

**TOMALES VILLAGE COMMUNITY SERVICES DISTRICT
BOARD MEETING**

Minutes of Meeting held May 13, 2009

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

Board Members Absent: None

Also Present: Karl Drexel, Administrator
Gary Phillips, Phillips & Assoc
Steve Phillips, Phillips & Assoc

Paul Duffey
Terry Duffey
Venta Leon

Donna Clavaud
Peter MacLaird
Dru Fallon O'Neil

Board Member Margaret Graham called the meeting to order at 6:05p.m.

Open Communication:

Terry Duffey stated that last month there was going to be a report on the closed meeting that was held at Margaret and Walter's house and it got by-passed and so she said she would like a report on that. Nicole and Margaret noted that there was no action taken at that meeting and no minutes were kept. The Administrator noted that there was a report at the last meeting and that it was a part of the minutes submitted for the last meeting. The minutes indicated that a Special Meeting of the Board was called to order in open session and went into closed session to discuss the Administrator's position, pursuant to Government Code 54957, and no action was taken. The Board reconvened in open session at the Town Hall and reported that no action was taken. Terry said that it was reported that no action was taken, but that the Board did not report on what was discussed. The Administrator noted that closed sessions do not require minutes or public discussion. Terry then said, "So you're not willing to talk." Nicole Vigeant commented that the discussion was about personnel issues. Terry said that at the close of the meeting it was said that all of the recommendations of the committee were discussed and that they would be discussed at the next meeting, which didn't happen. The Administrator noted that there was discussion of the Committee's recommendations at the last meeting during Committee Reports and it was determined that more information was necessary to make any decisions and that Donna Clavaud noted that they would contact the other Districts for an update on their information. Nicole commented that there were a lot of recommendations to take on all at once and that the Board is working through the list. She noted that Phillips & Assoc was in attendance to address one of the issues regarding hiring operators vs. a contract operator. Donna Clavaud commented that when looking at the proposed budget she noticed that there was a reduction in the hours of the Administrator, the elimination of health insurance allowance and the addition of part time staff and wondered if that was a result of the closed meeting. Nicole noted that it was not anything the Board had made a decision on and that the Administrator had submitted a proposed budget for the coming year and it is on the agenda for discussion.

Peter MacLaird reported that the committee that has been doing the annual swap meet has donated the proceeds to a local non-profit and has decided that this year's recipient of the proceeds will be the Tomales Town Park. He suggested that the District could also have a booth at the Swap Meet to raise additional funds for the Park. Donna Clavaud commented that the silent auction was a major generator of funds and that the swap meet committee has been getting better and more creative each year and that there is potential to raise a lot of money. She said the Swap Meet was going to be held on Sunday, September 20th. She said the committee thought they would like to target the Community Park this year as a way to back fill some of the work that everyone wants to see completed. Nicole Vigeant said she wanted to add to that theme and commented that the volunteer day that was held to spread the play

surface and install the play equipment and clean up the park was a rousing success. She also mentioned that there were a few volunteers last Friday that put together the picnic tables. She noted that she wanted to thank all of the people that came out and was submitting a letter to the paper to publicly thank them.

Approval of Minutes:

The Chair entertained a motion to approve the April 8, 2009 board meeting minutes and asked for any corrections and additions to minutes. Venta commented that when Margaret Graham asked if employee wages took into consideration employee taxes and benefits that someone made the comment that they did not actually have to be employees, but could be independent contractors working out of their homes. Margaret pointed out a typo and it was corrected.

Margaret Graham moved to approve the minutes of the April 8, 2009 Regular Board Meeting. 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. The exceptional expenditures included a new printer which was in the last two budgets but had not been purchased, some Park expenditures and a Piazza bill for the Pond Project.

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, Piazza Const, Capital One, and miscellaneous office supplies and copies. Seconded by Margaret Graham. M/S/U.

C. The Administrator reported that in a previous meeting there was discussion about the District Treasurer being bonded and he has since received word from SDRMA that they carry a \$400,000 bond on the Administrator as a normal part of the District's liability insurance.

