

HONEY LAKE VALLEY RECREATION AUTHORITY

GOVERNING BOARD

BRIAN WILSON, PRESIDENT
JIM CHAPMAN, VICE PRESIDENT
LARRY WOSICK, BOARD MEMBER
NICK MCBRIDE, BOARD MEMBER
DAVID MESERVE, BOARD MEMBER

STAFF

JARED G. HANCOCK, EXECUTIVE OFFICER
HEIDI WHITLOCK, PROJECT MANAGER
NORMA SCHEETZ, TREASURER

HONEY LAKE VALLEY RECREATION AUTHORITY GOVERNING BOARD MEETING

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

October 21, 2014 - 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
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1 **CALL TO ORDER**

2 **ROLL CALL BOARD OF DIRECTORS**

3 **AGENDA APPROVAL**

4 **APPROVAL OF MINUTES:** Approve minutes for September 16, 2014, and October 07, 2014, meetings.

5 **CORRESPONDENCE:**

- A. Historic Analysis
- B. Legal Opinion: Provided by County Counsel – Robert M. Burns

6 **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.)

7 **MATTERS FOR BOARD CONSIDERATION:**

- A. Update on creation of a Non-Profit

8 **BOARD MEMBER ISSUES/REPORTS:**

- **The next meeting will be held on November 4, 2014 at 3:00 p.m.**

I, Krystle Hollandsworth, certify that I caused to be posted notice of the regular meeting scheduled for October 21, 2014, in the areas designated on October 17, 2014.



Krystle Hollandsworth, Administrative Staff Assistant

Submitted By: Jared G. Hancock, Executive Officer

Action Date: October 21, 2014

AGENDA ITEM

SUBJECT: Minutes of the HLVRA September 16, 2014, and October 7, 2014, meetings.

SUMMARY: Attached for the Board's review are the minutes of the HLVRA September 16, 2014, and October 7, 2014, meetings.

FISCAL IMPACT: None.

**ACTION
REQUESTED:** None.

ATTACHMENTS: Minutes: September 16, 2014
October 7, 2014

**HONEY LAKE VALLEY RECREATION AUTHORITY
GOVERNING BOARD MEETING
Regular Meeting Minutes
September 16, 2014 – 3:00 p.m.
City Council Chambers 66 North Lassen Street Susanville CA 96130**

Meeting was called to order at 3:05 p.m. by President Brian Wilson.

Roll Call of Board of Directors present: David Meserve, Jim Chapman and Brian Wilson. Absent: Nick McBride and Larry Wosick.

Staff Present: Jared Hancock, Executive Officer, Heidi Whitlock, Project Manager.

APPROVAL OF AGENDA: Motion by Board member Meserve, second by Vice President Chapman to approve the agenda as posted; motion carried. Absent: McBride and Wosick.

APPROVAL OF MINUTES: Motion by Vice President Chapman, second by Board member Meserve to approve the minutes from the August 5, 2014, meeting; motion carried unanimously. Absent: Wosick and McBride.

5 **CORRESPONDANCE:** None.

6 **PUBLIC COMMENT:** None.

7 **MATTERS FOR BOARD CONSIDERATION:**

7A **Update on Roosevelt Pool**

Mr. Hancock opens by stating that he would like to direct people to the City website to view the timeline for the JPA. He then proceeds to go through the timeline with the Board and members of the public. In regards to property acquisition, there are two properties, the old Roosevelt Pool site and a portion of the South Street parking lot behind the old Roosevelt School. We received comments back from the County and we already opened escrow with the Elementary School District for the Roosevelt Pool site. We are moving forward with the site analyses, we are trying to contact Tim Purdy for the historic use analysis and are looking for a qualified firm for the Phase 1 analysis and soil analysis.

We have a special meeting scheduled for September 30, 2014 for the preliminary design workshop with Aquatic Design Group. We wanted to make sure the date worked and wanted to inquire about the best time for the workshop. We are starting to put RFP's together for the abatement and demolition of the Roosevelt Pool and we have already started the CEQA review. We intend on conducting the workshop this month, at 6p.m. President Wilson responds that he will not be present, the Board decides to move the meeting to October 7, 2014, after the regular meeting at 6p.m. Mr. Hancock shared that he has already been in discussions with the Aquatic Design Group and is excited to have them walk us through the design process.

Charles "Moose" Mueller (public) inquires as to whether or not it will be held in the City Council chambers because he's hoping that a lot of people will want to attend to discuss the options. Mr. Hancock responds that it will still be held in the Council chambers.

Mr. Hancock continues that these are the primary items we are currently working on to keep on task. In the next few weeks we will be seeing quotes coming in, RFP's etc...

