

**BOARD OF DIRECTORS
GROVELAND COMMUNITY SERVICES DISTRICT
GROVELAND, CALIFORNIA**

January 3, 2013

10:00 a.m.

The Board of Directors of Groveland Community Services District met in regular session on the above mentioned date with Directors Steve Perreira, President, Virgil McVicker Vice President, Joe Riley, John Armstrong, and Scott Wemmer being present. Also present were General Manager/District Engineer Gary Mello, Admin/Finance Manager Vicki West, and Board Secretary Jennifer Flores.

Director Perreira called the meeting to order at 10:00am.

Public Comment

Member of the public Carol Simpson read a statement to the Board and requested that it be included in the official record of the minutes. Please see statement attached herewith.

Member of the Public Carol Simpson read a statement on behalf of member of the public Jerry Baker who could not attend. Member of the public Lois Riggs finished the statement. Please see statement attached herewith.

Member of the public Lois Riggs read a statement to the Board and requested that her statement be included in the official record of the minutes. Please see statement attached herewith.

Information Items

Presentation by Suess Insurance Regarding Health Insurance Benefits

Adam Suess made a presentation to the Board with regard to the District's health insurance costs. He presented a report that broke down the District's health insurance monthly premiums dating back to 2005. Mr. Suess also presented and discussed the District's current insurance plan information along with the changes the District can expect when Obama Care takes effect.

Director McVicker asked, "How does Obama Care impact us as it relates to retired employees? I was under the understanding that you could move the employees to the government provided health plan and pay the premium there." Mr. Suess replied, "You would have to be a larger company." (50 employees or more) Director McVicker stated it was his understanding that it applied to all employers with 50 or less employees.

Action Items

Agenda Approval

Board Discussion

Director Perreira stated that the brief descriptions on the agenda under action items should begin with the word consider.

Motion

Director Riley moved, seconded by Director Perreira and the motion passed unanimously to add the language "Action Items to be Considered by the Board of Directors" at the beginning of the action items section of the agenda.

Motion

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

Consent Calendar

- A. Approve Minutes from December 6, 2012 Regular Meeting
- B. Approve Minutes from the December 5, 2012 Special Meeting
- C. Waive Reading of Ordinances and Resolutions Except by Title

Motion

Director Riley moved, seconded by Director McVicker, and the motion passed unanimously to approve the Consent Calendar.

Authorize the Use of Water Operating Reserves to Fund Operation of the Alternative Water Supply Treatment Plant during Unexpected Hetch Hetchy Shutdown

Staff Report

General Manager Gary Mello stated that the City of San Francisco (the City) has historically performed a tunnel shutdown every other year and the District budgets for it accordingly. He further stated that the District received notification that, though the tunnel was shut down last year, it would be shut down this year as well, during the month of January. Operations and Maintenance Manager Jon Sterling stated that the City is tentatively scheduled to begin draining the tunnel on January 10, 2013. Mr. Sterling further explained that the shutdown could affect the District as soon as January 20th or January 25th and that the District may be required to use its Alternative Water Supply (AWS).

Board Discussion

Director Perreira asked Mr. Sterling, "How much have we emptied the tanks during the ten day period?" Mr. Sterling responded, "At fourteen days we are pushing it." Mr. Perreira, "To get six extra days it's going to cost all of this money? I don't want to keep those tanks full if it's costing this much money." Mr. Sterling replied, "One thing that makes us extremely nervous is if we do a deep cycle on a tank and we have a line break, we may not be able to meet fire flow."

Motion

Director McVicker moved, seconded by Director Armstrong, and the motion passed unanimously to allow staff to transfer up to \$25,000 from the Water Operating Reserve Account, if needed, for the cost to operate AWS and to report to the Board if funds were taken from the reserve account to cover the AWS operating costs.

Lift Station #16 Reconstruction/Upgrade Status/Financing

Staff Report

General Manager Gary Mello stated that the grant application for the reconstruction /upgrade of Lift Station #16 will be part of a packet of projects compiled by IRWMP, and will be submitted at the end of March 2013 to the Department of Water Resources. He stated, "The grant funding,

as I have shared with you previously, is a reimbursement grant. So we will have to spend money ahead of time in order to then be reimbursed...the selection process will happen in October 2013...I think it will be a few months after that before the actual grants get approved...what I need to do at our next meeting is to be able to say to the group, that our Board is behind not only the project, but in order for us to go forward we will have to be able to do some "bridge" financing...I can tell you that the total cost of this should not exceed \$600,000...what I am asking the Board to do is if you want to proceed with the project and stay in the running...I need to have some commitment from the Board that you agree with the concept of us going forward and acknowledge it is a reimbursement grant."

Board Discussion

Director Riley asked Mr. Mello, "What is the construction time?" Mr. Mello replied, "It should be about four months." Director Riley asked Mr. Mello, "What do you think the worst case is to be reimbursed by the state?" Mr. Mello replied, "What I have been told is worst case scenario could be nine months, the best case scenario would be three." Director McVicker asked Mr. Mello, "How long do you think it would take to get a yay or nay on the grant?" Mr. Mello answered, "The official yay won't be until October." Director McVicker asked, "Is there any provision in the grant process that if construction costs exceed our estimate, that we can modify the grant, or do we live with that?" Mr. Mello responded, "I don't have the actual paperwork relative to the grant itself at this point and I have not been given that. I am very confident that we have conservative numbers throughout the construction cost estimate. I am not too concerned about exceeding the \$460,000...this estimate has plenty of contingency within the estimate and I have also included on top of each line item a 20% contingency factor for the whole."

