADO IRRIGATION DISTRICT

EMPLOYMENT AGREEMENT

This employment agreement (“Agreement”) is made this ___ day of December, 2016, by and between the El Dorado Irrigation District, a public agency organized and operating under the California Irrigation District Law (“District”) and Brian D. Poulsen, Jr. (“Employee”), to set forth the terms and conditions of Employee’s employment as District’s General Counsel, as follows:

1. Appointment and Status

Effective January 2, 2017 (“Effective Date”), District hereby appoints Employee and Employee agrees to serve as District’s General Counsel. Employee’s status shall be as an “at will” employee, serving at the pleasure of, and reporting solely and directly to, the District’s Board of Directors.

2. Term

This Agreement shall commence on the Effective Date and continue in effect until January 2, 2018, unless earlier terminated as provided in Section 7 below. Although the failure to do so shall not affect the term of this Agreement, District’s Board of Directors shall endeavor in good faith to provide at least 60 days written notice before the Agreement’s expiration of the Board’s intent not to offer a new or extended Agreement. If, after the third quarterly review (as provided for in Paragraph 6), the Board of Directors determines that Employee’s job performance is satisfactory (which, for purposes of this Agreement shall be defined as a “meets expectations” evaluation from at least three Board Members), Employee and the Board of Directors shall meet and confer to renew and/or extend this Agreement, prior to its expiration.

3. Duties

(a) Under the direction of the District’s Board of Directors, Employee shall perform all lawful acts necessary or advisable to fulfill the job duties set forth in the Class Specification annexed hereto as Exhibit A. Employee states that he has read the Exhibit A and affirms that he is qualified to perform all duties, and physically able to perform the essential duties, as described therein.

(b) Employee shall perform his duties diligently within the time parameters set by the Board of Directors, to the best of his ability and in accordance with the highest professional and ethical standards of the industry. Employee shall work the hours that are necessary to perform all duties, including time beyond regular or customary District business hours or workdays, but shall receive no overtime pay for any such time or work. Accordingly, Employee shall have flexibility in determining the work schedule necessary to perform his duties as specified in this Section 3.

(c) Employee shall refrain from engaging in any activity which is or may become a conflict of interest or prohibited contract, or which may create an incompatibility of office as defined in California law. Provided, however, that nothing in this Agreement shall prevent, limit, or otherwise interfere with Employee's rights to engage in outside activities that do not interfere with or that enhance his performance of duties under this Agreement.

4. Compensation

Employee shall be compensated as follows:

(a) Employee's annual salary shall be \$156,644.80, prorated and paid bi-weekly in accordance with District practices, for the duration of this Agreement.

(b) Except as otherwise specified in this Section 4, Employee shall receive the same benefits provided to the District's Executive Management personnel, as those benefits may be amended from time to time. As of the Effective Date, these benefits are listed in Exhibit B, annexed hereto.

e) If, after the third quarterly review (as provided for in Paragraph 6), the District's Board of Directors determines that Employee's job performance is satisfactory, Employee shall receive additional merit-based compensation of \$10,000 prior to the expiration of the term of this Agreement.

5. Job-Related Expenses

District shall reimburse Employee for the costs of State Bar Membership. District shall reimburse Employee for, or pay directly, the reasonable costs of mandatory continuing legal education and professional meetings (including registration/tuition, travel, meals, and lodging) that Employee, in his professional discretion, subject to oversight by the Board of Directors or the General Manager, deems necessary for the performance of his duties. District shall pay for the reasonable costs of providing Employee with the computer and other information technology, including mobile technology, necessary for the performance of his duties, consistent with the District's then-current Administrative Regulations and Employee Handbook. All job-related expenses described herein shall be paid for out of funds allocated to the Office of the General Counsel's annual operations budget, approved by the Board of Directors as part of its annual budget adoption.

