

**TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
BOARD MEETING**

Minutes of Meeting held January 14, 2009

Board Members Present: Nicole Vigeant, Bill Tucker, Margaret Graham, Kat Marando and
Walter Earle

Board Members Absent: None

Also Present: Karl Drexel, Administrator
Consultant Tom Williard, Sustainergy Systems

Paul Duffey	Donna Clavaud
Peter MacLaird	Venta Leon
Bruce Bramson	

Vice-President Bill Tucker called the meeting to order at 6:10 p.m.

Open Communication:

No open communication

The Chair moved to Item E in order to expedite the discussion so consultant Tom Williard could answer questions and leave for a previous engagement. (See Item E under Pending Business)

Approval of Minutes:

The Chair entertained corrections and additions to the December 10, 2008 board meeting minutes. Paul Duffey submitted some corrections to the minutes that Terry Duffey noted. On page one Terry Duffey noted that when talking to Bob Rawson about the rates for the school he said the rate for 400 students and staff should be 40 EUs. Margaret noted that on the Mosquito Committee report on page four of the minutes that the Giacomini wetlands project did not introduce saltwater mosquitoes, but that they were getting saltwater mosquitoes now because of the introduction of saltwater from the bay. Terry also noted that on page 3 regarding comparable county jobs that the Community Advisory Committee discussed, she wanted to add that “these jobs are much larger in scope and complexity than that of our district. Also most of them require a degree and/or a license, but our district does not.”

Walter Earle moved to approve the minutes of the December 10, 2008 Board Meeting as amended. Seconded by Nicole Vigeant. M/S/U.

Financial Report:

A. & B. The Administrator noted that there was nothing to add to the financials in the Board packets. He indicated that he maintained accounts at two of the three banks because the totals exceeded the FDIC insured amount. He noted that he closed the Sonoma National account, but may re-open it at a future date depending on what interest rates do after the capital projects are complete. He reported that there was \$362,000 in cash between the two banks. He also noted that he had not been putting the retention money for Piazza’s contract in the escrow account, but rather had been holding it back. He noted that he will be transferring about \$45,000 to the escrow account out of the Union Bank account. He also reported that the SUSD invoice had been paid and that they had found a discrepancy in the billing of about \$6,000 so the accounts receivable would be adjusted accordingly.

Nicole Vigeant made a motion to accept bank statements and financial statements and approve expenditures including Phillips and Associates O&M, PGE facility costs, Karl Drexel, AT&T, Capital One, Sustainergy Systems, SWRCB and miscellaneous office supplies and copies. Seconded by Walter Earle. M/S/U.

Phillips & Associates Report:

The Administrator reported that there were no major issues to report. He noted that they had some problems with the comminutor and had to fix it. They pulled it out and pulled it apart to realign the grinding teeth. He noted that the new flow meter was installed and the Self Monitoring Report to the Regional Board has accurate daily flows instead of averaged flows. Walter asked if the treatment pond was working properly now and if the bacteria had built up to sufficient levels. The Administrator said that Phillips felt that it was. He noted that he was still putting live enzymes into the pond, but that there was a considerable reduction in odor, which means the pond is working. Nicole asked if the duckweed problem had been resolved and Walter and Margaret indicated that it could still come back since it is carried by wind and birds. They noted that duckweed is a very tenacious weed and might be around now forever.

Committee Reports:**A. Newsletter Committee**

Terry was not present and the Administrator noted he had nothing to report

B. Fundraising Committee

The Administrator reported that he had nothing new to report.

