

**TOMALES VILLAGE COMMUNITY SERVICES DISTRICT  
BOARD MEETING**

Minutes of Meeting held March 12, 2014

**Board Members Present:** Bill Bonini, Deborah Parrish, Patty Oku, Sue Sims and Brian Lamoreaux  
**Board Members Absent:** None

**Also Present:** Karl Drexel, Administrator

Donna Clavaud	Beth Koelker	Ted Anderson
Nicole Vigeant	Chick Peterson	Louise Gregg
Dru Fallon O'Neil		

**Board President Bill Bonini called the meeting to order at 6:09 p.m.**

**Approval of Minutes:**

The Chair asked for additions or corrections of the February 12, 2014 board meeting minutes. Donna Clavaud requested a correction stating Bonnie MacLaird was re-contacting the original AIA historical architect who offered to help on the gate project regarding the font and color of the sign. Patty Oku requested that it be reported in the minutes that she gave Deborah Parrish a copy of the notes and corrections that she presented on the Roles and Responsibilities Policy.

**Brian Lamoreaux made a motion to approve the minutes of the February 12, 2014 Regular Board Meeting as corrected. Motion seconded by Sue Sims. M/S/U.**

**The President read a statement he said he had prepared for this meeting and is included and made a part of these minutes.**

**Financial Report:**

**A. &B.** The Administrator submitted the financial reports for February and a list of payables for the months of February and March along with copies of the check registers for the month of February. He noted there were two additional expenses that came in since the Board packets went out and they were CRWA annual dues and a \$2,200 bill to Telstar for work on the SCADA system.

**Deborah Parrish made a motion to accept the check registers, approve expenditures and adopt the financial statements. Motion Seconded by Brian Lamoreaux. M/S/U.**

**C.** The Administrator sent electronic copies of the Audited Financial Statements to each Board member for their review. He also presented a copy of the Auditor's Management Letter, or summary of the statements, in the Board packet. He noted the Management Letter is a summary of the financials and says what all of the previous auditor's have said and that is without accounting for depreciation, the District makes money and can add to reserves, However, when the depreciation expense is entered the District goes in the red. He noted that it has been this way since the beginning of the District. The Administrator also reported that this auditor had recommend separating the Park function and the sewer function as separate accounts in Quick Books so there isn't a combined balance sheet. He reported that has been done and the financials in this Board packet reflect that. The Administrator submitted a copy of a Proposal from the auditor for services for the next three years at a reduced rate since the books will be presented in a simpler method. This current audit was for \$5000 and subsequent audits would be \$4,500, \$4,750, and \$5,000.

There was discussion about the auditor presenting the audit report in person in the future and also to provide Board training on financials. Sue Sims asked the Administrator to find out what would happen if, during the three years, the District decided they needed to get out of

the agreement. The Administrator said that could probably be arranged. The President said that the District has to do an audit every year anyhow, and this company looks like they did a good job. If the District needed to move in a different direction, they could write a letter stating that.

**Deborah Parrish made a motion that the District accepts the three year contract with the understanding that the auditor would present the annual report in person, that the auditor would provide training on financial statements and that if the District need to move in a different direction in the next three years it would be OK. The motion was seconded by Patty Oku. M/S/U.**

Donna Clavaud noted that she thought it was valuable in making policies the recommendations from the auditor regarding a Reserve Policy and a Retention Policy.

#### **Phillips & Associates Report:**

The Administrator noted he didn't have anything to add to the Self monitoring report. He acknowledged the tour went well and everybody was able to see the condition of the system and some of the things that needed immediate attention. It was noted that a lot of it would be easy and maybe could be done internally without cost for labor. Patty also stated that she thought the Power Point Presentation that the Administrator e-mailed to everybody at the tour was very valuable, especially for new members. The Administrator offered to send it to anybody that wanted a copy. Sue suggested he also put it on the website.

#### **Committee Reports:**

##### **A. Newsletter Committee**

Nothing new to report

##### **B. Park Advisory Committee**

1. The Park Committee minutes were reviewed and discussed. Donna requested the architects name be changed and noted that he was an AIA historical architect.
2. Bill Bonini reported that he and David Judd met and reviewed the gate layout and have determined it needs to be adjusted for easier access into the Park. They will continue to work on that. Patty reported that David found out from the County that anything above 6' as a fence, gate or sign has to have a permit. There also may be a need for a variance because it is on Cal Trans property.
3. Bill reported that he and David had been working on a gazebo design and have staked out the dimensions of a new gazebo. He said that a 20' gazebo would fit in the same area quite nicely. It would be 6 sided, with three sides with steps down, two sides might have built-in benches and the back opening would be at the path level. He said they will play with some drawings and maybe lay it out with tape or story poles for the next work day. He also noted that they talked to Peter Nissen regarding engineered drawings if required by the County.