6. Performance Evaluations

The Board of Directors shall review and evaluate Employee's job performance on a quarterly basis during the term of this Agreement, to maintain an optimal working relationship and mutual understanding of Employee's duties, priorities, and performance. To facilitate the quarterly evaluations, Employee shall request closed session meetings

with the Board during its March 27, June 26, September 11, and December 11, 2017 regular Board meetings.

7. Termination

This Agreement may be terminated prior to its expiration in any of the following ways:

(a) Employee may terminate this Agreement, with or without cause, upon thirty calendar days' written notice of resignation.

(b) District's Board of Directors may terminate this Agreement, without cause, upon written notice. District's Board of Directors shall endeavor in good faith to provide at least thirty calendar days' notice, but in no event shall provide less than seven calendar days' notice.

(c) District's Board of Directors may immediately terminate this Agreement for good cause, including but not limited to the following: misfeasance or malfeasance of duties; misconduct; conflict of interest or incompatibility of office; intentional failure or refusal to perform duties under this Agreement or lawful directives of the District's Board of Directors; or conviction of a felony or crime of moral turpitude.

(d) By operation of Labor Code section 2920, this Agreement shall be immediately terminated upon Employee's death or legal incapacity.

8. Severance

(a) If this Agreement is terminated under Section 7(a), 7(c), or 7(d), Employee or his heirs shall receive as compensation at severance all salary, vacation, and holiday pay earned as of the termination date, less applicable taxes and withholdings required by law, including federal and state income tax, Medicare tax, Social Security tax, and other withholdings by way of judicial process, order, or judgment.

(b) If this Agreement is terminated under Section 7(b), Employee shall be immediately appointed to his previously-held position of Senior Deputy General Counsel.

(c) If this Agreement is terminated for any reason, Employee shall fully reimburse any cash settlement related to the termination if Employee is convicted of a crime involving an abuse of Employee's office or position, as "abuse of office or position" is defined by Government Code section 53243.4.

9. Leaves of Absence

Employee shall be permitted to take a leave of absence, with or without pay, only upon prior approval of the Board of Directors. Any approved leave of absence without

pay shall be subject to the same terms and conditions of leaves of absences applied to District employees under the District's then-current Employee Handbook.

10. Indemnification and Defense

To the fullest extent and manner provided for public employees by applicable law, the District shall indemnify, defend, and hold Employee harmless from and against all demands, claims, suits, actions, and legal proceedings brought against him in his official or personal capacity and arising out of events within the scope of his employment.

11. At-Will Employment

The parties to this Agreement expressly understand and agree that the District intends to and does employ Employee on an "at will" basis, and that this Agreement and his employment may be terminated by the District upon good cause, or by either party for no cause, as provided in Section 7 above. District has made and makes no express or implied representations, assurances, or promises to Employee of any form of continued employment. Employee understands and agrees that he does not have and shall not acquire any property interest in continued employment, nor any contractual interest for any specified term. If disciplined or terminated (collectively, "adverse action"), Employee understands and agrees that he will be given no due process hearing, either before or after any adverse action. The parties understand and agree, however, that Employee does not waive any legal rights to protection from adverse action for illegal purposes, such as discrimination based on race, ethnicity, gender, age, or disability.

12. Personnel Rules

Except as otherwise provided in this Agreement, all provisions of the EID Employee Handbook and any applicable procedures and practices pertaining to personnel administration shall be applicable to Employee. To the extent of any conflict between those sources and this Agreement, this Agreement shall prevail.

13. General Terms

(a) All notices pursuant to this Agreement shall be in writing and given by delivery in person or U.S. mail, addressed as follows:

For the District:

President of the Board of Directors
El Dorado Irrigation District
2890 Mosquito Road
Placerville, CA 95667

For Employee:

Brian D. Poulsen Jr.
PO Box 511
Lotus, Ca. 95651

Notices shall be deemed given upon the date of delivery in person or two calendar days after deposit into the U.S. mail, as applicable.

(b) This Agreement is the entire agreement between the parties regarding the District's employment of Employee and supersedes all prior oral or written understandings. This Agreement cannot be modified except by a written amendment signed by both parties.