C. Community Advisory Committee

Donna Clavaud reported that they had received information from Forestville Water District and Bolinas PUD regarding operations and general management. She noted that they would be compiling a written overview of them in a few days. She noted that Bolinas had just installed solar. She also reported that Bolinas PUD had been managed by one person for many decades and now has a woman general manager that manages both water and sewer functions of the district. Donna mentioned that she was hired because she was a lawyer and regulatory administrator and their board felt with new and increasing regulations they wanted someone with that background. She also mentioned that the general manager lived in Bolinas and the board felt that was crucial to their particular interests. Donna reported that the manager's salary was \$106,000 per year including benefits, but that she only spent 10-30% of her time with the sewer function of the district. They have an administrative assistant as well. She noted that the Bolinas PUD had 600 residents and 162 residences, they process 30,000 GPD of water and the sewer budget was \$250,000 per year. The service fee is \$762 per year and commercial rate was \$1,035 per year. Margaret Graham asked if that was for both water and sewer and she acknowledged that she did not know. Donna also noted that they treat to tertiary levels. Margaret asked if that was recent because they have only treated to secondary levels and spray irrigated similar to Tomales very recently, although their sewer ponds are full of vegetation and different from ours. Donna said that it was recent. Donna also said that they had only one operator and mentioned that the GM told her that they were considering a salary increase due to the increasing regulations and that her time might increase from 10% of the time to 20%. She also said that the district felt it was important that the operator know the life style and needs of the people of Bolinas. She also said the last general manager that they had was also a shift operator.

Moving on to Forestville, Donna noted that they were larger. They have 356 residences, 38 commercial and 5 institutions. Donna noted that the General Manager is a woman who has 25 years experience in the field. She holds a wastewater operator two and water treatment two certifications. They treat to tertiary standards and they have no current capital projects. Their annual budget is \$630,000, but she was not sure if that was just sewer or sewer and water. Her salary is \$98,000 per year and her benefits total another \$66,000 per year. She works forty hours per week and has 2.5 FTE employees.

Margaret asked if they had talked to anyone with the Marconi Conference Center. Venta Leon noted that she had. She reported that their system is different type of system. They have an employee who is like a mechanic who oversees the Marconi system. His supervisor is a class one operator and is qualified to do class two operator work overseeing Marconi and Walker Creek, and is a State Parks employee.

Donna then asked the Board, where we go from here. What kind of action does the Board want to take in terms of asking for recommendations or moving the committee to the next step? How can the committee be useful in bringing the Board more information or if the Board was going to look at all the data to see how it pertains to our District. She noted that at the last meeting they recommended that the Administrator list his hours and tasks so that they can see what tasks take what amount of his time. The Board asked if other districts require their Administrators to do that and she said Graton and Bolinas do. She also said they recommended the Administrator develop a five year projected budget to give them an idea of what they are looking at in the way of projected rates so they will have the bigger picture. Venta asked if the Board had been able to digest the information they have gathered and if there were any questions and if the Board thought it was information they could translate to the Tomales district. Nicole Vigeant noted that the information was very interesting and provided a wealth of information, but she did not feel it could be directly compared to Tomales, since they were all so very different. Donna said they want to look at a couple of other systems that were closer in size, one of which was Lake Berryessa. Bill Tucker suggested that Geyserville might be similar. Bruce Bramson interjected that he felt a pattern emerges with the more data you have and the easier it is to do quick comparisons on each of the categories listed. The Administrator noted that he had submitted to the committee early on the LAFCO website that has a list of all special districts in the county with names, addresses, phone numbers, staff size and budgets. Donna mentioned that they did look at that and that it seemed they were all so much bigger than TVCSD that they did not know how useful that would be.

The Administrator responded to the committee's request for a five year projected budget by explaining that the SWRCB has established a requirement for a Sanitary Sewer Management Plan for all sewer agencies. One of the requirements of the SSMP is a projected budget that encompasses the cost of capital projects and the replacement of aged collection and treatment systems. The agencies are then required to establish rates that will fund reserves to meet those costs. He acknowledged that he had been holding off on this part of the SSMP because of the cost of the process and because the Improvement Project was not finished. He noted that it is required and therefore will be done, but that it isn't required until 2011. He reported that the Board had discussed in years past that a regular rate increase to cover inflation should be imposed so that the 7, 8 and 12% rate increases don't come up. He suggested that a four or five percent rate increase be imposed annually to cover cost increases and to build up reserves, based on the current population and connections. He said if he were to do a five year budget today, that is what he would project plus a \$5/month rate increase for the solar project. Margaret noted that the committee mentioned that they thought it was unnecessary to have a class five operator for the District and if they wanted to see if they could find a class three certified contract operator that was licensed and willing to run the plant, that the Board would be willing to consider that. The Administrator cautioned them that several considerations needed to be taken into account before replacing the existing operators. First, an operator has to be licensed as a Contract Operator and not just a certified Class 3 operator. He noted the SWRCB had a list of Certified Operators in the State on their web site. He also noted that if the District hires an operator as an employee, then there is the whole situation with withholdings, employer taxes, benefits, insurance, etc. He also advised them that new State and local regulations require that operations be monitored 24/7 and that somebody has to be available for emergencies and to report any spills within two hours of a spill. He noted that Alto and Homestead Sanitary District's GM is retiring again because of this requirement since they do not have staff or operators available. Venta mentioned that apart from being available 24/7, it is not a full time job to operate the system. She also added that another thing had come out of the survey is that most of these districts have additional people helping out the general manager doing lower skilled clerical work, like part-timers,