The Administrator reported that the original concept for the Park was to have two additional new picnic tables to replace the old ones, but that was shelved for lack of funds. He noted that he and David had agreed that it is time to replace the old tables and would like to buy two new 8' redwood picnic tables from the Sonoma County Probation Department so they could be assembled at the next work day. He also noted that Sophia Vigeant is heading up a group of students to help on the next work day and would be able to assemble the tables.

**Patty Oku made a motion to purchase two 8' handicap accessible picnic tables from the Sonoma County Probation Department. Motion was seconded by Deborah Parrish. M/S/U.**

The Administrator was asked to contact Walter regarding spraying the paths with the organic OMRI Certified herbicide, All Down.

### **C. Financial Advisory Committee**

1. The Financial Advisory Committee minutes were presented for review. Patty Oku asked about Agenda Item 3 on the February 17<sup>th</sup> minutes and what the “quick internet search” final source was for the model RFP. Deborah responded that there were many RFPs that were looked at for a compilation to get to the Draft RFPs presented. She noted that all of the RFPs she looked at asked for the same information and were set up similarly. Patty recommended that the samples being reviewed should be from California CSDs since the District is governed by California CSD laws. Deborah mentioned that she had several samples from California Special Districts.
2. Moved from Item D (6) on the Agenda. Discussion was held regarding the RFP Guidelines for all RFPs. Deborah reported that the RFP guidelines are a suggestion of the process for RFPs going forward. How an RFP is set up, what it should include, the timeline it should present, how decisions are made, how proposals are evaluated, etc.

**Deborah Parrish made a motion to accept the Request For Proposal (RFP) Guidelines. Motion seconded by Sue Sims. M/S/U.**

3. Moved from Item D (7) on the Agenda. Deborah introduced an RFP for Accounting Services that was described as the basic structure for an RFP. Discussion was held regarding the RFP for Accounting Services. Patty Oku asked if the position was an accounting position or bookkeeping position. Deborah Parrish noted that they did not think a bookkeeper had the expertise they were looking for and that the firm or individual had to have non-profit financial accounting experience. The Administrator noted that the District formation and governing legislation allowing its existence identifies it as a government agency and anybody responsible for the financial accounting should have to have government accounting experience at a minimum and knowledge of Government Accounting Standards Board statements. Non-profit experience would be a plus. Deborah said they could put both in an RFP, but she felt it was more important that they have non-profit experience. Patty noted that the position was still being developed and wondered what it was the District is asking for, a bookkeeper, and auditor, a CPA. That needs to be determined. Bill Bonin asked the Administrator what the Government Code says about financial service requirements. The Administrator noted the CSD Law only says the Treasurer can be the General Manager and cannot be a Board member. It also says the General Manager is legally responsible for the supervision of the District’s finances. It does not say a District needs a financial officer, a CPA, or any other finance position.

Deborah said she had the RFP for Accounting Services with her and if there were any changes, she could make them and vote on the RFP. Patty said she felt that the Board should do their due diligence and evaluate the contractors they have currently before they acted on RFPs for those positions. Bill wondered how you determine what the position should be paid without putting out RFPs for other proposals. Deborah said it was clear that the evaluation process has to be to determine what the market rate is for the different contracted positions.

Patty recommended the RFP that goes out to multiple job search sites and others be a simple letter stating what the District is looking for and if someone is interested they could go online for the full RFP and Scope of Work. The FAC thought that was a good idea. Deborah mentioned that they did have that type of RFP broiler plate letter and she would draft that up. This item was tabled until next month when the changes could be made.

### **D. Budget Committee**

1. Discussion was held regarding the postcard requesting volunteers for the Budget Committee. It was noted that 92 postcards were mailed out to ratepayers rather than to all of the boxes in town. Patty Oku asked if the postcard wasn’t supposed to address the plan

to send out RFPs, but it didn't. Donna noted that it was a challenge to get all of the information they had on the postcard already without adding more information. Deborah noted that the makeup and direction of the committee hasn't been developed yet, so it couldn't address that issue. The FAC is working on the RFPs, not the Budget Committee at this time. The Budget Committee is still in the formation process.