(c) The provisions of this Agreement shall be liberally construed to effectuate its purposes. Each party has entered freely into this Agreement and has had the opportunity to have it reviewed and its' meaning and legal consequences explained to them by counsel of their choosing. Therefore, the language of this Agreement shall be construed according to its plain meaning and shall not be construed for or against either party.

(d) If any portion of this agreement is finally determined to be invalid or unenforceable by a court or arbitrator of competent jurisdiction, the remainder of the Agreement shall not be affected and shall remain in full force and effect to the maximum extent permitted by law, to fulfill the parties' intent to the maximum degree possible.

(e) If a dispute arises regarding the interpretation, implementation, enforcement, or validity of this Agreement, including termination with or without cause, the dispute shall first be submitted to mediation before a mediator mutually acceptable to the parties. The parties shall share the costs of the mediator equally, and each party shall bear all of its own attorneys' fees and costs otherwise associated with the mediation.

(f) If, after mediation, any action is brought in an arbitration or court proceeding regarding the interpretation, implementation, enforcement, or validity of this Agreement, including termination with or without cause, the prevailing party shall be entitled to recover attorneys' fees and costs actually and reasonably incurred in good faith, which may be determined by the court or arbitrator.

(g) This Agreement shall be governed and construed in accordance with the laws of the State of California. Any action concerning this agreement shall be brought in the Superior Court of El Dorado County, California.

IN WITNESS WHEREOF, the parties have executed this Agreement in Placerville, El Dorado County, California.

Brian D. Poulsen, Jr.
General Counsel

George Osborne
President, Board of Directors
El Dorado Irrigation District

EXHIBIT "A"

EL DORADO IRRIGATION DISTRICT Class Specification

CLASS TITLE: General Counsel

DEFINITION

Under policy direction, the General Counsel plans, organizes, directs and reviews the activities and operations of the Office of the General Counsel including advising the General Manager, Board of Directors, and Department Directors on legal transactions and activities of the District; coordinates assigned activities with other departments and outside agencies; and provides highly responsible and complex administrative support to the General Manager.

DISTINGUISHING CHARACTERISTICS

This is a single-position executive management classification. The General Counsel duties are administrative/managerial and highly complex in nature, involving highly technical functions. The incumbent has broad management authority for the day-to-day operations of the Office of the General Counsel, as well as functional authority/responsibility for overseeing legal and administrative functions of the District. This is an at-will position under contract with the Board of Directors.

SUPERVISION RECEIVED AND EXERCISED

Policy direction is provided by the Board of Directors. Responsibilities include broad management authority over a large and diverse group of management, supervisory, professional, technical, and support positions whose incumbents perform the full range of legal, property management, and right-of-way activities.

EXAMPLES OF ESSENTIAL DUTIES: *the duties specified below are representative of the range of duties assigned to this class and are not intended to be an inclusive list.*

Develops, plans and implements Department goals and objectives; recommends and administers policies and procedures.

Coordinates Department activities with those of other departments and outside agencies and organizations; provides staff assistance to the General Manager and Board of Directors; prepares and presents staff reports and other necessary correspondence.

Directs, oversees and participates in the development of the Department's work plan; assigns work activities, projects and programs; monitors work flow; reviews and evaluates work products, methods and procedures.

Supervises and participates in the development and administration of the Office of the General Counsel budget; directs the forecast of additional funds needed for staffing, equipment, materials and supplies; monitors and approves expenditures; implement mid-year adjustments.

Selects, trains, motivates and evaluates personnel; provides or coordinates staff training; conducts performance evaluations; implements discipline procedures; maintains discipline and high standards necessary for the efficient and professional operation of the Department.

Counsels and represents the General Manager, Board of Directors, and the District in legal transactions and events involving District interests and activities.

Represents the District, its Officers, and employees in litigation and administrative hearings.

Secures and manages the services of outside counsel and consultants in transactions and litigation involving the District.