D. The Administrator submitted a Draft copy of a letter to the SUSD discussing the billing arrangement and possible alternatives. Paul Duffey corrected the Administrator's statement that the school partnered with the sewer in order to get the high school built because of the County's building moratorium. He said that the high school was built in 1969. Terry Duffey stated that the County building moratorium began in June of 1973. There was some discussion about the context of the letter which explained that the school billing system is better for the school than any alternative. Bill Tucker commented that school enrollment is going down and that their budget is tight and the school is looking at ways to cut costs, but that he felt the explanation made sense.

E. The Administrator submitted the Draft 2009 – 2010 Budget for review and discussion. He noted that the operations budget did not include a rate increase for general funds, but that he was recommending a rate increase of \$5/mo to be used for the repayment of the Clean Renewable Energy Bonds used for the solar project. He explained that when the community survey was sent out proposing the solar project it was projected that a \$3/mo rate increase would be necessary based on the projected cost, the bond term and the PGE rebates. Since then, the bond term changed from 16 years to 12 years and back to 15 years, and the CSI rebate was reduced increasing the initial cost of the bond repayment and a higher negative cash flow over the first several years. As the PGE savings increases, the negative cash flow decreases until it actually becomes a positive cash flow. This rate increase, the CSI and the diverted PGE costs would be put into an account to be used only to payback the CREBS bonds and offset the shortfall until that time.

Bill Tucker asked the Administrator if there would be a public hearing on July 8th to discuss the rate increase. The Administrator indicated that State law requires the Board to make a decision on the Draft budget after reviewing it and making any changes. If the

Board adopts the Draft budget and approves a rate increase, the District must notify all ratepayers of an impending rate increase 45 days prior to a published public hearing. During that time, ratepayers have the opportunity to protest the rate increase. If over 50% of the ratepayers object, the rate increase cannot go through. The CREBS bond repayments would then come out of the general fund and operating reserves.

Terry Duffey asked if the Board had to approve the rate increase prior to the public hearing. The Administrator noted that the Board has to tentatively adopt the Draft budget and rate increase in order to authorize a rate increase hearing and authorize the notice to be sent out and published in the paper. Peter MacLaird asked what the purpose of the public hearing was if the Board already adopted the rate increase. He also asked if the Board reacts to the public input. The Administrator noted that the public meeting was required by law and that the Board reacted to the communities concerns last year regarding the rate increase at that time and rescinded it. Peter then brought up the solar project issue and stated that while he was going door to door last year collecting signatures on the petition to object to the rate increase he got mixed views on the solar and said the community was divided 50-50 on the solar and that the Board went forward with the project as if the entire community was for it. Paul Duffey asked what the outcome of the solar project survey was. The Administrator reported that 33 surveys were returned with 28 in favor of a solar project and willing to pay a \$3/mo rate increase, 4 were in favor of a solar project but did not want to pay for it, and 1 person was opposed to using solar and said it should stay as is. Donna Clavaud commented that 28 people were not very many people to base a decision on. Walter reminded them that every ratepayer in the community was sent the survey and had ample time to respond. Of those responding a clear majority were in favor of it and willing to pay for it.

Margaret Graham asked the Administrator to include all of the information that is required, but to change the format a little in order to make it clearer and make the objection process clearer.

Terry Duffey commented that if the Board is adopting this Draft budget they are adopting everything in it. The Administrator noted that the Board was given a copy of the Draft budget in order to review it and to bring up any questions they might have, make any changes they want to see and then adopt it as a tentative budget. They will review it in June and make any revisions and adopt the final budget in July.

