



TVCS D Board of Director's Meeting Minutes

Date: Wednesday, June 8, 2016, 7 – 9 pm

Location: Tomales Town Hall, Tomales, California 94971

Board Members Present: Bill Bonini, President; Deborah Parrish, Vice President; Donna Clavaud, Dru Fallon O'Neill, Peter MacLaird

Board Members Absent: None

Also Present: Jose Ortiz, TVCS D General Manager; Melinda Bell, TVCS D Treasurer; Cynthia Hammond, TVCS D Secretary; Margaret Graham, Walter Earle, Terry Duffy, Venta Leon, Gary Phillips (Phillips and Associates, and Andy Zinkevich (Natural Systems Utilities: NSU)

I. Call To Order

Bill Bonini called the meeting to order at 7:00 p.m.

II. Open Communication Time for community members and visitors to bring up items they wish to discuss and items that do not appear on the agenda. Added items will be included under Other Business.

Margaret Graham announced to the Board and guests of the book sale on Sunday, October 16, 2016. Mostly Native Nursery will accept donations of hard and soft covered books. Dru Fallon O'Neill announced that Founder's Day would be Labor Day, September 5, 2016.

III. Approval of June 8, 2016 TVCS D BOD Agenda

Dru Fallon O'Neill motioned to move Phillips and Associates after Open Communication and to approve agenda as is. No objections

IV. TVCS D Board Member reports

Donna Clavaud called the planning department and the permitted plans for the Park are ready.

A check for \$1,868.28 is needed to pick up the permitted plans; Donna Clavaud will pick up plans.

In order to submit a summary proposal for the fence, a new procedure is required, as supervisors can no longer approve expenditures. This procedure is The Community Service Grant Program. The cycle is July 1st with a September 30th deadline. The applications are now on-line and Donna Clavaud will submit the grant on-line.

V. Approval of July 8 & 22, 2015, August 12 & 17, 2015, September 9, 2015, May 11, 2016 and May 25, 2016 TVCSD BOD minutes

Bill Bonini motioned to approve July 8 & 22, 2015, August 12 & 17, 2015, September 9, 2015, May 11, 2016 and May 25, 2016 minutes. Dru Fallon O'Neill seconded the motion. M/S/U

VI. Financial Report (Melinda Bell)

a. Accept Check Registers and Approve Expenditures:

Dru Fallon O'Neill motioned to accept check registers and approve expenditures. Deborah Parrish seconded the motion. M/S/U

b. Financial Manager's Report:

Melinda Bell reported that the most important part of the financial report is the budget to actual comparison for both the park and sewer program. The sewer program results for the current year through May (11/12 of the year) are -\$53,609, but \$47,000 of this is depreciation. The sewer program budget for 2016/2017 is balanced without appropriations for depreciation. The Sewer program budget also does not include expenditures for debt principal payment as these cash outlays reduce the liability and are not expenses. Cash outlay for debt reduction in 2016/2017 will be \$38,526. With anticipated budget surplus of \$1,500 and anticipated debt reduction, Sewer program cash will be decreased \$37,026.

The park program results for the current year through May are a positive \$37,453 due to delayed expenditures. Park cash balances will decrease during 2016/2017 by the amount of the spending of prior year receipts, anticipated at \$39,707.

c. Review and Approve Financial Statements:

Dru Fallon O'Neill motioned to approve the financial statements. Deborah Parrish seconded the motion. M/S/U

VII. General Manager's Report

Jose Ortiz met with Telstar and the system was working but it is still sending error messages. A new radio transmitter was ordered for \$1,150 and will be installed by Telstar. Estimate for transmitter and installation will be about \$2,000. It was discovered the communication failure was due to a bug in the software.

Jose Ortiz met with Blair Allen to inspect plant and to discuss the operation of FOG tank. Jose Ortiz will submit letter to formally request bypassing the FOG tank for a year. This will save the district approximately \$5,000 per year in pumping costs.

Jose Ortiz will work with Andy Zinkevich to prepare an asset management plan, capital improvement, and ten (10) year plan.

Responded to 2015/2016 Grand Jury Web Transparency Report: Jose Ortiz will provide Cynthia Hammond a list of requirements/documents missing from the TVCSD website, Cynthia Hammond will forward documents to Walter Earle for inclusion on the website.

VIII. Phillips & Associates Report

- a. Review reports for April 2016
- b. Gary Phillips from Phillips and Associates attended the Board meeting to discuss routine tasks performed under current O & M contract.