Researches, prepares and presents legal reports to the General Manager, Board of Directors, and Department Directors.

Reviews proposed contracts, insurance policies, and other documents affecting the District.

Conducts complex legal research; renders legal opinions to the General Manager, Board of Directors, and Department Directors as required; analyzes legislation affecting District activities.

Represents the Department and District to outside groups and organizations; participates in outside community and professional groups and committees; provides technical assistance as necessary.

Researches and prepares technical, legal, and administrative reports and studies; prepares written correspondence as necessary.

Builds and maintains positive working relationships with co-workers, other District employees and the public using principles of good customer service.

Performs related duties as assigned.

QUALIFICATIONS

Knowledge of:

Principles and practices of local agency government law including California water, environmental, labor/employment, and public contract law. Principles and practices of legal research. Principles and practices of leadership, motivation, team building and conflict resolution. Pertinent local, State and Federal laws, rules and regulations. Organizational

and management practices as applied to the analysis and evaluation of programs. Principles and practices of organization, administration and personnel management. Principles and practices of budget preparation and administration.

Skill/Ability to:

Plan, direct and control the administration and operations of the Office of the General Counsel. Prepare and administer department budgets. Develop and implement department policies and procedures. Supervise, train and evaluate assigned personnel. Gain cooperation through discussion and persuasion. Analyze problems, identify alternative solutions, project consequences of proposed actions and implement recommendations in support of goals. Interpret and apply California law and District and department policies, procedures, rules and regulations. Manage and direct outside counsel and consultants. Research, understand, apply and communicate complex legal issues. Effectively advise the General Manager, Board of Directors, and Department Directors on legal matters affecting the District. Communicate clearly and concisely, both orally and in writing. Establish and maintain effective working relationships with those contacted in the course of work. On a continuous basis, analyze budget and technical reports; interpret and evaluate staff reports; know laws, regulations and codes; observe performance and evaluate staff; problem solve department related issues; remember various personnel rules; and explain and interpret policy. On a continuous basis, sit at desk and in meetings for long periods of time; intermittently twist to reach equipment surrounding desk; perform simple grasping and fine manipulation; use telephone; write or use keyboard to communicate through written means; and lift or carry weight of 10 pounds or less.

Experience and/or Education:

Any combination of experience and training that would provide the required knowledge and abilities is qualifying. A typical way to obtain the required knowledge and abilities would be:

Experience:

Eight years of supervisory or higher-level experience that involved municipal or other government law including trial experience; including three years in a management capacity.

Education:

A Juris Doctorate from an accredited law school.

SPECIAL QUALIFICATIONS

License and Certificate:

Possession of, or ability to obtain, a valid California driver's license at the time of appointment. Individuals who do not meet this requirement due to physical disability will be reviewed on a case-by-case basis.

Active membership in the State Bar of California.

EXHIBIT “B”

Current as of __, 2016

- (1) Employee shall accrue paid time off (“PTO”) and is subject to Maximum annual PTO Bank A carryover as designated for all District employees in the then-current Employee Handbook. Transfer of PTO from Bank A to Bank B, accrual in Bank B, and PTO compensation at separation shall be as provided in the then-current Employee Handbook.
- (2) Employee shall receive annual paid holidays as designated for all District employees in the then-current Employee Handbook.
- (3) Employee shall receive 80 hours of Executive Administrative Leave per year.
- (4) Employee shall be eligible for medical insurance benefits and vision, dental, and orthodontia benefits as provided in the then-current Employee Handbook.
- (5) Employee shall receive paid term life insurance equal to two times his/her annual salary.
- (6) Employee shall be eligible to participate in the Medical Reimbursement Program as provided in EID Administrative Regulation 4014.
- (7) Employee shall be eligible for an automobile allowance (currently \$500 monthly), which will be treated as taxable income for reporting purposes.
- (8) Employee shall receive CalPERS retirement benefits as provided in the then current Employee Handbook. District shall fully pay the District's share of the CalPERS retirement contribution. Employee shall pay a 7% member contribution.
- (9) District will match 100% of any employee contributions to a deferred compensation fund (457B), up to a maximum of two thousand dollars (\$2,000.00) per year.