Paul Duffey asked if this was a time to discuss the solar project. The Administrator noted that the solar project is an agenda item later in the meeting, but ... and Paul said that's fine. Donna Clavaud interjected that she felt that if the budget includes a rate increase for the solar project then it was hard to talk about a rate increase for a solar project and not allow questions on the solar project. The Chair said that the solar project can be discussed now if they want to. Paul asked if the insurance the District carries covers the solar panels. The Administrator indicated that it does. Paul also asked what the status of the bond sales was. The Administrator indicated that the bond brokers are waiting to hear from the Administrator to go forward with the sale and waiting to hear from the buyer if the District's credit has been approved. Peter MacLaird questioned the \$5/mo rate increase. The Administrator reminded the audience that the Board had approved the sale of the bonds and the purchase of the solar project and the rate increase would help pay for it. Without it, general funds and operating reserves would be used to pay for it. Donna Clavaud commented that it's hard for a household to understand that they are paying \$5/mo or \$60/year for how many years to save the District how much money? Walter reminded her that the solar project had an environmental savings as well. Donna said that a lot of us are really focused on the economy and people are losing homes and jobs every day right here. So money does count. Walter reiterated that there are other issues surrounding the decision other than just money and the intent of the survey was to get feedback on both the money issue and the community's concern for the environmental

issues. Donna replied that only 28 people responded to a rate increase for solar. Nicole Vigeant noted that the Board did not want to make the decision to go with the solar project without involving the community, which was why every ratepayer and household was given the survey to respond to the question of whether or not they supported the solar project and supported paying extra for it. The response was overwhelmingly positive. Donna said a lot of people couldn't respond to the survey because they couldn't understand it. Terry Duffey said that somebody also said they didn't know the survey was in the letter.

Venta Leon commented that the solar project, aside from the survey, has been discussed at length and there has been a lot of review for several months and that she was more interested in seeing what happens with the review and approval of the preliminary operating budget and how the public perceives those decisions and what items are accepted and what items are not.

Bill Tucker asked the Board if they had any additions, corrections or revisions to the Draft Budget submitted by the Administrator. Nicole asked about the HOPTR which is in the Park budget. The Administrator noted that the Homeowners Property Tax Relief fund is about \$30/yr and is treated as income for the Park. Nicole questioned the inclusion of a part-time Administrator since the Board had not determined whether the Administrator's position would be reduced to 20 hours per week. The Administrator noted that there had been discussion about that and recommendations from the committee indicated that that was what they planned to see so the budget reflected those possible changes although he acknowledged that it may or may not happen. Terry asked the Administrator what percentage of the duties he felt were for actual administration. He noted that he had started a daily timesheet at the recommendation of the committee to separate his duties and administration amounts to about 60% for this month. Bookkeeping/Accounting, Construction Management, Board Meeting, Grant Research and Writing take up the other 40%. He noted that it is just for one month, but that should be pretty typical. Margaret commented that she felt what the District has going right now works really well with Karl doing the whole job. She felt that one problem that would arise if there were two or more people doing the various tasks then someone on the Board would have to be more active to resolve conflicts of information, etc. She said that if she were going to remain on the Board that she would vote to keep the Administrator's position like it is and have it be a full time position. Nicole said she agreed.

Nicole asked what typically is budgeted for repairs and maintenance and was it wise to not budget anything this year. The Administrator noted that any repairs over the last two years have been folded into the pond project so there has not been an expense item for that. He also mentioned that there is a reserve fund for operations so that if anything was in need of repair it could be taken from that account. He said he did not feel that a repair and maintenance budget item was necessary this year because most of the equipment has been replaced and is under warranty. He said he agreed that there should be something budgeted for this item in future budgets.

Walter asked if the District has any kind of mechanism for reducing the rate increase for hardship cases that might come up. The Administrator responded that the District did not have anything in the regulations about it, but it has been discussed in the past when talking about lateral repairs, certainly hardship cases can be reviewed by the Board on a case by case basis if it does come up. Dru Fallon O'Neil commented that she has been paying double fees for the last four years because her house used to be commercial, so the District could use that money for assistance.