bookkeepers, etc. So if the Administrator's tasks were tracked it would possibly show that some tasks could be done by a part time person to take up the slack.

Margaret noted that discussion has been on going that at some time after the capital projects are complete that the Administrator might be able to reduce hours from a full time position, but that she did not feel that it was appropriate at this point. Nicole said she felt that it might be more appropriate for the Administrator to work on an hourly basis once all of the projects are complete and look at dividing up the tasks currently being handled by the Administrator for others. She also noted that it was difficult to look at what to do next while the District is still involved in what it is doing now. Once the capital projects are completed, the Board can sit back and discuss what direction to go in the future.

Paul Duffey addressed the Board reiterating that he did not feel that going solar was going green. He contended that the way to go green was to eliminate all costs where possible. He said that a PGE bill of roughly \$675/mo was not a concern, but that \$5,000/mo to Phillips & Assoc was. He said he felt that the District should look into hiring a part time operator who could be available on call. The Administrator explained that when the New Year's storm of 2005 hit, the District was able to handle the increased inflow, because Phillips was available when the alarms went out and they were able to monitor the system, and the system worked the way it was supposed to. Graton on the other hand had an overflow during that storm that cost them \$56,000 in fines and a requirement to develop a \$5 million upgrade to prevent future spills. \$56,000 in fines for one storm is a whole year of Phillips services. Donna questioned whether Phillips was operating the system when the irrigation pipe broke and spilled sewage on the irrigation field. The Administrator explained that the sewer spill happened in 1996 when North Marin operated the system. After they tried to have the community pay their fines, a sewer committee was formed in 1997 and one of the things they insisted on was that North Marin hire an operator just for Tomales. That was when North Marin hired Phillips in 1997-1998. The Board of Supervisors allowed the formation of the District in 1998 and the final formation was finalized by LAFCO in November of 1999.

Pending Business:

A. Grant Writing

1. The Administrator reported that the Community Development Block Grant for the feasibility study for tertiary treatment has not been spent yet. He mentioned that he got a letter from the CDBG staff requesting an update on the project. The letter noted that projects that have not been completed and that are not going to be completed in the near future will have their funds reallocated to another project. The Administrator noted that he wrote staff and explained the delay in the pond project but that the study is on track for this year.
2. The Small Communities Grant has been put on hold for the time being. The Department of Finance has frozen all grants that are being funded through state bonds and has issued a stop work order to all projects unless they can be funded through other sources. Fortunately, the District received 87% of the funds that they are going to get from the grant portion of the improvement project just prior to the freeze. The Pond Project is contracted at \$656,000 and to date we have paid \$558,000, so there is roughly \$100,000 left to finish the project. Of the \$100,000, 64% or \$64,000 will come from the grant. That is the amount that has been frozen. The balance is to be paid from the SRF loan proceeds, which has not been affected since it is federally funded. Nobody is certain how long the freeze on those funds will last, but nothing will happen until there is a revised state budget. And even then, nobody knows what will happen. However, he also noted that the state is going to withhold 10% of the grant proceeds for this entire project until the project is complete, Piazza is paid his retention, the District accepts the project and files a Notice of Completion with the County, and submits an updated Operations and Maintenance Manual to the State. The Administrator noted that he