EL DORADO IRRIGATION DISTRICT

Subject: Appropriations Limit for Fiscal Year 2017.

Previous Board Action:

December 14, 2015 - Board adopted the Appropriations Limit Resolution for Fiscal Year 2016.

Board Policies (BP), Administrative Regulations (AR), and Board Authority:

The Board has adopted an Appropriations Limit Resolution every year to be in compliance with Proposition 4 since 1980 and Proposition 111 since 1991.

Summary of Issue:

In November 1979, the voters of California followed up the tax limitations of Proposition 13 (1978) with an amendment to the state Constitution to limit the growth of government spending. Commonly known as the “Gann Initiative” after anti-tax advocate Paul Gann, Proposition 4 created Article XIII B of the Constitution which provides a formula for calculating spending limits. In a response to increasing difficulties with the restrictions of Proposition 4, and to increase the accountability of local government in adopting limits, the voters in June 1990 adopted Proposition 111.

The appropriations limitation imposed by Propositions 4 (1979) and later amended by Proposition 111 (1990) creates a restriction on the amount of government revenue which may be appropriated in any fiscal year. The Appropriations Limit is based on actual appropriations during the base year (1986-87 or the first full year of operation), and increases each year using specified growth factors.

The Appropriations Limit applies only to those revenues defined as “proceeds of taxes.” Certain expenditures of tax proceeds do not count as Appropriations Subject to Limitation including those for voter approved debt, qualified capital outlay, and the costs of complying with court orders and federal mandates.

During any fiscal year, a government entity may not appropriate any proceeds of taxes received in excess of the Appropriations Limit of the entity. If a government entity receives excess funds in any one year, it may “carry those excess funds into the subsequent year” for use. Any excess funds remaining after the second year must be returned to taxpayers by reducing tax rates or fees.

Propositions 4 and 111 require government entities to annually review, calculate, and adopt the Appropriations Limit, and to ensure that expenditures subject to the Appropriations Limit do not exceed it. For the District’s 2017 compliance, a calculation and proposed resolution are attached.

Staff Analysis/Evaluation:

The Appropriations Limit is the calculated dollar amount which restricts the ability to appropriate proceeds of taxes. The Appropriations Subject to Limit may not exceed the Appropriations Limit. In its simplest form, the Appropriations Limit for any year is the Appropriations Limit from the previous fiscal year increased for inflation and population growth.

The Appropriations Limit applies only to the portion of District revenues defined as “Proceeds of Taxes.” The District’s appropriated revenue sources include: 1) all taxes levied by or for a public agency, 2) any revenue from user charges and user fees to the extent that the proceeds exceed the cost of providing the product or service, and 3) any interest earned from the investment of the proceeds of taxes.

Exclusions:

Proposition 4 and 111 exempted certain categories from the Appropriations Subject to Limitation. The following categories are excluded:

- **Certain Types of Debt Service Costs:** Excludable debt service costs include voter-approved debt and non-voter approved debt used to purchase qualified capital outlay.
- **Qualified Capital Outlay:** Qualified capital Outlay is an appropriation for a fixed asset (including land and construction) with a useful life of 10 years or more and a value which equals or exceeds \$100,000.
- **Costs of Complying with Court Orders and Federal Mandates.**

Appropriations Subject to the Limit Calculation:

The District’s new limit for 2017 is calculated on the basis of the prior year’s limit increased by a growth factor. The growth factor results from combining the change in Per Capita Personal Income and the change in population. The change in the Per Capita Personal Income (cost of living factor) has been reported by the County of El Dorado Office of Auditor-Controller to be 5.37% and the increase in population in the County’s unincorporated areas has been reported to be 0.67%. Therefore, the ratio of change to be applied to last year’s limit is $1.0537 \times 1.0067 = 1.0608$.