Noelle Riggs (public) inquires as to when the ground breaking will be. Vice President Chapman responds that it looks like February 2015 at this point.

Tony Jonas (public) stated that there was mention on generating funds to raise money for the demolition of the old pool. He then states that it was his understanding that the JPA was fully funding the demolition. Can there be or has there been any collaboration efforts made? Vice President Chapman stated that we can't really do anything until we have legal title on October 3, 2014. We cannot do anything until then. President Wilson adds that, due to our timeline, whether they help with the demolition or the construction portion, we just need help. I don't want to wait just to find partners. Bill Feierabend inquires as to whether or not we can have volunteers assist in raising the pool.

Noelle Riggs then adds that we also want to start advertising while inquiring as to how much is in the Pennies for the Pool account. Vice President Chapman responded that Susanville Supermarket has been continuously collecting for the pool and are probably ready to cut another check for monies collected. He then suggests making the check presentation a public session, a special event for recognizing both the Pennies for the Pool and IGA for collecting funds. He then adds that Noelle's idea to relight the Pennies for the Pool spark could be launched from that meeting.

Board member Wosick arrives at 3:26 p.m.

Mr. Hancock responds that we can continue to refer people who would like to make a contribution to the Pennies for the Pool fund. Vice President Chapman believes that we should take the check and make it a photo opportunity and use that to promote the pool. Noelle then suggests that the Board start a facebook page so people can stay up to date on the progress. Mr. Feierabend repeats that he would need both the site and a design prior to raising any money through a non-profit. Ms. Riggs suggests that the collection of monies be constant and "in their faces". Vice President Chapman suggests that the Board not miss any opportunities that can be present on October 7, 2014. Mr. Hancock responds that when we start the demolition of the Roosevelt Pool, it will be the first tangible thing people will see and that we can use that as the opportunity to get everyone involved. Vice President Chapman states that he wants to break ground on the anniversary of the closure of the old pool. When people see that it's really happening, they will be willing to help.

Tony Jonas states that the Board needs a financing plan before people donate higher amounts as there have been concerns. Vice President Chapman states that hopefully all those pieces will be put together before the end of the year. He then states that we need to decide whether outside or inside financing will be chosen and it had to be chosen prior to June 2015 as Board members may change. President Wilson asked when financing options were set to be discussed and was given the answer of October 7, 2014.

7B Expense Reimbursement Request

Motion by Vice President Chapman, second by Board member Wosick, to approve the reimbursement amount of \$6,365.66 as requested by the City of Susanville for professional services rendered; motion carried unanimously.

8 BOARD MEMBER ISSUES/REPORTS: None.

PUBLIC COMMENT TO CLOSED SESSION ITEMS: (if any): Any person may address the Board at this time upon any discussion during Closed Session.

CLOSED SESSION: At 3:38 p.m. the Honey Lake Valley Recreation Authority recessed to closed session to discuss the following:

- A. 1a) PROPERTY NEGOTIATIONS – Roosevelt School site, APN # 107-160-03, 720 Richmond Road. Negotiator – Jared Hancock. Negotiation with Lassen County.
- B. CONFERENCE WITH LEGAL COUNSEL

10 RETURN TO OPEN SESSION: At 4:00 p.m. the Honey Lake Valley Recreation Authority reconvened in open session. No reportable action taken.

ADJOURNMENT: Meeting adjourned at 4:02 p.m.

Brian Wilson, President

Respectfully Submitted by

Heidi Whitlock, Project Manager

**HONEY LAKE VALLEY RECREATION AUTHORITY
GOVERNING BOARD MEETING
Regular Meeting Minutes
October 7, 2014 – 3:00 p.m.
City Council Chambers 66 North Lassen Street Susanville CA 96130**

Meeting was called to order at 3:05 p.m. by President Brian Wilson.

Roll Call of Board of Directors present: Brian Wilson, Nick McBride, and Dave Meserve.
Absent: Jim Chapman, Larry Wosick

Staff Present: Jared Hancock, Executive Officer, Krystle Hollandsworth, Administrative Staff Assistant.

APPROVAL OF AGENDA: Motion by Board member McBride, second by Board member Meserve to approve the agenda as posted; motion carried. Absent: Chapman and Wosick.

APPROVAL OF MINUTES: Motion by Board member McBride, second by Board member Meserve to approve the minutes from the August 19, 2014, meeting; motion carried unanimously. Absent: Wosick and Chapman.
Motion by President Wilson to table the September 16, 2014 minutes pending the determination of quorum requirements per public.

5 **CORRESPONDANCE:** None.

6 **PUBLIC COMMENT:** Mr. Jonas requested a determination of the quorum issues.

