

HONEY LAKE VALLEY RECREATION AUTHORITY

GOVERNING BOARD

BRIAN WILSON, PRESIDENT
KATHIE GARNIER, VICE PRESIDENT
TOM HAMMOND, BOARD MEMBER
DAVID TEETER, BOARD MEMBER
DAVID MESERVE, BOARD MEMBER

STAFF

JARED G. HANCOCK, EXECUTIVE OFFICER
HEIDI WHITLOCK, SECRETARY
QUINCY MCCOURT, PROJECT MANAGER
DIANA WEMPLE, AUDITOR
NANCY CARDENAS, TREASURER

HONEY LAKE VALLEY RECREATION AUTHORITY GOVERNING BOARD MEETING

City Council Chambers
66 North Lassen Street, Susanville, CA 96130

June 20, 2017 - 3:00 p.m.

Addressing the Board

- Any person desiring to address the Board shall first secure permission of the presiding officer.
- Matters under the jurisdiction of the Board, and not on the Agenda, may be addressed by the public at a time provided in the Agenda under Public Comment
- The Board of Directors will not take action on any subject that is not on the Agenda

Call meeting to Order

Roll Call of Board of Directors present

1 **AGENDA APPROVAL:** (Additions and/or Deletions)

2 **APPROVAL OF MINUTES:** Approval of minutes from the May 16, 2017 meeting.

3 **CORRESPONDENCE:**

4 **PUBLIC COMMENT**

(any person may address the Board at this time to comment on any subject not on the agenda. However, the Board may not take action other than to direct staff to agendize the matter at a future meeting.)

5 **MATTERS FOR BOARD CONSIDERATION:**

- A. Review Landscaping – Grass Options
- B. Resolution No. 17-16 Amending 2016/2017 Budget
- C. Review Proposed 2017/2018 Operating Budget
- D. Resolution No. 17-17 agreement with City for Utility Services

6 **BOARD MEMBER ISSUES/REPORTS:**

7 **PUBLIC COMMENT ON CLOSED SESSION ITEMS** (if any): Any person may address the Board at this time upon any discussion item under consideration during Closed Session.

8 **CLOSED SESSION:**

PUBLIC EMPLOYMENT – pursuant to Government Code §54957(b)(4):

- 1 Public Employment: Auditor/Controller

The next regular meeting to be held on July 18, 2017 at 3:00 p.m.

I, Heidi Whitlock, certify that I caused to be posted notice of the regular meeting scheduled for June 20, 2017, in the areas designated on June 16, 2017.


Heidi Whitlock, Secretary

Submitted By: Heidi Whitlock, Secretary

Action Date: June 20, 2017

HLVRA AGENDA ITEM

SUBJECT: Minutes of the HLVRA May 16, 2017 meeting.

SUMMARY: Attached for the Board's review are the minutes of the HLVRA meeting.

FISCAL IMPACT: None.

ACTION REQUESTED: Motion to waive oral reading and approve minutes of HLVRA May 16, 2017 meeting.

ATTACHMENTS: Minutes: May 16, 2017

**HONEY LAKE VALLEY RECREATION AUTHORITY
GOVERNING BOARD MEETING
Regular Meeting Minutes
May 16, 2017 – 3:00 p.m.
City Council Chambers 66 North Lassen Street Susanville CA 96130**

Meeting was called to order at 3:01 p.m. by President Wilson.

Roll Call of Board of Board members present: Dave Meserve, Tom Hammond, David Teeter, Kathie Garnier and Brian Wilson.

Staff Present: Jared G. Hancock, Executive Officer and Heidi Whitlock. Secretary.

APPROVAL OF AGENDA: Motion by Vice President Garnier, second by Board member Teeter. Motion carried unanimously.

2 APPROVAL OF MINUTES:

Approval of Minutes from the April 18, 2017 meeting, Motion by Vice President Garnier, second by Board member Teeter. Motion carried unanimously.

3 CORRESPONDENCE: None.

4 PUBLIC COMMENT: None.

5 MATTERS FOR BOARD CONSIDERATION:

5A Financial Reports through May 5, 2017

Mr. Hancock opened by stating that the financials being presented are in the same format as they are always presented. He continued that, as far as the budget status goes, we are right where we need to be. The expenditure detail list shows those items that have been charged out. He added that there is not much to report unless the Board had specific questions.

President Wilson requested, since the timeline has changed, to know how much money the HLVRA will have at the end of the fiscal year.

Mr. Hancock stated that he anticipated approximately \$25,000-\$30,000. He added that staff brought two budgets last year for consideration, an operating budget and an annual budget, and the data should all still be available to review. He added that we will be bringing back an annual operating budget at the next regular meeting.

He continued that staff is looking at July 1st for opening but, it could be earlier. He added that staff is also looking at scheduling a ribbon cutting 2-3 weeks from now. The pool could be ready to open a few weeks before the July 1st date but he would let the Board know so staff could set up a time that worked for everyone and to schedule an open house for the public to walk through.

He added that a fee schedule would also be presented at the next regular meeting.