The 2017 allowable amount subject to the limit is calculated by using the District’s 2016 Adopted Operating and Capital Improvement Plan Budget. The documentation used to compute the limit is on file with the Clerk of the Board, available to the public and is included as Attachment A and B, with the results summarized in the table below:

Fiscal Year 2016 Appropriations Limit	\$10,185,795
Adjustment Factor (Cost of Living Growth x Population Growth)	1.0608
Fiscal Year 2017 Appropriations Limit	\$10,805,091

Proceeds of Taxes	\$11,376,963
Exclusions (Qualified Capital Outlay)	(\$17,934,147)
Appropriations Subject to the Limit	(\$6,557,184)
Fiscal Year 2017 Appropriations Limit	\$10,805,091
Over/(Under) Appropriations Limit	(\$17,362,275)

As can be seen in the above table, for 2017 the District is under the Appropriations Limit by \$17.4 million. The District anticipates tax proceeds in 2017 of approximately \$11.4 million, including interest earned on the investment of taxes. Exemptions to the Appropriations Limit of approximately \$17.9 million are those capital projects over \$100,000 and funded through rates. Therefore, because the exemptions exceed the proceeds of taxes, the amount subject to the Limit is approximately a negative \$6.6 million.

The current year Appropriations Limit is subtracted from the appropriations subject to the limit to arrive at the amount over or under the Appropriations Limit. These calculations show that the District continues to comply with the Appropriations Limit imposed by Propositions 4 and 111, as EID appropriations are \$17.4 million below the calculated 2017 Appropriations Limit.

Board Decisions/Options:

Option 1: Adopt the proposed Appropriations Limit Resolution for Fiscal Year 2017.

Option 2: Take other action as directed by the Board.

Option 3: Take no action.

Staff/General Manager Recommendation:

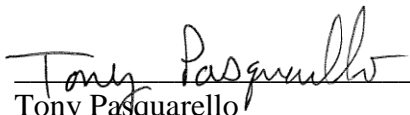
Option 1

Support Documents Attached:

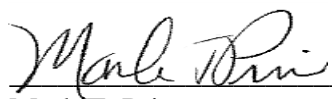
Attachment A: Fiscal Year 2017 Appropriations Limit Calculations

Attachment B: 2016-2017 County of El Dorado per Capita Personal Income and Population Growth adjustment factors

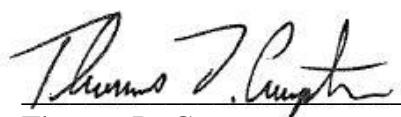
Attachment C: Proposed Fiscal Year 2017 Appropriations Limit Resolution



Tony Pasquarello
Accounting Manager



Mark T. Price
Finance Director



Thomas D. Cumpston
Acting General Manager

**El Dorado Irrigation District
Fiscal Year 2017 Appropriations
Limit Calculation**

	<u>Amount</u>	<u>Source</u>
A. FY 2016 APPROPRIATIONS LIMIT	\$10,185,795	December 14, 2015 Resolution
B. ADJUSTMENT FACTORS		
1. Cost of Living Factor	1.0537	County of El Dorado Office of Auditor-Controller
2. Population Growth Factor	1.0067	County of El Dorado Office of Auditor-Controller
3. Total Adjustment Factor	1.0608	B1 times B2
C. FY 2017 APPROPRIATIONS LIMIT	<u>\$10,805,091</u>	A times B3

**El Dorado Irrigation District
2017 Appropriations Subject
to the Limit Calculation**

	<u>Amount</u>	<u>Source</u>
A. PROCEEDS OF TAXES	\$11,376,963	2017 Budget
B. EXCLUSIONS	(17,934,147)	Excluded Appropriations
C. APPROPRIATIONS SUBJECT TO THE LIMIT	(6,557,184)	A minus B
D. FY 2017 APPROPRIATIONS LIMIT	\$10,805,091	Limit Calculation
E. OVER/(UNDER) LIMIT	<u>(\$17,362,275)</u>	C minus D