Director Armstrong stated that he was in favor of moving forward with the grant process, even if the District had to expend some money to do so. He stated, "Even if we have to put out a little extra, I think it's still worth it because that lift station has to be done. It's in bad disrepair and the longer we wait the more of a chance of a big spill and that could cost us tons."

Motion

Director Armstrong moved, seconded by Director Riley, and the motion passed unanimously that should the LS16 Reconstruction /Upgrade project be selected for a reimbursement grant funding, the Board approves moving forward with said project and authorize future infrastructure bridge financing.

Adopt Resolution 1-13, a Resolution Adopting Annex B of the Tuolumne County Multi-Jurisdictional Local Hazard Mitigation Plan

Staff Report

Mr. Mello stated that Tuolumne County participates in a hazardous mitigation plan in order to make the County available for state and federal grant monies in the event of a major incident such as floods and earthquakes. He further stated that the county upgrades this plan every five years and are currently doing so, and have asked the District if they would like to continue to be a part of it at no cost to the District.

Board Discussion

Director Perreira stated he would like page 12 of the document in the second paragraph under item B to read "The 5-member elected Board of Directors governs and sets policy for the District." He also stated he would like the document to reflect that the District does participate in a mutual aid program.

Motion

Director Perreira moved, seconded by Director McVicker, and the motion passed unanimously to adopt Resolution 1-13, adopting Annex B of the Tuolumne County Multi-Jurisdictional Local Hazard Mitigation Plan as amended.

Attorney Information, Labor Attorney, GCSD General Attorney (Director McVicker)

Report

Director McVicker presented his submittal to the Board. He stated that he had conducted research with regard to labor attorneys that could possibly represent the District with labor negotiations. He further stated that he spoke with an attorney located in San Francisco and one in Modesto that would be happy to attend a Board meeting and give a presentation about their qualifications and costs. He also stated that he looked into potential firms and attorneys with regard to the Districts main legal counsel as well.

Board Discussion

Director Perreira suggested inviting representatives from other agencies that are dealing with similar labor costs issues.

Director McVicker moved to approve all recommended actions in total. Director McVicker withdrew his motion. He stated that he was not comfortable beginning negotiations before hiring an attorney to assist with the process.

Director Perreira stated that the Board should prepare and send a confidential brief of what the Board's objectives are prior to their arrival.

Motion

Director McVicker moved, seconded by Director Perreira, and the motion passed unanimously that the Board will interview labor attorneys or firms to represent GCSD in union negotiations at no cost to the District and that the Labor Negotiation Committee will send a written brief to the potential candidates prior to their arrival.

Motion

Director McVicker moved, seconded by Director Perreira, and the motion passed unanimously that the Board interview public agency and Community Services District attorneys for consideration of their fees and prior expertise in agency work and that the Legal Counsel Options Committee will send a written brief to the potential candidates prior to their arrival.

Motion

Director McVicker moved, seconded by Director Perreira, that the Board conduct their due diligence in a timely manner and hire a labor law attorney to represent GCSD in negotiations with Operating Engineers Local #3 at the earliest possible date.

Director Armstrong stated, "I think that as long as you don't set anything in stone we could start negotiations without an attorney, but don't make any decisions without the attorney...I think our union has already told us that they are willing to give certain things up, they are willing to negotiate in good faith. I think if anybody, we have not been the ones negotiating in good faith

because of what was said at last month's meeting. I wanted to sit on the negotiations and be a part of that...but you told me, you said in a public meeting, you did not want me on there because I was probably going to side with some of the employees."

Public Comment

Union representative Mike Eggener stated, "Employees have said let's get negotiations started, let's get on the fast track, we want to work with the District. But, what I am hearing here now; last month we were teetering on bankruptcy and now, correct me if I'm wrong, now we're not going to negotiate until we hire an attorney which could be some time in February. Director Armstrong stated it correctly, we're willing to sit down and negotiate; we sent you the letter. Now we are being told that we are going to wait until we have an attorney."

Vote

Ayes: Directors Riley, McVicker, Wemmer, and Perreira

Noe: Director Armstrong

Director Perreira called for a 30 minute lunch break at 12:40pm.

The Board reconvened at 1:14pm.

Consider a Transparency Policy to Require that all Correspondence with the District by District Counsel shall be Copied to Two Board Members (Director Perreira)

Report

Director Perreira presented his item to the Board. He stated that in most government agencies, the tradition shows that a district's counsel corresponds mostly with the general manager and staff, and not a lot with the Board. He stated, "I think the Board needs to know what is going on as it is going on...our legal costs have never met budget...what the proposal is about is to have the Board know what's going on with legal counsel as it happens...there's this effect, it's the Hawthorne Effect...the way the effect works is if someone is watching you, you work more efficiently...when you are watching people work, you don't really have to manage them too much. It's a difference between managing and watching, and I'm asking the Board to consider that what happens with legal counsel is available to the Board to review at any time and that the correspondence that happens between legal counsel, such as emails, that it's copied to a couple of Board members...all of the correspondence including emails can be copied into logs, telephone conversations, person to person...so we know how much time is being expended and what is being talked about."