7 **MATTERS FOR BOARD CONSIDERATION:**

7A **Discuss Audit Options**

Mr. Hancock states that the JPA was formed in the fiscal year 2013/2014 as such we have the responsibility at the closure of the fiscal year to audit the financial statements. During the fiscal year the JPA had approximately 5 financial transactions. Mr. Hancock requested a few different quotes from different companies but because of the small nature of the contract there has been little to no response, however the county auditor who is Price Paige and Company has offered to perform the audit. The price would be \$3,250.00 for this fiscal year audit but it was brought to the JPA's attention that they may be eligible for a two (2) year contract option, which means your books are audited on a two year cycle. Every year you would be audited but the two (2) year audit would be about the same amount \$3,250.00. There has been some discussion if the JPA is eligible for the two (2) year option, preliminarily it looks like we are but if it discovered that we are not eligible for the two (2) year option we will continue on with the single year option. Mr. Hancock asks the Board, would you like to pursue the two year audit option or the single year audit option?

President Wilson clarifies that we may not even be eligible for the two (2) year audit option.

Mr. Hancock stated that on the surface it appears that we are but that would need to get that approved and that procedure has not been determined yet.

Bill Feierabend (public) inquired about a local firm possibly doing the audit gratis?

Mr. Hancock responded to the inquiry that they have sent one request to an accounting firm that does government work to see if that is a possibility and he has not received a response.

President Wilson stated he is in favor of the two (2) year option to recognize the cost savings as long as the JPA is eligible. He would like the five transactions to be very open to the public.

Tony Jonas (public) asks, what is the cost of the combined two year audit?

Board member Wosick arrives at 3:10 p.m.

Mr. Hancock confirms that the price would be the same as the single year \$3,250.00

Board member Meserve stated that he feels they should go with the two (2) year option if the JPA is eligible. He knows that some special districts under certain circumstances are. The question as Jared has pointed out is if we fall under the same guidelines.

Board member McBride is ok going with the two year audit but after that audit he would like to go with the annual option because the project will have broken ground then and there will be a lot more transactions.

Mr. Hancock announced that he could make a determination within a week if the JPA is eligible for the two year audit and would like to move forward for this round and consider after that audit is done if the JPA will continue on the two year cycle or move back to the annual. He also clarified he will confer with the auditors if once the JPA selects a two year audit are you required to stick with it after the initial 2 year cycle.

Mr. Hancock asks for direction from the Board.

President Wilson asks if the item is coming back to the Board.

Mr. Hancock replies that it will not have to because it is below the purchasing threshold so he can execute that contract.

President Wilson asks for a vote.

Motion by Board member McBride, second by Board member Meserve to approve the two year audit cycle based on the ability to go to annual contract after the initial two year audit; motioned carried. Ayes: McBride, Meserve and Wilson. Abstain: Wosick. Absent: Chapman.

7B Construction Finance Options

Mr. Hancock directed the public's attention to additional resources on the table that would make it easier to follow along with the discussion. Mr. Hancock identified the purpose for today was to follow up on the financing discussions from a few months ago, which options were available to a JPA? Those options range from self-financing to a private debt issuance, also have it financed through a construction company that would be contracted to do the work. The direction from the Board at that time was to work towards the most cost effective options. Which were self-financing and looking at the USDA Rural Development Loan Program. If those two options are not available the JPA would look at private debt issuance. How is the JPA going to design, build and set up programs for this facility so it is operating within budget? The pool budget has been very clearly defined and established with the formation of the JPA documents. It defines a \$400,000.00 annual contribution with \$200,000.00 from the City and \$200,000.00 from the County over a 15 year period. In addition to these annual contributions it is anticipated that the pool will generate revenues on its own through programming and gate fees. It is anticipated that gate and usage fees will be used to offset as much of the operational cost as possible. It has also been discussed about fundraising and community contributions and what those monies will be spent on. The direction from the Board on that issue is that the money would be reserved for aquatic facilities and improvements not necessarily spent on overhead expenses.

So the task of the JPA is, make sure to design a pool and an operational structure that makes sure the \$400,000.00 is enough to cover the construction cost over a 15yr period in addition to any deficit operational costs. Aquatic Design Group expressed that community pools don't make money. You do your best to include features that can recover as much of the cost as possible but it is not a revenue generator. So in the next few weeks they will be looking at the different design options and features that can be added to the facility. Which ones will have the greatest potential to generate the most revenue to offset the cost? Mr. Hancock stated that if we stay on this course in 15 years the JPA will have a debt free facility, which is half the expected life of a community pool. By doing that it increases the operational

viability depending on what the direction this project is going to take after the 15 year period. Does it turn into a special district or if the City and County will continue on with the JPA or other arrangements.

