

EMERALD HILLS HOMEOWNERS ASSOCIATION, INC.
MINUTES OF BOARD DIRECTORS MEETING

May 7, 2007

Fire Station #19, 4091 Jefferson Avenue, Emerald Hills, CA

7:30 pm

The following are the minutes of a meeting of the Board of Directors (the “**Board**”) of Emerald Hills Homeowners Association, Inc., a California corporation (the “**Association**”). The meeting was held on the date and at the time referenced above. Attending the meeting were Directors Adriana Botto (acting Chair), Carolyn Chaney, Steve Harper, Steve Hill, Lee Lukehart, Michael Mangini and Cheryl McGovern. Amy French and Milo Medin were absent. Also present at the meeting from the community were residents Mark Botto, Robert Bromwell, Colleen Garcelon, Jan Heinemann, Santosh Kolhatkar, Nancy Mangini, Barbara McGowan, and John Raleigh. Director Botto acted as Secretary and kept the minutes of the meeting and acted as Chair until the election of Steve Hills as President, at which time Director Hill chaired the remainder of the meeting.

A quorum being present, the meeting was called to order.

The Agenda was read, and after discussion, comments, and additions, upon a motion duly made and seconded, approved.

1. Discussion of Tape Recording of Meetings.

Director Chaney raised several concerns with respect to the taping of Board meetings. A lengthy discussion ensued regarding several issues related to the taping of Board meetings by both by members and the Board, including, but not limited to, whether or not Board meetings are public, whether or not recording would have a squelching affect and would prohibit participants from speaking freely, whether or not recordings constituted official record of the meeting, and whether or not the recordings could be misused or could be a legal liability. The Board further discussed adopting a policy with respect to the taping of meetings.

After much discussion and analysis, and upon motion duly made and seconded, it was

RESOLVED, that the Secretary may tape record Board meetings for purposes of drafting accurate meeting minutes;

RESOLVED FURTHER, that the tape shall be destroyed once the minutes of the meeting have been approved by the Board.

The Board then discussed whether or not to implement a policy prohibiting others from recording Board meetings.

After discussion and upon motion duly made and seconded, it was

RESOLVED, that the Board table further discussion of the tape recording issue, pending appropriate legal advice to be obtained within the next six weeks.

2. Visitor Forum (Public Input/Comments). Limit 2 minutes per person.

Colleen Garcelon: Ms. Garcelon asked why there was no mention of outcome of the annual member meeting or the member request for special meeting on the EHHA website. She also remarked on the lack of communication from the Board to community.

Robert Bromwell: Mr. Bromwell informed the Board that he planned on attending every meeting and that he wanted to see the Board support the community and be more open.

John Raleigh: Mr. Raleigh discussed the community perception that the Board is not listening, the lack of compliance with the EHHA bylaws with respect to the election of directors, and the possibility of notifying the Attorney General's office with respect to those issues.

Mark Botto: Mr. Botto asked why the EHHA maintained a "Board Only" section on its website.

Barbara McGowan: Ms. McGowan asked what had been accomplished since the March 27 member meeting and election of the new Board members. She encouraged the Board to understand the changing community opinion.

Jan Heinemann: Mr. Heinemann thanked everyone for their involvement with the community. He commented that the Board was at a crossroads and had the opportunity to divide or bring the community together. He suggested that board meeting minutes, agendas, and meeting dates and locations, be posted on the EHHA website.

Santosh Kolhatkar: Mr. Kolhatkar informed the Board that this was his first time attending a Board meeting. He stated that he would like to know when meetings were scheduled. He also indicated that he felt the Board was to be representative of the community, and that if it was not there would be a legal way of stopping the EHHA from representing the community.

3. Announcements.

Director Mangini indicated that he had an announcement to make. He distributed and read to the Board the content of a hard copy email he had received anonymously. He asked the Board if it was appropriate, or a conflict of interest, for directors to participate in outside activities as described in the email, when he had specifically been asked to not involve himself further in the activities of the Emerald Hills Community Coalition. He invited discussion from the Board.

After a short discussion it was agreed that this matter would be discussed after the completion of the election of the officers. (*Further discussion deferred to a later point in the meeting*)

4. Approval of Past Meeting Minutes.

Director Botto presented meeting minutes from the February 26, 2007 Board meeting (as drafted by Cheryl McGovern), the March 27, 2007 Annual Member meeting, and from the April 2, 2007 Board meeting. After review and discussion, and upon motion duly made and seconded, it was

RESOLVED, that the February 26, 2007 and April 2, 2007 Board meeting minutes, as amended by the Board at this meeting, are hereby approved;

RESOLVED FURTHER, that the March 27, 2007 Annual Member meeting minutes, shall be presented to the Members for their approval at the next Annual Meeting of Members;

RESOLVED FURTHER, that the February 26, 2007 and April 2, 2007 Board meeting minutes, as amended, and the draft form of the March 27, 2007 Annual Member meeting minutes, shall be posted on the Association website.

5. Discussion of Communication Processes and Procedures.

Director Mangini asked the Board about its processes for responding to forum inquiries, emails, letters, etc., from the community. The Board discussed its past practice of responding to inquiries on an ad hoc basis depending on the subject of the inquiry. After discussion, and upon motion duly made and seconded, it was

RESOLVED, that Board hereby approves adding an item to a future Board meeting agenda to discuss communications protocols.

Directors McGovern and Hill volunteered to research protocols and report to the Board once this item is agendized.