5B Review Proposed Landscaping Plan

Mr. Hancock stated that the landscaping plan previously supplied a cost breakdown in phases to start but continued into the next fiscal year. The items were discussed but hopefully, with the attachment, it can also be visualized.

He continued that the roof drains at the southern end and will be extended to the south as well. He directed them to the area inside the fence, the southeast side is the shed area. In that corner, there will be additional material added for access at grade, it also includes a turf area and a designated area for future outdoor showers. The tan area will be a hardscape area for deliveries with two sheds in the area. Future plans call for a wall as well.

In the front, we are proposing a drought tolerant landscape, including around the monument sign which is already installed, and hydro-seeding around the property perimeter to keep dust down.

Phase II would include the planter islands in the parking lot, the shower area and the rock wall next to the shower area.

This also includes the main lines for irrigation for the main area as well as the parking lot area.

President Wilson inquired about whether or not there were opportunities for volunteers.

Mr. Hancock responded yes, he also wanted to acknowledge Dow Davis and Quincy McCourt for their hard work on the project thus far.

Board member Hammond wanted to also thank Ms. Spencer for her donation of the monument sign.

President Wilson requested that staff also review the shower placement to ensure that there will be no problems in the future if there is another flooding event like the one we just had occurred.

Mr. Hancock responded that there are a lot of different ways to configure the showers. He added that walking over turf to showers may not work well and we should consider concrete instead to prevent grass from getting brought back into the pool.

Eileen Spencer (Public): Wanted to let staff know that the monument sign was not supposed to be double sided but it was. She stated that it would not hurt her feelings if we took one side off and put it on the building or did something else with it.

Mr. Hancock responded that we noticed that the two sides and staff discussed the option of storing the second side in the event it was defaced so it could be changed it out quickly.

Ms. Spencer stated that she also had the paint numbers for staff in case it was defaced.

President Wilson inquired about the native grass. He stated that he is still struggling with how it will look and inquired if it would look like a weed field.

Vice President Garnier asked if it would die if weed and feed was used on it.

Mr. Hancock responded that it has not yet been purchased as staff is still researching top soil needs. He continued that obviously, we do not wish for it to look like a weed field.

President Wilson asked if we could use the area to host an event.

Mr. Hancock responded that, at the present time, no. A lot of site prep work and top soil would be needed.

Vice President Garnier asked about the native grass and if it goes to seed.

Mr. Hancock confirmed that native grasses that go to seed are being considered.

Vice President Garnier asked if it would be prickly and if it would be hard to get rid of later if we decided to lay sod.

Mr. Hancock stated that staff could bring more options back at the next meeting. He added that there are multiple grass types, not like sod though. He added that seeding over it later would be difficult. The area would have to be prepped and then sod on topsoil. He added it would get going once it is established.

President Wilson stated that staff should bring back other options but that he was looking to approve the \$21,000 budget.

Motion by Vice President Garnier, second by Board member Meserve, to approve the initial landscaping design. Motion carries unanimously.

5C Resolution No. 17-13 Amending the Authority's Purchasing Policy and Adopting Credit Card Policy

Mr. Hancock offered a reminder to the Board that the HLVRA did not have their own purchasing policy and the County was chosen to be the custodian of HLVRA funds. He continued that a need was identified to be able to use those funds, being that we used the County, the HLVRA Board adopted a version of the County's purchasing policy. Until now, it has worked well. However, now that we are setting up more items, we have identified some weaknesses in the policy. For instance, if the HLVRA needs to order small items online, there is no way to do so. The policy also refers to a purchasing agent, which we do not have. We are proposing a Resolution to adopt an amended purchasing policy, assigning a purchasing agent and adopting the credit card policy.

Ms. Spencer voiced her concern with the credit card policy and inquired as to why checks were not being considered.

President Wilson stated that not a lot of places take checks anymore and he could see the difficulty in having to go to the County to get a check cut just to go to Walmart.

Board member Teeter stated that having a credit card also allows for a competitive advantage in some instances.

Motion by Board member Meserve, second by Vice President Garnier, to adopt Resolution 17-13 amending the authority's purchasing policy, assigning the Executive Officer as the purchasing agent and adopting a credit card policy. Motion carries unanimously.

Mr. Hancock added the City also has a credit card policy and there have not been any issues. He added that the cards can be secured and only used as approved.

5D Approve Purchases(s) of Pool Equipment

Mr. Hancock stated that the item is tied to the purchasing policy as these items were over \$10,000. Staff originally thought there would be multiple items over the \$10,000, however staff found after quotes were received, that only the starter blocks went over the threshold so that item is being presented for approval.

Vice President Garnier inquired as to what staff was proposing to do with the pennies for the pool money.

Mr. Hancock responded that the funds were already designated by the last approved budget for the lane lines, reels and cover.

Motion by Board member Hammond, second by Vice President Garnier, to approve the purchase of the starter blocks. Motion carried unanimously.