had submitted a request for exemption the Department of Finance due to the risk involved and hasn't heard a response. He also asked Supervisor Kinsey to look into the possibility of an interim loan to cover the costs to complete the project and they are looking into it. He also reported that he asked the California Special District Finance Corp, the California Water Environment Association and the California Rural Water Association if they had any mechanism to bridge this kind of problem. The CRWA forwarded my request to the National Rural Water Association who has a revolving fund loan program for local projects and he applied to them. Bruce Bramson indicated that an article in the West Marin Citizen said that "green" projects in the works might not be funded and asked if the Administrator had heard any of that. The Administrator indicated that the Project Officers he had talked to in Sacramento did not address that issue, but that they had all indicated that Clean Water projects would be funded after the budget is passed. Nicole asked the Administrator where the District was with regard to the Pond project. He noted that the December invoice from Piazza has not been received, but should be forthcoming. At that time, the District can opt to pay the invoice out of reserves, borrow money to pay the invoice, or not pay the invoice, but that he felt the District would have 30-45 days to make a decision. He noted that he has advised Piazza of the situation and they are still working. The Board advised the Administrator to continue to look for interim financing and would revisit the issue next month.

3. The Administrator explained that the District has two grants from State Parks for the Park Project. One of them is funded through the State from Prop 40 and one of them is funded federally. The RZH grant funded by the State has been frozen as well. The LWCF is funded through the federal government and is not affected. The LWCF grant was for \$86,000 and the District has received \$77,400, leaving a balance of \$8,600, which is 10% of the total. The State is holding 10% of the total until the project is completed and approved, so that money won't be available until the project has been inspected and approved. The State RZH grant is \$94,000, the District has received \$75,000 leaving a balance of \$19,000, which is 20% of the total grant. That is the amount that is frozen by the State freeze. However, even if the State had not frozen the funding, they would be holding back that 20% until the project is completed and approved, so in reality, the Park Project is not affected by the freeze. The difference is the funding for the RZH grant won't come until after the freeze is lifted even after the park project is complete. The Administrator noted that he had submitted a request to the State for an extension of the completion date for the LWCF, which currently is March. He also reported that he had submitted a letter to the state for an exemption to the freeze due to the high costs of stopping the project, specifically \$5,400 cancellation and restocking fees with Landscape Structures, approximately \$1500 in discounts and another \$1500 in increased prices. He said he has not heard back on either request.

B. Capital Improvement Projects

The Administrator reported that the Pond project is over 90% complete. The contractor is making up aerator docks for the ponds, and then the pond can be put in service. Once the water levels go up, the aerators can be installed and the calibration of the level sensors can be done and the final tune up of the SCADA system.

The Solar project is on hold, waiting for the audit to be completed so the bonds can be sold.

C. Sass Property

The Administrator reported that he had nothing new to report.

D. Tomales Farm and Dairy

The Administrator reported that he had nothing new to report.

E. Clean Renewable Energy Bonds

The Administrator introduced Tom Williard who was in attendance to update the solar project to the Board and be available for questions. He noted that the Board had been over all of the information regarding the Solar Project and that there wasn't anything new to report regarding the system. He reminded the Board that when the project first came up for discussion the project had to be completed by the end of 2008. Since that time, new legislation extended the completion date to the end of 2009. The Administrator also reported to the Board that the Bond purchasers require a District audit and that he had engaged an auditor for that purpose. Unfortunately she was off in December and has been sick in January, but that she was working on the audit and it should be complete by mid February. He also noted the bond broker had assured them that there is still a market for the bonds and the buyers "still have an appetite." He reported that the IRS had set a new payback period for current bond repayment to 12 years. He noted that all of the supporting documentation up until now was based on a 15 year payback so he handed out a new spread sheet analysis for a 12 year payback for a bond sale of \$292,000. What the analysis showed on the 12 year payback was a higher annual payment, but with an earlier retirement of the bonds. The Administrator noted that PGE rates for A6 time of use rates over the last 10 years have changed dramatically. He went on to explain that A6 rates are broken down into three categories of rates – Peak Rate, Partial Peak, and Off Peak. He mentioned that when the District was first formed, all of the electric power was being used during peak and partial peak. Now the use is mostly off peak, with some partial peak. The rate for On Peak changed 67% over the last ten years or 6.7% per year on average. Partial Peak rates increased 76.8% over the same period, or 7.7% per year, and Off Peak rates increased 106% over ten years or 10.6% per year. He noted that this next year PGE got a 6% rate increase across the board, but Off Peak rates are rising considerably less than that. That is why his analysis has three different scenarios for rate changes – 2%, 4% and 6% per year increase.

