

**TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
BOARD MEETING**

Minutes of Meeting held February 11, 2009

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

Board Members Absent: None

Also Present: Karl Drexel, Administrator

Paul Duffey

Terry Duffey

Peter MacLaird

Bruce Bramson

Donna Clavaud

Bert Crews

Venta Leon

Bill Bonini

Vice-President Bill Tucker called the meeting to order at 6:02 p.m.

Open Communication:

Nicole Vigeant reported that she had received a request from Bert Crews and the Community Advisory Committee to meet with the Board in private without the Administrator present to discuss the Administrator's position. She noted that it could not be this month, but would call a meeting for March, before the regularly scheduled meeting. She noted that she would post the meeting notice, however the meeting is open to the public and the Administrator cannot be excluded from the meeting if he chooses to attend. Margaret Graham also indicated that a special meeting called by the Board is a public meeting, minutes have to be taken and become public record, and the meeting can only have one specific topic of discussion. Terry Duffey asked where that information came from and Walter Earle noted that it is a requirement of the Brown Act. The Administrator briefly discussed the requirements of regular meetings, special meetings, emergency meetings and closed sessions.

Walter Earle reported that for National Service Day, which was on Martin Luther King Day, he had posted a work day in the Park on the National & Community Service website, the night before MLK Day. He noted that three volunteers from out of town showed up.

Approval of Minutes:

The Chair entertained corrections and additions to the January 14, 2009 board meeting minutes. Being none,

**Nicole Vigeant moved to approve the minutes of the January 14, 2009 Board Meeting.
Seconded by Kat Marando. M/S/U.**

Financial Report:

A. & B. The Administrator noted that there was nothing to add to the financials in the Board packets.

**Margaret Graham 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, and miscellaneous office supplies and copies.
Seconded by Nicole Vigeant. M/S/U.**

Bill Bonini asked for a clarification of the Administrator's invoices for February. He noted that the Administrator invoiced the District for \$1248 and an invoice for \$6334.71 and asked if he got checks for \$7800 per month every month. The Administrator explained that he submitted the monthly invoice for administrative services and deducted from that invoice hours that he spent on the three capital projects: the solar project, the pond project and the park project. He then invoiced each separate project for the time he spent on those projects so that the projects, rather than the District's operating budget, pay for that time. This particular month reflected two months worth of project time. Bill asked if there was a

separate checking account for each project and other checking accounts for regular bills. The Administrator explained to him that there was only one checking account for the park and one checking account for the sewer. He noted that each project is separated by account transaction coding in the accounting program. Bert Crews asked if the billing for the projects is in advance. The Administrator explained that the invoice for administrative services is billed for the following month, however the credit (or deduction) for project management and the billing for project management occurs at the end of the preceding month. Venta asked why he was billing in advance for administrative services and he explained that the agreement set up with the board over nine years ago when he went from hourly to monthly, was set up like the agreement with Phillips, which calls for billing for services in advance. Bill asked if Phillips billed hourly and the Administrator noted that Phillips billed on an annual contract that is broken up in monthly payments in advance. Terry asked how he was being paid for the solar project since the solar project has not been funded. The Administrator explained that the accounting for the project is already set up and when the CREBS bonds are sold, they include a component for project management, administration, consulting, maintenance, etc., which will be used for those expenses. He noted that if the solar project is not done, those expenses would revert back to the general fund. Bill Bonini said he was confused about the billing. He asked if everything else that goes on within the District other than administration, it's billed separately. The Administrator explained that all capital projects that are funded separately from the regular service fees have a project management component to them funded by the projects funding, whether it is grants or bonds or other source, and it is billed separately. He also reminded him that he also deducts the time spent on the project management from his administrative fees, unlike Phillips who bills additional work as "Non-Scheduled Work."