Mr. Hancock explained how different financing options effect the bottom line and the amount of money available for construction. He referenced the amortization table that was supplied at the meeting to show the range of an annual payment on a 3 to 4 million dollar loan for a basic pool. He explained the annual cost would vary depending on interest rate and amount financed. He stated that of the \$400,000.00 contribution each year, what did not go to payment of the loan would be used to offset operational costs. As you design a facility you can quickly add features that will easily add 1 million or 2 million dollars or even 3 million to the facilities cost but that table highlighted the reality of what will be available from the annual contributions. He noted that one of the handouts was an annual return rate from LAIF. Typically, Local Agencies will take funds that they have and invest in LAIF because that cash needs to be readily available. The interest rate is more like the equivalent to a checking account. Reference the sheet for current interest rates on those funds and note the variance from past years. The 3% corresponds with a more standard government interest rate. During staff discussions with private placement firms who issue debt issuance for government agencies, Mr. Hancock stated that for a similar project the mark up rate is 6% and requires collateral from the City and or County or both and without collateral the rate would be 9%. So you can see that at 15 years at 9% amortization it basically uses up the entire budget of \$400,000.00 a year and would leave very little wiggle room to cover operational deficits.

Mr. Hancock explained that the most viable option and the one that the Board has been leaning towards, going to the member entities and request their level of interest in self-funding their portion of the construction costs. Based on their portion they are willing to self-finance their annual percentage rate decreasing their required annual contribution. They would be essentially loaning the money to themselves and contributing a lump sum to the JPA. Based on this information it appears like this is the fastest and least expensive option but it all depends on those member entities and financial ability to do that. It is time to ask that question of the member entities and if it is not an option we need to quickly move on to an alternative source like the USDA or other financing alternatives.

Board member Wosick wanted to clarify about the source of the 3% money and if that is from the USDA.

Mr. Hancock verified that the USDA still has a Rural Community Development Program and Community facilities is one of the activities that they have approved loans for a 3% rate. They would require the JPA to go through their review and approval process. The JPA would have to have all of the designs and the costs dialed in and then make application for those funds.

Board member Wosick stated that one thing that needed to very clear and that the entities were sold on is that this was going to be a minimum facility. It wasn't going to be a big, fancy extravagant 7, 8, 9 million dollar project. He thinks that the JPA needs a target number because the first thing the other board members of the entities are going to ask is, how much is that going to cost? We will be able to answer that question be coming up with a number, say it is 3.5 million. We say it is going to cost no more than 3.5 million. They will ask, how do you know because we don't have the design yet? We can state that the design will be dictated by the budget rather going to get a design before the budget. It's like going to buy a house and not know what you qualify for, no we need to know what we qualify for and that is the type of pool that is going to be built. So at the 3% for 3.5 million it looks like we would be in the \$290,000.00 range which leaves about \$110,000.00 available for overheard operation costs. I think that number makes sense based on the allocation from each entity. That number will service the debt and leave money for the shortfall. If we have to go to our respective bodies, it will be 1.75 million dollars each. We each already have about \$400,000.00 in and I think that we can try the self-finance first to save the money. Even the money that we would save on interest would go a long way in taking down the old pool site. There is a tremendous benefit in trying to find the money ourselves and if we can't, we quickly move on to plan B and try to find 3% money. We have a set of money that the designer has to work with, we can't go over. That would be my recommendation.

Mr. Hancock stated the JPA is about 3 weeks away from getting preliminary designs.

Board member Wosick states that 3.5 million is the maximum. Our annual budget is \$400,000.00 and we need to keep some of that for the shortage. Based on that, the number is 3.5 million whether we finance it or self-fund it.

Board member Meserve agreed we should look at the option that will reduce the overall cost. As time goes on, inflation will be a factor and what we have coming in we don't know yet. I think that has to be considered.

Board member McBride agreed, we need to have a cap on the budget.

Mr. Hancock explained that would give the consultant some clear parameters. The JPA needs to design a facility not to exceed 3.5 million in total cost. That number will include site preparation costs and the money it would take to run a variety of programs and features that would help facilitate the JPA operating at no more than \$100,000.00 deficit. Mr. Hancock elaborated that one of the advantages of picking the firm that the JPA did is, they are not only involved in construction they are also involved in setting up the programming and running cost recovery estimates as well.

