

**BOARD OF DIRECTORS  
GROVELAND COMMUNITY SERVICES DISTRICT  
GROVELAND, CALIFORNIA  
June 22, 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 District Engineer Randy Klaahsen, Groveland Fire Chief Shane Warner, District Treasurer Vicki West and Board Secretary Lena Spilman.  
Absent: General Manager Jim Goodrich

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

***Agenda Approval***

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

***Public Comment***

None

**Action Items**

***Consent Calendar***

Director Perreira stated that he would like to review the tapes to the April 27, 2009 meeting, as he felt that some of his comments had been misinterpreted in the minutes.

Several Board members expressed the opinion that the minutes should be an accurate record of comments made during the meeting, and that the minutes should not be amended to reflect the intention of those comments.

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

A. Approve Minutes of the April 27, 2009 Regular Board Meeting

B. Waive Reading of Ordinances and Resolutions except by Title

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

*Noes: Director Perreira*

***Consider Approving New Schedule for Conducting Regular Meetings of the Board of Directors***

District Treasurer Vicki West presented this item to the Board. She explained that currently, regular Board meetings are scheduled for the 2<sup>nd</sup> and 4<sup>th</sup> Mondays of every

month. The FY2009-10 Budget, as adopted on June 8, 2009, implemented a policy change from two meetings per month to one. Mrs. West suggested that the Board should consider on which day of the month they wish to hold their one regular Board meeting, noting that additional special Board meetings could be called if necessary.

Mrs. West communicated the staff recommendation that the meeting remain on Monday at 9am for operational and logistical reasons, and that either the second or the third Monday of the month be chosen to allow ample time for preparation of staff reports.

Several members of the public spoke in opposition to the scheduling of the Regular Board meetings on Mondays, as they believed it would pose a conflict to the work schedules of those members of the public wishing to attend.

*Director Graham moved, seconded by Director Perreira, and the motion passed unanimously to approve the scheduling of one regular Board meeting per month on the second Monday of each month at 9am.*

***Consider 1) Reviewing the Initial Study (Environmental Checklist) for the Dog Park Project, 2) Direct the General Manager to Publish, Serve, Post and File the Notice of Intention to Adopt a Negative Declaration and Notice of Availability for Public Review as Required by Law, 3) Set the Public hearing Date for August 10, 2009 at Which the Board Will Approve or Disapprove the Negative Declaration.***

District Treasurer Vicki West presented this item to the Board, explaining that the proposed Dog Park Project has been waiting for the completion of CEQA for The Gathering Place, which is currently delayed by Southside Senior Services, Inc. She indicated that staff has determined that CEQA for the Dog Park will be a Negative Declaration, and that CEQA for the project can proceed without any consideration for the Gathering Place at this time. Mrs. West explained that this item would initiate the CEQA process for the Dog Park by approving the Notice of Intention to Adopt Negative Declaration, and that with adoption of this item a public hearing date would be set for August 10, 2009.

Mrs. West emphasized that this item was not an approval of the project itself, but a review of the initial study and approval to post the Negative Declaration at the Tuolumne County Clerk's Office.

*Director Johnson moved, seconded by Director Lennen, and the motion passed to 1) Review the Initial Study (Environmental Checklist) for the Dog Park Project, 2) Direct the General Manager to Publish, Serve, Post and File the Notice of Intention to Adopt a Negative Declaration and Notice of Availability for Public Review as Required by Law, 3) Set the Public hearing Date for August 10, 2009 at Which the Board Will Approve or Disapprove the Negative Declaration.*

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

***Consider Adoption of Resolution 5-09: Intention to Levy Assessments for Fiscal Year 2009-10, Preliminarily Approving Engineer's Report, and Providing for Notice of Hearing for the Groveland Community Services District Fire and Rescue Assessment District.***

Blair Aas, SCI Consulting Group, presented this item to the Board. He explained that this item will provide intention to levy assessments for fiscal year 2009-10 for the Groveland Community Services District Fire and Rescue Assessment District, preliminarily approve the Engineer's Report, and establish a date, time and place of a public hearing to receive testimony regarding the proposed assessments to be placed on County tax rolls.