6. Treasurer's Report.

Treasurer Lukehart reported a balance of \$9,296.95. Treasurer Lukehart noted that there were two open authorizations for the purchase of two plaques and a set of nine books (*Boards the Make a Difference*) for the Board.

7. Election of Officers.

The Board noted that although director Medin had previously expressed his interest in the office of President, he had since withdrawn his nomination.

It was also noted that the following directors had previously expressed their interest in the following offices:

Name	Office of Interest
Steve Hill* / Michael Mangini*	President
Carolyn Chaney	Vice President

* *If not elected to the office of President, will run for the office of Vice President.*

Each candidate for President made a brief statement. The Board asked questions of each, including whether, if not elected, would that candidate seek to run for Vice President. The Board also discussed the possibility of a Co-Presidency and the roles of each of the President and Vice President.

After discussion and upon motion duly made and seconded, it was

RESOLVED, that the Steve Hill would serve in the capacity of President until the earlier of his death, resignation or removal.

Director Chaney withdrew her candidacy for Vice President. After discussion and upon motion duly made and seconded, it was

RESOLVED, that the Michael Mangini would serve in the capacity of Vice President until the earlier of his death, resignation or removal.

Director Hill chaired the meeting from this point forward.

8. Committee Reports.

a) Special Meeting Committee.

Director Hill distributed a draft Committee report and working notes from each of the Committee's meetings (April 10, April 16 and May 2). Director Chaney noted that the Board had appointed the Committee, which had met three times.

Director Hill read the contents of the Committee report which summarized the Committee's work to date and which outlined several process questions, questions to be asked of a legal source, and parking lot items.

Director Botto added clarification to two items on the report: (1) according to the California Corporations Code, the special meeting must be scheduled within 90 days within receipt of the request of the special meeting and (2) although proxies are not allowed the Board can allow voting via mail-in ballots. A discussion regarding the notice requirements and processes for mail-in ballots followed. The Board also discussed certifying the signatures on the Member request for special meeting.

Director Chaney further reported on the Committee's need to seek outside advice on specific legal questions and the need to consult with the Members who signed the petition to understand the intention of the petition signers. The Board discussed the status of the request(s) and response(s) from legal counsel, the timing requirements for scheduling the Member meeting, and the status of the draft letter to Members.

Director Botto added further clarification to one last item on the report. She indicated that with respect to the process issue of who should vote first, the Board or the Members, she wanted to go on record with the recommendation that the Members be given the opportunity to vote first, followed by the Board.

After further discussion and upon motion duly made and seconded, it was

RESOLVED, that the text of the petition be posted on the homepage of the Association website in its entirety, along with a statement indicating that it had been signed by 71 Members (whose names were redacted but on file), that the Board had created a committee to study the petition, and that the committee had met several times to discuss, analyze and make recommendations to the Board with respect to the petition;

RESOLVED FURTHER, that Director Hill prepare the statement to be posted on the website and that Director Lukehart post the statement, once finalized, along with the text of the petition, on the Association website.

b) Plaque Committee.

Director Chaney discussed the status of the plaques for former Directors Henley and Martin in recognition of their past service.

RESOLVED, that Director Chaney be and hereby is authorized to spend \$40 per plaque for each of Carole Henley and Sallie Martin and to have each plaque engraved as appropriate.

c) Announcements (continued from Item 3).

At this point in the meeting, the Board turned back to its discussion of outside activities of directors. The Board discussed issues of responsibility and accountability and trust, and whether or not a director could participate in outside activities as an individual versus as a member of the Board. The Board also discussed the importance of hearing the voices of all of the Association's Members and inviting Members to speak their opinion or otherwise risk operating in a vacuum.

An extensive discussion regarding these and other related issues ensued.

9. Committee Chairs and Assignments. (*Deferred to next meeting*)

10. Review of 2007 Survey of Concerns. (*Deferred to next meeting*)

11. Managing the Election of Directors / Discussion of Staggered Board Issue. (*Deferred to next meeting*)

12. Discussion of Sewer/Sanitation Rate Increases / Draft Letter from Sanitation Districts.

Director McGovern gave a detailed update with respect to the proposed sewer rate increase including the upcoming meetings in May 15 (agenda item to approve the process), June 5 (Board of Supervisors), and July 24 (public hearing). She informed the Board of the Zone 2 overcharging issue. The Board discussed what the best course of action would be, if any, with respect to its involvement in this issue. The Board agreed that Director McGovern would draft a letter for Board review.

13. Approval of Expenditures.

After discussion and a upon motion duly made and seconded, it was

RESOLVED, that the Special Meeting Committee is hereby authorized to spend up to \$1,000 for legal services in connection with the special member meeting; and

RESOLVED FURTHER, that Director Mangini be and hereby is authorized to spend up to \$275 to purchase copies of Boards that Make a Difference, by John Carver, for the Board.

14. Adoption of Meeting Schedule / Approval of Posting of Board Meeting Dates and Times on the Association Home Page.

The directors in attendance were afforded opportunity to discuss any future scheduling conflicts. After discussion and a upon motion duly made and seconded, it was

RESOLVED, that the next three meetings of the Board be scheduled for Monday, June 4, 2007, Monday, July 2, 2007, and Monday, August 6, 2007; and

RESOLVED FURTHER, that notification of such be posted on the Association website.

15. Adjourn. 10:35 pm

There being no further business to come before the Board, the meeting was adjourned.

Respectfully submitted,

Adriana Botto
Secretary