

BOARD OF DIRECTOR'S MEETING
ESPARTO COMMUNITY SERVICES DISTRICT
ESPARTO, CA

SPECIAL MEETING
AUGUST 2, 2007

MINUTES

1. CALL TO ORDER The meeting was called to order at 7:00 p.m. by Chairman Laurel Kieny

2. ROLL CALL

MEMBERS PRESENT Laurel Kieny, Bill Setnik, George Daniel, Joseph Moreland, and Mike Goodin

STAFF PRESENT Ron Loudon, Anna McNamara, Jeff Mitchell, and David Tyra

OTHERS PRESENT Mark Harrington, Tracy McNamara, and Matt Milleron

3. APPROVAL OF AGENDA

Director George Daniel made a motion to approve the agenda as written and was seconded by Director Mike Goodin.

No discussion.

Ayes: 5 Noes: 0 Absent: 0

4. PUBLIC COMMENT

Mr. McNamara commended the employees for the great job they did with the move into the new office.

5. DISCUSSION AND POSSIBLE DIRECTION TO DISTRICT LEGAL COUNSEL TO CONDUCT A LEGAL AUDIT OF DISTRICT LABOR AND EMPLOYMENT PRACTICES

Mr. Harrington questioned the reason for the performing the Audit.

Jeff Mitchell introduced David Tyra, an associate from the Kronick Moskovitz Teidemann & Gerard's office. Further noting if the district wishes to perform the Audit, David Tyra will be the acting attorney.

Jeff Mitchell gave an overview of what the Audit entails.

David Tyra explained the procedures which are followed, or recommended when certain types of conduct occur; there is an automatic trigger in the law which mandates the employer conduct an internal investigation to see whether or not there had been misconduct with that issue. After being described the situation which had been going on in the office he did not hear any of those triggers, nothing that mandates the audit be done.

David Tyra explained the audit could be done to tighten, make more thorough the present practices and procedures.

David Tyra stated his recommendation and explained somewhat the detail of the audit questionnaire which will be reviewed and questions selected by a subcommittee and bring back to the Board for approval before starting. Further stating after the audit is performed a report will be formulated to given back to the Board.

Jeff Mitchell explained the district has some present discrete issues and the audit should answer all of the questions the Board may have in regards to them.

David Tyra stated he did not come initially to perform the audit with the idea that he is doing an investigation of any discrete charge or allegation of misconduct, rather from the perspective of taking a systemic look at district operations. However in his experience, generally it will find any discrete acts of misconduct, those discrete acts will reveal themselves.

Director Mike Goodin stated he believed the reason the district is here is because of an employee terminating there employment, and has written a 'letter', which has been distributed to the Board members and believes this has culminated this discussion.

Chairman Laurel Kieny requested Director Mike Goodin to stay on the subject.

David Tyra stated he has seen the letter, and stated his goal is to do an audit which will not be to start with the allegations in the 'letter', rather without any particular agenda in mind coming to the district to look at things systemically to see what may or may not need to be tweaked, changed or improved, reiterating that the matter set forth in the letter will be addressed.

Jeff Mitchell stated the issue of doing an audit came up before the 'letter' arose.

David Tyra reiterated the definition of Labor Audit.

Director George Daniel questioned the cost of the Audit.

David Tyra stated it will depend on the amount of questions requested to be performed.

Director George Daniel stated he felt a couple of Board members, along with the Manager participate in the subcommittee for the review of the questionnaire.

Director Bill Setnik stated he would like to see the audit go through, to put the issue to rest one way or another, after spending the last four months dealing with these issues.

Director Joseph Moreland stated he would like to see the audit and would like to be part of that audit subcommittee.

Matt Milleron questioned why the audit would not include all the areas of the district.

David Tyra stated he will leave it up to the Board.

Matt Milleron expressed his concerns that the Board may not choose all of the items which have to do with the district and may only choose items dealing with the current issues at hand. Also, if something was to be found would Kronick Moskovitz Teidemann & Gerard be the acting agency to resolve those issues.

Chairman Laurel Kieny stated if in the audit something is discovered and, the attorney finds something they will recommend to the Board an investigation be done, or take the proper actions.

Director Mike Goodin questioned the attorneys if they found something harmful to the district, how would they handle that, would you try to meet with it head on or skirt the issue.

David Tyra stated he would not skirt issues. Further stating to the Board it would be his ethical duty to the Board to report that, along with recommendations.

Chairman Laurel Kieny questioned the attorney if they would also include all of the compliance issues with the state agencies.

David Tyra stated that would be beyond his expertise, but could help configure a way of keeping track of the practice, (best business practice).

Chairman Laurel Kieny motioned the Board authorize legal counsel to do a legal audit of district labor and employment practices for a review of district policies, procedures, and best practices and was seconded by Director George Daniel.

No discussion.

Ayes: 5 Noes: 0 Absent: 0

Jeff Mitchell gave an overview of the next steps to take.

Chairman Laurel Kieny appointed Joseph Moreland and Bill Setnik, along with David Tyra to review the questionnaire formulated by David Tyra for the Labor Audit, to be able to decide which questions are pertinent. This will be brought back to the Board for final decision.

It was the Consensus of the Board to proceed.

Mr. Milleron stated the General Manger should also be included in the meeting because of his knowledge of daily operations.

David Tyra agreed.

Chairman Laurel Kieny notes the General Manager would be included in the session.

Further discussion ensued.

Chairman Laurel Kieny directed the attorney to set up a meeting with the group.

6. MANAGER'S REPORT

The General Manager reported on:

- 1) CalPERS administrative fees have dropped from 44% to 29%.
- 2) Receipt of check by the Yolo County Auditors office from RCAC bridge loan.
- 3) Fees from Ryland Homes.
- 4) New telephone system at new facility.

7. ADJOURNMENT

Director George Daniel made a motion to adjourn the meeting at 7:58 p.m. and was seconded by Director Bill Setnik.

No discussion.

Ayes: 5 Noes: 0 Absent: 0

Laurel Kieny-Chairman of the Board

Anna McNamara-Clerk to the Board