Mr. Aas explained that the Engineer's Report contains information determining the special benefit to property owners within the District, identifies the methodology used for assigning assessments to each parcel, and estimates the cost for the services and improvements. If preliminarily approved, the public hearing date would be set for the next regularly scheduled Board meeting on July 13, 2009.

*Director Johnson moved, seconded by Director Allegri, and the motion passed to Adopt Resolution 5-09: Intention to Levy Assessments for Fiscal Year 2009-10, Preliminarily Approving Engineer's Report, and Providing for Notice of Hearing for the Groveland Community Services District Fire and Rescue Assessment District.*

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

(District Counsel Dave McMurchie joined the Board meeting by conference call)

***Addendum to Employment Agreement***

District Counsel Dave McMurchie presented this item to the Board. Mr. McMurchie explained that in December 2005, the Board executed an Employment Agreement with the McMurchie Law Firm to provide legal services to the District. The Agreement was for an indefinite term and may be terminated by the District at any time by written notice.

On December 4, 2008, after providing legal services to the District for a full three years, McMurchie Law sent a letter to the General Manager advising the District that as of January 1, 2009, the Law Firm's hourly rates would increase. The rates would increase from \$200 to \$235 per hour for Mr. McMurchie, from \$175 to \$210 per hour for Mrs. Hartigan, and a rate of \$200 per hour for any other attorneys working for the Law Firm on District business.

Mr. McMurchie further explained that the original Agreement does not require Board approval for a rate increase, only prior written notice. Per the Agreement, the Law Firm retains the right to increase its hourly rates provided that any increase may only be applied to services provided 30 days or more after written notice of the increase is mailed to the District. He stated that the Board does not have the power to deny the rate increase, but may terminate the contract if they so choose.

Director Perreira asked why the increased rates took effect in December without Board approval, when the District Counsel works for the Board and not staff? Mr. McMurchie replied that the District had received proper written notice of the increase, and that he was not aware that the Board had not been informed of the new rates. Mr. McMurchie also repeated that the terms of the contract do not require Board approval for a rate increase, and that the only action that may be taken by the Board to avoid the increase would be termination of the contract.

A member of the public inquired as to the public's access to McMurchie Law invoices. Mr. McMurchie responded that the invoices sent from his Firm to his client's are considered confidential, due to the fact that the invoices often include descriptions of services rendered and descriptions of confidential communications.

*Director Johnson moved, seconded by Director Lennen, and the motion passed to approve the Addendum to Employment Agreement as submitted.*

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

## **Information Items**

### ***Directors Comments***

Director Perreira commented that he felt that his comments as recorded in the minutes of the April 27, 2009 meeting regarding the economical operation of the wastewater treatment plant were unclear. He requested that the record reflect his belief that without a pro-active approach by the Board and significant community involvement, the District faces the potential risk of a very costly upgrade to tertiary treatment in the future.

(The Board adjourned into closed session at 10:10 a.m.)

### ***Closed Session***

- A. Conference with Legal Counsel – Significant Exposure to Litigation  
(Pursuant to Govt. Code Sec. 54956.9)  
One Case

(The Board Reconvened into open session at 10:40 a.m.)

### ***Announcement of Any Action Taken by Board in Closed Session***

*Director Graham moved, seconded by Director Allegri, and the motion passed unanimously to direct District Counsel to respond to SSSI request for indemnity in the negative*

### ***Adjournment***

*Director Johnson moved, seconded by Director Allegri, and the motion passed unanimously to adjourn the meeting at 10:41 a.m.*

APPROVED:

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Wes Johnson, President

ATTEST:

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Lena Spilman, Board Secretary