President Wilson explained that he agrees with the concept of having a cap on the budget. When we go to our respective boards if this is the direction we want to go, of no greater than, I think that when it actually comes down to it and we are working with our pool consultant we are going to find that 3.5 is probably on the high side and we won't actually wind up spending 3.5. When the budget gets all worked out he doesn't think that the JPA will be able to go that high. If the JPA does go with a number like 3.5 million it puts us safely where we will need to be and if we don't need all of it, great. One thing that you didn't mention Jared, at least with the City and what we earn with the monies that we have in the bank is nowhere near 2-3%. We are earning substantially lower than that. In some ways instead of investing the money into LAIF we are investing them into something that is paying a higher interest rate which is the pool. We would be paying ourselves a higher rate than what we would earn.

Mr. Hancock agreed with President Wilson that each individual entity would have to look at it in the sense that, rather than have the full \$200,000.00 annual contribution they would be able to reduce that by \$100 - \$150,000.00 a year. By paying the money up front, they would be essentially paying themselves. I know from the City's stand point we have approximately 12 million dollars invested in LAIF right now which is at .24%. Each Board would have to look at those funds because they will have to go through a process of designating which funds are loaning the money and where it is coming from.

Mr. Wosick stated that for the sake of simplicity we go to our Boards and request 1.5 million each we would basically be reducing or contribution from \$200,000.00 to \$100,000.00 annually. To figure out the contribution for the remaining years you will assess the upfront funding to the balance and then divide by the remainder of years to figure out the new annual contribution amount.

Mr. Hancock asked Board member Wosick if he is including the funds that have been paid to date.

President Wilson confirmed there are 13 payments left.

Board member Wosick replied, yes divide the amount by 13. We would say it is the same money but we pay it now instead of paying out every year, \$200,000.00. The benefit is we get to build the pool straight away and we will make more money investing in ourselves.

President Wilson explained that there are two ways, depending on if the entity is pre-paying or financing it. If you are pre-paying it, the payments will be reduced going forward but if they are financing it...Richard might have a better answer to that. Is it better for the money to go to the JPA and they pay back the loan or not?

Richard Egan (public) replied, there are a couple of apples and oranges that are going on here. Right now each entity has agreed to contribute \$200,000.00 per year. Now if either chooses and the JPA agrees to make an upfront contribution then I think it would be appropriate to apply a "reasonable discount rate" to that so in other words if the County or the City contributed 1.5 million it's not just a straight today's money for tomorrow's money. He doesn't think today's LAIF rate should be used as a discount rate because LAIF is a 1 year return rate not a 15 year rate. You would need to look at a reasonable index which may be the average LAIF rate over the last 15 years and that would be probably more like 5%. If both parties put in the same amount then it doesn't matter because we are a 50/50 partnership.

Mr. Hancock explained that the JPA is not trying to add years to the initial contract that was formed with the terms of 15 years.

Board member Wosick, if this group thinks that 3.5 million is the right figure then we need to get it to our respective boards.

Mr. Hancock asked the JPA, so we are asking our Boards for an upfront contribution of 1.75 million on the high end.

Board member Wosick believed that the entities should be able to deduct what they have already put in the JPA fund.

President Wilson agreed with Board member Wosick that some of the money can be credited.

Board member Wosick believed since the shortfall will occur after the pool opens we don't need to account for it yet.

Richard Egan (public) suggested that rough numbers with the already \$700,000.00 that gets the budget down to 2.8 million. That would work out to be about 1.4 million, plus an annual contribution of \$80 – \$100,000.00 rather than the \$200,000.00 agreed upon now may work. I know that the JPA has established a tentative time frame which has the beginning of construction for Feb. 1st 2015, that is a little aggressive. If that is the case then it seriously limits the finance options as far as getting outside funding.

Eileen Spencer (public) asked if she heard correctly, the designs will be done in 3 weeks and you will have to make the decision about the money.

Mr. Hancock stated that on September 30, 2014 the JPA had a design workshop where Aquatic Design Group came and held a community forum to go over the basic needs and desires of the community. Over the last 2 weeks Aquatic Design Group has been drawing up preliminary designs and in the upcoming weeks they will be looking at different programming options. The JPA's goal is at the next meeting we will have another workshop with those designs available. It will be an overall build out with the phase 1 construction costs which is what the JPA is looking at. After that staff will use the input from the Board and community to refine the plans and have a finished project.

Eileen Spencer (public) agreed with Board member Wosick that designs should be created from a budget.

Mr. Hancock replied that the Design Group is working with a tentative 2.5 million dollar budget. Preliminarily that gets the community a 4 lane pool with some other stuff. There are a number of factors that go into the overall design. The Design group was hesitant to throw out that this is what you can get for 2.5 million.

Eileen Spencer (public) asked Mr. Hancock, what is the construction start and finish date estimate?

Mr. Hancock responded by saying typically 5-7 months. The timeline is based on best case scenario and could be subject to change due to weather constraints.

Bill Feierabend (public) stated, I keep multiplying \$400,000 by 15 and am coming up with 4 million.