Venta Leon commented about the budgeted Administrator's expense changing to part time and at a different rate later in the year, that as a rate payer she felt that budgeting the Administrator's position any differently than what already exists is inappropriate. If the

Administrator's job description changes and/or the duties or time changes, then a change in the compensation can be addressed at that time. She also commented that she was not comfortable with the reference to salaries being paid for by grants. She said the job is the job and you get paid for the job and the income is the income and some of the income is from grants. She said that using grant money for construction management seems somehow unethical. Donna Clavaud commented that just to add on to what Venta had said that it occurred to her that 73 hours for board meetings and bookkeeping/accounting seemed excessive and gives her pause and makes her wonder if the District can afford to pay a high salary for some of those functions. She said that those functions are basic word processing and part time subcontracting might seem to confuse the matter but other districts do that pretty readily. She said she would feel fine paying a professional rate for professional services, but she does not see these functions as that. The Administrator responded to Donna that if she looked at the timesheet submitted to the Board at her request she would see that approximately 90% of the bookkeeping/accounting function for the month of April was spent on the budget, which happens every year and it does not matter who is the Administrator, it is their job to develop and submit a budget every year. It is not a function that can be done by a local part timer. He also noted that the board meetings function as listed takes time. He said he has to assemble the month end financials, payables and bank statements, compile a board packet, he has to make multiple copies, they have to be delivered, he has to attend the board meeting, and then transcribe the minutes. All of that takes time, and again, it doesn't matter who the Administrator is or who does that job, it takes time. And if you want that done in the professional manner that it needs to be for a government agency, it can't be done by a local high school kid making \$20/hour. Margaret said that the Administrator would be the one that has to put the board packet together because he is the one with all of the documents, e-mails, correspondence, etc. She suggested that maybe someone else could do the copying and the Administrator noted that his wife Roxanne does the copying and collating of the Board packets and she does not charge the District for that.

Terry Duffey asked what happens with this budget and are the comments submitted by the public tonight going to be implemented. The Administrator noted that all public comments are taken under advisement and that the Board can make changes in the budget tonight, again at the June 10th meeting and again at the public hearing in July. Dru Fallon O'Neil asked if the public comments would be part of the record or official transcript of the meeting. The Administrator said it was. The Administrator mentioned that the only specific change that he heard from the public discussion, and the Board had not made a decision on, was the recommendation to keep the Administrator's position as a full time position until such time as it is no longer that. He also indicated that in keeping with the recommendation of the committee that part time staff be hired for bookkeeping and clerical functions and that a space be provided in town for record storage and so people could have use of that space and review the records. Margaret suggested that if the budget were going to reflect what is actually being done now, then the other expenses could be taken out of the budget as well.

Nicole Vigeant made a motion to accept the preliminary Draft Budget for 2009 – 2010 with the listed recommended changes. Seconded by Kat Marando. M/S/U.

Margaret addressed the committee members noting that of the recommended changes the committee had asked for were being addressed piece by piece and one of the things was for the Administrator to track his time, which he is now doing. Nicole said she was happy that Phillips came to the meeting and discussed the intricacies of operating a small district and it was very informative. Peter MacLaird commented that they seemed a bit defensive and wondered if there was something told to them that would make them defensive. Nicole said she had asked them to come to the meeting to discuss the differences between hiring part time operators versus a contract operator and the differences in the grade of

operators and what that meant. This was in direct response to one of the recommendations of the committee.

Margaret Graham made a motion to send out a Notice of Proposed Rate Increase and Public Hearing to be held on July 8th during the regularly scheduled Board meeting and to publish a Notice of Proposed Rate Increase in the local papers. Seconded by Nicole Vigeant. M/S/U.

Phillips & Associates Report:

Steve Phillips reported that the storage ponds were in great shape and that the levels were lower than usual because of the lack of rain this year. He commented that a lot of issues have been resolved over the last couple of years through patching roads, inspections, Karl's efforts and Furlong's efforts and little by little the problems are being corrected. This year it was especially noticeable. During heavy rains in the past, peak flows would get to 150,000 gallons in a day with sustained flows in the 60-70,000 gallon range. This year during the heavy rains, peak flows reached 54,000 gallons one day with sustained flows of 25-30,000 gallons. He noted that the irrigation season is here and that the sprinklers have been inspected and they are ready to go. He said the plant will be mowed in the next couple of weeks by Furlong Bros. He also mentioned that the equipment is in good condition. There is one pump down at the lift station and a new pump is on order. He mentioned that he took the first sample from the discharge from pond three and said he thought the water was better treated than before from the looks of the effluent. He said he will check the lab results when they come back. He noted that the new system was working great and that he has talked to Karl about some new alarms and reports that they will be changing with Control West.

