

Golden West Community Service District

P.O. Box 448, El Dorado, CA. 95623



October 30, 2008- Meeting Minutes for Golden West Community Services District

Regular Meeting, Held at El Dorado Community Church

2. The meeting was called to order at 7:00. Directors present were V. Emi Kimura, Jeff Malm, Barbara Nichols and Ed White. Secretary McClintock and Road Manager Sanford were also present.

3. Old Business

A. Questions and concerns in Settlement Delta vs. Golden West CSD

Mr. Robert Laurie introduced himself as the attorney who represented GWCSD in the lawsuit brought by Delta Construction. A conditional agreement has been reached; he would answer questions as completely as possible. The contract in question was let in December of 2006 and the work was completed in May of 2007. He was contacted by the board in February of 2008 about a prepared settlement from Delta.

He reviewed the settlement agreement after looking for a defense (due cause for the failure to pay) for the contract. Laurie recommended settlement talks. The cost of litigation became an issue. He confirmed with the Auditor's office that the District had the ability to pay over a period of time. Some of the issues were that the 1-year warranty on the work performed had expired, although the work had never been inspected. The Request for Proposal did not clearly state what the District was asking for, but Delta responded, causing misunderstanding between the parties. The contract was also not clearly written, so it was difficult to say work wasn't done because it was never properly defined.

Delta has agreed to honor the warranty and fix problems identified by a professional contractor.

The board felt they had a contract reflecting the work needing to be done at a fair price. The Directors incorrectly expected to receive grant money to pay for the work. They informed Delta via a letter and approved completing the work.

An agreement was reached to pay for the roads contracted for. Laurie feels that it is difficult to say if the district got its money's worth due to poor monitoring. We will make a monthly payment on the contract and pay part of their attorney's fees. The attorney's fees are paid at a negotiated rate that does not necessarily reflect the actual hours spent. The bulk of District revenues for the next several years will go to pay for work that was contracted for and performed. If no settlement had been reached, the costs would have been much higher. A licensed contractor will review the contract and determine what

should have been done. Delta must respond to our demands to fix what they have worked on; no specific deadline is set for this work. The new board was faced with the lack of documentation to support our claim because the contract was poorly written. He pointed out that meeting minutes from 2006 showed discussion at the meetings, but no great disagreement.

Laurie took questions from the attendees. To ensure that this doesn't happen again, general council will review contracts and ensure that they follow correct procedures. One person should be in charge, and the board must make informed, public decisions with input. The settlement was for approximately \$175,000, including approximately \$15,000 in attorney's fees. The district will pay \$3,297.14 monthly for 4 years.

White distributed copies of the terms of the settlement, and it is also available on the website.

The contract was prepared by Delta. A contractor or engineer will review it and determine the intent of the language. This review will be interpreted as what Delta needs to do.

The Board stopped paying Delta because they had no more money, not because of the quality of the work. There is no prepayment penalty in the settlement.

Sanford and Allen Jaeger wrote the RFP.

B. Obtain the Legal services of Robert Laurie for the CSD

A motion was made to retain Mr. Robert Laurie's services on an as-needed basis. The district will be charged \$225 hourly for services rendered. The motion was approved by a 4-0 vote.

4. Approval of meeting minutes of September 18, 2008

There was a correction to the minutes of September 18. The amended minutes of the regular meeting on September 18 were approved by a 4-0 vote.

Unagendized item

Nichols announced that she will be stepping down as vice-president. She would like to assign new board positions in November instead of January.

5. Treasurer's Report

The district has a balance of \$7,896.44. Kimura moved to approve November and December payments to Delta, in the amount of \$3,297.14 each, and payment of \$500 to Laurie. White amended the motion to pay only the November payment at this time. The motion was approved by a 4-0 vote. Money is also owed to the county for Measure C, but this can wait until January when additional property tax money will be received.

Kimura, Linda Maxwell and Walt Dalbeck are working to create a balance sheet that can be distributed.

A mistake was made in the income in the 2008-09 budget. The OES/FEMA line item for income of \$29,647 was removed. This should have been recorded in 2007-08. The same amount was removed for the contingency fund to balance the budget. This change was approved by a 4-0 vote.

6. Road Manager's Report

White asked for attendee's input on the new meeting announcement signs. They are currently in 3 locations. Brighter background was suggested.

7. General Manager's Report

No report was given.

8. New Business

- A. Establish a Committee for Road Policy
- B. Establish a Committee for Worker's Comp.
- C. Establish a Committee to Organize Storage files
- D. Establish a Committee for By-Laws
- E. Establish a Committee for the Newsletter and website

Nichols asked for volunteers for the various committees. Walt Dalbeck is working on the Road Policy and the Rules and Procedures. Several residents volunteered for committees. Names were recorded by Judy Malm. Jeff Malm asked for phone numbers and email addresses for the volunteers. Malm thanked Rob Flint for his work on the website, and asked for feedback and input on content. He stated that there is still much historical information to be filled in. White noted that anyone call a board member with input or comments.

9. Fire Safe Council

Ken Hasse announced that newsletters will be coming out regarding work to be started soon. Three fuel breaks will be created by a licensed contractor. A response will be needed from affected property owners. A link to the Fire Safe Council site will be added to the GWCSD webpage. No work will be done on the common property. There may be a grant available for that, but research needs to be done. More controlled burns are scheduled for the Grizzly Flat area.

10. Correspondence

The direct charges did not include the 3 administrative parcels. Kimura is correcting the error and there will be a \$15 fee to file each form.

11. Community Comments

A resident asked about the fee increase.

Walt Miller submitted an informational packet regarding the value of the common property.

Nichols clarified that she will step down in November. This will be a November agenda item.

White reiterated the need for a redefinition of the various Road Policies and documents. The scope of the committees will be discussed.

Judy Malm suggested an idea list on the webpage.

A resident asked about the responsibility of owner on easement roads. Malm will research and report back. Bernard Carlson suggested that homeowners join together to get work done. Bruce Bogart said this should be part of the road policy.

Kimura brought up an item that was left out of the Treasurer's Report. She moved to pay Ellen Day \$101.18 for the newsletter mailing. The motion passed by a 4-0 vote.

Some residents did not get an agenda email. They were sent on October 29.

10. The meeting was adjourned at 8:35.

2008 Regular Meeting Schedule

November 13

December 11