5E Executive Officer Update

Mr. Hancock stated, now that there is water in the pool, an update should be provided. After a pool is filled, there is a breaking in period for equipment. Training on the equipment occurred last week with himself, the Pool Director and the Project Manager in attendance, and it is a fairly automated system. He added that the pool contractor stated how impressed they were with the City's geothermal and how fast the pool got to temperature. He stated this was a good

thing as it gives the HLVRA more options for winter temperatures as well as while increasing the temperature during the day.

Staff got to see how the heat exchanger worked and, even when it was at the 70 degree range, they were able to see a 50 degree capture before it went back into the system. He continued that there is now an opportunity for the Board members to review. He added that staff is almost ready to accept the bathhouse as there were some other issues that required Moderns attention prior to the HLVRA taking possession.

Mr. Hancock then introduced Eric Heumann, the new Pool Director.

Board member Meserve asked if any other employees were hired.

Mr. Hancock responded that Mr. McCourt was already lining everything up with training and the Red Cross, who will come up here.

Board member Teeter asked about interviews.

President Wilson inquired as to when they would happen.

Mr. Hancock responded that we need to see who has certifications first and if so, they can start sooner.

Vice President Garnier asked why we would train those not hired yet.

Mr. Hancock stated that we would not.

Discussion occurred on the requirements and costs associated with particular modules to be completed.

Mr. Hancock suggested offering a reimbursement to those who complete and pass the course. But, he stated we would only offer employment to those who actually pass the course. He added that other options were being considered.

President Wilson stated that it was a lot of money on the line for someone making \$10-\$11 per hour.

Mr. Hancock responded that, in his experience, kids want to be lifeguards. The parents will pay for the training and then they can apply with a certificate in hand.

President Wilson stated that he did not agree with parents having to pay for it and adds that staff should make an offer to the individuals pending them passing the exam.

Tony Jonas (public) stated that there are other things they have to do before the training. For instance, can they even reach the bottom of the pool? That test would typically wipe out the "wannabes".

Eric Heumann, Pool Director, added that there is a swim test prior to training.

Mr. Hancock added that this is a fairly new experience for most people but they want to take the course.

President Wilson stated that he has heard a lot of people talking about the training.

Discussion occurred and it was decided to reimburse those who pass the class/test and ways to subsidize the pool.

President Wilson stated that we are going to be opening later and later. Hire people and put this to bed. We do not want to open after July 1st.

Board member Hammond asked what the Red Cross needed.

Mr. Hancock asked Mr. McCourt if we were waiting on the Red Cross.

Mr. McCourt responded that we have called multiple times and we are doing everything to get them here for training. However, worst case, Concord has trainings every two weeks.

Mr. Hancock responded that they will commit once we have 8 people.

President Wilson inquired if we had to go to them directly.

Mr. Hancock responded yes, things have changed since he was a trainer. They directed us to the national level and they set up the training at a regional level.

President Wilson stated that he had talked with Mr. Jonas and he stated we can go directly to a trainer.

Mr. Jonas confirmed.

Mr. McCourt stated that now they are required to go through the Red Cross, in Utah, the corporate office.

Mr. Hancock requested that if Mr. Jonas had the name and number of someone else to please provide the information. He added that it was stated that that door was no longer an option but, we want this to be completed as quickly as possible.

Mr. Hancock added that after this initial process, we should be able to have our Pool Director train the employees as we were going to send him to a class to get certified to train others.

Vice President Garnier asked if there was more liability if we went with another certification program.

Mr. Hancock responded that it would be in the best interest of the HLVRA if it stayed with Red Cross.

Mr. Heumann agreed that the Red Cross is the gold standard although, there are others available.

President Wilson stated that we are down to the wire and expresses his frustration in not thinking staff was ready. He added that we are already cutting into the swim season and swim training and that this is a weak position to be in if we are waiting for the phone to ring. We added that we need to line things up.

Mr. Hancock apologized stating that if the presentation made it appear that staff was not ready and we were sitting here waiting. That is not the case.

Board member Hammond stated that there is always a waiting period. There are always unforeseen concerns that will be presented.

President Wilson responded that he wanted staff to look at plan A and B but also look at other options.

Mr. McCourt offered that there are back up plans in place.

President Wilson asked Mr. McCourt to share those plans.

Mr. McCourt stated that traveling to Concord would be an option and possibly Reno. He is still looking at dates.

Vice President Garnier inquired about training available in Quincy.

Mr. Jonas responded that the Red Cross is currently there, now.

Vice President Garnier stated that she preferred to stay with the Red Cross.

Board member Hammond stated that he wanted us to get in touch with the Red Cross as soon as possible to see what they can do and other options if that cannot perform the training in the allowable timeframe.

Mr. Hancock responded that he would keep the Board informed via email about the progress in obtaining the training. He added that, the last time he checked, it would be about 48 hours of training total because of all the necessary modules. There are different models out there, such as doing it over a two week period, in the evenings, a few hours a day or for a one week period during the day, full days. He continued that there are so many advantages to having the Red Cross come up here. Lassen High School students not having to leave school early to attend etc... We are wanting to keep the fire going here and cut down on travel time.