Nicole Vigeant asked Gary Phillips to discuss the differences between the different levels of operator classifications since there has been discussion about reducing costs by maybe going to a lower level of operator classification. Gary noted that he had submitted a laundry list of pros and cons of hiring operators as staff as opposed to a contract operator and would be happy to answer any questions regarding that. He explained that there were two different models for operating a small district. One was what it used to be with North Marin and that is a large organization using large organization infrastructure with a small organization which doesn't work well. Conversely, the other model is an organization can be too small and not be able to handle the breadth and depth necessary to keep people, have redundancy, meet State requirements, etc. He said they have found a solution and they have a good business model for small districts. They have only small districts and have geared their business to the needs of small districts. They also have enough districts to be able to spread the overhead costs over a large base for things like a computerized maintenance management system, training program, redundancy for sick leave or vacations, emergencies during the middle of the night, etc. that individual districts probably wouldn't have on their own. They have 30 districts and a staff of between 6-8 plus Steve and Gary. Steve commented that they have a good organization because Gary has a strong background in management and he has a strong background in operations. He emphasized that small districts like Tomales need professional operators in order to meet the stringent requirements of operating a wastewater system. It can't be done properly with just local neighbors. Venta Leon asked Gary if they were still operating the Hopland Brewery treatment system. He noted that they had set their system up when they moved to Ukiah and operated it for 2 years. Then they trained their people in the operation and turned it over to them. He said it was a start up program. Venta said that brought up the concern they had about ways to reduce operating costs and asked Gary if he had any ideas or suggestions as to how to reduce operating costs and if the Tomales system could transition into a simpler system. Gary responded that the Tomales system is a very simple and basic system in a highly sensitive area. He said it was safe system, a good system and a low tech system, but it is a very environmentally sensitive area. He said the pipe break several years ago under the management of North Marin was a good example of what can happen. It is not something that can be taken lightly and hope that nothing goes wrong. He also noted that costs for a small system are basic: labor costs, utility costs, and chemical costs. Once capital costs

are covered the only way to reduce costs is to reduce chemical costs, utility costs and labor costs, and that is what his company does for small systems. He noted that the state requires Tomales to have a minimum of a Class 2 Operator. However, if you hire a Class 2 Operator you would just be hiring the minimum and the question you have to ask is, is that desirable. He mentioned that he was a Grade 5 and he does not charge for that. He is also an Engineer and has 40 years of experience. Steve is a Grade 4 with 30 years experience. That's what his company offers to small districts, but what they charge for is the technicians and operators. Margaret Graham asked Gary if one of his employees made a mistake and caused a spill or some catastrophe, would it come back on the District. Gary explained that the State now requires a two hour notice of any spills, so it doesn't matter who or why the problem happened, they deal with the issue as soon as they know about it and worry later who was at fault. He noted that their insurance would be the first insurance for any liability. Steve also commented that their staff has the training to handle an issue and report a problem. He noted that the problem in Sausalito was exacerbated because it was not reported. Gary then noted that if they do something wrong, it is on them. If a problem happens that is an act of God or a legitimate accident, then the District could be involved. Venta asked Gary if there had ever been a citation for Tomales since they have been operating the system. Gary and Steve both reported that there had not been any citation and any non-compliance issue is reported to the Regional Board with the monthly report. Steve also stated that non-compliance issues are real common and as long as they are reported and resolved, there is no problem. It becomes a problem when it is not reported.