Board Discussion

Director Armstrong stated he was concerned about the workload the Board has put on staff already and that this would burden them even more. He stated, "...I think we are starting to overtask our office staff."

General Manager Gary Mello stated, "I don't make copies of every correspondence with legal counsel. They are there in the computer and most of them are in the confidential category and a lot are the beginnings of what may turn into a confidential item...you are talking about a tremendous amount of work for me to do here...the records exists, if they are of a sensitive nature, I have some real concerns about copying them...I asked our legal counsel to provide a weekly report every Friday on what he has been doing, what he anticipates doing, and the labor effort he anticipates going forward...the other thing I will mention is that there are many sections in your Board Policy that talk about, basically micromanaging the General Manager. I really

believe that if we go to this level, that is what is happening here...I would ask you to be fair in putting an undue burden on me in terms of paperwork...I could keep a binder of the confidential items that the Board can look at."

Director Riley stated that he agreed with lowering attorney costs and thinks the Board moved in that direction at their last regular meeting by the motion that was passed limiting the General Manager to spend up to five hours only per issue before needing approval by the Board to be granted more time. He stated, "...Directors that become too involved with the day to day operations of the District exceed the scope and authority granted by his or her office. That is pretty well spelled out and I can't tell how many times they reemphasized that in the ethics training programs. That is one of the biggest pitfalls I think of most directors is that they get into the management side...watching people is part of management; it's not setting policy and it's not directing, it is part of management...and that is something this Board doesn't have the authority or scope. It's not within our scope of duty."

Motion

Director Perreira moved, seconded by Director Armstrong, and the motion passed unanimously to amend the monthly disbursement reports and legal fees to show more detail with regard to the breakdown by description and also show the actual budget vs. the earned budget.

Motion

Director Armstrong moved, seconded by Director Perreira, and the motion passed unanimously that all correspondences from District Counsel be stored in a binder at the District for the Board to review.

Motion

Director Perreira moved, seconded by Director McVicker, and the motion passed unanimously that the weekly report from District Counsel will be copied to all Board members by email.

Adopt Resolution 2-13, a Resolution of the Board of Directors of the Groveland Community Services District Publicly Censuring Director Armstrong for Violations of Board Policy and the Board Member Code of Ethics (Director Riley)

Report

Director Riley presented his item to the Board. He stated, "As the chairman I reported to the Board last month in closed session and it was recommended by the Board that it be brought to open session which it must be done if we do a censure act, it must be done in open session, so that's the purpose of today. Director Riley read his submittal and recommendations to the Board with regard to the public censure of Director Armstrong.

Public Comment

Member of the public Carol Simpson read a statement to the Board. Please see statement attached herewith.

Board Discussion

Director Perreira stated, "Now, what I came to remarkably, is exactly the same conclusion as Mrs. Simpson and I have not spoken to her on this matter at all. The only thing I would add to it, is that I am guilty of the same thing that she accuses Mr. Riley of and Mr. Armstrong has been guilty of those things too and they have to do with a little Podunk document we call the Board Manual. It is not a law, it has no legal standing whatsoever...it comes down to whether this Board member is guilty of bad decorum and violation of the code of ethics of the Board, which is

no law at all. And I am as guilty as John Armstrong is and as Joe Riley is for the same thing, and I will not vote to censure.

Director McVicker asked Mr. Mello, "Is it correct that when a complaint is brought to the Board that we have to deal with it? Is that not true?" Mr. Mello responded, "That is true... what legal counsel has advised is exactly what Director Riley just said a minute ago, and that is, it is important for the Board to take this type of action, even though as Director Perreira says, it isn't a matter of being illegal to use profane and abusive language, but if the Board does not act and an action is brought against the Board, not only will the entire Board therefore, the District and the people... they will have to pay the legal fees because the Board does not take an action...that's going to be an expense to the people of this District and as Director Riley said a minute ago, the potential exists for Board members to be held liable as well." Director McVicker commented, "...I commanded an infantry battalion of about 600 men. We were in the transition process where women were integrated into units, and it's almost analogous to the same issue that we're dealing with here that we had incidents arise where individuals made comments to our female soldiers that rose to the level of harassment and if I as a commander didn't deal with it, my next commander would have and I would have probably been relieved. And these are very very difficult issues, it doesn't matter if you have 300 men that do the same thing, if some soldier brings the information to you in a complaint, you can't ignore it."

Director Armstrong explained his side of the story to the Board.

Motion

Director McVicker moved, seconded by Director Perreira, and the motion passed to continue the item to the next regular meeting after a report has been made to the Board from the Employee Harassment Committee in closed session.

Ayes: Director Armstrong, Wemmer, McVicker, and Perreira

Abstain: Director Riley

Information Items

Staff Reports

General Manager's Comments

Mr. Mello had no comments.

Operations and Maintenance

Operations and Maintenance Manager Jon Sterling discussed restricted flow meters with the Board as a possibility to meet upcoming water conservation requirements. He further discussed the high volume of I&I the District is experiencing due to the recent rainy weather along with the details of a large water break that occurred in downtown Groveland.

Fire Department

On Duty Captain Joey Hall presented the Fire Department report to the Board. He stated that the department has hired a new reserve and that there is a possibility that two more may be joining soon as well. He also stated that Cal Fire Battalion Chief Jeff Sanders has stopped by the fire department several times and added that it appears that the Cal Fire transition should occur sometime in April.