Phillips & Associates Report:

The Administrator reported that there were no major issues to report. The three pond system was in operation and the ponds were filling up and working as designed. Water in pond three is exceptionally clean. He noted that it was put in service on January 21 and it is still a few weeks away from being filled to operating levels. Terry asked if there could be a tour on the plant. Walter mentioned that maybe a tour of the plant could be in conjunction with a celebration of the completion of the park.

Committee Reports:

A. Newsletter Committee

Terry noted that she had nothing to report. The next Newsletter is due in April or May.

B. Fundraising Committee

Nicole reported that she sold one of the before and after pictures. She said she would check to see how many were left.

C. Community Advisory Committee

Bert Crews reported that he had requested a meeting with the Board before the next regular meeting to discuss what they have researched. Nicole noted that a special meeting has been called for 5:15 before the next regular meeting. Bert said they had nothing else to report at this meeting but would have a report at the next meeting. Margaret asked the committee if they had completed the written surveys of the different districts like they submitted earlier. Donna Clavaud said that they had not completed them, but that they would by next month.

Pending Business:

A. Grant Writing

1. The Administrator reported that the Community Development Block Grant committee for West Marin will hold their meeting in March to determine if any grants that have not been spent will be re-allocated. He said he talked to staff and was told there probably will not be a problem with the CDBG for the feasibility study.

2. The Small Communities Grant is still on hold for the time being. The Administrator noted that he had requested an exemption from the SWRCB and the District's pond project has been approved by the Water Board for exemption, but it still needs to be approved by the Dept. of Finance. Walter Earle asked if the legislature passes a new budget will the money become available. The Administrator noted that nobody at the state has given him any indication as to when funding will come. However, he indicated that the bond money is for specific projects that have been approved, so the money should be available shortly after the budget is passed. But he also noted that the legislature and the governor have taken money earmarked for other things and put it into the general fund. Terry Duffey asked if the pond project could be completed without the exemption and without the funding. The Administrator noted that the project could be completed using reserve funds, but would deplete the reserves. He said he had contacted the California Rural Water Association and the National Rural Water Association and the District has been approved for an interim loan of \$100,000 at 3% interest. The loan would be paid off when the state funding is returned. There is also a chance that the interest expense could be reimbursed by the state, but that has not been authorized yet. He also explained that he got approval from the County for a short term loan at 2-1/2% but that they wanted it repaid before the end of the fiscal year, which could not be guaranteed. He also mentioned that the SWRCB offered to convert the grant money that is frozen to the SRF loan for the interim period and then use the grant money to pay it down. The Administrator said he was leery of using the SRF because they would set up a payment schedule for the full amount which would mean larger annual payments and when the grant money came and was used to pay down the loan, the payment amounts would stay the same. It would just be paying down the principal, but the loan contract would stay the same. The Administrator recommended that the District accept the short term loan from the NRWA and not use the reserves.

Nicole Vigeant made a motion to accept the offer by the National Rural Water Association for a \$100,000 loan at 3% to complete the pond project and repay the loan with the grant funds when they become available. Seconded by Kat Marando. M/S/U.

Bert Crews asked what the NRWA would do if the District defaulted on the loan. Nicole said the District had no intention of defaulting on the loan and that the loan would be paid off with the SCG grant funds. He asked what would happen though if it did default. The Administrator noted that the District owns real property and if the NRWA wanted to they could sue the District for the property or they could take over the sewer system, or they could attach the District's deposits. Bert said that he just wanted to make it clear that the ratepayers are responsible for the repayment of this loan and the Administrator and the Board concurred.

3. The Administrator submitted a copy of the letter he sent to the State Park and Rec requesting an exemption from the freeze on the RZH grant. He also noted that he asked the State to extend the completion date requirement for another year. The State collected letters requesting exemption and are submitting them to the Dept of Finance for approval. They also approved the extension and submitted the request to the National Park and Rec Dept for their approval. There have not been any answers yet.

