

**BOARD OF DIRECTORS
GROVELAND COMMUNITY SERVICES DISTRICT
GROVELAND, CALIFORNIA
April 27, 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 Wes Johnson, President, John Graham, Vice President, Gus Allegri, Dick Lennen, and Steve Perreira being present. Also present were General Manager Jim Goodrich, District Engineer Randy Klaahsen, District Treasurer Vicki West and Board Secretary Lena Spilman.
Absent: Fire Chief Shane Warner

Director Johnson called the meeting to order at 9:00 a.m.

Agenda Approval

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

Public Comment

A member of the public spoke in opposition to the auto-read meter project, based on the fact that it is a non-emergency item and that she believed the District had reached its lending capacity.

A member of the public asked whether there is a Board Member Policy Manual that includes a code of conduct. District Counsel Dave McMurchie responded that the District has a Board Member Policy Manual in place, and that the manual does include proper decorum for Board meetings.

A member of the public inquired as to the status of the Audubon Society Trails Project. General manager Jim Goodrich responded that the Audubon Society has withdrawn their support for the project, but that there is no other news to report.

A member of the public inquired as to the status of the Long Gulch Ranch debt. Mr. McMurchie responded that Long Gulch Ranch is currently in bankruptcy, and that they are putting together a re-organization plan. The District has filed a claim with the bankruptcy court, and is awaiting a copy of the re-organization plan. Mr. McMurchie explained that once the District has received a copy of the plan they will have the choice to either vote for or against the plan. GCSD endorsement of the plan will depend largely on the priority given to repaying the GCSD debt.

A member of the public inquired as to whether the District typically undergoes a financial analysis of the audit that focuses on projections, trends and strategy. Mr.

Goodrich responded that the District undergoes a similar analysis as a part of the rate study. He explained that the last rate study was a 5-year projection, and that it could be made available to the public on request.

Action Items

Consider Authorizing Rejection of Claim by Lawrence Romaneck

District Counsel Dave McMurchie presented this item to the Board. Mr. McMurchie explained that Mr. Romaneck had previously filed a claim alleging GCSD responsibility for property damage in his house due to a waterline break which he alleged was due to debris coming through the GCSD waterline resulting in damage to his water pressure regulator valve.

A copy of this claim was forwarded to the District's Insurance provider, Special District Risk Management Authority (SDRMA). SDRMA recommends that the District reject all claims tendered to it in order to provide SDRMA the opportunity to investigate and adjust each claim.

Director Allegri moved, seconded by Director Graham, and the motion passed unanimously to reject the claim by Lawrence Romaneck and authorize President Johnson to sign the Rejection of Claim Letter.

Consider Authorizing Rejection of Claim by David and Krystal Bigger

District Counsel Dave McMurchie presented this item to the Board, explaining the the Bigger's had also filed a claim of property damage against the District. As with the Romaneck claim, the Bigger's claim also needs to be procedurally rejected by the District in order to be forwarded on to SDRMA for investigation.

Director Perreira moved, seconded by Director Allegri, and the motion passed unanimously to reject the claim by David and Krystal Bigger and authorize President Johnson to sign the Rejection of Claim Letter.

Consider Authorizing a Letter Including a Preliminary Plan to Tuolumne County Board of Supervisors from GCSD to Request that the Construction of the County Youth Center Building Project be Turned Over to GCSD with the Promise to Produce a Better, more Useful, and more Attractive Building at Lower Cost

Director Perreira presented this item to the Board, explaining that he had spoken with many people at the county about this project. Director Perreira explained that the current plan for the Groveland Youth Center is a double-wide modular building that would be made to match the library and museum buildings. While the original plan included a deck and a basement, both items were removed during the county planning process due to safety and financial considerations. The end result of this process is a proposal for a 1,400 sq. ft. modular, with a budgeted allowance of \$315,000. Director Perreira argued that while this proposal is both unsatisfactory and expensive, unfortunately at this point the project is completely inflexible. The clock is ticking on this

project, and if the building is not occupied by June 2010 the federal HUD money will be lost.

Unfortunately, this 2010 deadline is very firm. Director Perreira explained that an extension would require reauthorization from Congress at the risk of losing funding altogether. Director Perreira also mentioned that Mr. Goodrich brought a proposal to the Board last year for a stick built building that would have been cheaper and more attractive. A member of the public asked what the cost was for the stick built building. Mr. Goodrich responded that he had estimated about \$96,000 for delivery of the building and another \$100,000 for labor.

Director Perreira stated that action must be taken to reign in some of these unnecessary costs. He commented that even if this battle for a cheaper, more attractive Youth Center is lost, it is important to turn over more of these projects to local control.

Deputy County Administrator Maureen Frank spoke to the Board regarding the project. She explained that funding for this project came from a 2006 grant allocation of federal monies given to the county of Tuolumne to replace the old, dilapidated youth center in Groveland. At that time the county began working with GCSD and the surrounding community to ascertain what they would like to see in a new Youth Center. At that time, it was suggested that the Youth Center be relocated to Mary Laveroni Community Park to encompass all of the amenities available at that location. At that time there was quite a bit of staff turn-over at the county, and Ms. Frank explained that the project went through several facilities managers. This delayed the progress of the project, and the project was picked up again about a year ago. At that time all environmental documentation was completed and submitted to the federal government for review.