Admin/Finance Report

Vicki West stated that November's disbursements were in front of the Board for review and responded to comments and questions from the Board.

District Counsel Report

None

A consensus of the Board decided to address the *ad hoc* committee reports at a later date and decided to convene into closed session.

The Board convened into closed session at 3:50pm.

Action Items

Closed Session

- A. Conference with Legal Counsel – Significant Exposure to Litigation
Pursuant to subdivision (b) of Section 54956.9
Number of matters to be discussed: 3
- B. Public Employee Discipline/Dismissal/Release
Pursuant to Section 54957
Step 3 Evidentiary Hearing
- C. Conference with Legal Counsel – Significant Exposure to Litigation
Pursuant to 54956.9(b)(3)(C)
Receipt of Claim Pursuant to Claims Act from Former Fire Chief Shane Warner

Director Armstrong left the meeting while the Board considered closed session Item C, due to a conflict of interest.

The Board reconvened into open session at 5:35pm.

Board Consideration of the Claim of Former Fire Chief Shane Warner

Motion

Director Perreira moved, seconded by Director Riley, and the motion passed to reject the claim of former Fire Chief Shane Warner.

Ayes: Directors Riley, Wemmer, McVicker, and Perreira

Absent: Director Armstrong

Report out of Closed Session

Director Perreira announced, "On item 11 d) the Labor Negotiations, the chair of that committee is Scott Wemmer and it also includes Director McVicker. The next item is item 13 a), the announcement is a committee has been formed, it's called the Sewer Fund Committee; it's an *ad hoc* committee consisting of Director Virgil McVicker and staff. On item 13 b) we have a request from the employees counsel and have agreed to continue to a date to be announced for the hearing to be conducted and all deadlines have been agreed to be extended per agreement with their employee representative... deadlines are extended to restart on the date when the hearing is actually heard and that was voted on 5-0 by the Board...I think John made the motion and Joe Riley seconded it and it was voted on 5-0 by the Board. John Armstrong left the

meeting at 5:00pm...the next meeting of the Board will be Thursday, January 17th at 10:00am; it will be a special meeting and the closed session items will be first followed by the *ad hoc* committee reports.

Adjournment

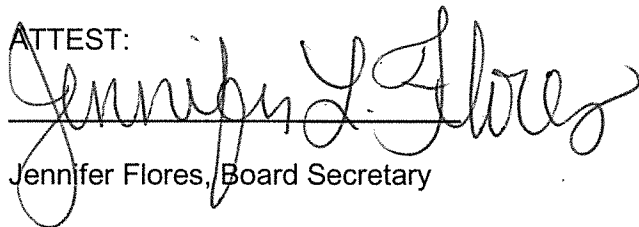
Director Riley moved, seconded by Director McVicker, and the motion passed to adjourn the meeting at 5:40pm.

APPROVED:

A handwritten signature in cursive script, reading "Steve Perreira", written over a horizontal line.

Steve Perreira, President

ATTEST:

A handwritten signature in cursive script, reading "Jennifer L. Flores", written over a horizontal line.

Jennifer Flores, Board Secretary

Date: Tue, 18 Sep 2012 16:42:40 -0700

To: "Herman Schaap" <hschaap@gcsd.org>, "Joe Riley" <jlr3142@sbcglobal.net>, "Joe Riley" <jriley@gcsd.org>, "John Armstrong" <ffcccjohn@aol.com>, "Roy Conley" <rconley@gcsd.org>, "Steve Perreira" <steveperreira@yahoo.com>, virgilmc@earthlink.net

From: carol simpson <csatplra@earthlink.net>

Subject: Disturbing incident

Bcc:

GCSD Board Members
President Steve Perreira
Vice President Herman Schaap
Director John Armstrong
Director Joe Riley
Director Virgil McVicker

Past Board Member and President
President Roy Conley

I am writing to inform you of a disturbing incident which took place prior to the GCSD Board of Directors Regular Meeting on 6 September. After considerable thought, I have decided I must report this to you.

The meeting was late in starting because Director Riley could not arrive on time and had called ahead to so advise. Directors Schaap and Perreira were present. General Manager Gary Mello was present. Prior to the meeting, someone asked if Director Amrstrong would be attending. When no one from Staff or the Board replied, I offer the information that Director Armstrong was recovering from neck surgery and had called me the night before to ask me to email the Board to tell them this. A copy of that email is appended. I asked if the Directors present had received the email; Director Schaap indicated in the affirmative; Director and President Perreira indicated that he had not seen his recent email yet. I continued, saying with words to the effect that it was critical for Director Armstrong to not move for fear of endangering the recent surgery, that email correspondence at this time was too much of a strain.

Upon finishing this comment I noticed Mr. Mello staring at me. It was a cold, hard, and threatening stare. I held his gaze, wondering what was behind the menacing look. Finally I said, "Gary, do you have a problem?" He said, "Carol," paused, then looked away and down at the papers in front of him.

The more I thought about this incident, the more concerned I became. Mr. Mello's behavior was more than unprofessional; it was threatening. If his intent was to bully me for some, to him perceived reason, it backfired. I will not be intimidated, and I demand

that this sort of harassment by him never take place again.