Paul Duffey commented that he acknowledges that the system is in great shape and that the biggest potential for a problem would be power outage, which he said happens regularly in Tomales, and earthquakes. He mentioned that nobody in Tomales knows how the system works and if there was an earthquake and Phillips couldn't get to Tomales, he felt somebody in town should know how the system works and be able to go into the plant and turn pumps on. Gary commented that the liability would shift at that point from Phillips to the District. Paul also asked if the SCADA system has a battery backup and the Administrator acknowledged that there was a one hour battery backup. He commented that a one hour backup was not much and that the SCADA system allows Phillips to monitor the system, but he felt someone in town should be able to turn pumps on or off, or several people in town in case something happens to the first person. He asked Phillips if it was possible for the people in town to run the system themselves similar to the staff at the Hopland Brewery. Venta asked a similar question of Gary and that was, could they train someone in town to be a part of their system. Gary said it was possible. He explained that they have the Marshall system and they have a much larger problem of isolation and earthquakes than Tomales and they are working with the OES and the fire department to set up an emergency response protocol. He mentioned that an emergency response plan can address isolation issues even though the scenario has a pretty small probability of occurring. Steve also reported that in the management plan of the system, he drops the pond levels at the treatment plant every winter which gives another two weeks of storage just for some random event like an extended power outage. This gives them time to get a generator hooked up, trucks brought in or any number of other emergency responses.

Peter MacLaird commented that Phillips had listed the pros and cons of tertiary treatment in an e-mail several years ago and it was strongly advising against going with tertiary treatment, and asked if they still felt that way. Gary said he did not recall all of the details, but that his position probably had not changed. He said Tomales has a good, reliable, safe system the way it is now with a low tech system that produces a good quality effluent that is more than adequate for spray irrigation. By treating to tertiary standards for reuse, you could be open to possible lawsuits if anyone gets sick, whether from the reuse or not. Additionally, it is more expensive and would require daily testing rather than weekly testing. He also noted that new technology has uncovered side effects of treating water and wastewater. One issue is chlorinated hydrocarbons that can create by products such as DDT. The other issue with

wastewater is the occurrence of pharmaceuticals now showing up in the effluent. These are not treated through normal treatment including filtration for tertiary treatment.

Committee Reports:

A. Newsletter Committee

Terry Duffey said there was nothing to report.

B. Fundraising Committee

Nicole reported that she would start a raffle before the next Founders' Day to raffle off the last panorama picture and have the drawing at the Swap Meet.

C. Community Advisory Committee

Donna Clavaud reported that based upon the last meeting, they have sent the surveys back to the other districts along with all the questions they felt might be useful regarding benefits and employee salaries and for them to do a double check of the figures that they recorded.

Pending Business:

A. Grant Writing

1. The Administrator reported that he contacted Coastland Engineering for an updated proposal for the tertiary feasibility and planning study. He noted that Scott Reynolds from Coastland asked if this was being put out to bid and he told Scott that the bidding had already been done and as long as there is not a major difference, it can be single sourced. He has not received a response yet.

Margaret Graham mentioned that she felt it was important to do this study, because they will come up with a figure of what it will cost and what the water would have to be sold at in order to break even because the whole idea is not to raise rates for this. But as water gets tighter and tighter and if somebody wants to buy the water, it is important to have the numbers to produce it. And she said, since it is a grant that has been awarded, it doesn't cost the District any money. The Administrator also noted that recently the Tomales Bay Watershed Council had applied for a Prop 50 grant along with several other agencies as an Integrated Regional Water Management group, of which the District was a member, however it did not receive the grant for several reasons, one of which was the District did not have all of the information that would have been provided in by this feasibility study.

2. The Administrator submitted the revised progress billing from Piazza Construction and noted that there were several changes that had to be made, but that the final revision was correct. He also reported that he had submitted a reimbursement request from the State but has not heard back yet. Margaret asked if the District has received the money that was frozen. The Administrator noted that the District had received its entire share before the freeze and is now accepting reimbursement requests again. He also noted that the State is withholding a 10% retention that will be released after the project is finished and the O&M Manual is revised.
3. The Administrator noted that the RZH grant is still on hold, but that it didn't affect the Park project, because they are holding back 15% of the total grant until it is completed.
4. The Administrator reported that the LWCF was approved by National Parks for an extension of one year. Nicole reported that the tiles from the elementary school kids were going to be installed this Sunday at the Park.
5. The Administrator reported that he had attended several Federal Stimulus Fund workshops on possible funding for projects. The most recent workshops were put on by CA Energy Commission and the Federal Department of Energy. He explained that he has submitted requests for funding from the California Energy Commission and Marin County, who will be getting funds from the stimulus package, for the solar project to help offset the bond costs. He noted that one of

the main requirements for federal funding was that the money be leveraged, so most of the funds going to the State are going to go for loans; however some of the funding will be for grants. The letter sent to Supervisor Kinsey was forwarded to the Marin Energy Management Team for review. They contacted the Administrator and noted that the CREBS projects in the County were ideal candidates for funding since they use bond funding to leverage the federal money and that they were going to apply for funding through this program. They also told the Administrator that the District's project would be part of their request and that they asked to use his letter as a model for their request. He emphasized that there are no givens in this process and that it is not even a sure thing that the County will get a share, but the request is out there.