Mr. Hancock continued that he was surprised that this has been a topic of discussion for so long. There were other ideas, partnerships with the college etc... However, all of the information he had up until recently with the Red Cross stated that a representative could come up here but it is not done in the same way anymore. They need to be involved and have to assign someone to come up here to conduct the training. He reiterated that staff is not waiting on a call back.

Mr. Hancock stated, to go back to President Wilson's point, we can budget additional funding for the training as it will be more than the \$3,500 budgeted amount to cover more people. There is a possibility to use contingency funds if needed. The Board could also give direction on that.

President Wilson inquired as to whether or not they could give direction on the item.

Mr. Hancock responded yes, but he just wanted to know which way the Board was leaning so they could be prepared if a budget amendment would need to be brought back.

Mr. Hancock requested we put more money in that line item but the question was still how the applicants would pay for the class or be reimbursed. Another option would be to set up a subsidized course that anyone could sign up for or reimburse those who initially applied, signed up and passed the course. But, they could still take the money and quiet after a week but, there is nothing we could do about that. It was decided that those who submitted applications and signed up for the class would pay \$100 of the cost and the HLVRRA would subsidize the remaining amount. Those who received certifications and were hired would be reimbursed the \$100 they paid.

6 BOARD MEMBER ISSUES/REPORTS:

Board member Meserve stated that he would not be in town during the ribbon cutting as he would be out of town from May 26th through June 16th. He added that if a flyer is created this time, he would like to see all members, even prior members, included in the flyer.

Vice President Garnier added that she would be gone for a few days during the end of May.

Mr. Hancock responded to Board member Meserve that staff will also have plaques ready to present to the Elementary School District, the County etc...

President Wilson requested that the fee schedule be on the next agenda as well as programming.

Mr. Hancock responded that they would be included.

President Wilson stated that he sent prior Board member Wosick a photo of the pool and he was very pleased.

7 PUBLIC COMMENT ON CLOSED SESSION ITEMS: None.

8 CLOSED SESSION: None.

Meeting adjourned at 4:39 p.m.

Brian Wilson, President

Respectfully Submitted by

Heidi Whitlock, Secretary HLVRA

Submitted By: Quincy McCourt, Project Manager

Action Date: June 20, 2017

HLVRA AGENDA ITEM

PRESENTED BY: Quincy McCourt, Project Manager

SUBJECT: Landscaping Discussion – Grass Seed Options

SUMMARY: Direction was given to staff to research different grass options for the landscaping between the pool fence and the property line. Staff has attached additional options which are attached for the Board's review.

FISCAL IMPACT: None.

**ACTION
REQUESTED:** Direction to staff.

ATTACHMENTS: Grass Options



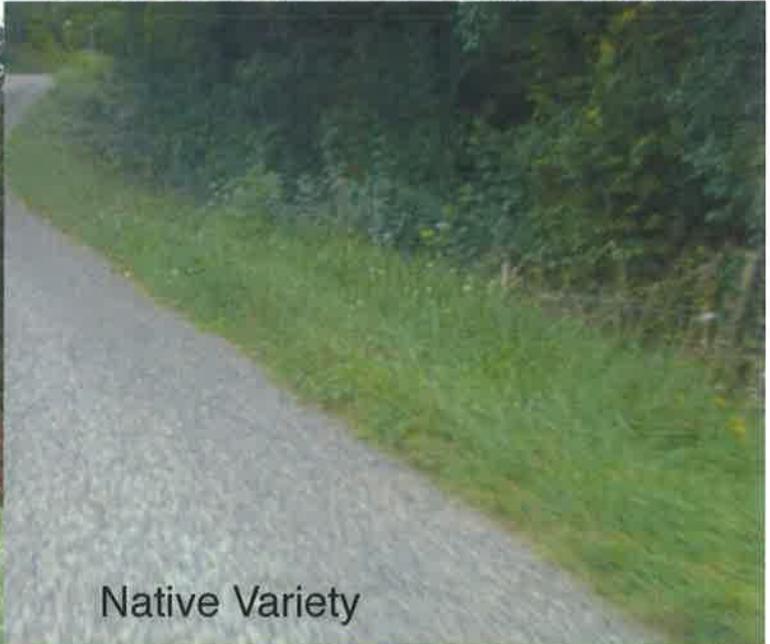
Bridge Mix



Meadow Mix



Meadow Mix



Native Variety



Native No Mow



Native No Mow

Submitted By: Heidi Whitlock, Secretary

Action Date: June 20, 2017

HLVRA AGENDA ITEM

PRESENTED BY: Jared G. Hancock, Executive Officer

SUBJECT: **Resolution No. 17-16**, amending the Honey Lake Valley Recreation Authority Fiscal Year 2016/2017 Budget.

SUMMARY: Staff, after further review of the current 2016/2017 budget, determined that a budget amendment was required to increase some of the existing line items. The requested changes are reflected in the attached proposed amended 2016/2017 budget.

FISCAL IMPACT: None.

ACTION REQUESTED: Motion to approve Resolution No. 17-16 amending the Honey Lake Valley Recreation Authority Fiscal Year 2016/2017 Budget.