2. Deborah Parrish suggested the rest of Item D on the Agenda be tabled until the next meeting, except Items 6 and 7 and those should go under the Financial Advisory Committee. The President agreed and the items were tabled.

#### **Pending Business:**

##### **A. Grant Writing**

###### **1. Measure A Funding for Special Districts**

Nothing new to report

##### **B. Capital Improvement Projects**

1. The Park gate project has already been discussed
2. The Gazebo project has already been discussed
3. The Administrator noted the Capital Improvement Project list is for information only at this time and no action needed to be taken.

##### **C. Board Policy Manual**

1. Discussion was held on the corrected Roles of Board Members and Officers. Patty indicated that there were some changes she recommended that she thought were approved at the last meeting that aren't in the revised policy. She noted she gave her list to Deborah, so she doesn't know all of them, but one item was a numbering system. Sue and Donna indicated that they would be developing a numbering system. Another change was supposed to be made under Board President. The policy reads the President appoints all committee chairs, and that was supposed to be members and the committees appoint their own chairs. Another item under Board President was the President will coordinate the preparation of meeting agendas with the Administrator and Board Secretary. If that is not happening it shouldn't be worded that way. Deborah injected that this month's agenda was full of errors and things out of place and if she had been able to review it, or someone else had been able to review, it there wouldn't have been the problems. She said she felt that someone on the Board should coordinate with the Administrator on the agendas. Sue noted that the President can always delegate. Deborah suggested it read "to coordinate or appoint another board member to assure the agenda reflects the wishes of the Board". Bill asked the Administrator when the Agenda is finished. The Administrator noted that the actual agenda is not finished until the day the Board packet is finished and he goes to Kinko's, which is typically the Thursday or Friday before the meeting. He said there is a deadline for submitting documents and agenda items of two weeks before the meeting, but that is seldom adhered to.

Patty also suggested the item that the Board President oversee searches for a new Administrator should be changed to contractors. That was agreed to. She also noted that it was recommended by previous auditors that a Board member reconcile the bank statements, which has traditionally been the task of the Board Vice-President, so it should be in the Roles of the Vice President. And the other item was under Board Secretary. It was changed to say that if the Secretary was a Board member they would chair the meeting in the absence of the President and Vice-President. However the rest of the change was that the rest of the members chose a chair among themselves for that meeting. And under the Roles of the District Treasurer, the first item says they will have understanding of financial accounting for non-profits.. That should say government agencies. Deborah said it should say both. Sue asked Patty to send her those changes and corrections and she would make those changes and send out a corrected policy.

2. Deborah introduced the Policy on Competitive Bidding, where two types of contracts are discussed. The first one being a "Project Contractor" contracting for projects over \$5,000.

The process for a Project Contractor would be to define the scope, collect bids, develop a list of candidates and choose a winning bid. The Contractor would do that particular function in a fixed timeframe and then the contract would be over. The second type of contract would be for a recurring contract that would provide a specific service for 3-5 years and then be re-bid. Solicitations would go out for bids for the service and sealed bids would be collected and opened on a specific day and time by a Board designated person. A contract would be awarded to the bidder with the best value. Patty Oku suggested something in the bidding policy should address emergency situations that cannot wait for bidding or sometimes, even Board approval.

Patty also commented that it appeared that the Board was assuming some of the Administrators functions with this policy. Deborah noted that she would hope the Board would be able to direct the Administrator to carry out these functions, but that there needed to be a policy to help everybody understand what needs to happen.

Brian Lamoreaux questioned whether or not this policy put the District in a situation where this policy becomes a burden for certain jobs that needed to get done that didn't need to go through the process. The Administrator gave some examples where that might be the situation. Others said the policy could be changed if necessary but this was a starting place. Deborah said the verbiage regarding sealed bids and restrictive requirements would be moved to the section for bidding over \$25,000. Deborah changed the wording to say that projects over \$5,000 are not subject to sealed bidding but are required to get quotes from three different vendors, providing there are three and prices are recorded and who was selected and why. Recurring contracts over \$25,000 are required to have sealed bidding. Amounts in between are open to Board discretion. Additionally the wording that the "Board of Directors" is soliciting bids and quotes is changed to the "District". Deborah will send out the revised policy to everybody.

**Deborah Parrish made a motion to approve the Policy on Competitive Bidding as corrected. Motion seconded by Sue Sims. M/S/U.**

#### **D. Median Household Income Survey**

1. The Administrator noted that Karen McBride addressed the Board at the last meeting and he submitted a copy of the final determination letter mailed to the SWRCB. Patty noted that the letter indicated Karen had explained the problems and the effect of including the default incomes that did not reflect the Districts position.
2. There was no discussion regarding a response letter to the SWRCB.