After several meetings with Mr. Goodrich and other community members, the county developed the plans for the building. Following this input, the plans were revised to include a covered deck and a partial storage area on the bottom. Ms. Frank explained that although the county had received a letter from Mr. Goodrich asking whether it would be possible to have various service organizations and volunteers donate time and materials to each part of the construction, the process precludes such activities. This is a federal project, in which prevailing wage must be paid to all workers. In addition, the project may not be piecemealed, but must be completed by one contractor. She explained to the Board that these requirements drive costs up an average of 30-40% per project for government projects. Although this fact is frustrating, it is something that the county has no control over. Regretfully, Ms. Frank acknowledged that some aspects of the project had to be removed or downsized. She admitted that the final project is not as fancy or glamorous as they would have liked, but emphasized that the county is still very excited about moving forward with the construction of a new Groveland Youth Center.

Director John Graham asked Ms. Frank whether the real decision here is between continuing on with the current plan or the likelihood of losing the funding altogether during an attempt for reallocation of the money. Ms. Frank stated that if they do not move forward immediately with the current plans they would most likely not receive a

reallocation of the money, and therefore would not be able to build the new Youth Center.

Tioga High School Senior Justin Foote addressed the Board. Mr. Foote commented that there is a real need in Groveland for a nice place for young people to hang out. He informed the Board that drug use at the old Youth Center prevented himself, and many other youths, from attending.

Director Perreira asked Mr. Foote what he would like to see at a Youth Center.

Mr. Foote said that he would like to see more outside activities. He would like to have somewhere safe and drug free to hang out, without getting in trouble.

Ms. Frank commented that based on input from kids who attended the previous Youth Center, the county purchased computers for homework, ping pong tables, air hockey tables, and included plans for a kitchen for cooking instruction.

Director Perreira commented that as the current plan seems beyond revision, he would like to amend his recommended action. Director Perreira made a motion to authorize a letter to the county stating that in the future the District would prefer to serve as manager for all projects on District property, and requesting that the county address the District's concerns regarding the high costs of federally funded projects. The motion died for lack of second.

Director Graham motioned, seconded by Director Allegri, and the motion passed, that the Board determine not to interfere or otherwise inhibit the county activity that relates to the current county construction of a Youth Center in Mary Laveroni Community Park. Ayes: Directors Johnson, Graham, Allegri, and Lennen Noes: Director Perreira

Consider Adopting New District Mission, Vision & Values, and Goals

General Manager Jim Goodrich presented this item, explaining that on April 13, 2009 the Board reviewed proposed changes in the District's Mission, Vision & Values, and Goals. The item was continued to the April 27th meeting so that minor changes could be made to Goal #1. Mr. Goodrich also stated that Director Graham had submitted alternative language to staff, which was provided as attachment to the agenda item.

Director Graham moved, seconded by Director Lennen, and the motion passed unanimously to adopt the new draft of the District Mission, Vision & Values, and Goals.

Consider Convening a Committee with 2 GCSD Directors, GCSD Staff, and 2 to 6 Community Members to Outline Topics and Scenarios for a Report Addressing Future Economical Operation of GCSD's Wastewater Treatment Plant

Director Perreira presented this item to the Board, explaining that he would like to see a report that would emphasize community involvement and provide options for how the District can economically operate the wastewater treatment facility at the present level of secondary treatment, while still providing for the needs of the community. This report

would consider build-out of PML, growth in Groveland and Big Oak Flat, and other possible scenarios that would impact the wastewater facility. Director Perreira also mentioned that he would like to investigate providing incentives for customers to conserve water. He clarified that at this time he is asking the Board to convene a committee to outline what should be in this report.

Director Perreira moved to convene a committee with 2 GCSD Directors, GCSD staff, and 2 to 6 community members to outline topics and scenarios for a report addressing future economical operation of GCSD's wastewater treatment plant. The motion died for lack of a second.

Director Perreira commented that he had concerns about the direction of the Board.

Director Graham stated that there is no threat from the Regional Water Quality Control Board of the District being forced to upgrade to tertiary treatment, and he doesn't know of anything worth doing that will change that fact in the foreseeable future.

Director Perreira responded that there is still a possibility at any time of the Regional Water Quality Control Board requiring the District to upgrade to tertiary treatment, and that this is an issue that he will bring up again in the near future.

District Power to Utilize Property Obtained by Eminent Domain

District Counsel Dave McMurchie presented this item to the Board. Mr. McMurchie explained that the submittal was rather self explanatory, but that he would be happy to take questions from the Board or members of the public. He stated that he could find no case law authority or statutory authority that infringes at all on the District's power to utilize the property that was obtained through the condemnation order in 1974. Currently the District is using the property for sewer purposes, which is the purpose for which it was condemned. However, Mr. McMurchie stated that he had found no case law to support the proposition that the District is limited in the use of the property it has obtained through condemnation proceedings. He explained that each of the two cases provided in the agenda packet support this finding.

No action was taken on this item

Information Items

Staff Reports

A. General Manager's Comments

General Manager Jim Goodrich reminded the Board and members of the public that due to the Memorial Day Holiday, the May 25th meeting is cancelled. Mr. Goodrich also announced that Finance Manager Vicki West and staff are currently going through the budget very aggressively. He stated that after much work, it looks to be a balanced budget, and will be ready for review in May.

District Counsel's Comments

None

Directors Comments

None

Adjournment

Director Allegri moved, seconded by Director Johnson, and the motion passed unanimously to adjourn the meeting at 11:04 a.m.

APPROVED:

Wes Johnson, Vice President

ATTEST:

Lena Spilman, Board Secretary