ATTACHMENTS: Resolution No. 17-16
Adopted 2016/2017 Budget
Proposed Amended 2016/2017 Budget

RESOLUTION NUMBER 17-16
A RESOLUTION OF THE HONEY LAKE VALLEY RECREATION AUTHORITY AMENDING THE
HONEY LAKE VALLEY RECREATION AUTHORITY FISCAL YEAR 2016/2017 BUDGET

WHEREAS, the Honey Lake Valley Recreation Authority (HLVRA) adopted an amended fiscal year 2016/2017 budget on March 21, 2017, which is attached hereto as Attachment 1; and

WHEREAS, HLVRA staff has determined the need to make changes to the amended adopted budget; and

WHEREAS, the HLVRA Board reviewed the proposed amended budget, which is attached hereto as Attachment 2, at the June 20, 2017 meeting, and approves the amended budget.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Honey Lake Valley Recreation Authority hereby approves and adopts the amended budget for the 2016/2017 fiscal year, as set forth in Attachment 2 hereto.

Approved: _____
Brian R. Wilson, President

Attest: _____
Heidi Whitlock, Secretary

The foregoing **Resolution Number 17-16** was approved and adopted at a special meeting of the Honey Lake Valley Recreation Authority held on the 20th day of June, 2017, by the following vote:

AYES:
NOES:
ABSENT:
ABSTAINING:

Heidi Whitlock, Secretary

APPROVED AS TO FORM:

Kronick Moskovitz Tiedemann & Girard

REVISED 16/17 Budget - Community Pool Project

HLVRA - Community Pool Project (approved 3/21/17)

2016/2017

*No operational revenues were included in the budget except for annual contributions

Revenues:

County- Annual Contribution		\$80,000.00
City- Annual Contribution		\$80,000.00
Seasonal Memberships		
Daily Passes		
Swim Lessons		
Program Rentals		
Parties & Special Programs		
Grant Opportunities		
Transfer from Fund Balance	actual - CO #	\$2,665,274.68
Pennies For the Pool Account	added	\$27,851.96
Total Revenues		\$2,853,126.64

Expenses: (for fiscal year)

Services and Supplies

Office Expenses/Supplies		\$1,500.00
Fixtures, Equipment & Furnishings		\$26,500.00
Professional & Specialized Services (City staff time/Auditors/Attorney)		\$34,000.00
Publications & Legal Notices		\$1,500.00
Special Departmental Expense (County- allocation)		\$2,204.00
Major Object Total		\$65,704.00

Fixed Assets

Land		\$2,750.00
Building & Improvements (Modern contract 16/17 FY plus, rReimbursements and Phase 1 Retention payment (\$2,628,930.88) & City Engineer time)		\$2,640,000.00
Landscaping		\$21,000.00
Equipment (Pool)		\$32,000.00
Equipment (PfP acct) (lane lines, covers, reels)		\$26,300.00
Major Object Total		\$2,722,050.00

Operating Expenses

Utilities (phone, electric, sewer, internet, POS system)		\$16,000.00
Staffing		\$35,000.00
Training/Certifications		\$3,500.00
Insurance Costs (before & after completion [prorated])		\$1,971.00
		\$56,471.00

Provisions for Contingencies \$8,000.00

Expense Total \$2,852,225.00

Revenue Over (Under) Expenses \$901.64

PROPOSED
REVISED 16/17 Budget - Community Pool Project

HLVRA - Community Pool

2016/2017

*No operational revenues were included in the budget except for annual contributions

Revenues:

County- Annual Contribution		\$80,000.00
City- Annual Contribution		\$80,000.00
Seasonal Memberships		
Daily Passes		
Swim Lessons		
Program Rentals		
Parties & Special Programs		
Grant Opportunities		
Transfer from Fund Balance	actual - CO #	\$2,665,274.68
Pennies For the Pool Account	added	\$27,851.96
Total Revenues		\$2,853,126.64

Expenses: (for fiscal year)

Services and Supplies

Office Expenses/Supplies		\$1,500.00
Fixtures, Equipment & Furnishings		\$22,500.00
Professional & Specialized Services (City staff time/Auditors/Attorney)		\$60,000.00
Publications & Legal Notices		\$1,500.00
Special Departmental Expense (County- allocation)		\$2,204.00
Major Object Total		\$87,704.00

Fixed Assets

Land		\$2,750.00
Building & Improvements (Modern contract 16/17 FY plus, rReimbursements and Phase 1 Retention payment (\$2,628,930.88) & City Engineer time)		\$2,637,000.00
Landscaping		\$21,000.00
Equipment (Pool)		\$35,500.00
Equipment (PfP acct) (lane lines, covers, reels)		\$26,300.00
Major Object Total		\$2,722,550.00

Operating Expenses

Utilities (phone, electric, sewer, internet, POS system)		\$8,000.00
Staffing		\$25,000.00
Training/Certifications		\$7,000.00
Insurance Costs (before & after completion [prorated])		\$1,971.00
		\$41,971.00

Expense Total **\$2,852,225.00**

Revenue Over (Under) Expenses \$901.64

Submitted By: Quincy McCourt, Project Manager

Action Date: June 20, 2017

HLVRA AGENDA ITEM

PRESENTED BY: Jared G. Hancock, Executive Officer

SUBJECT: Review Proposed 2017/2018 Operating Budget

SUMMARY: Discuss draft operating budget for fiscal year 2017/2018.