B. Capital Improvement Projects

The Administrator reported that the Pond project is almost complete, but still needs some small items with the computer and SCADA by Control West and some cleanup items by Piazza to be completed.

C. Sass Property

The Administrator reported that he talked to Jeremy Tejerian regarding the two larger parcels of the Sass project that had zoning discrepancies and he explained the discrepancies. He noted the 2.5 acre parcel had a small strip that was a driveway size part of the parcel that reached into the higher density RSP-7.26 area, but was not buildable so the ARP-2 zoning took precedent. He noted that Karen Karlow had questions about where the Sphere of Influence was. He said she reported that Sass had an engineer looking at septic for the larger parcels and possibly the smaller ones as well. He said he had not heard back from Peter Banning as to where they were on the SOI study. He mentioned that Supervisor Kinsey and Community Development Agency recommended that LAFCO consider the one larger mixed zoning parcel and the four smaller parcels as the expanded sphere of influence because it would not require a Community Plan amendment if they were considered for annexation at a future date. If the larger low density parcels were included in the sphere of influence, a Community Plan amendment would be required to annex them into the District. The Administrator mentioned that Sass had called him out of the blue and said that he and Carinalli are no longer working together to develop any of the properties and that he just wants to sell off the lots and let somebody else deal with it. He asked what the Board's position would be about annexing the 4 smaller lots and the one lower mixed zone parcel if he were able to deed restrict it to 7 or 8 lots. The Administrator told Sass that he would bring up the issue at this meeting to see if there was a consensus among the community or the Board to commit to annexing those parcels based on that scenario if LAFCO would approve such an annexation. He then told the Board that he is bringing up that issue at this time and asked the Board for input. Terry Duffey and Donna Clavaud asked the Administrator why he would not take that up with Design Review. The Administrator responded that it was the District's responsibility to determine annexation, not Design Review's. He also noted that Sass was not talking about developing the parcels or submitting a Tentative Map or lot line adjustments, which would be in Design Review's purview. He was asking the TVCSD Board for their input. Venta Leon suggested that the public hearing in July would be a good time to discuss it and get public input. The Administrator noted that the agenda for the July meeting with the budget and rate increase seemed to be crowded enough. He recommended a separate meeting for just the issue of the Sass parcels if the Board was unable to reach a consensus on annexing those lower parcels. Margaret said she is not opposed to some development of the Sass properties as long as it falls within the guidelines of the Community Plan. Kat said she would favor sewerage the properties over septic, but would like to get input from Scott Callow. Nicole said she wanted a big map in front of her when the discussion was held and could not make a commitment at this time. No action was taken on the annexation question.

D. Tomales Farm and Dairy

The Administrator reported that he had nothing new to report.

E. Clean Renewable Energy Bonds

The Administrator reported that the bond documents are being drawn up and they hope they will be able to complete the process by the end of May. He noted that the bond payback for May right now is back to a 15 year payback. He said it was a gamble what June's payback will be. If it goes back to a 12 or 13 year payback, the annual payments will be larger and the negative cash flow will be larger, but for a shorter period of time. He said his recommendation would be to go in May and not take the chance of it changing again, seeing as how it has been in discussion for almost a year. He said the only question was to sell the bonds in May or wait to June and see where the payback is. Bill Tucker asked if it would be a problem over the next two months regarding the rate increase and the public hearing. Walter Earle commented that the solar project has been approved already and that if there is not a rate increase, then payments would have to come out of reserves, but the project has been approved to go forward. The Administrator noted that the rate increase in year two through five will actually build up the pot somewhat for years 6-10. He said, however, that the presumed PGE rate increases will actually offset the bulk of the payments after 6 or 7 years so funds from reserves will not be that much after the first few years. The Board reached a consensus to sell the bonds in May.