B. Capital Improvement Projects

The Administrator reported that the Pond project is in service and operating within parameters. He noted that pond one still needs an aerator dock and depth gauge and the level sensors for each pond have to be calibrated and integrated into the SCADA system. Terry Duffey asked for clarification of the pond layout and which pond was which. The Administrator explained the layout to her. Bill Bonini asked how much of the ground water from the under liner drain is going into the ponds and the Administrator said he

didn't know since there was not a flow meter on the sump. There is a mechanical measuring device, but that he hasn't checked it. Piazza informed him some time ago that it is steady amount but not a considerable amount.

C. Sass Property

The Administrator submitted a copy of a letter from Peter Banning to Jeremy Tejirian, a principal planner with the county, regarding the Sass property. The letter explained the Sphere of Influence that LAFCO is required to do and how they had planned on going about it. The Administrator noted that he did not know what, if anything, had transpired with the letter, but he noted that the Sass and Carinalli properties are being listed for sale individually. He explained that the properties are being listed with Karen Karlow and that he had told her that the properties are not in the District and that she should talk to LAFCO about individual properties requesting annexation. Bruce Bramson interjected that the seven parcels were being listed individually, but that several properties have no road access and no sewer and the lower five acre site is being sold as one site with mixed zoning. He also indicated that the two wells could be used to form two small water districts and they could sell water to the other properties. He added that there are still many variables and many questions regarding the properties. He said he felt there would be a lot of conjecture surrounding the properties and he said there needs to be clarification. He said he imagined the County will want to come out and make a presentation. Terry Duffey asked if he had talked to Jeremy and Bruce reported that he had calls into them. He also said he had a question regarding the letter Peter sent to Jeremy in which he stated "that the TVCSD is interested in extending sewer service to all properties within the Tomales Planning Area in order to protect groundwater from contamination". He said he was unaware that the District had made that decision to extend the sewer service to all properties in the Tomales Planning Area. The Administrator noted that the District had not made that decision; in fact the Board had not made any decision regarding the SOI or the Sass properties. He explained that LAFCO approached the District to determine how the SOI study would proceed and Peter Banning and his CEQA consultant determined that the Tomales Town Plan would be the logical SOI boundary and with that a simple short CEQA could be performed within the SOI study and could be paid for by LAFCO. The District agreed to let LAFCO proceed with their SOI study on that basis. He went on to say that the Board had voiced their concerns over the years of groundwater contamination and septic systems within the Town Plan, but nothing has been determined or decided by the board. Margaret added that it was also the board's concern to not go against the Town Plan. Bruce said that from a Design Review position he wanted to make it clear that the "Town Plan be honored in this process and recognize the types of concerns which made the Town Plan as explicit as it is about not expanding." Nicole Vigeant made it clear that the Board has always said there is so much groundwork that still had to be done to clarify things that they chose specifically not to make a decision regarding expansion.

Terry Duffey asked the Administrator if the three smaller parcels could support a septic system and a water well. The Administrator said he did not know what the county was approving in the way of alternative systems, but that he doubted the 6,000 – 7,000 sq. ft. parcels could support a standard septic system. Bill Bonini said they could not. Bruce stated that the septic industry has changed and improved over the years and that there are all kinds of small systems that don't require a bigger footprint. The Administrator agreed that there were several new alternative systems in production; however he noted that Marin County will allow some alternative type systems on remodels, but they are not currently allowing them on new construction. He concluded that the County could change their policy at any time. Terry asked if the District could require the properties to provide easements through them for sewer service and the Administrator said he did not think the District could require that of individual property owners. He noted that he was able to require Sass to do it because it was part of a development and a Tentative Map change and the County wouldn't approve the map until the District was satisfied. However, he did not think that would apply to individual properties. He also noted that the County has a

requirement that any property within 400 feet of a sewer main is required to connect to the sewer, however that does not mean a property is required to have someone else's lateral to cross his property, and that ruling does not include properties that are not in the District.

D. Tomales Farm and Dairy

The Administrator reported that he had nothing new to report.

