

# GRASSY RUN COMMUNITY SERVICES DISTRICT

## RESOLUTION NO. 11-01

WHEREAS, in 1982, pursuant to petition of the parcel owners of the Grassy Run Homeowners' Association (GRHA), the Local Agency Formation Commission of the County of El Dorado (LAFCO) authorized and approved the formation of the Grassy Run Community Services District (GRCSD);

AND WHEREAS, the GRCSD was established to act as an aid in the collection of dues and assessments of GRHA by the use of the property tax collection system of the County of El Dorado (County);

AND WHEREAS, the sole authorized purpose of the GRCSD was the maintenance and expansion of a road system servicing the parcels located within the GRHA;

AND WHEREAS, for more than ten (10) years the GRCSD performed in accordance with its authorized purpose;

AND WHEREAS, in the mid-1990s the El Dorado County Counsel, and thereafter the Shingle Springs Band of Miwok Indians, also known as the Shingle Springs Band of Indians and the Shingle Springs Rancheria (collectively, Tribe), asserted that by the creation of the GRCSD and the use of funds collected by the GRCSD on the Grassy Run road system, that road system had become, and therefore was, impliedly dedicated to public use;

AND WHEREAS, the parcel owners and residents of GRHA denied those assertions and contended that the Grassy Run road system was, and had always been, private and not dedicated to public use, impliedly or at all;

AND WHEREAS, litigation [No. 96-Civ-1414] (the federal court litigation) was commenced in 1996 in the United States District Court, Eastern District of California, between the Tribe and its councilmembers, as plaintiff and cross-defendants, and GRCSD and its officers and directors, as defendants and cross-claimants, and GRHA and its president as intervening defendant and cross-claimant, and the County as cross-defendant, raising, among other issues, the question of whether the Grassy Run road system was private or was dedicated to public use;

AND WHEREAS, in April 1997, the Court issued a ruling in the federal court litigation declaring that the Grassy Run roads were private and that they had not been, and were not, dedicated to public use, because there had been no intention of the Grassy Run parcel owners to so dedicate them;

AND WHEREAS, in February 1998, the County, GRHA and GRCSD entered into a Settlement Agreement whereby, among other things, those entities agreed (a) that the Grassy Run road system was private and that it had not been, and was not, dedicated to public use, impliedly or otherwise, and (b) that the County would thereafter be, and it was, dismissed from the federal court litigation as a party cross-defendant;



AND WHEREAS, in June 1997, the Board of Directors of GRCS D adopted its Resolution No. 97-2, whereby the Board resolved that no further funds or monies of GRCS D would thereafter be spent on the Grassy Run roads for any purpose whatever;

AND WHEREAS, because of the continuing pendency of the federal court litigation, and the possibility of an appeal which might result in a reversal of the April 1997 ruling, as a hedge against any such possibility the GRCS D became inactive but was not dissolved or terminated;

AND WHEREAS, in December 1998, a Default Judgment was entered in the federal court litigation in favor of GRHA and GRCS D against "All Persons Claiming Any Legal or Equitable Right, Title, Estate, Lien or Interest In or Over the Grassy Run Roads Adverse to the Right, Title, Estate, Lien or Interest of the Owners of Parcels of Property Located within the Boundaries of the Grassy Run Community Services District," also known as "All Persons," declaring, among other things, that

1. The Grassy Run roads were and are private;
2. That no person claiming any rights of access over the Grassy Run roads had any right to travel upon those roads to access the Shingle Springs Rancheria;
3. That all such persons were permanently enjoined from acting in any way contrary to the rights of GRCS D and GRHA with regard to the Grassy Run roads; and
4. That that Default Judgment did not apply in full to enrolled members of the Tribe or to their spouses, or to persons who were residents of the Shingle Springs Rancheria, and that such persons would have certain specified limited rights to use the Grassy Run roads pending final judgment in the litigation;

AND WHEREAS, in December 2007, the Executive Officer of LAFCO, pursuant to a Street and Highway Services Municipal Services Review for LAFCO, recommended that GRCS D's sphere of influence be reduced to zero, as the first step in an ultimate recommendation for dissolution of GRCS D;

AND WHEREAS, that recommendation was tabled without action by LAFCO pending the conclusion of negotiations between the Tribe, GRHA and GRCS D aimed at settling the federal court litigation and all other issues existing between them;

AND WHEREAS, in February 2008, the Tribe and its tribal councilmembers, and GRCS D and its officers and directors, and GRHA and its officers and directors, entered into an Agreement for Resolution of Litigation, resolving all outstanding issues between them, subject to (a) approval of the United States Secretary of the Interior or his authorized delegate, and (b) entry of a Stipulated Judgment, the terms and provisions of which Agreement and of which Judgment are incorporated herein by reference as though the same were fully set forth;

AND WHEREAS, in May 2008, the Regional Director of the Bureau of Indian Affairs, pursuant to delegation from the United States Secretary of the Interior, approved the Agreement for Resolution of Litigation;

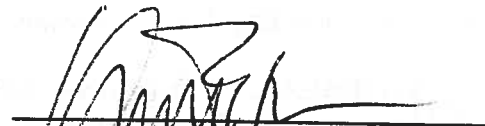
AND WHEREAS, in August 2008, the Stipulated Judgment in the federal court litigation was signed by the Court and entered in its records;

AND WHEREAS, with the completion of the events of 2008, no remaining purpose for the continuance of GRCS D continues to exist;

NOW, THEREFORE, BE IT HEREBY RESOLVED AS FOLLOWS:

1. That GRCSO (through its General Manager, Richard W. Nichols) shall petition LAFCO to issue an Order, Decision or Ruling dissolving GRCSO;
2. That GRCSO's General Manager be, and he is hereby, authorized and directed to sign all necessary and appropriate documents on behalf of GRCSO in support of said petition; and
3. That the said petition shall include, at a minimum, the following items:
  - a. Identification of GRCSO's General Manager, Richard W. Nichols, as the main contact person for purposes of interface with LAFCO concerning the petition, and authorization of said General Manager to sign all necessary and appropriate documents on behalf of GRCSO;
  - b. A representation to LAFCO that the Grassy Run road system, after dissolution of GRCSO, will be operated and maintained by GRHA; and
  - c. A request to LAFCO to waive its application fees.

Adopted and approved, unanimously, by the Board of Directors of the Grassy Run Community Services District on February 24, 2011.

  
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Kenneth B. Lee, President  
Grassy Run Community Services  
District