Gary Phillips introduced Andy Zinkevich as the Transition Manager for the Phillips and Associates merger with Natural Systems Utilities (NSU). Andy Zinkevich provided a handout of primary activities (operations, maintenance, utility and construction management) and support activities (safety and compliance, electrical, control and piping expertise, process monitoring, analysis, trouble shooting, technology, engineering, planning, permit management, human resources and administration, legal and accounting). Andy Zinkevich emphasized the level of automation will be raised. Phillips and Associates currently manages 30 plants in 25 locations.

The following questions were submitted to Phillips and Associates from TVCSD Board of Directors:

1.) What activities are performed on a daily, weekly, monthly, quarterly, semi-annually, and annually?

Answer: Appendix A of the contract describes these activities and includes a management plan to manage the facility. Tasks are developed and are always at the treatment plant. Logbooks are bound, and entries are penned in ink. The regulatory requirements to regional boards are done as required. Some of the testing is done on a weekly, quarterly, monthly or annually; reports are done monthly and annually.

2.) What personnel perform those activities and what are their titles and rates?

Answer: The Schedule of Rates lists titles and billing rates for all positions. Gary Phillips will provide the current one.

3.) On average, how much staff time, by position (supervisor, operator, maintenance worker, chief plant operator, etc.) is spent monthly performing these activities?

Answer: Phillips and Associates business model is not set up to provide this information, it varies by the need.

4.) How much of the monthly fee is for purchasing chemicals such as chlorine, herbicides, and materials for signage and grounds maintenance (not including the additional lab testing required by the new WDR's which is paid at cost plus 20% by TVCSD)?

Answer: Billing system is not set up to keep track of every bit of material used. Example: a contractor wouldn't keep track of every nail used.

5.) How much time and by what classification of employee is spent on remote monitoring and controls?

Answer: Phillips and Associates business model does not capture most of this data. There are direct costs for staff operators and staff maintenance but Steve Phillips and Gary Phillips are not direct costs. Jose Ortiz said Steve Phillips monitors the SCADA system every morning and evening and TVCSD isn't charged for his time directly.

6.) How many hours monthly is spent to produce the self-monitoring reports?

Answer: 60 – 90 minutes unless there is a non-compliance and a corrective action needs to be written.

7.) Are call-outs included in the monthly fee and how often over the course of a year does this occur?

Answer: It depends who gets called out. Steve Phillips doesn't bill for his time. NSU may change this. However, depending upon circumstances (such as a storm, a car hits a power pole) and depending who gets called out, costs will incur.

This area has to do with clarifying the potential impact to the District by the recent acquisition of Phillips & Associates by NSU:

1.) How does the merger affect TVCSD in terms of services and costs?

Answer: Services, resources and capabilities will improve and there hasn't been any discussion on changing costs. Jose Ortiz mentioned the Contract states that Phillips and Associates will meet annually with the TVCSD General Manager (Jose Ortiz) to assess the various conditions of the facilities to develop an asset management plan. Andy Zinkevich will work with Jose Ortiz to develop an asset management plan and will continue to be an annual service.

2.) The contract under which Phillips & Associates has provided its services has been unchanged since it was executed in 1999, except for cost increases based on the CPI. It states that you were to have developed and provided a systematic maintenance program that complies with the Operations and Maintenance Manual among other recommendations or practices. We don't have any records of that maintenance program.

Answer: Program was developed as task matrix. From the contract: Section 3.6.6 of contract says to perform work "...which comply with Operations and Maintenance Manual, equipment manufacturers recommendation or best industry practices; whichever the contractor believes is most appropriate." Section 3.12.1 says "the district must give us written notice if they believe we are not in compliance". Gary Phillips said the Operations and Maintenance Manual is a "living document"; as regulations change or better techniques are developed, these will be added to the Operations and Maintenance Manual.

Follow-up questions to Gary Phillips and Andy Zinkevich:

Peter MacLaird questioned internal tracking and billing procedures, as they are vague. Andy Zinkevich explained that Phillips and Associates uses Quickbooks that doesn't lend itself to consolidating hours by the project. NSU uses Deltek and will be using it in the future and will remain market competitive. Currently, monthly billing includes the retainer and unscheduled work is specifically laid out.

Deborah Parrish stated Phillips and Associates billing rates haven't been reviewed and broken down since 1999. The base rate for TVCSD is \$3,475 per month that covers basic services plus CPI adjustments for the last seventeen (17) years. There hasn't been a breakdown of actual work and the rates being charged and requests have been made to substantiate the fees. Deborah Parrish works with a similar client; their contracts provide the specific information; the task, rates, etc. Gary Phillips requested a

template of Deborah Parrish's clients' contract.

Dru Fallon O'Neill reiterated the need to be efficient and to know what TVCSD is spending.

Donna Clavaud explained that RCAC did two (2) rate analysis drafts with inaccurate information. Gary Phillips will work with RCAC if requested by TVCSD Board.

