

**-BOARD OF DIRECTORS
GROVELAND COMMUNITY SERVICES DISTRICT
GROVELAND, CALIFORNIA
December 14, 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, and Dick Lennen being present. Also present were General Manager Jim Goodrich, District Treasurer Vicki West, Fire Chief Shane Warner and Board Secretary Lena Spilman. Absent: Director Steve Perreira and District Engineer Randy Klaahsen

District Counsel Dave McMurchie joined the meeting by teleconference

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

Agenda Approval

Director Johnson asked that the Board consider Item 3 first.

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

Public Comment

A member of the public inquired as to whether any of the money from the LaSalle National Bank escrow account has been transferred to any of the GCSD accounts. District Treasurer Vicki West responded that the only LaSalle funds that have gone directly to GCSD have been reimbursements for vendor payments and engineering and maintenance labor.

Action Items

Election of 2010 Board Officers

A) Election of Board President

Director Lennen nominated Director Graham as Board President. The nomination was seconded by Director Allegri, and the motion passed.

Aye: Director Johnson, Allegri, and Lennen

Abstain: Director Graham

Absent: Director Perreira

B) Election of Board Vice-President

Director Graham nominated Director Allegri as Board Vice-President. The nomination was seconded by Director Lennen, and the motion passed unanimously.

Absent: Director Perreira

C) Election of District Treasurer

Director Johnson nominated Vicki West as District Treasurer. The nomination was seconded by Director Lennen, and the motion passed unanimously.

Absent: Director Perreira

D) Election of Board Secretary

Director Johnson nominated Lena Spilman as Board Secretary. The nomination was seconded by Director Graham, and the motion passed unanimously.

Absent: Director Perreira

Receive and File Report from District Auditor Regarding Use of Company Trucks by On-call Employees

General Manager Jim Goodrich presented this item to the Board. Mr. Goodrich explained that after an inquiry was made by a member of the public at the November 14, 2009 Board meeting regarding IRS reporting of employee on-call vehicle use, staff requested that the District's auditor research the issue.

He stated that the District has been using "The Payroll Source" as its reference on the subject, and explained to the Board the rules by which employees are bound while using on-call vehicles. While on-call, employees carry cell phones and pagers that are connected to the SCADA alarm system for the water and wastewater systems and to the District's answering service. Employees are not permitted to consume substances that would cause them to drive under the influence in the event of a call-out, and must limit their personal activities so as to remain within a close proximity. District employees may not transport non-employees in District vehicles, but may occasionally use the vehicle for *de minimus* personal use while on-call. Mr. Goodrich noted that the fact that District on-call vehicles are designed and equipped to respond to water and sewer emergencies, coupled with the District's restrictions on personal use, exempts employee's from IRS reporting or paying for mileage while on-call.

After some review, the District's auditor concluded that as long as the employee uses the vehicle in a *de minimus* amount for personal use, the District logo is on the vehicle, the vehicles carry special tools related to on-call status, and the vehicles are configured to perform maintenance and repair work, than the District vehicles may be used by designated on-call employees without violating IRS requirements.

Director Allegri moved, seconded by Director Lennen, and the motion passed unanimously to receive and file the report from the District auditor regarding use of company trucks by on-call employees.

Absent: Director Perreira

Consider Approving the Execution of a Memorandum of Understanding with Southside Senior Services, Inc. (SSSI) and Michael Brandman Associates for Conducting CEQA Work Associated with the Development of The Gathering Place.

Mr. Goodrich presented this item to the Board. Mr. Goodrich stated that GCSD had previously signed a lease agreement with SSSI and selected Michael Brandman Associates to conduct the CEQA analysis. However, SSSI requested that a review of the Memorandum of Understanding (MOU) between themselves and GCSD occur prior to awarding the bid and beginning the CEQA process. Pursuant to this request, GCSD staff and SSSI Board members met during the summer of 2009 to discuss GCSD's indemnification associated with the CEQA process. On November 12, 2009, a committee of GCSD Board members and staff and SSSI Board members met to resolve the indemnification issues that have delayed the start of the CEQA process. Mr. Goodrich explained that the result of this meeting was development of an amended MOU for CEQA work.

Paul Bunt, SSSI President, addressed the Board. Mr. Bunt expressed that he was very comfortable with the amendments to the MOU and thanked the Board for their cooperation in this process.

Director Lennen moved, seconded by Director Allegri, and the motion passed unanimously to approve the execution of a Memorandum of Understanding with Southside Senior Services, Inc. (SSSI) and Michael Brandman Associates for conducting CEQA work associated with the development of The Gathering Place.

Absent: Director Perreira

Information Items

Staff Reports

A. General Manager's Comments

Mr. Goodrich brought the Board's attention to the results of the new water treatment report, commending staff on an excellent job. He stated that the Fire Department and the Maintenance Department are also doing an outstanding job of effectively managing the day to day needs of the District.

Director Johnson praised staff for managing to greatly reduce trihalomethanes (THM's).

Vicki West addressed the Board with an update as to the status of the 2008-09 audit. Mrs. West stated that the auditors have committed to a January 15, 2010 completion date, and that the auditors have already mailed out their Statement on Auditing Standards to all Board members.

Director Allegri excused himself from the meeting.

Director Johnson called a brief recess at 9:21am. The meeting reconvened at 9:24am.

B. Engineer's Report

None

C. Fire Department Report

Fire Chief Shane Warner announced that Engine 787 is undergoing repairs after being involved in a minor vehicle accident. The engine should be back soon. The Fire Department has been using the new fire engine to respond to calls in the absence of Engine 787, and Chief Warner reported that staff is very happy with the cab design.

Chief Warner also announced that he has been asked to sit on the Tuolumne County Public Protection Committee. He noted that county-wide volunteer participation has been very low, and that the goal of the committee will be to brainstorm ideas for improving fire protection programs.

Director Wes Johnson stated that the Fire Department, under the guidance of Chief Warner, is a vastly different Department than the one that was in place 4 years ago. He commended Chief Warner and his staff, and stated that he will be an excellent addition to the Committee.

D. District Counsel's Comments

None

Directors Comments

Director Johnson announced his resignation from the Board, effective immediately.

Director Lennen expressed his appreciation to Director Johnson for an exemplary job, and wished him good luck in his future endeavors.

Adjournment

Director Lennen moved, seconded by Director Graham, and the motion passed unanimously to adjourn the meeting at 9:35

APPROVED:

Wes Johnson, President

ATTEST:

Lena Spilman, Board Secretary