E. Clean Renewable Energy Bonds

The Administrator indicated that the CREBS bond solar project has taken a bit of a turn. The original request for bids went out for two specific solar arrays at two different sites – the WWTP and the Irrigation Field. The State passed AB 2466 which allowed utilities to aggregate their bills and only build one array to cover it all, so we revised the bidding to just use one system. Tom Williard advised the Administrator that AB 2466 had a clause that allows the PUC to let PGE dictate what portion of the bill can be offset from offsite meters. They are currently interpreting the rule as allowing only the generation portion of the bill to be net metered rather than the whole bill. The generation portion of the bill is around 40-45% of the total cost. He explained that the analysis that he presented to the Board was based on offset of 80-90% of the bill and not 45%. So the solar company, Tom Williard and the Administrator are all revising the numbers again and looking at a two site system to see how the numbers come out. He also noted that he does not know what the State legislature intends to do with the bill, if they intend to close the loophole or clarify it, if Huffman will get involved, or what the future will be. Therefore, the project is on the back burner until he can get some new numbers.

F. Audit

The Administrator reported that the auditor is working on the audit. He noted that she told him she would have something soon, but he still hasn't seen it. He commented that unfortunately he can't go looking for another auditor and start all over. But he said she assured him it was coming. Venta asked if he was concerned about getting the audit in time for the CREBS sale and he said he was a little concerned. He noted that the District can't go forward with the project yet until new revised figures are determined.

G. LAFCO Elections

The Administrator submitted the list of candidates to fill the Special District representative to the LAFCO Board and their qualification statements. He noted that Einer Asbo had been the representative for a while and has worked well with the Commission. He also noted that Einer was a Board member from one of the small districts in Southern Marin. There was discussion about the different qualification statements and the Board decided to choose Einer Asbo as their choice for the Special District representative.

Margaret made a motion to elect Einer Asbo as the Special Districts representative to the LAFCO board. Seconded by Kat Marando. M/S/U.

H. Complaints and Correspondence From the Community

Louise Gregg called the Administrator on Sunday evening to report that a neighbor had drained his hot tub into the creek. He explained to her that the District did not have any authority over actions affecting the creeks and recommended that she call the County Environmental Health Department on Monday.

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:

- Continued to correspond with Park Project Officer for exemption to the freeze for RZH Grant and extension of time for completion for LWCF Grant.
- Reviewed Park Project material list and researched specifications and prices.
- Reviewed Dutton House plans and specifications with engineer to determine options for materials.

- Worked with Pat Lam and SWRCB staff for exemption to SCG freeze and additional funding.
- Worked with Liza Crosse and County Administrator for interim funding for Pond Project.
- Worked with CRWA and NRWA for interim financing for Pond Project. Applied for and received loan approval.
- Reviewed correspondence with Marin LAFCO regarding Sass project and Special District member election.
- Reviewed and researched PG&E's interpretation of AB 2466 and subsequent comments from workshop. Discussed options with Tom Williard and American Solar.
- Composed and submitted letter of support for the California Rural Water Assoc.
- Met with Piazza to review and revise schedule of work. Oversee the pond implementation. Have new water valve installed.
- Met with Rick Hahn to develop specifications for new computer for the SCADA system.
- Submitted monthly SSO report to the State.
- In addition to regular administrative duties, attended a stimulus package workshop conducted by the SWRCB, the Tomales Bay Watershed Council meeting, On-site Wastewater Treatment System seminar for proposed new regulations.

Correspondence

The Administrator submitted copies of correspondence. No action was taken.

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 reported that the play equipment was delivered and is being stored until David can install it. He noted that he was still waiting to hear if the completion date for the LWCF grant will be extended. Terry asked if he knew how much would have to be given back if the project is not finished by March 31st. The Administrator noted that it is entirely up to them as to what percentage they thought was complete. He noted that there were things on the application that are not going to be complete, but he didn't know if those things would be critical. Donna Clavaud asked what kind of a review they would do. The Administrator noted that the project officer would come out and do a site inspection.

Adjourned at 7:23 PM

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


 Approved _____ Date 3-11-2009