The Administrator discussed the analysis for a 12 year payback. He noted that if it stays at 12 years, the District will have a higher negative after the refund incentive period is over than it would have been for a 16 year payback, but for a shorter number of years. He explained that when the solar survey went out he had used a sixteen year payback, which he had estimated would require a \$3/month sewer rate increase to cover the difference between the PGE offset and the bond payment. He noted that the survey, which he was told was the only one sent out by all of the districts going solar, came back in favor of a \$3/month increase by a vote of 28 to 8. With a 12 year payback, that figure would need to be \$5.50/month per EU. He also showed the Board that over the first five years there will be a rebate coming in to help offset the bond payments and so there should not need to be a rate increase specifically for the solar project. He also noted the analysis showed a net positive savings over the first 25 years of between \$70,000 and \$180,000 if rates go up 4-6%.

Discussion was held regarding the rebates and the rate increases. Margaret suggested that the rates could be increased \$2.00/ month now so that it wouldn't need to be raised the full \$5.50 later on. The Administrator noted that what many districts do in this kind of a situation is to put the entire rebate into a separate bank account for the bond payback, and add what they would have paid PGE into the account and use that money to pay down the bond. He suggested that any rate increase now specific to the solar project could be deposited into that same account and be building up a reserve for when the rebate period ends. Walter asked why the IRS would change the payback period and Tom Williard mentioned that nobody had given him a reliable explanation, but it is something that the IRS just does for whatever reason they have. The Administrator conjectured that it could be that Treasury doesn't want those tax breaks for longer than 12 years. Bruce Bramson noted that in the meeting with the bond broker a couple of months earlier, she had said that the investors are out there and have appetite now but that may change. Bruce

mentioned that a lot has happened in the last two months and questioned what kind of risk the District is putting itself into by proceeding with this project. The Administrator explained that there was no risk to the district other than some consulting fees and planning expenses if the bonds do not sell. The bond broker, their legal staff and the buyer are not paid until and if the project goes forward. If the buyer is not around when the audit is complete, the District will not go forward with the project. Margaret noted that even if the lowest scenario happens and PGE rates don't go up over 2% per year for the next 25 years and there is a net cost for this project rather than a net savings, economically the project will still have been a good step for the environment and the community. Kat asked if the IRS changes the payback period in February would it be a shorter payback or a longer payback. Tom indicated that he did not know what they would do. The bond brokers had no idea IRS would go to a 12 year payback since they had always been in the 15-16 year range. Kat noted that if it is shorter than the 12 year payback it would be more difficult to pay it back. The Administrator acknowledged that it would be. He likened it to a mortgage on a house. A fifteen year mortgage is a lot more per month than a 30 year mortgage, but the house is paid off in half the time.