President Wilson addressed Mr. Feierabend's inquiry. That is correct based on supplemental overhead or interest or future repairs. We are making sure that in 15 years from now the needed maintenance can occur.

Bill Feierabend (public) agreed that the best option would be the City and County self-financing. If they self-financed 1% would be held back from the annual contribution?

President Wilson stated that those numbers are still to be determined if we go the direction of self-financing.

Tony Jonas (public) asked Mr. Hancock, could you elaborate on the percentages in front of me? They were defined as soft cost and contingency and site prep.

Mr. Hancock responded, when you plan out a project there are additional costs that go into the overall construction cost. Site preparation fees, engineering costs, permitting fees. Most firms want 9-13% of the budget for preparation of plans but the JPA are in a contract that is based on a project cost with a not to exceed cost because of the budget. In addition to that you have the cost of putting in the pool and rather than itemize each individual item they have created a percentage of what they call a soft cost or equipment cost. Those vary from 18-30%.

Tony Jonas (public) asked if there is an estimate on a 3.5 million dollar project.

Mr. Hancock replied yes, but I don't know the percentages off the top of my head.

Board member Wosick wanted to clarify that the number is 3.5 million and Mr. Egan and you will figure out the format?

Mr. Hancock confirmed that based on the discussion today the JPA will be presenting two options to the member entities. Staff will define that we are looking at a not to exceed project cost of 3.5 million dollars of which 1.75 million would be there share. Staff will be asking if they are willing to up front the cost in which they would be paying the JPA money to reduce their annual contribution or would they be willing to loan the JPA money at a set interest rate which would be at 3%.

Richard Egan (public) replied I think the County and the City would be precluded from loaning the money in excess of 5 years. He believe that is in the government code, which would essentially be an investment of the treasury and limit it to the 5 year rule. So the contribution would be the only practical way to do it and would require for an amendment to the JPA agreement which calls for the \$200,000.00 annually.

President Wilson stated that the direction from the Board to Mr. Hancock is, get the letter in front of the 2 Boards with those options.

Mr. Hancock stated that he will get the letter drafted and out by the end of the week.

Richard Egan (public) replied, we can get it on the Agenda for the 21st. It would be nice to have a request from the JPA to frame the discussion.

7C Finalize Fundraising Options

Mr. Hancock opened with, we have a lot of people in the community that are very enthusiastic about the pool and we have a lot of people who have contributed already through the Pennies for the Pool Project. These individuals really want to see this pool be a success. There is an informal group that wanted to wait until we had a site and design and it will take 60 days to set up a non-profit. The JPA is at the point where we want to know if they will serve as the fundraising arm for the JPA and if not Mr. Hancock strongly urges the JPA to begin aggressively fundraising for the project. When the designs come out it will be a great opportunity to capitalize on the excited and give the community an opportunity to invest in the project.

Board member Wosick asked what would be the negative in having the JPA organized to accept a fundraising. We want them to move forward but why not have both?

Board member McBride stated, the JPA is already set up to accept donations.

Mr. Hancock believes to avoid confusion there should only be one fundraising group. He suggested that the JPA write a letter to the individuals and see if they would like to move forward. If they do staff will wait but if not or is a delay he recommends that the JPA move forward independently.

Board member Wosick would like to know at what stage we will have the elements they are waiting for.

Mr. Hancock replied, about 6 weeks.

President Wilson believes this is a little premature, 6 weeks out of having a design. His assumption was that the JPA would build everything they could with the money that they had and that group would be adding amenities. President Wilson would like to hear from that group. If in six weeks we give you a design and site plan are they ready to hit the ground running?

Mr. Hancock confirmed that staff will reach out to them and request that they provide an update at the next meeting.

7D Site Acquisition

Mr. Hancock relayed that some of the things getting worked on right now are; surveying services for the site acquisition, staff is revising a contract with H&K for a Phase 1 analysis with additional focused Phase 2 work. If you have a property that has the potential of contaminates it is prudent to perform a Phase 1. By having the Phase 1 completed and if you do come across contaminates during construction since you have done your due diligence you mitigate your responsibility for cleanup and opens up more options for help. The phase 2 is soil sampling and profiles for the construction of the site that will describe the compaction and density. We are also preparing to release a RFP for demolition of the existing pool. We are planning to meet with the County next week to go over the proposed property lines, we are working on getting a fence and in order to save cost we are going to use the inmate work crew from Herlong.

Board member McBride inquired where are we with the garage?

Mr. Hancock stated that they are meeting next week.

Tony Jonas (public) asked, when is the close of escrow on the 800 site?

Mr. Hancock responded, at the completion of the phase 1 about 2-3 weeks. The other thing that is happening is Tim Purdy has volunteered to supply a historic background for that phase.

