

**BOARD OF DIRECTORS
GROVELAND COMMUNITY SERVICES DISTRICT
GROVELAND, CALIFORNIA
April 13, 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 John Graham, Vice President, Gus Allegri, Dick Lennen, and Steve Perreira being present. Also present were General Manager Jim Goodrich, District Engineer Randy Klaahsen, Fire Chief Shane Warner, District Treasurer Vicki West and Board Secretary Lena Spilman.
Absent: Director Wes Johnson, President

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

Agenda Approval

Director Perreira asked that "Consider Directing" be removed from Item 6 on the agenda, and replaced with "Direct," and that all future agenda items be prefaced by the word "Consider."

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

Public Comment

Kay Crow presented a check to Groveland Fire Chief Shane Warner, for the purchase of a new oxygen breathsaver bag for the Fire Department. This donation was made in honor of the late Deb Crow. Mrs. Crow praised the Fire Department for their outstanding service to the community, and urged members of the public to make donations in any amount.

A member of the public informed the Board that former Board member Al Moisenco has moved from the area due to poor health.

A member of the public inquired as to the status of the upgrade at lift station 14, and the newly constructed wall around the station. District Engineer Randy Klaahsen explained that the wall was constructed to allow the District's vactor truck easy access to the lift station to perform routine maintenance of the wet well.

Action Items

Consent Calendar

Director Lennen moved, seconded by Director Allegri, and the motion passed unanimously to approve the consent calendar:

- A. Approve Minutes of the February 23, 2009 Regular Board Meeting
- B. Approve Minutes of the March 9, 2009 Regular Board Meeting
- C. Waive Reading of Ordinances and Resolutions except by Title

Action of Application for Leave to File Late Claim

General Manager Jim Goodrich presented this item to the Board. Mr. Goodrich explained that in July 2008 a property owner approached the District alleging District responsibility for damage to his house due to a waterline break. The property owner had previously submitted a written statement to this effect, but did not request specific monetary damages at that time. The property owner was advised by the Board that he should submit his claim with appropriate documentation of specific unreimbursed losses not compensated by his homeowner's insurance carrier. The District did not advise the property owner of any timelines regarding the submission of this claim, and the property owner submitted his claim in February 2009. After the claim was submitted, representatives from the District's insurance coverage provider advised the District that the claim would be considered late, as it was submitted six months after the date of the incident.

Mr. Goodrich explained that the Governmental Tort Claims Act provides that if a claim is not filed within the six-month period, that there is a late claim filing procedure available which requires the claimant to file with the public entity after the six-month period has expired. The claimant has now filed an application for permission to file a late claim, which the Board may either reject or accept. Mr. Goodrich stated that the application itself sets forth the grounds for seeking permission to file a late claim. The grounds are the fact that the District acknowledged receiving a written claim from the claimant within the six-month period, and that the District advised the claimant to wait to submit the claim until he had received reimbursement from his homeowner's insurance carrier. As the District did not advise the claimant that there was a six-month time limit on filing his claim for unreimbursed losses, Mr. Goodrich recommended that the Board accept the application for leave to file a late claim.

Mr. Goodrich stated that if the Board accepts the claimant's Application for Permission to File a Late Claim, the District will have forty-five days to notify the claimant. As the claimant is present, he will be notified today in person.

Director Perreira asked Mr. Goodrich why the claimant was not informed of the six-month time limitation, and Mr. Goodrich stated that staff was previously unaware of this requirement.

Director Allegri moved, seconded by Director Graham, and the motion passed unanimously to accept the Application for Leave to File Late Claim

Adopt New District Mission, Vision & Values, and Goals

Director Graham presented this item to the Board. Director Graham explained that the Board had been provided with three different drafts of the District Mission, Vision &

Values, and Goals. He stated that one draft is a clean copy, one a redline copy recommended by committee, and one a redline copy recommended by himself.

Director Perreira asked Director Graham about some of the language added in his redline version, and Director Graham responded that he added language to clarify that the Board's function is to measure staff and not vice-versa.

Director Perreira raised concerns that Director Graham's version excluded the Board from participation in the development of the District Mission, Vision & Values, and Goals. Director Graham replied that although staff would be charged with the development of the document, it would go to the Board for approval and adoption. Director Allegri added that if the Board does not approve of the document that staff presents, the Board can discuss the item and make revisions at that time.