Paul Duffy asked what the actual life of the system is. The Administrator responded that the system is guaranteed for 25 years and the industry projects that it will continue to be 80-85% effective for another 15 years and then the effectiveness drops off, but it should still have some effectiveness. Paul asked if the park was going to be hooked up to this system. The Administrator explained that none of the other meters has to be hooked up to a solar system. A new bill was passed allowing government utilities to aggregate all of their bills from all of their meters and net them out with the solar production. Paul also said the costs for maintenance and for administration have to be taken into consideration and the Administrator told him that those costs have already been factored into the sale of the bonds. Paul said he was one of those surveyed that voted against the solar project. He said that he felt the way to go green is by reducing costs and complicated systems get more complicated as you go on and additional costs come up. Peter MacLaird asked the Administrator if he was projecting PGE costs on what has happened over the last ten years. The Administrator noted that his projections were for 2%, 4%, and 6% increases over the next 25 years. He explained that neither he nor anybody else can say with all certainty what rates will do, so he projected several different scenarios. He did explain that PGE rates have gone up an average of 6% per year over the last thirty years and more than likely will continue to go up some amount over the next 25. Peter asked if those rate increases included the Enron debacle of a few years ago when wholesale energy rates skyrocketed and if so it shouldn't be included in the projected rate increases. The Administrator explained again that he had not used just one scenario for that very reason. There have always been peaks and valleys of rate changes over the years and since nobody knows what will happen, he submitted several scenarios for review. He interjected that Nostradamus and the Mayan calendar both predicted the end of the world as we know it will happen in December of 2012. Anything can happen and nobody knows what it will be. But he said it is a pretty good assumption that more than likely PGE rates will go up over the next 25 years. Bruce interjected that that is just an assumption and the Administrator acknowledged that it was.

Margaret remarked that she felt that you have to go back to the idea that going solar is a good thing to do for the environment and the community even if the District loses a little money. Peter said that if that is the underlying reason for doing this then it should be noted up front and not put out financial projections that contend that the district is going to make money on this project. He said that if everybody can agree that it is a good thing to do because of the environment that should be the stated reason for doing it. But when you put out financial projections that say you're going to save so much money you are comparing "peas and carrots". Nicole said you have to look at both the economic and environmental consequences of the project. If it were projected that the District would lose millions of

dollars, then it probably wouldn't be done even if it is good for the environment. But if it is good for the environment and it could possibly save the district money or that the District might lose a little money, those issues have to be weighed. She sees this solar project as a benefit on both sides of the issue – a benefit to the environment and the community, and a possible benefit that the District will save money in the long run. Peter mentioned that it should be stated up front that we might lose money on this project. Nicole and Bill reminded him that the projections the Administrator handed out show that if rates do not go up more than 2% per year on average over the next 25 years that the District would in fact lose money. Bruce questioned whether the District's insurance would cover this project for vandalism, theft, fire, etc. and Margaret noted that the company that was selected included additional security. She brought up the issue of maintenance and asked if the company provided maintenance. Tom said that they did provide some maintenance and maintenance is included in the model. He noted that \$7,000 was included for ongoing maintenance and noted that there are no moving parts. The panels need cleaning once or twice a year to keep their efficiency and the inverter has to be replaced every 12-15 years. He noted that the inverter replacement is modeled at today's cost per watt and they expect they should be considerably less expensive when it comes time to replace it.

F. Audit

The Administrator reported that the auditor is working on the audit. He noted that she took most of December off and then was off work due to illness for several days this month. Walter asked for clarification on the audit requirements for the District if it weren't for the solar project. The Administrator noted that all districts have to file annual audits with the State and the County. However, there is a stipulation that allows small districts to petition for a two or five year audit plan. He explained that he had requested a five year audit plan in order to save money and it was approved. He noted however, that he is using Quick Books accounting software, and because the way QB tracks assets and equipment, reserves, depreciation, etc. he had been leaning toward doing annual audits anyhow.

G. Board Composition

The Administrator reported that because there was discussion last month regarding adding two members to the Board and the District By-laws allow it, he investigated the legality for clarification. He talked to CSDA and to County Counsel, and with the new revised Community Services District law in 2006 a CSD board can only consist of 5 members. There was discussion regarding amending the by-laws of the District, but Bruce Bramson noted that according to LAFCO, the Government Code supersedes the District's by-laws so they do not have to be changed.

H. Complaints and Correspondence From the Community

No correspondence from the Community.