I request that you take all necessary steps to ensure that Mr. Mello does not repeat this or any similar behavior toward me or anyone else in the GCSD Community.

Respectfully

Dr. Carol Simpson
GCSD Community Member and
Member of the GCSD Fire Committee

----- copy of cited email -----

Date: Wed, 05 Sep 2012 20:51:19 -0700
To: "Herman Schaap" <hschaap@gcsd.org>, "Joe Riley" <jlr3142@sbcglobal.net>, "Joe Riley" <Jriley@gcsd.org>, "Steve Perreira" <steveperreira@yahoo.com>
From: carol simpson <csatplra@earthlink.net>
Cc: "John Armstrong" <ffcccjohn@aol.com>

5 September 2012

To: GCSD Board of Directors
From: Dr. Carol Simpson
Re: Relaying Message from Director John Armystrong

Vice President Schaap, Director Riley, President Perreira:

I received a phone call this evening from Director Armstrong with the request that I send this email message to you, as he is unable to email you himself at this time.

Director Armstrong asked me to inform you that he will be physically unable to attend the GCSD Board meeting tomorrow, 6 September 2012. He is recovering from recent neck surgery which fused his neck, is not permitted to drive, and must remain in bed to avoid injury to the surgery that has been performed. He asked me to convey his regrets at being unable to attend this important meeting. I am sure you will sympathize with his situation and wish him a successful recovery.

Respectfully,

Dr. Carol Simpson

October 24, 2012

GCSD Board of Directors

Steve Perreira, President
John Armstrong
Herman Schaap
Virgil McVickers
Joe Riley

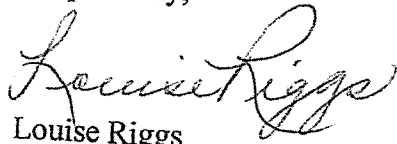
Gentlemen: I wish to bring a matter to your attention regarding Gary Mello, Manager of GCSD. After the meeting on the night of the Cal Fire presentation at Tioga High School, Mr. Mello was carrying equipment out to his car in the parking lot. He was absolutely glaring at me and the person that I was talking to. He used a hateful stare that pierces right through a person and lets one know, without any doubt, that he despises the fact that a community member has disagreed with him and/or questioned his motives and actions. He is extremely unprofessional in his demeanor and attitude towards the GCSD customers that are paying his salary. When he backed his car out of the parking lot that night, he came very close to where we were standing, enough so that we moved back away from his car. It was definitely a maneuver meant to show his "superior" position and lack of concern for anyone else.

In addition, his salary is totally out of line with his duties, especially now that he has handed our fire department over to Cal Fire. He did absolutely nothing to promote or help us keep our department under local control. Unlike the attitude professed at GCSD meetings by Mr. Mello and several on the Board, the community is, and was, in support of our Fire Chief and his ability to run the fire department. The Measure failed because a lot of false rumors were floated around at election time and the Manager did NOTHING to enlighten the public. He has been very outspoken about the fact he knew nothing about running a fire department and obviously wanted no part of it. In the past few months a lot of money has been raised for our fire department (over \$10,000 I understand) so this community has shown that OUR fire department WAS EXTREMELY IMPORTANT to this community.

I have never encountered a "public" employee that was as rude and disrespectful as Mr. Mello has shown himself to be. The mere fact that on his resume' he requested that the Board not talk to his last employer should have told you, the Board members, that this man would not be a top choice for this position. He intimidates members in the audience at the GCSD meetings with his cold, black stare so folks often think it is best not to speak against him.. His actions show that he feels that he alone, runs GCSD and not the Board. Please reconsider his continued employment with GCSD. He is not the best person for this job.

I would appreciate a response from each of you indicating that you received my letter.
You may respond to me at 963-7332 or an email to eaglenst@sbcglobal.net. Thank you
for your time and consideration.

Respectfully,

A handwritten signature in cursive script that reads "Louise Riggs".

Louise Riggs
P.O. Box 380
Groveland, CA. 95321

October 30, 2012

Louise Riggs

P.O. Box 380

Groveland, CA 95321

Subject: Response to your letter dated October 24

Ms. Riggs:

Let me begin by telling you that I disagree with every opinion you've written in this letter to members of the GCSD Board of Directors, with a single exception. Since you've seen fit to unload a "shopping list" of complaints in a single communication, I intend to respond to each in the same order:

1. Mr. Mello and most other attendants (myself included) did get irritated when someone is continually disrupting the meeting, and being belligerent; both activities that I have observed at these meetings by several special interest groups, including yours.
2. Your complaint regarding a meeting held on August 9, 2012 is untimely, to say the least. Why did you wait to complain now, over two months after the event? There have been numerous opportunities to do so. I do remember the event however, since my wife was sitting near you at that meeting and at the Fire Station meeting later that month (August 21). She commented that you were very angry, disruptive and made numerous loud, disparaging remarks about Mr. Mello, GCSD, the GCSD Board and CalFire during the meeting. Mr. Mello also mentioned at the time that, after the meeting, after he had loaded the GCSD tables in his SUV to return them, but he was unable to leave, as you and others were having a "meeting" in the middle of the parking lot, right behind Mr. Mello's vehicle. He did manage to ease out of the slot without touching anyone, even though you refused to move for him. Didn't you see the back-up lights? Couldn't you have just moved over? - After a long day he just wanted to go home. After all, it was well after 9:00 pm and he had been at work since 7:00 am. By the way, GCSD Board Secretary, Jennifer Flores, observed and confirmed this incident.
3. Mr. Mello's salary was discussed, and approved over one year ago, in an open meeting at GCSD. Did you attend these meetings? I and other Directors spent a considerable amount of time soliciting, reviewing and qualifying applicants for the General Manager's position. I don't know if you're aware of this, but WE'RE members of this community too, GCSD customers and elected by a majority of other members of this community. Do you really think we'd not select the very best candidate we could to manage GCSD? With his selection, we were able to consolidate two positions into one, saving GCSD over \$165,000 per year in the process. No other GM's in the region are qualified to be both District Manager/Administrator AND District Engineer. By consolidating these positions in our District we have permanently saved ourselves a significant sum of money, reduced our customer response time and significantly improved the management of GCSD. While we're on the subject and since I've never seen your resume, exactly what experience/credentials do you possess that qualify you to determine salary ranges for Professional positions such as GM of GCSD? My resume is a matter of public record and available from GCSD if you're interested. What are your references? What are you comparing his salary to?
4. I don't know where or who you get your information from, but you are completely INCORRECT regarding your statement that "Mr. Mello has handed our fire department over to Cal Fire".

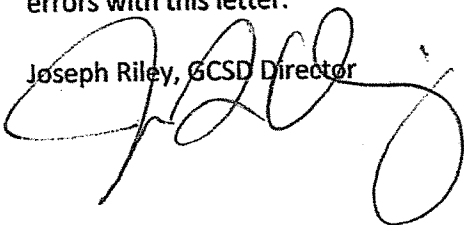
Nothing could be further from the facts: #1. It wasn't Mr. Mello's decision; it was the GCSD Board of Directors that voted to reorganize the Groveland Fire Dept. and contract with CalFire for personnel and administrative/management services, NOT Mr. Mello. Read the minutes of the August 28, 2012 GCSD Board of Directors meeting. Were you in attendance? As a result of that decision, Mr. Mello's duties to GCSD actually increased substantially; He now must manage the personnel services contract with CalFire, manage and administer our existing firefighter reserve/volunteer program, and oversee the administration of duties reverted to GCSD administration. He also retains the complete facilities and equipment management responsibilities of the Groveland Fire Department. Did you read and understand the CalFire Schedule A proposal outlined at the August 9 and 21 GCSD Special meetings? All facilities and every piece of equipment currently owned by GCSD for The Groveland Fire department continues and will continue to be owned and maintained by GCSD. Even down to the door decals on the vehicles.

5. Your statement regarding "Mr. Mello doing absolutely nothing to keep the department under local control" is also completely in error and doesn't agree with the facts. Mr. Mello worked tirelessly to get Measure D passed in this community. With me he presented the case to pass Measure D to The Yosemite Chamber of Commerce (60 members) and the Pine Mountain Lake Airport Association (300 members). He also made presentations to other social and service organizations in this community for the same purpose, eventually presenting the case to nearly 600 community members. In addition, with the single exception of Carol Simpson, no other member of Friends of the Groveland Fire Department (FOGFD) did a thing; not Shane or Wendy Warner, not Jerry Baker, not John Armstrong. Not one of them lifted a finger to get the Measure passed, not one. I haven't heard anything about your activities toward this measure. Exactly what did you do to promote the passage of measure D? What groups did you present your arguments to? Had Measure D passed, the Groveland Fire Department would have been adequately funded and we would not have had to resort to a reorganization to keep it operating.
6. With a 25% reduction <\$300,000> in available funds, the Groveland Fire Department couldn't continue to operate in its current form, even adopting the "emergency" revised budget presented by FOGFD, which failed to meet the budgetary or manpower requirements. Since we, unlike the Federal Government, can't print "GCSD Money" we did have to develop another solution, one that met both the budgetary constraints and ISO mandated requirements in order to keep our Fire department and also our ISO rating of 5/9.
7. This community you profess to speak for actually voted 58% AGAINST Measure D, we didn't even get a simple majority (we had to have a 2/3 supermajority to pass this tax measure) so I don't believe they were supporting the Groveland Fire Department, the Fire Chief or his ability to run the fire department. This measure failed because the community just didn't want to pay for it, plain and simple. A failure of that magnitude isn't caused by "false rumors", it's caused by the majority of the community not wanting this tax, period. I'm sure you'd like to blame the Manager for not enlightening the public, but I think the fact that virtually all the FOGFD members just sat on their derrieres and did nothing. On the same subject, can you tell me just exactly what you did or how many community members you "enlightened"?
8. It is true that Mr. Mello's experience and credentials did not include running a fire department, but that's just what he had to step in and do when Shane Warner first refused to follow specific instructions, ignored directives from his boss designed to control spending money that no longer existed after the failure of Measure D, and then resigned without warning leaving both GCSD and FOGFD in the lurch. The only positive thing that came out of his abrupt departure is that Mr. Warner no longer spends GCSD money driving a GCSD vehicle to Sonora to his second job.