Director Perreira commented that if the Board was excluded from the development process, they would not benefit from many of the important discussions and considerations introduced by members of the Committee during that process. He stated that as a member of the committee himself, he found the insights presented during committee meetings to be very useful.

General Manager Goodrich stated that there is an important distinction between the "Board," which implies all Board members in a properly noticed public meeting, and "Board Members," who may be involved in the process individually through participation on a committee level. Mr. Goodrich noted that Director Graham's redline version simply removes the official term "the Board," but does not include language to exclude individual Board members from serving on committee.

Director Allegri noted, and the Board agreed, that Strategic Goal #2 should be amended to state that the budget will be made available for committee review by the 1st week of May, for subsequent adoption by June 30th.

Discussion ensued regarding the District's budgeting and accounting procedures, and the problems with creating contingency accounts for future projects.

Director Allegri asked staff whether the District's spray fields would be sufficient if the District were to operate the sewer treatment plant at its full permitted capacity. District Engineer Randy Klaahsen responded that if the plant were to operate at maximum permitted capacity, additional spray fields would likely be necessary.

Director Lennen moved, seconded by Director Graham, and the motion passed to continue this item until the next meeting.

Request for Approval to Construct Wastewater Regulatory Compliance Projects

District Engineer Randy Klaahsen presented this item to the Board, explaining that during the budgeting cycle for fiscal year 2008/09 staff incorporated three projects into the budget. These projects included lining Reservoir 1, upgrading the spray field

irrigation system, and building a biosolids containment structure, and all relate to regulatory compliance. Mr. Klaahsen reported that the projects are ready to move forward from an environmental standpoint, and that staff recommends allowing these three regulatory compliance projects to proceed.

Director Allegri asked whether staff is completely confident that money received from LaSalle National Bank can be used to fund these projects. Mr. Goodrich responded that these projects were identified in the original LaSalle documentation.

A member of the public asked how these projects would be affected if the District was forced to go to tertiary treatment. Mr. Goodrich stated that these projects need to be completed regardless of what type of treatment process the District uses.

Director Lennen moved, seconded by Director Allegri, and the motion passed unanimously to approve construction of the wastewater regulatory compliance projects, a) line reservoir 1, b) bio-solids containment structure, c) upgrade spray field irrigation system.

Accept and Approve the FY 2007-08 Audit

Finance Manager Vicki West presented this item to the Board. Mrs. West explained that the District's auditing firm came to the District in November 2008 to conduct field work for the FY 2007-08 Audit. The preliminary audit was completed in February, and staff received the final report and the management letter this month. Mrs. West stated that she had responded to each item presented in the management report, and made procedural changes when possible and applicable. After careful review, Mrs. West recommended that the Board accept and approve the FY 2007-08 Audit.

Mrs. West noted that staff has scheduled the field work for the FY 2008-09 Audit for November 2009.

Director Perreira moved, seconded by Director Graham, and the motion passed unanimously to accept and approve the Basic Financial Statements for the Groveland Community Services District for fiscal year ending June 30, 2008

Direct Staff to Prepare a Report on Economical Water Treatment Plant Operation

Director Perreira presented this item to the Board. Director Perreira shared concerns that the activity of the North Side Projects could force the District to upgrade to a tertiary treatment process for wastewater. He stated that his goal is to operate the wastewater treatment plant at the lowest cost possible, while allowing growth, but taking precautions to prevent a future mandatory upgrade of the facility.

Director Perreira suggested that staff prepare a report that would identify how this objective can be achieved, and what problems will need to be addressed in the foreseeable future so as to prevent a mandatory upgrade to the wastewater treatment facility. Emphasis should be placed not only on how to maintain operation of the existing wastewater treatment process, but on providing service for build-out of existing

developments as well as opportunities for new developments. He stated that this report should be completed annually and made available to the public on the District's website.

Director Perreira noted that although Section 600 calls for a similar annual engineering report, this report would be much more extensive. The report would provide information from which the Board could develop a strategy to anticipate and possibly avoid undesirable future expense. He noted that the report will also make the public aware of things that they may be able to do to decrease the burden on the wastewater treatment plant, and possibly help prevent an eventual upgrade to tertiary treatment.