Bill Bonini requested from Gary Phillips that if there were things that could be done differently to save costs to advise the Board. Andy Zinkevich suggested getting together to evaluate a "quasi" comprehensive plan.

Venta Leon asked NSU, being the operator, if everything is done in-house instead of being contracted out would this result in cost savings? Andy Zinkevich said this has been their experience. Venta Leon questioned the use of Roundup. Walter Earle suggested using Burndown herbicide, which is commercial grade and doesn't need a special license to apply.

Terry Duffy asked if the drought would have any effect on the system. Jose Ortiz explained that there could be shrinkage, which could result in soils movement could potentially crack pipes.

IX. Committee Reports

a. Financial Advisory Committee (FAC)

No meeting was held.

b. Park Advisory Committee (PAC)

1. Review May 23, 2016 minutes

Brian Lamoreaux stepped down from PAC. A Project Manager is needed for the gazebo and fence projects. Bill Bonini knows someone who could manage the projects. Jose Ortiz said the Project Manager needs to have experience in contract administration and construction management. Bill Bonini and David Judd will put together the job task, materials list, and description of fence, Jose Ortiz will review and Donna Clavaud will write the RFP. Donna Clavaud would like to see these projects pushed forward and suggested helping PAC to create a timeline.

2. Update on status of PAC Committee Policy

No discussion.

X. Pending Business

1. Adopt final Sewer Enterprise and Community Park budgets for fiscal year 2016/2017

Deborah Parrish motioned to adopt final Sewer Enterprise and Community Park budgets for fiscal year 2016/2017. Donna Clavaud seconded the motion. M/S/U

2. Adopt Resolutions 16-03 and 16-04 for hook-up fees and Ad Valorum tax rate

Deborah Parrish motioned to adopt Resolutions 16-03 and 16-04 for hook-up fees, sewer charges and Ad Valorum tax rate. Donna Clavaud seconded the motion. M/S/U

XI. Other Business

None

XII. New Business

1. TVCSD Board Meeting Agenda planning for fiscal year 2016/2017. Priority examples: Assets inventory, five (5) and ten (10) year financial plan, service contract renewals, TVCSD Newsletter, rate analysis.

Deborah Parrish proposes for agenda planning purposes and efficiency to break BOD meetings into quarterly and non-quarterly meetings. General Manager and Operator to attend quarterly meetings, Financial Manager will attend April and October meetings and Secretary will attend all meetings.

Quarterly meetings to include the following:

January meetings to discuss board elections and orientation.

April meetings to draft budgets.

June meetings to discuss budget presentations.

October meetings to discuss capital budget and audit report.

Non-quarterly meetings to be held in February, March, May, July, September and November will include committee business, policies and procedures, training and board business.

All meetings will include General Manager’s report, Financial Manager’s report, items needing Board attention and minutes/Board actions.

No meetings will be held in August and December.

Deborah Parrish motioned to suspend for fiscal year 2016/2017 August and December meetings and to approve quarterly and non-quarterly meetings as described above. Dru Fallon O’Neill seconded the motion. M/S/U

Donna Clavaud read a list of priorities (not in any specific order):

Staff contracts and scopes of work, performance evaluations for staff, review and amend the bylaws, asset management inventory, RCAC request for final rate analysis, five (5) and ten (10) year financial plan, refine TVCSD financial policies (especially Reserves Policy), CIP plan for five (5) years, O & M RFP contract process, Tomales Community Park CIP plan and timeline, RFP for construction of CIP’s of the Park and hiring contract consolidation. In April decide on the need for a rate increase; educate and outreach to rate payers. 2017/2018 TVCSD budget and a five (5) year strategic plan. Donna Clavaud suggests the Finance Committee meet to discuss and bring findings to the TVCSD Board.

XIII. Correspondence

None

XIV. Adjournment

Dru Fallon O'Neill motioned to adjourn the June 8, 2016 TVCSD BOD meeting. Deborah Parrish seconded the motion. M/S/C

Meeting adjourned at 9:22 pm

Next TVCSD BOD Meeting, July 13, 2016, 7 pm at Tomales Town Hall


Approved by: President, Bill Bonini

7/13, 2016
Date:


Attested by: Cynthia Hammond, Secretary

July 13, 2016
Date:

TVCSD MISSION STATEMENT: *Enhance quality of life, with commitment to the health of the community, by providing dependable wastewater collection, treatment and reuse in an environmentally friendly manner; maintaining safe and reliable recreational park facilities while providing a welcoming forum for active community participation and input.*

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Board of Directors:

Bill Bonini, President • Deborah Parrish, Vice President • Donna Clavaud

Peter MacLaird • Dru Fallon O'Neill