F. SDRMA

The Administrator reported that the Worker's Comp rates went down this year for most all categories; however it didn't affect the District much because it is charged the minimum. He said it might change with the volunteer work at the Park.

G. Complaints and Correspondence From the Community

The Administrator reported that he received a letter from Scott Taylor regarding the Park upgrades and submitted a copy to the Board. The Administrator said he thought he made a good point when he said a place to play with green grass is more important than things to play with. The Administrator noted that the Park project is really only replacing the play things that were there before and that the meadow is larger than before and more level than it was before. He said the problem is that invasive weeds overpowered the grass seed that was planted and the only way to get rid of it, according to the professionals, is to spray it and start over. Nicole Vigeant said she was going to try and remove some of the weeds when she works at the Park on Sunday, and said she didn't think it was necessary to spray them. Walter had asked if the Administrator had tried the clove oil at the Park and he said he tried it at the treatment plant and did not have any success even after three applications.

New Business

There was no new business

Administrator's Report:

The Administrator reported that he did not submit the regular Administrator's report since he submitted a daily timesheet which detailed his activities for the month. He also submitted a summary of the tasks that are performed during the month. Nicole commented that the detailed activities are very informative and that she would recommend that the Administrator continue it for at least three months so that the Board would have enough information to evaluate it at that time and see if in fact changes should be made. Margaret commented that it must be time consuming to do this every day. The Administrator noted that the time recording program is in Quick Books, and so it does the timesheets. He did say however, that what is time consuming is to have to change tasks when he starts something new. He said he will be working on administration, or board packets, and he might get a phone call or e-mail and he will have to switch to grant handling or accounting and start a new task. That is what is time consuming. Terry Duffey commented that it seemed like a heck of a lot of hours and asked the Administrator if there were any way to reduce the hours. The Administrator noted that once the capital projects are completed, he said Construction Management will be eliminated, unless a new project is started. He said it was up to the Board to decide if the District wanted to stop doing grant research and writing, or hire an outside grant writer. He said he doesn't see the Board meeting changing any time soon. As

long as there are 10 – 12 pages of minutes every month, it will take time to transcribe them. He said as far as Administration goes he said it is what needs to be done on a regular basis and he doesn't know if that will change or not. He said it all needs to be done and it all takes time. The question is whether you have a part time manager and staff, or a full time manager and no staff. Terry said it seems like too many hours. She asked if the Administrator felt like there was any overlap with Phillips duties. The Administrator commented that he did not think so. He said that he does come out and check the plant, as does Phillips, and he does go through the SCADA system and checks that, as does Phillips and he checks the irrigation schedule, etc. Terry asked if he felt that was necessary since Phillips is doing it. He said he did, because it was his job to oversee the operators.

Correspondence

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

Nicole asked the Administrator if a notice of the election could go out with the mailer for the rate increase hearing. The Administrator agreed to include a notice of election on the mailer.

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 he had asked Lee Erickson if he could take an aerial photo of the Park and the treatment ponds like he had done before. He said Dan wasn't flying but he had a friend take him up and took some pictures of both. He showed the Board the pictures. He reported that the play surface is in, the equipment is in, the lumber for the Dutton House is on order and should be in in about two weeks. He said David had a tractor lined up to dig the holes and when the material gets in he will start on the Dutton House. He mentioned that the area south of the gazebo is still open since nothing has been determined to go in there. There was talk of a mega tower play structure, but they cost about \$150,000 installed, so it is still open. He reported that the other thing that needs to be done is the parking lot and the apron from Valley St. to the parking lot. He noted he is getting bids and talking to Furlong about doing it, but he still is negotiating. He also indicated that one possible use of the open play area might be a community labyrinth so he got information on it and submitted it to the Board. No action was taken.

Adjourned at 8:45 PM

Next Meeting: June 10, 2009 6:00 PM.


Approved _____ Date June 10, 2009