County of El Dorado

OFFICE OF AUDITOR-CONTROLLER


360 FAIR LANE
PLACERVILLE, CALIFORNIA 95667-4193
Phone: (530) 621-5487 Fax: (530) 295-2535

JOE HARN, CPA
Auditor-Controller

BOB TOSCANO
Assistant Auditor-Controller

May 2, 2016

To: All Special Districts

From:  Bob Toscano, Assistant Auditor-Controller

Subject: 2016-2017 Proposition 4 - Appropriation Limitation

Your district needs to calculate and adopt the new tax spending limit for FY 2016-17 in accordance with the provisions of the spending limitation legislation implementing Proposition 4 (the 1979 Gann Spending Limit Initiative). Government Code Section 7910 requires that: “. . . the governing body of each local jurisdiction to establish appropriation limits by resolution for the following fiscal year at a regular or special meeting.”

The district's new limit for the 2016-2017 year will be calculated on the basis of the prior year's limit increased by a growth factor. The growth factor results from combining the change in Per Capita Personal Income and the change in population for your district (as certified by the State's Department of Finance) or the change reported for “unincorporated areas” for our County.

The change in the “cost of living” factor (Per Capita Personal Income) has been reported to be 5.37% and reported increase in population in the County's unincorporated areas to be 0.67%. Therefore, the ratio of change to be applied to last year's limit is:

$$1.0537 \quad (X) \quad 1.0067 \quad = \quad 1.0608$$

Attached is a sample format for the required “NOTICE OF PUBLIC HEARING” and a sample resolution (which includes the calculation formula).

RESOLUTION NO. 2016-xxx

**RESOLUTION OF THE BOARD OF DIRECTORS OF
EL DORADO IRRIGATION DISTRICT, ESTABLISHING THE
APPROPRIATIONS LIMIT FOR FISCAL YEAR 2017**

WHEREAS, the Board of Directors conducted a special meeting of the Board of Directors of El Dorado Irrigation District on the appropriations limit for El Dorado Irrigation District on the 30th day of December, 2016; and,

WHEREAS, the meeting was noticed as required by law; and,

WHEREAS, the Board received testimony and other evidence regarding the appropriation limit to be established for the El Dorado Irrigation District for fiscal year 2017.

NOW, THEREFORE, IT IS HEREBY RESOLVED by the Board of Directors of the El Dorado Irrigation District that the appropriations limit for fiscal year 2017, as described in Article XIII B of the State Constitution and implemented by Chapter 1205, Statutes of 1980 is the sum of \$10,805,091 computed as follows: \$10,185,765 (2016 Appropriations Limit) (X) 1.0608 (2016-2017 cost of living and population growth factor from the County of El Dorado) = \$10,805,091 (2017 Appropriations Limit).

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RESOLUTION NO. 2016-xxx

The foregoing resolution was introduced at a special meeting of the Board of Directors of EL DORADO IRRIGATION DISTRICT, held on the 30th day of December, 2016, by Director _____, who moved its adoption. The motion was seconded by Director _____, and a poll vote taken which stood as follows:

AYES:

NOES:

ABSTAIN:

ABSENT:

The motion having a majority of votes "AYE", the resolution was declared to have been adopted, and it was so ordered.

George Osborne
President, Board of Directors
EL DORADO IRRIGATION DISTRICT

ATTEST:

Jennifer Sullivan
Clerk to the Board

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RESOLUTION NO. 2016-xxx

I, the undersigned, Clerk to the Board of the EL DORADO IRRIGATION DISTRICT hereby certify that the foregoing resolution is a full, true and correct copy of a resolution of the Board of Directors of the EL DORADO IRRIGATION DISTRICT entered into and adopted at a special meeting of the Board of Directors held on the 30th day of December, 2016.

Jennifer Sullivan
Clerk to the Board
EL DORADO IRRIGATION DISTRICT