FISCAL IMPACT: None.

**ACTION
REQUESTED:** Direction to staff.

ATTACHMENTS: Proposed 2017/2018 Operating Budget

PROPOSED 17/18 Budget - Community Pool Project

HLVRA - Community Pool Project

Revenues:		Base Operations	Program Intensive
County- Annual Contribution		\$80,000.00	\$80,000.00
City- Annual Contribution		\$80,000.00	\$80,000.00
Seasonal Memberships		\$42,000.00	\$58,000.00
Daily Passes		\$38,000.00	\$50,000.00
Swim Lessons		\$32,000.00	\$56,000.00
Programming		\$20,000.00	\$46,000.00
Parties & Special Programs		\$4,000.00	\$9,000.00
Grant Opportunities		\$0.00	\$0.00
Transfer from Fund Balance	not yet available	\$0.00	\$0.00
Pennies For the Pool Account	Left from 16/17 FY	\$412.00	\$412.00
Total Revenues		\$296,412.00	\$379,412.00

\$0.00

\$0.00

Expenses: (for fiscal year)			
			\$0.00
			\$0.00
Services			\$0.00
Professional & Specialized Services (City staff time/Auditors/Attorney)		\$18,000.00	\$21,000.00
Publications/Marketing/Legal Notices		\$3,200.00	\$5,100.00
Special Departmental Expense (County- allocation)		\$2,300.00	\$2,300.00
			\$0.00
Supplies			\$0.00
Chemicals		\$42,000.00	\$42,000.00
Office Supplies		\$4,000.00	\$5,000.00
Bathroom Supplies		\$3,000.00	\$4,000.00
Store		\$16,700.00	\$19,200.00
Recreation Activity Supplies		\$11,700.00	\$13,700.00
			\$0.00
Utilities			\$0.00
Water/Natural Gas/Geothermal/Sewer/Electric		\$38,000.00	\$41,000.00
Phone/Internet		\$2,400.00	\$2,400.00
			\$0.00
Fixed Assets			\$0.00
Pool Equipment			\$0.00
Safety Equipment			\$0.00
Future Investments/Depreciation costs			\$0.00
			\$0.00
Staffing			\$0.00
Staffing		\$92,000.00	\$129,000.00
Training - Certifications		\$1,200.00	\$1,200.00
Programs Registrations		\$200.00	\$200.00
Annual Land Expenses			
Landscaping (Phase II)		\$11,000.00	\$11,000.00
Insurance Costs		\$5,000.00	\$5,000.00
Total Expenses (Line Items)		\$250,700.00	\$302,100.00
Provisions for Contingencies		\$10,000.00	\$10,000.00
Expense Total		\$260,700.00	\$312,100.00
Revenue Over (Under) Expenses		\$35,712.00	\$67,312.00

Submitted By: Heidi Whitlock, Secretary

Action Date: June 20, 2017

HLVRA AGENDA ITEM

PRESENTED BY: Jared G. Hancock, Executive Officer

SUBJECT: **Resolution No. 17-17** approving Utility Agreement with the City of Susanville

SUMMARY: The Honey Lake Valley Recreation Authority requires utility services including water, natural gas and geothermal for the Honey Lake Valley Community Pool. Staff have been working with City staff to determine what rates the HLVRA would be charged for said services. At the June 7, 2017 City Council meeting, the Council approved an agreement that would accomplish the following:

1. Provide water to the Community Pool at no charge to the HLVRA
2. Provide natural gas at "Raw Cost" per the City's natural gas resolution
3. Provide geothermal at a cost per square foot (6,536 sq/ft for bathhouse and pool) per the City's existing rate structure for the winter season and \$2,100 per month June through October

FISCAL IMPACT: Water: No cost
Natural Gas: currently \$0.386/therm with \$7.00 per month meter charge
Geothermal:

- June through October (if used) - \$2,100 per month
- November through May - \$379.09/month (\$0.058/sq.ft.)

ACTION

REQUESTED: Motion to Approve Resolution No. 17-17 approving Utility Agreement with the City of Susanville

ATTACHMENTS: Resolution No. 17-17
Utility Agreement

RESOLUTION NUMBER 17-17
A RESOLUTION OF THE HONEY LAKE VALLEY RECREATION AUTHORITY AUTHORIZING
THE UTILITY SERVICE AGREEMENT WITH THE CITY OF SUSANVILLE TO PROVIDE
WATER, NATURAL GAS AND GEOTHERMAL SERVICES.

WHEREAS, The Honey Lake Valley Recreation Authority has built a community swimming pool and is in need of utility services; and

WHEREAS, the City of Susanville provides natural gas, water and geothermal utility services; and

WHEREAS, the City of Susanville, during a regular meeting on June 7, 2017 agreed to the Agreement and proposed rates as listed in the Agreement attached as Exhibit "A".

