

**BOARD OF DIRECTORS  
GROVELAND COMMUNITY SERVICES DISTRICT  
GROVELAND, CALIFORNIA  
January 12, 2009  
9:00 a.m.**

The Board of Directors of Groveland Community Services District met in regular session on the above mentioned date with Directors Richard Lennen, President, Gus Allegri, John Graham, Wesley Johnson, and Steve Perreira being present. Also present were General Manager Jim Goodrich, District Counsel Dave McMurchie, District Engineer Randy Klaahsen, Board Secretary Vicki West and Administrative Staff Member Lena Spilman.

President Lennen called the meeting to order at 9:00 a.m.

***Agenda Approval***

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

***Public Comment***

A member of the public commented that with the recent success of the Big Oak Flat Groveland Unified School District Board Recall Election, it seems that the District should have postponed the appointment of a new Board member in favor of a combined BOFGUSD/GCSD special election.

A member of the public questioned the Board and Staff as to GCSD policy regarding employee's use of District vehicles.

**Action Items**

***Consent Calendar***

- A. Director Allegri moved, seconded by Director Lennen, and the motion passed to approve the minutes of the November 17, 2008 regular Board meeting.  
*Ayes: Directors Lennen, Allegri, Johnson, and Perreira*  
*Abstain: Director Graham*
- B. Director Lennen moved, seconded by Director Johnson, and the motion passed to approve the minutes of the December 8, 2008 regular Board meeting.  
*Ayes: Directors Lennen, Johnson, and Perreira*  
*Abstain: Directors Allegri and Graham*

C. Director Johnson moved, seconded by Director Perreira, and the motion passed to approve the minutes of the December 18, 2008 special Board meeting.

*Ayes: Directors Lennen, Allegri, Johnson, and Perreira*

*Abstain: Director Graham*

D. Director Perreira moved, seconded by Director Johnson, and the motion passed unanimously to approve the minutes of the December 22, 2008 regular Board meeting.

***A) Nominate and Elect Board President for Calendar Year 2009, B) Nominate and Elect Board Vice President for Calendar Year 2009, C) Appoint Vicki West to be the District's Treasurer and D) Appoint Lena Spilman to be the District's Board Secretary***

A) Director Lennen moved, seconded by Director Allegri, and the motion passed to nominate Director Johnson to serve as Board President for the calendar year of 2009

*Ayes: Directors Lennen, Allegri, Johnson, and Graham*      *Abstain: Director Perreira*

B) Director Allegri moved, seconded by Director Lennen, and the motion passed to nominate Director Graham to serve as Board Vice President for the calendar year 2009

*Ayes: Directors Lennen, Allegri, Johnson, and Graham*      *Noes: Director Perreira*

C) Director Johnson moved, seconded by Director Allegri, and the motion passed unanimously to nominate Staff member Vicki West to serve as District Treasurer for the calendar year 2009

D) Director Lennen moved, seconded by Director Johnson, and the motion passed unanimously to nominate Staff member Lena Spilman to serve as Board Secretary for the calendar year 2009

*(Director Johnson assumed his position as President of the Board)*

***Consider Entering into an Energy Services Contract with Chevron Energy Solutions (CES) for implementing the District's Automated Meter Reading System and to Authorize CES to Begin the Business Analysis of Automating the District's Recycled Water Facility***

District Engineer Randy Klaahsen presented this item to the Board. Mr. Klaahsen explained that on June 23, 2008 GCSD Staff made a recommendation to the Board to move forward with a business case analysis to automate the District's manually read meters to an automatic meter read (AMR) system. On December 8, 2008, the Board took action to receive and file the first portion of the Chevron Energy Solutions (CES) Report. Mr. Klaahsen stated that the next step in the process would be to consider entering into an Energy Services Contract with CES.

Mr. Klaahsen stated that should the Board decide to enter into the contract with CES, the District would be required to pay CES the \$35,000 contract fee for performing the business case analysis. In order to make available additional funding for this project, Mr.