New Business

No new business

Administrator's Report:

The Administrator submitted a written report this month, and the key activities of the previous month included:

- Reviewed Park grant applications and play equipment requirements. Reviewed LSI play equipment list and worked on budget.
- Submitted a Change Order Request for the Pond project due to the increased amount of sludge removed and the subsequent additional cost.
- Submitted an application for a US Communities discount with LSI. Put together a purchase order for LSI play equipment and supporting hardware. Reviewed links and play equipment manufacturers sites provided by Peter MacLaird.
- Research the Pooled Money Investment Board decision to freeze and suspend bond and grant funding. Researched and reviewed the Department of Finance implementation of the freeze.

- Worked on alternative funding sources for the Pond Project. Contacted banks; the California Special District's Finance Company; the California Rural Water Association; and the California Water Environment Association. Submitted requests to Steve Kinsey and National Rural Water Association for interim financing.
- Reviewed the criteria for exemption from the Bond freeze. Developed and submitted a request for exemption from the Department of Finance.
- Contacted the Project Officer for the LWCF grant and the RZH grant for the Park. Submitted a request for extension of the LWCF grant deadline. Developed and submitted a request for exemption from the bond freeze.
- Met with Tom Williard and Pacific Green Energy to negotiate changes and revisions to solar installation contract.
- Submitted monthly SSO report to the State.
- Continued to file and collect documents for the audit.
- Started program of enzymes for microbiological jump start for new pond.
- Contacted CSDA; County Counsel; and County Elections office regarding the makeup requirements of a CSD Board.
- Contacted SWRCB regarding WDR permit fees and new invoice. Still not received.
- Completed and submitted Annual Report to State Controller's Office.

Correspondence

The Administrator submitted copies of correspondence. No action was taken. The Board recommended that the Administrator attend the Funding Fair in March in Eureka, CA.

At this time, Nicole Vigeant, President of the Board of the TVCSD stated that she was married to one of the contractors hired by the Administrator and is recusing herself from the discussion and voting of the Park Project in order to not present the appearance of a conflict of interest.

Park Task Force

The Administrator submitted copies of the grant criteria for the two state grants in order to show what was approved and what was accepted for the final project. He noted that there are several things listed in the grant application that are no going to be finished, which is why he felt it was so important to do as much as possible with the play equipment. He noted that the Board had approved the use of up to \$20,000 of unfunded money to be borrowed from the sewer account to complete as much as possible of the park project and to purchase as much play equipment as possible. He reported that he made a purchase of Landscape Structures play equipment for which he was able to get a 6% discount. The total cost for the equipment came to \$24,260, which included all of the play equipment for the two swings, bouncy rockers, and the Warren Dutton play structure. He explained that he had taken another look at the park accounting and determined that the park reserve, which had been included in all of the plans for funding, had not been tapped yet for the project. He explained that with the \$22,000 from the reserves and the \$18,000 balance left from the grants, all of the play equipment, all of the play surface, and all of the materials and labor for the Dutton Play structure, can be covered with the exception of \$7,600 that would need to be borrowed from the sewer rather than the \$20,000 the board approved. What is not covered with this money is the parking lot, the gazebo upgrades, benches and recycle bins and another major play structure. Those will have to be funded through other sources.

Bruce Bramson asked if this would satisfy the grant makers for a final approval without penalties. The Administrator responded that he did not know if it would or not, because several of the items discussed in the application are not happening such as parking lot and another play structure, but that he was hopeful that it would with all of the play equipment he is using. Donna Clavaud mentioned that she was happy to see that a train depot was being integrated into the park plan keeping with the historic theme. The Administrator noted that the train depot and the John Keyes schooner were in the original plans, but that they had to be taken out of the final layout due to the space constraints after grading and terracing. It was not possible to have the required handicap path and the two play structures as planned, because of

the required slope and dimension of the handicap path and the fall surface requirements of the play areas. Walter Earle asked if construction was going to resume soon. The Administrator acknowledged that construction would resume as soon as the play equipment and Dutton Play structure materials are here.

The Administrator also submitted a new notice of assessment from the Assessor-Recorder's office for the park, noting that the new assessment takes all of the new improvements into account. He also noted that the District receives a tax exemption for the park, so there should not be any increase in taxes.

Adjourned at 8:15 PM

Next Meeting: February 11, 2009 6:00 PM.


2-11-2009
Approved Date