NOW, THEREFORE, BE IT RESOLVED, that the President of the Honey Lake Valley Recreation Authority is hereby authorized to sign the "Utility Service Agreement between City of Susanville and Honey Lake Valley Recreation Authority for Honey Lake Valley Community Pool".

Approved:

Brian R. Wilson, President

The foregoing **Resolution Number 17-17** was approved and adopted at a special meeting of the Honey Lake Valley Recreation Authority held on the 20th day of June, 2017 by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINING:

Attest:

Heidi Whitlock, Secretary

APPROVED AS TO FORM:

Kronick Moskovitz Tiedemann & Girard

**UTILITY SERVICE AGREEMENT BETWEEN CITY OF SUSANVILLE
AND HONEY LAKE VALLEY RECREATION AUTHORITY FOR
HONEY LAKE VALLEY COMMUNITY POOL**

THIS AGREEMENT is made this ____ day of _____, by and between the City of Susanville, a California municipal corporation, hereinafter referred to as "CITY", and **Honey Lake Valley Recreation Authority** hereinafter referred to as "AUTHORITY".

Recitals

WHEREAS, AUTHORITY has constructed the Honey Lake Valley Community Pool, hereinafter referred to as "POOL"; and

WHEREAS, POOL will utilize water, natural gas, geothermal, electric, and sewer utilities in its operation; and

WHEREAS, CITY operates a water, natural gas, and geothermal utility; and

WHEREAS, CITY is party to a Joint Powers Agreement with Lassen County, forming AUTHORITY, which includes the operation of the Honey Lake Valley Community Pool; and

WHEREAS, CITY is desirous of providing utility service to the Community Pool; and

WHEREAS, CITY has established separate rates for water, natural gas, and geothermal; and

WHEREAS, CITY operates water and natural gas utilities year-round, but has historically shut the geothermal system off between the months of June through October; and

WHEREAS, AUTHORITY is desirous of utilizing geothermal heat year-round making AUTHORITY the only geothermal customer using geothermal heat between the months of June through October;

NOW THEREFORE, CITY and AUTHORITY agree as follows:

1. Water Service: CITY will provide water to AUTHORITY at no cost to AUTHORITY. AUTHORITY will use water responsibly, install efficient indoor and outdoor water fixtures, and monitor water use.
2. Natural Gas Service: CITY will provide natural gas Service to AUTHORITY at "Raw Cost" as defined in the CITY'S natural gas rate setting resolution. This action is subject to the approval of a modified natural gas rate structure by CITY. AUTHORITY will sign a standard natural gas service contract as provided by CITY.
3. Geothermal Service: CITY will provide geothermal service to AUTHORITY.

Geothermal rates: Between the months of November through April AUTHORITY will pay geothermal rates at the Roosevelt Pool rate listed in CITY resolution 05-3914 (\$0.058 per square foot). Upon adoption of a revised geothermal rate structure by City Council the revised rate for the POOL will be effective. The square footage of the pool and the

bathhouse will be included in the area served. As new structures are added to the facility they will be included in the square footage calculation, if structures are served by geothermal.

If geothermal system is utilized between the months of June through October, AUTHORITY will pay CITY \$2,100.00 per month for geothermal service.

Rules: AUTHORITY shall obey all rules and regulations of CITY as set forth in the attached Exhibit "A", RULES & REGULATIONS FOR GEOTHERMAL SERVICE, and any amendment(s) thereto, provided that said amendment(s) must be mailed to AUTHORITY by regular mail fifteen (15) days before AUTHORITY will be subject thereto.

Place of Delivery. The geothermal heat shall be delivered to AUTHORITY at a point terminating on the CITY side of the valve box at AUTHORITY's property located at **800 SOUTH STREET** in the City of Susanville, California.

Backup System. AUTHORITY shall provide a backup heating system capable of providing service to its building in the event of any interruption in geothermal energy service. The AUTHORITY's backup system shall be capable of providing service in order to minimize potential damages in the event of a prolonged interruption in the supply of geothermal energy.

Billing and Payment. Bills will be rendered each month by CITY to AUTHORITY for geothermal heat delivered during the preceding month, and each such bill shall be payable to the CITY on or before the posted due date of each such billing.

Interruption of Service. CITY will endeavor to provide an uninterrupted supply of geothermal heat, but in case it shall be wholly or partially prevented from delivering geothermal heat to AUTHORITY, due to conditions beyond CITY's control, or to any force majeure, or in the event CITY deems it necessary to suspend delivery of geothermal heat for the purpose of inspecting or repairing its transmission and distribution system, its source of geothermal heat supply or other apparatus or to make repairs or alterations thereon or connections therewith, then CITY shall not be obligated to deliver geothermal heat to AUTHORITY during such period and shall not be liable for any damage or loss resulting from such interruption, prevention, suspension or failure. In the event the temperature of the geothermal heat delivered to AUTHORITY is less than 135°F, and/or sufficient quantity of heat is not available to meet peak demands, at AUTHORITY's option, AUTHORITY may terminate this Agreement, but shall not claim any loss or damage resulting from the termination of service. In the event service is interrupted for a period of twenty-four (24) hours or more, the monthly bill shall be reduced proportionately to reflect such interruption.