9. In the last several months, there has actually been about \$3,200. donated to the Groveland Fire Department, not \$10,000 as you "understand" (again, check the facts – just call Vicki West at GCSD); but let's take your \$10,000 as an estimate of what the donations will eventually be: That would fail to meet the revised FOGFD budget by \$20,000, and would leave us only \$290,000 short of what Measure D would provide, in the first year. Now, by any measure, I wouldn't call that a whopping success, would you? I believe even more firmly that the community just didn't want to pay this tax, and the donations to date reinforce that belief.
10. If you've never met a rude and disrespectful public employee, then you haven't met Shane Warner, a ex-public employee who walked out of a GCSD Board meeting rather than respond to my questions, twice.
11. Regarding Mr. Mello's resume/application information – which, I believe is confidential to GCSD as it was presented confidentially in "Closed Session" at a GCSD Board of Director's meeting (therefore whoever provided you this information is guilty of a Brown Act Violation, a serious offense): Based on your statements, I have to presume that you have never been employed or applied for a position while currently employed, otherwise you'd immediately realize that any contact with a current employer of a prospective applicant would alert that current employer to the fact that their employee was interviewing another organization, not a good thing for job security. This is common practice in both public as well as private organizations. Not to discuss specific personnel matters with you, but Mr. Mello's resume and application were fully vetted by our Human Resources Department, so I'm confident all of his references were confirmed and positive.
12. I'm not going to comment on your continued referral to Mr. Mello's stare as I haven't spent a lot of time looking into his eyes. As I said before, If someone is disrupting the meeting with their behavior, I too have been known to glare at them. We're trying to conduct a civil meeting where information can be provided to the community effectively.
13. As a matter of record in our Policy and Procedures Manual, Employee Reference Guide, GCSD Director's Policy Manual, and accepted practice for Community Districts (CSDA), Mr. Mello, as General Manager DOES "run" GCSD, not the Board. He is responsible for operating, managing and administering the day-to-day operations of this District. Copies of these Manuals are available from GCSD if you're interested in getting correct information.
14. I believe that if you don't like the way things are being done, then it's your duty to step up to the plate and try to make a difference. I did when I volunteered to serve on the previous Board, then ran for and was elected to GCSD Board. During these last months there has been several opportunities to participate, one open Director position and two Director positions available in the upcoming election. Only one person affiliated with FOGFD applied, but he failed to show up at the selection meeting and was not considered for selection. The two open positions for election went unchallenged to two individuals, both opposed to measure D. Not one FOGFD ran for either of these offices. How can anyone be considered to be anything other than a complainer if you don't even attempt to participate.

I believe your complaint letter has brought out a number of errors of fact and misconceptions regarding this issue, so I plan to use my response in the public forum to correct some of these errors with this letter.

Joseph Riley, GCSD Director



January 2, 2013

GCSD Director Joseph Riley

I wrote a letter to the GCSD Board on October 24, 2012 regarding an incidence concerning Gary Mello. You chose to respond to my letter in an extremely disrespectful and inappropriate manner on 10/30/12. I want my letters of 10/24/12 and 1/2/13 and your misguided response to be entered into GCSD records.

Item #1: Accusation: that our group continually disrupted GCSD meetings in a belligerent manner. This is totally untrue and has no merit or fact. The public is allowed to state their disagreements with Board members or the General Manager. It was not done in a belligerent or disruptive manner.

Item #2: Accusation. I was loud, angry and disruptive at the 8/9/12 Cal Fire meeting. TRUTH: I asked questions of the Cal Fire representatives and received appropriate answers. I was not disrespectful to Cal Fire or anyone else during the meeting. I do strongly disagree with the management "style" of Gary Mello and his intimidating stares and glares during a public meeting at audience members who disagree with him. He has no interest in being a solid member of this community by moving here to live as he originally stated he would. GCSD has never had a manager that showed so little concern or regard for the community that was paying his salary. Furthermore, you are entirely ignorant of the parking lot situation. I was standing about 5 feet away from the curb next to the building, when Mr. Mello backed up his car to leave. He had all the two driving lanes into which he could back up, however he chose to back all the way across the parking lot and come close enough to us to make us step much closer to the curb. His action was completely uncalled for, simply a move to intimidate myself and Wendy Warner. Your defense of his actions is pathetic. Please note...Jennifer Flores was no where in sight (as you mistakenly stated) because she was inside the building talking to Carol Simpson.

Item #3: Selection of Mr. Mello for GM. You, Director Riley, were the Board member who continually pushed Mello's application to the "top of the pile" disregarding other qualified candidates and statements from other Board members. My comments about his extremely high paid salary are backed up by the recent Grand Jury report. He is paid far more than our County Sheriff who is responsible for the lives and safety of all his law enforcement officers and citizens of the County. Do you honestly think Mello deserves more salary than the Sheriff?

Items #4 & #5: From the start Mr. Mello wanted our Fire Dept. to be handed over to Cal Fire. He would not allow our Fire Chief to publish any articles in local papers to inform the public about Measure M. Gary Mello increased the amount of the fire tax because he wanted a bigger amount for the park dept. and everyone was told the fire dept. was just

spending too much money. That is why the measure didn't pass. The ambulance tax passed just fine because no one from GCSD was out to sabotage the tax.

Item #6: Chief Warner, Jerry Baker, and Carol Simpson did present a reasonable budget that you and Mr. Mello fought against. It was obvious to everyone that attended all those GCSD meetings that you wanted to get rid of Chief Warner by any means. Current litigation backs up that statement.

Item #7: This community has to pay for a fire dept. one way or another. Your statements on this item are just plain nasty and insulting.