Klaahsen recommended that the Board direct Staff to remove one staff position from the current fiscal year budget.

Director Lennen asked whether the long-term savings to the District quoted by CES in the business case analysis would be guaranteed.

Kevin Bell from CES explained that while they could not guarantee an increase in the District's revenue, they would guarantee the performance of the meters.

Director Perreira commented that there is no mention of the guarantee in the Energy Service Contract.

Mr. Klaahsen responded that the details of the guarantee are still being negotiated between CES and District Counsel, but that when completed the guarantee would be added as an attachment to the contract. Mr. Klaahsen explained that CES is hesitant to guarantee revenue, as revenue would be based on many factors outside of their control. One concern is that with the increased accuracy of the automated meters, customers will see their bills increasing and will start to conserve water. He stated that CES is willing to guarantee those aspects of the project that are measurable and reflect the performance of the meters.

Director Perreira asked whether there would be an insurance benefit to the District for the installation of the AMR system.

Mr. Klaahsen responded that although he was unaware of any specific insurance benefit, the District would definitely be able to reduce the workers compensation claims. Mr. Klaahsen noted three claims have been filed within the last several years by meter readers who were injured while attempting to read meters under hazardous conditions.

District Counsel Dave McMurchie stated that the District would likely enjoy an insurance premium savings based on a reduced number of worker's compensation claims.

Director Perreira asked whether the warranty limitation of liability would conflict with the guarantee of savings.

Mr. McMurchie responded that the warranty limitation of liability refers to the guarantee of contractors used to install the meters and perform the necessary work, and would not interfere with the guarantee of savings.

Director Perreira asked how involved GCSD work crews would be in the installation of the AMR system.

Mr. Klaahsen responded that GCSD staff would be inspecting the installations and acting as project manager, but would do only a few of the more sensitive installations.

Following some concern from the Board regarding the guarantee contract, District Counsel Dave McMurchie suggested that the contract be presented to the Board at the same time as the Financing Agreement.

*Director Johnson moved, seconded by Director Lennen, and the motion passed unanimously to enter into an Energy Services Contract with Chevron Energy Solutions (CES) for implementing the District's Automated Meter Reading System, subject to approval of an attachment regarding guaranteed savings, and to authorize CES to begin the business analysis of automating the District's Recycled Water Facility.*

## **Information Items**

### **Staff Reports**

#### *A. General Manager's Comments*

General Manager Jim Goodrich announced that GCSD had signed a contract with Pierce Manufacturing for the purchase of a Type 1 fire engine just before the New Year. He also announced that himself and Bill Zachman had walked the GCSD property and marked the location of the future trail proposed by the Central Sierra Audubon Society. The Sierra Conservation Corps crew has spent the last several weeks clearing the trail, and the project is moving along nicely.

#### *B. O&M Reports*

District Engineer Randy Klaahsen presented the staff reports. Mr. Klaahsen announced that the District was very pleased with the results of the THM and HAA testing completed in December. Both THM and HAA levels were very low, and the District passed at all six locations tested.

Mr. Klaahsen reported that December was a busy month in Collections and Distribution, with three water breaks over the Christmas weekend.

*(Groveland Fire Chief Shane Warner entered at 10:20am)*

#### *C. Fire Department*

Mr. Warner announced that the Groveland-hosted Joint Basic Fire Academy began with 25 participants. He reported that he and Assistant Fire Chief Jim Burdick had attended the first class taught by Fire Fighter Jon Rock, and were very impressed with his performance.

### **Director's Comments**

None.

### **Adjournment**

Director Johnson moved, seconded by Director Lennen, and the motion passed unanimously to adjourn the meeting. The meeting adjourned at 10:25 am.

APPROVED:

---

Wesley Johnson, President

ATTEST:

---

Lena Spilman, Board Secretary