President Wilson stated they will bring back the minutes of the Sept. 16th meeting at the next JPA meeting.

8 BOARD MEMBER ISSUES/REPORTS: None.

PUBLIC COMMENT TO CLOSED SESSION ITEMS: (if any): Any person may address the Board at this time upon any discussion during Closed Session.

Eileen Spencer (public) wanted to know who the Legal Counsel for the JPA was.

Mr. Hancock explained to her that the JPA does not have a full time Counsel but uses specialty Legal Counsel for various items.

CLOSED SESSION: At 4:15 p.m. the Honey Lake Valley Recreation Authority recessed to closed session to discuss the following:

- A. Conference with Legal Counsel: Significant exposure to litigation pursuant to Subdivision (d) (2) Government code Section §54956.9

10 RETURN TO OPEN SESSION: At 4:24 p.m. the Honey Lake Valley Recreation Authority reconvened in open session.

- A. No direction given, no reportable action

ADJOURNMENT: Meeting adjourned at 4:30 p.m.

Respectfully Submitted by

Brian Wilson, President

Krystle Hollandsworth, Administrative Staff Assistant

Submitted By: Jared G. Hancock, Executive Officer

Action Date: October 21, 2014

AGENDA ITEM

SUBJECT: Historic Analysis

SUMMARY: The Honey Lake Valley Recreation Authority requested the service of Tim Purdy to perform a historic analysis of the property of the proposed community swimming pool.

FISCAL IMPACT: None.

**ACTION
REQUESTED:** None.

ATTACHMENTS: Historic Analysis

**Tim I. Purdy, Historian
P.O. Box 1592
Susanville, CA 96130
530-257-6747
lahontan@citlink.net**

8 October 2014

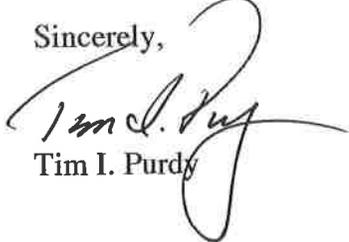
Jared G. Hancock
City of Susanville
66 N. Lassen St.
Susanville, CA 96130

Dear Jared:

Attached is the Historic Overview of Roosevelt Pool/School Property, along with an invoice.

If you have any questions, please feel free to call me at your convenience.

Sincerely,



Tim I. Purdy

**Tim I. Purdy, Historian
P.O. Box 1592
Susanville, CA 96130
530-257-6747
lahontan@citlink.net**

7 October 2014

Historic Overview of Roosevelt Pool/School Property

In 1912, the *Lassen Weekly Mail* announced that Lassen County had purchased some property near the proposed railroad depot site for a new hospital and cemetery. However, that was not the case. Yet, the county realized it had to seek a new location for its hospital and cemetery.

On June 1, 1914, Lassen County purchased a 30 acre parcel adjacent to Richmond Road from Thomas and Minnie Ramsey for \$1,000. On June 2, 1915 the voters approved two bond measures for a new courthouse and hospital. Shortly thereafter, construction of a new hospital began on the Ramsey parcel, which was completed in 1916. The county had given consideration to open a new cemetery adjacent to Richmond Road, that now consist of the old Roosevelt School and Pool. However, for reasons unknown that was abandoned and in 1919 the county established a new cemetery on Chestnut Street.

Due to the rapid growth of the early 1920s caused by the establishment of the lumber mills of the Fruit Growers Supply Company and Lassen Lumber & Box Company put a tremendous strain on the Susanville Schools. In a four-year period, three new schools were built in Susanville. The last one was Roosevelt built in 1925-26. The Roosevelt School remained in operation until 1967. Since that time the county has housed various offices in the school building.

For a number of years discussions were held about establishing a municipal swimming pool, but was hamepered due to lack of funds. However, in 1920, Sarah Winchester donated a small parcel along the Susan River and adjacent to Richmond Road to be used as a public swimming hole. The Monticola Club contributed to the cause and built changing rooms. It was used on an infrequent basis, and health officials were concerned about the water quality, especially in the summer months with low water levels.

In 1934, Frank O'Kelly was informed that the Fruit Growers Supply Company was in the process to dispose of its ranch property north of Susanville, which included Bagwell Springs. O'Kelly proposed the property should be developed as a park, including a golf course and a municipal pool. However, Fruit Growers had other thoughts and sold the property to another party. It should be noted that this property today is Susanville Ranch Park.

O'Kelly continued with his crusade for a municipal pool. In 1936, Lassen County submitted a proposal to the government's Works Progress Administration for a swimming pool. On October 22, 1936, the County received word that funding for the pool had been approved in the amount of \$22,858. It was hoped to have the pool completed in 1937, but delays hampered construction and was not completed until 1938. The pool remained in continuous operation until 2004 when it was condemned.