District Engineer Randy Klaahsen mentioned that he had recently completed a draft of the District's 2010 Urban Water Management Plan (UWMP). The draft was distributed to several state and local agencies for comments, and will be made public in the next couple months. Mr. Klaahsen explained that there are at least fourteen demand management measures included in the plan that will educate people on what they can do to conserve water. Some of these measures include high efficiency washers, low flush toilets, and low flow shower heads.

Director Perreira commented that while he believed Mr. Klaahsen was doing a good job on compiling the UWMP, he was disappointed that the plan did not incorporate the use of grey water. He stated that due to controversy surrounding the topic, the UWMP may not be the place for a discussion regarding grey water, but that he feels it is an important discussion that must be had within our community. Director Perreira stated that issues like these highlight the necessity for this report.

A member of the public spoke, stating that information received by them from the California Regional Water Quality Control Board suggests that the construction of the Gathering Place on District property will force the District to move to tertiary treatment. Based on this information, this individual asked that the Board consider relocating the project to another area.

Mr. Goodrich responded by explaining that the purpose of obtaining environmental documentation prior to construction, is to address precisely these types of concerns. The required environmental documentation (currently in process) will inform the District of all possible consequences of the suggested location. This documentation will then provide a tool from which the Board and the public can make an informed decision. Mr. Goodrich urged the public to be patient and avoid jumping ahead of this process.

A member of the public commented that it seemed that were the Regional Water Quality Control Board to impose tertiary treatment upon the District, that the District may be unable to finance the upgrade. Mr. Goodrich said that although that is true, and an important consideration, what is more significant is that the District has reached the top of its bonding capacity and would not be able to borrow money to finance the upgrade.

A member of the public inquired as to the availability of stimulus funds for District projects. Mr. Goodrich informed the public that staff is currently investigating all opportunities for funding that may be available to the District via the recent federally approved stimulus package.

A member of the public commented that it is important in these economic times, that the Board take a proactive approach to ensuring that we limit capital expenditures. He commented that the Board should be planning ahead for future possible needs, and be mindful of the fact that we can not take a "business as usual" approach in this dismal economic situation. He stated that if Director Perreira's proposed report is an attempt at taking a proactive approach to limit future spending by preserving the District's current infrastructure, than he supports it.

Director Perreira recommended that a committee be formed, comprised of members of the public, staff, and Board members, to determine the specifics of what they would like to see in this report.

Mr. Goodrich stated that staff has a lot of projects on their plate right now and that the only problem he has with this item is that the timing is somewhat difficult. Director Perreira responded that he is not asking that this report be done immediately, but that he feels that it is important to have all of this information available.

Director Graham asked Director Perreira if he would be amenable to amending this item to allow the report to be prepared by the end of the calendar year. Director Perreira indicated that he has no problem with allowing staff until the end of the calendar year to complete the report.

Director Perreira moved, seconded by Director Allegri, and the motion passed unanimously to approve the request for a report by staff for a plan addressing the economical operation of the water treatment plant, with emphasis on how to maintain operation of the existing wastewater treatment plant at the current level of secondary treatment while providing service for build-out of existing developments as well as opportunities for new developments, to be completed by the end of the 2009 calendar year.

Information Items

Staff Reports

A. General Manager's Comments

None

B. Engineering Reports

None

C. Fire Department Report

Fire Chief Shane Warner reported that the Groveland Fire Department sponsored Joint Basic Fire Academy is going very well and that staff has done a great job working on it. He also reported that thanks to the Fire Department's Administrative Assistant Kathy Bernheisel, the Fire Department's new website is up and running and is getting between 60-70 new visitors every week.

Mr. Warner announced that the Fire Department had applied for another grant for a new fire engine, but were unsuccessful this year. He also announced that it was a record month for the department in terms of call volume, with 61 calls and several vegetation fires.

District Counsel's Comments

Absent

Directors Comments

None

Adjournment

Director Lennen moved, seconded by Director Graham, and the motion passed unanimously to adjourn the meeting at 10:48 a.m.

APPROVED:

John Graham, Vice President

ATTEST:

Lena Spilman, Board Secretary