Injury to Persons or Property. CITY shall not be responsible for the distribution, transmission, control, use or application of geothermal heat beyond the point of its delivery to AUTHORITY, and shall not, in any event, be liable for damages or injury to persons or property arising, occurring or resulting in any manner from the receiving, use, application or distribution by AUTHORITY of geothermal heat.

Ingress and Egress. CITY shall, at all times during the continuance of this Agreement, have the right of ingress and egress at reasonable times and places to the premises of

AUTHORITY, for any purposes connected with the delivery, monitoring of, metering of, and/or distribution of geothermal heat hereunder, or the exercise of any rights secured to or the performance of any obligation imposed upon it by this Agreement.

Default. If default shall be made at any time by AUTHORITY in the payment of any sum of money due hereunder, or in the performance of any other term or condition of this Agreement, and if such default shall continue for a period of twenty (20) days, CITY shall have the right at its option, on fifteen (15) days written notice to AUTHORITY, to terminate this Agreement, or at its option, without terminating or in any way voiding this Agreement, to discontinue, suspend or withdraw the delivery, furnishing or supply of geothermal heat until such default has been completely remedied.

Modification of Agreement. No amendment, modification, alternation or enlargement of this Agreement shall be valid or binding unless reduced to writing and signed by both CITY and AUTHORITY.

General Provisions. Except to the extent specifically set forth in this Agreement, CITY does not warrant or guarantee heat delivered to AUTHORITY, nor assumes any liability, direct or implied, for corrosion, scaling or similar physical degradation of AUTHORITY's facilities or equipment utilized beyond place of delivery as set forth in Paragraph 2 hereof, by AUTHORITY.

Force Majeure. In the event either party is prevented from performing this Agreement by labor strikes, fires, floods, explosions, riots, severe weather conditions, acts of God, or other force majeure or extraordinary events beyond their control, the performance under this Agreement shall be suspended during the continuance of such acts which prevent performance.

Call Service. CITY shall exercise its best efforts to respond within twenty-four (24) hours to any call by AUTHORITY regarding any problem with service to AUTHORITY. The telephone number to which AUTHORITY shall report service problems is (530) 257-7236.

Term. This Agreement shall commence on upon execution by both parties and shall remain in effect until terminated by either party.

Termination. Either party may terminate this agreement for any reason on 90 days notice to the other party.

IN WITNESS WHEREOF, the parties have caused this instrument to be executed by its duly authorized officers on the day and year first above written.

CITY

AUTHORITY

City of Susanville

Honey Lake Valley Recreation AUTHORITY

By: _____
Kathie Garnier

By: _____

Title: _____
Mayor

Title: _____

EXHIBIT "A"

RULES AND REGULATIONS AND GEOTHERMAL SERVICE

1. These rules and regulations become a part of each and every GEOTHERMAL ENERGY CONNECTION AND SERVICE AGREEMENT (AGREEMENT) between the City of Susanville, a California municipal corporation (CITY) and user of geothermal water (USER) and may be changed at any time by the CITY upon due notice.
2. The privilege of the use of geothermal heat shall be conditioned upon a written and signed AGREEMENT.
3. No relocation of geothermal mains or taps will be made for any USER except upon agreement satisfactory to the CITY.
4. Changes or alterations in the USER's piping or fixtures are not permitted during the period of any AGREEMENT, except upon written approval of the CITY. The USER's system must conform to the requirements of the CITY at all times. Diagrams illustrating acceptable types of connection systems are attached for reference purposes.
5. Upon request of CITY, CITY provided flow meters must be installed on USER's inlet piping, and meters shall be located as to provide access for convenient inspection by representatives of CITY at reasonable hours.
6. No more than one building may be connected to anyone service connection without written consent of the CITY.
7. The CITY is not responsible for the efficiency of any system supplied with heat from its mains, even though the CITY grants the approval of its installation.
8. The CITY is not responsible for damage of any kind caused by the geothermal heated water or resulting from shut-off of water without notice. The CITY shall not be liable for its inability to deliver water for any reason whatsoever.
9. The USER shall design and install its system so as to achieve a 40°F temperature drop throughout the load range between the supply water and return water temperatures.
10. Seals installed on geothermal supply or return valves by the CITY must not be broken, tampered with or interfered with by anyone other than the CITY's employees or agents.
11. The USER must permit access of CITY's employees or agents to its premises at all reasonable hours for purposes of inspection.
12. No person other than an employee of the CITY shall be permitted to turn on or off the water at CITY's valve installed on USER's service line.
13. The CITY reserves the right to install any type of equipment or devices that it determines are necessary in the future including metering and measuring equipment within the USER's premises.
14. The use of a booster pump or any device which will affect the pressure in the main

supply lines of the CITY shall be approved by CITY prior to installation.

15. To control resources and control operating costs for our USERS, the well(s) will be turned off from June through October, unless temperatures dictate otherwise.