Submitted By: Jared G. Hancock, Executive Officer

Action Date: October 21, 2014

AGENDA ITEM

SUBJECT: Legal Opinion – Provided by County Counsel Robert M. Burns

SUMMARY: The Honey Lake Valley Recreation Authority was asked to answer the specific question of “does the JPA have the legal authority to investigate the feasibility of rehabilitating the old Roosevelt Pool and to expend funds for the analysis”. The legal opinion provided indicates that, yes the JPA does have the legal authority to investigate the feasibility of rehabilitating the old Roosevelt Pool site and yes it has the legal authority to spend money to do so.

FISCAL IMPACT: None.

**ACTION
REQUESTED:** None.

ATTACHMENTS: Legal Opinion – Robert M. Burns

County of Lassen, California
OFFICE OF COUNTY COUNSEL



Robert M. Burns, Lassen County Counsel
221 South Roop Street, Ste. 2
Susanville CA 96130

TO: Jared Hancock
FROM: Robert M. Burns
RE: JPA Authority

QUESTIONS PRESENTED

1. Does the JPA have the legal authority to investigate the feasibility of rehabilitating the old Roosevelt Pool?
2. If so, does the JPA have the legal authority to expend funds for that purpose?

DISCUSSION

As stated in Government Code section 6502, "If authorized by their legislative or other governing bodies, two or more public agencies by agreement may jointly exercise any power common to the contracting parties...". The "Joint Powers Agreement" approved by and between the City of Susanville and the County of Lassen expressly states in Article 2 that the purpose of the agreement is to "plan, finance, implement, manage, own and operate a multi-jurisdictional recreation system and swimming pool."

To "plan" is defined by Mr. Webster as "a set of actions that have been thought of as a way to do or achieve something." If the argument advanced by the JPA as the reason to investigate the feasibility of utilizing the Roosevelt Pool facility was that it remained, at the time the feasibility study was ordered, a possible location of a community swimming pool, it would appear that such an order was within the scope of the JPA's authority to "plan" a community swimming pool.

Government Code section 6504(c) specifically authorizes the parties to such a "Joint Exercise of Powers" agreement to provide that "...public funds may be made available for the purpose set forth in the agreement..." Consequently, if the joint exercise of powers authority possesses the funds, and properly appropriates them for the expressed purpose, it would appear to be able to pay for such a study.

CONCLUSION

1. The JPA does have the legal authority to investigate the feasibility of rehabilitating the old Roosevelt Pool site.
2. The JPA has the legal authority to spend money to do so.

AGENDA ITEM NO. 7A

Submitted By: Jared G. Hancock, Executive Officer

Action Date: October 21, 2014

AGENDA ITEM

SUBJECT: Non-Profit Update

SUMMARY: Tony Jonas has offered to be the organizing member of a third party non-profit group to help facilitate the acquisition of funds for the JPA to be used towards the community pool project. Mr. Jonas has been asked to provide an update at the meeting.

FISCAL IMPACT: None.

**ACTION
REQUESTED:** None.

ATTACHMENTS: Letter to Mr. Jonas



City of Susanville

(530) 257-1000 • 66 North Lassen Street • Susanville, CA 96130-3904

Honey Lake Valley Recreation Authority
66 North Lassen St.
Susanville, CA 96130

October 15, 2014

Tony Jonas
P.O. Box 1861
Susanville, CA 96130

Dear Tony Jonas:

You have expressed an interest in setting up a Non-Profit 501 C3 Corporation to raise funds for the proposed community swimming pool. At this time the HLVRA is requesting an update on the status of your endeavor. If you could please be prepared to give a brief summary of the progress at the next HLVRA meeting on October 21, 2014 at 3:00pm and send me an electronic update prior to the meeting.

It is our current understanding that fundraising efforts would begin after a site was chosen and a design in place. We anticipate that a design will be approved in the coming weeks and understand that it takes time to set up a Non-Profit. With the HLVRA being on an expedited timeline we request that if possible you have the non-profit up and ready for when the designs are complete to capture the excitement of the project. We also request some information on how you plan to fundraise and the manner in which the funds would be made available to the JPA.

We are excited to make this project a reality in the very near future and look forward to working with you to raise funds for the project.

Sincerely,

A handwritten signature in black ink, appearing to read "JGH".

Jared G. Hancock
Executive Officer

Brian R. Wilson
Mayor
Nicholas B. McBride
Mayor pro tem

Councilmembers:
Lino P. Callegari
Rod E. De Boer
Kathie Garnier