Item #8: Pure lies from you and Mello.

Item #9: The private amount raised for "our" fire dept was \$13,000 + with more funds coming in and being held by "Friends of the GFD" specifically for the continuation of our fire dept. in response to their news articles. The community didn't entrust the Funds to GCSD. The funds have since been returned to the respective donors. See continuing articles by Carol Simpson in the local paper.

Item #10: Wrong name. Not Shane Warner but Gary Mello and Director Riley.

Item #11, #12, #13: Not worth answering.

Item #14: Your statement that I should be "doing more" is totally insensitive and crass. I have a very ill, and disabled husband who requires constant care so I can't commit time running for the Board. I attend meetings as I can, and enter into many discussions with other community members.

I will not be intimidated by either you or Gary Mello. Apparently neither of you ever learned how to politely disagree with the community members that are paying GCSD salaries. Thankfully you don't represent the entire Board.

Sincerely,



Mrs. Louise Riggs
P.O. Box 380
Groveland, Ca. 95321

To: GCSD Board of Directors

From: Jerry Baker

Subject: Public Input on Mr Mello's Job Performance.

I understand that you may be interested in the perception of general public on the performance of your G.M. I have hesitated to get involved as my recent experience with the GCSD management has been so negative that I swore off any more interaction. I do feel however that the performance of your G.M. should be addressed.

This summer I served on the committee to make recommendations on a course of action for the Groveland Fire Department in light of the failure of Measure D. John Gray asked that I volunteer to create a balanced committee. While we often disagreed on what was the appropriate course of action I felt that the volunteers involved in the process worked in good faith to research and propose options for the board in dealing with this very complicated and difficult situation. Unfortunately I cannot say the same for Mr. Mello.

Throughout the proceedings Mr. Mello remained aloof and defensive. Often we would need to restate a question when we were trying to ascertain specific facts as he had lost interest and was not paying attention to the discussions. He did not appear to have a full grasp on the day to day operations of GFD. As time went by it slowly became clear that Mr. Mello had already determined the outcome and was merely going through the motion with the committee. This became very evident when the committee was misled about the ongoing discussions with Cal-Fire. We later learned that he underreported the content of the meeting and the attendees. As we progressed through the process it became clear that Mr. Mello saw this as an opportunity to rid himself of Shane Warner who he clearly viewed as a problem employee. His interactions with Shane during those meetings ranged from dismissive to rude.

During most of the meetings I would describe his efforts as passive aggressive, however when it came time to make recommendations Mr. Mello transitioned to a more active role to undermine the opposing points of view. On several occasions he used "GCSD policy" as an excuse to thwart open discussion on items that many of us felt were critical to the community. The height of his efforts to undermine our credibility was when he edited the numbers in our proposal that he did not agree with without so much as a phone call informing us of his actions. He then published the edited version under our name. I asked for but never received an apology for the misrepresentation.

I enjoyed a very positive relationship with Mr. Mello's predecessor. Jim and I disagreed from time to time but his door was always open. I felt that if I could just sit down one on one with Mr. Mello maybe we could find a way to work together. On numerous occasions I requested an in person meeting. I never received a reply. I left phone messages, emails, and requested a get together in person at least one of the public forums, all to no avail.

The last time I spoke with Mr. Mello was at the August 21 public meeting. During the meeting I expressed my opinion that the numbers in the proposed budget that were presented under Joe Riley's name did not add up to me. I suggested that they appeared to be "ginned" up to justify a certain conclusion. I may or may not have been correct but that was and still is my opinion. Immediately after the meeting Mr. Mello literally charged up to me. He poked his finger at me telling me that I should never say that again and his face was so red that I feared he was going to have a coronary. I calmly explained to him that I just call them like I see them and maybe if he were to occasionally return my request to meet I could have more confidence in his work. He then started shouting that he did not like be challenged that he "was a professional" and of course all of his numbers were always accurate. He also said that he spends more time with me than anyone else in the community. I found this shocking in that I have never seen the inside of his office or received a phone call. I have received exactly one email from him which was sent to the entire committee. As I walked away he asked Mike Gustafson, who was witnessing the exchange, if he had a minute to discuss something. Mike asked him if he could be civil and he turned on his heel and stomped off. That evening I sent him an email once again offering to bury the hatchet if he wanted to talk. Of course I never received a response.

We live in a small close knit community. At Tuolumne Trails I benefit tremendously from community spirit of greater Groveland. There are few places that have the combination of rampant volunteerism and incredible skills that we enjoy. As a result of Mr. Mello's style GCSO leaves a lot of value on the table by not embracing our community spirit. None of the people I talk to regularly have confidence that Mr. Mello is acting in Groveland's best interest. The general consensus is that it is just a job to him that he is performing with mediocre skill at best. That may not be a fair assessment. None of us understand the day to day requirements of managing GCSO. But several things are clear:

Mr. Mello did not effectively engage the community in support of the fire tax.

Mr. Mello's positions necessitated the return of thousands of dollars of local donations.

Mr. Mello's style has discouraged me and others from ever volunteering to help GCSO again.

Just one man's opinion and by the way I am a professional too.

Respectfully,

A handwritten signature in dark ink, appearing to read "Jerry Baker". The signature is fluid and cursive, with the first name "Jerry" written in a larger, more prominent script than the last name "Baker".

Jerry Baker