

**BOARD OF DIRECTORS
GROVELAND COMMUNITY SERVICES DISTRICT
GROVELAND, CALIFORNIA
February 8, 2010
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, President, Gus Allegri, Vice President, Dick Lennen, Steve Perreira, and Joe Riley 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.

District Counsel Dave McMurchie joined the meeting by teleconference

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

Agenda Approval

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

Public Comment

A member of the public inquired as to whether District Counsel's telephone presence is necessary for the entirety of the Board meeting or whether District Counsel could be used on an on-call basis, and requested that the issue be agendized in the future.

Action Items

Interview of Board Candidates

Director Graham stated that the District had received only one letter of interest for the vacant Board position from Mr. Joseph Riley. Director Graham asked if there were any questions for Mr. Riley from the Board or members of the public.

Director Perreira commented that over the past year he has gotten to know Mr. Riley, and has found him to be very interested in GCSD activities. He stated that the success of Mr. Riley's Bed and Breakfast is a testament to his creativity and vigorous efforts at cost reduction.

Director Graham noted that in his letter of interest Mr. Riley had stated that he would like to make a positive contribution to GCSD, and asked if Mr. Riley had any specific ideas in mind when making this statement. Mr. Riley stated that he would like to focus on improving customer service and District-wide efficiency.

Appoint New Director to Fill Board Vacancy

Director Perreira moved, seconded by Director Allegri, and the motion passed unanimously to appoint Joe Riley to fill the vacant seat on the Board of Directors.

Director Allegri thanked Mr. Riley for his service. Mr. Riley was sworn in by Board Secretary Lena Spilman. He then took his seat as Director.

Consent Calendar

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

Ayes: Directors Graham, Allegri, Lennen, and Perreira

Abstain: Director Riley

- A. Approve Minutes of the November 9, 2009 Regular Board Meeting
- B. Approve Minutes of the January 11, 2010 Regular Board Meeting
- B. Waive Reading of Ordinances and Resolutions except by Title

Conduct First Reading of Sewer Ordinance 1-10, Which Amends Sewer Ordinance 1-08

General Manager Jim Goodrich presented this item to the Board. Mr. Goodrich explained that staff keeps a running list of administrative changes that need to be made to the Ordinances, and that he feels it is a good idea to update the documents every few years. Mr. Goodrich used a PowerPoint presentation to summarize the proposed amendments, including the February 2010 Board approved rate increase, and asked for Board input regarding these changes.

Director Graham read the title of the Ordinance. Director Lennen moved, seconded by Director Allegri, and the motion passed unanimously to conduct the first reading of the Sewer Ordinance 1-10, and to establish a public hearing for March 8th at 9:00 a.m.

Conduct First Reading of Water Ordinance 2-10, Which Amends Sewer Ordinance 2-08

General Manager Jim Goodrich presented another PowerPoint to the Board, highlighting the proposed changes to the Water Ordinance and asking for Board input.

Director Graham read the title of the Ordinance. Director Lennen moved, seconded by Director Perreira, and the motion passed unanimously to conduct the first reading of the Water Ordinance 2-10, and to establish a public hearing for March 8th at 9:00 a.m.

Receive and File 2009 Water, Sewer, Recycled Water Analysis and Capacity Report

District Engineer Randy Klaahsen presented this item to the Board. He noted that all Board suggestions made at the previous meeting had been incorporated into the document.

Director Perreira thanked Randy for his time and effort, and stated that he found the report very interesting. He also asked Mr. Klaahsen several questions as to the status of the District's contract with Pine Mountain Lake Association for the use of recycled wastewater.

Director Perreira moved, seconded by Director Allegri, and the motion passed unanimously to receive and file the 2009 Water, Sewer, Recycled Water Analysis and Capacity Report as amended.

Information Items

Graywater

Director Perreira presented this item to the Board. Director Perreira explained that the state of California has recently liberalized their regulations regarding the use of graywater, making residential graywater systems both easier to install and more cost effective for the public. Director Perreira urged the Board to investigate and promote graywater use, and shared his belief that doing so would be to the mutual benefit of GCSD and the community.

Director Lennen stated that he was in complete agreement with Director Perreira, and would like to recommend that the President convene a committee to research the topic and how the use of graywater could be applicable to District activities.

Director Graham agreed to form a committee and asked Director Riley to serve as Committee Chairman. Director Riley agreed.

Legacy Costs

Director Perreira presented this item to the Board. Director Perreira explained that there are significant legacy costs associated with the medical benefits the District provides to its retired employees, which he would like discussed during the budget process.

Employee Retirement

Director Perreira suggested that the District consider a pension system comprised of part defined benefit and part defined contribution. He argued that CalPers is not invulnerable, and that a change to the current system would be of benefit to both the District and its employees.

Director Graham stated that both legacy costs and employee retirement belong to the same discussion, and appointed Director Lennen to serve as Chairman of a committee to explore the topics. Director Allegri volunteered to serve on this committee.

Staff Reports

A. General Manager's Comments

General Manager Jim Goodrich announced that the Groveland Youth Center would be officially dedicated by the Tuolumne County Board of Supervisors at the new Youth Center on Tuesday, February 16th at noon. Also on the 16th is the Tuolumne County Board of Supervisor's strategic planning session at the Groveland Community Hall at 6 p.m. Mr. Goodrich announced that the Operational Policies and Procedures Manual is almost complete and ready for Board review. He stated that union contract negotiations are scheduled for April, as is the first Budget Committee meeting.

B. O&M Report

District Engineer Randy Klaahsen announced that repairs were completed to the Hetch Hetchy Mountain Tunnel and that the District was again receiving water from the mountain tunnel. In celebration of this fact and to reward the staff for all of their hard work during the shut-down, Randy stated that we would be hosting a "Tunnel Shutdown is Over" breakfast for the employees on Thursday.

Director Perreira asked several questions regarding water breaks due to root intrusion.

C. Fire Department Report

Groveland Fire Chief Shane Warner announced that the FEMA grant for the new fire engine had finally been closed out. Although it took sometime to complete this process, Mr. Warner said that the department was very happy with the new engine. Mr. Warner also announced that as President of the Tuolumne County Public Protection Committee, he is currently involved in fact finding on how to improve county-wide services. The Committee is scheduled to meet later this month.

Mr. Warner was proud to report that the Groveland Fire Department is currently sponsoring 5 new volunteers to attend the Tuolumne County Joint Basic Fire Academy, resulting in roughly

25% of the overall attendees. He also reminded the Board and members of the public that the Groveland Fire Department will be hosting an Italian Night spaghetti feed on March 13th at Tuolumne Trails to raise money for their Relay for Life Team to benefit the American Cancer Society.

D. District Counsel's Comments

None. District Counsel Dave McMurchie ended his conference call at 11:30am.

Director's Comments

None

Adjournment

Director Allegri moved, seconded by Director Lennen, and the motion passed unanimously to adjourn the meeting at 11:32 a.m.

APPROVED:

ATTEST:

John Graham, President

Lena Spilman, Board Secretary