

**BOARD OF DIRECTORS  
GROVELAND COMMUNITY SERVICES DISTRICT  
GROVELAND, CALIFORNIA  
September 29, 2008  
9:00 a.m.**

The Board of Directors of Groveland Community Services District met in special session on the above mentioned date with Directors Dick Lennen, President, John Gray, Vice President, Gus Allegri, Wes Johnson and Steve Perreira being present. Also present were General Manager Jim Goodrich and Vicki West, Secretary to the Board. District Counsel David McMurchie was in attendance via telephone conference call.

President Lennen called the meeting to order at 9:00 a.m. and led in the Pledge of Allegiance.

**Agenda Approval**

Director Allegri moved, seconded by Director Johnson, and the motion passed unanimously, to approve the agenda as submitted.

**Public Comment**

A member of the public questioned whether the Long Gulch Ranch delinquency had been placed on the county tax rolls.

**Action Items**

*Discuss and Possibly Take Action on Investment Strategy for District's Monetary Assets*

General Manager Goodrich began his presentation by explaining that one of the Board's major responsibilities is to establish guidelines for managing the District's money and that California Code requires them to follow a set of priorities that are, first to invest with safety, second to invest with liquidity in mind, and third (a distant third) invest with the consideration of possible yield. He then outlined where and how the District's funds are invested. He then gave a brief overview, using a PowerPoint presentation, of the national economic conditions during which he explained that the purpose of this meeting was to review the District's exposure given the current financial conditions and realign, if necessary, its portfolio. Venus Columbini, manager of Pacific State Bank (PSB), where the majority of the District's funds are invested, explained that the bank is required by the State to fully collateralize all public funds deposited with the bank. She added also that PSB is not in a sub prime position and that all its mortgage loans are brokered out rather than carried in house.

Director Perreira moved that the Board make no changes in the District's investment strategy at this time. The motion was seconded by Director Gray and passed unanimously.

*Authorize the General Manager to Apply for Membership and Participate in the Investment Trust of California (a.k.a. CalTRUST), a public agency Joint Powers Authority, for the purpose of diversifying the District's investment portfolio.*

Director Johnson moved to not authorize the General Manager to Apply for Membership and Participate in the Investment Trust of California (a.k.a. CalTRUST), a public agency Joint Powers Authority, for the purpose of diversifying the District's investment portfolio. The motion failed for lack of a second.

**Adjournment**

Director Lennen adjourned the meeting at 10:10 a.m.

APPROVED:

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Richard Lennen, President

ATTEST:

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Vicki L. West, Board Secretary