#### **E. RCAC Rate Study**

1. Discussion was held regarding the FAC letter to RCAC and their response. Patty said she felt the Board should have been given a copy of the letter to the FAC before it went out. She said she felt the letter might have been considered as insensitive to the RCAC. She said it was her understanding that the RCAC has a template for rate studies and with specific information they are able to input real time data and come up with a report. She felt they could not do that successfully with a supposed reduction in costs that hasn't happened. She also said she felt that this agency that the District has worked with on several things might get the impression that the TVCSD does not like or appreciate what they have done for us. Donna noted that the letter only asked a question regarding the assumptions they were using and if they considered other alternatives. Deborah said they also felt they had left things out of the study and felt they should be included, such as cost reductions. The letter was not meant to be insulting, but we wanted more information. We wanted to have a rate study that would dove-tail into an efficiency study.

Donna noted that Richard Culp had responded to the letter with a revised draft that did in fact look at other things than just rate increases and as it develops, the report might look

at some rate increase and some cost reductions. The Administrator recommended that the FAC write him back requesting he put the study on hold until the Board has gone through the RFP process and sees if there actually are immediate and/or long term reductions in costs that he can use for a final report. Donna said she thought that was good idea and that they would write a letter and cc the Board.

**F. Board Training**

1. The Administrator reported that the Special District Risk Management Authority, the District's liability insurance carrier, provides onsite training for Board members regarding liability issues facing the District and individual Board members. It also gets into the Roles and Responsibilities of Board members. He also noted that the CSDA, CRWA, Brent Ives, and other organizations provide Board Training at a cost, but CSDA's current schedule does not include any Board training. Those trainings were included in the January and February Board packets.

Discussion was held regarding e-mails and e-mail protocol. Patty suggested the FAC develop an e-mail protocol policy, which she had requested the month before. Deborah said the FAC was working on other important policies and that Patty was welcome to develop a Draft policy and bring it to the Board for review.

**Patty Oku made a motion to ask SDRMA's Chief Risk Officer to come to Tomales and present a Board Training session on Board responsibilities and liabilities for all Board members and any interested committee members. Motion seconded by Deborah Parrish. M/S/U.**

2. The Administrator reminded the Board that all Board members are required to complete the two hour course on Ethics and the two hour course on Harassment within six months of taking office and repeat every two years.

**G. Complaints and Correspondence**

The Administrator noted there was nothing to report.

**New Business**

No new business to report

**Administrator's Report:**

The Administrator submitted a written report of his activities for the month.

**Open Communication:**

No open communication.

**Correspondence**

No action taken

**Deborah Parrish made a motion to adjourn. Motion seconded by Patty Oku. M/S/U.**

Adjourned at 10:06 PM

Next Meeting: April 9, 2014 6:00 PM.



Approved

April 9, 2014

Date

**TVCSO Board President's Message on Wednesday, March 12, 2014**

**First of all, I would like to thank Karl for setting up the recent TVCSO Plant Tour. It was very impressive to walk around and observe that the plant and ponds are in great working order. And, after reading the Audit of our books, it seems clear that for the most part, everything is in good order.**

**Let's stop pointing fingers! We have a great little sewer system and the past TVCSO Board members, Karl and Phillips have done a lot to get us to where we are today. However, at this time we need to look at all possible options to financially manage our future.**

**The Auditor states we have been operating at a loss for the past 2 years. And, RCAC's draft Rate Study indicates we do not have enough funds for sewer plant improvements as our sewer system ages and requires replacement of parts.**

**Therefore, the job at hand and the responsibility of this new Board is to find solutions to the need for more revenue for operating costs and for necessary future capital improvements. Should we just raise rates to cover existing contracts and projected CIPs?**

**When was the last time bids were taken for our vendors? Are we getting the best price for services to manage and operate our district? This is not a personal issue! Let's not make it a personal issue! It's a business issue!**

**As President of the TVCSO Board, I think it is my responsibility to get the most information in order to make decisions.**

**Instead of just raising rates \$350 per hookup, we need to ask: is a 30% rate increase the only solution?**

**I think the process of competitive bidding for all District services will enable the Board to look at a range of bids for services and make the best choices for how we spend the community's money. Can we save \$\$\$ and still get the services we need to operate and manage the district? This process should be a first step before we consider raising rates. We may need to do both, but first things first.**

**So, let's get on with the job at hand.**