

HONEY LAKE VALLEY RECREATION AUTHORITY
GOVERNING BOARD MEETING
Regular Meeting Minutes
November 4, 2014 – 3:00 p.m.
City Council Chambers 66 North Lassen Street Susanville CA 96130

Meeting was called to order at 3:04 p.m. by President Brian Wilson.

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

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

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

APPROVAL OF MINUTES: None.

5 CORRESPONDANCE: None.

6 PUBLIC COMMENT:

Eileen Spencer (Public) requests that, since the JPA will be going over the million dollar mark, the JPA provide financial statements at least once a month for the public's review. Mr. Hancock stated that we will see if we can get them once a month but they have to be requested from the County.

7 MATTERS FOR BOARD CONSIDERATION:

7A Phase 1 Contract

Mr. Hancock opens by stating that we are looking for any spills or hazardous materials that may or may not have been left on the property. By conducting the Phase I analysis it increases our eligibility to receive clean-up funding in the event that contamination is discovered in the future. We were originally told that a special equipment operator license was required which would have taken the contract to over \$10,000.00 resulting in the Board's approval. However, as of today, we were told the permit is not required. Staff would still like to keep the Phase 1 analysis at the requested, not to exceed the amount of \$14,000.00 in case extra tests need to be conducted, etc... Right now it is under \$10,000.00 but just in case it goes a little over, staff is requesting the increased budget approval.

President Wilson confirms that it is not to use it but just in case it is needed? Mr. Hancock responds that is correct. Vice President Chapman is concerned that giving them a budget of \$14,000.00 will give them permission to perform additional digging and samples to use the entire \$14,000.00. The funding is transparent as it will be reported in the paper etc... they will know the budget and could take advantage. Mr. Hancock responds that the only reason staff is requesting the additional budgeted amount is to avoid any delays and would only be used for work deemed necessary.

Charles "Moose" Mueller (public) inquires as to what exactly we are talking about doing. Mr. Hancock responds that this company is looking for the possibilities of contaminates on the site. They will pull records, review legal filings, check with environmental health etc... and then take soil samples around the two existing underground storage tanks to determine if further testing is needed. If something is found, as long as we performed this first analysis, we would increase our eligibility to receive funding to assist us in cleaning up any contamination – if it were discovered at a later date. Vice President Chapman adds that they are also looking for hydrocarbons that may have migrated away from the

area. He agrees that the analysis must be completed but they should not be given free rein to do so. Mr. Hancock responds that before we would agree to any additional testing etc... we would have to be notified to give them approval.

Motion by Board member Meserve, second by Vice Chapman to approve with reporting to the Board why the firm went over the original dollar amount. Motion carried unanimously.

7B Discuss 2 Year Audit Option

Mr. Hancock starts by stating that, at a previous meeting, we discussed a one or two year option. We are looking into using Price, Paige and Company as they are also performing the County's audit. Due to the fact that only a handful of transactions have occurred, we were informed that a two year audit was acceptable and the County Treasurer was in agreement. We have received a letter from Norma Scheetz stating that we are eligible and she is comfortable with this decision.

Board member McBride inquires if we will be able to go back to a single year audit if we start with a two year. Mr. Hancock responds that, yes, we will be able to do so as the nature of the transactions will be changing significantly once the pool is in operation. We will not only be switching to single year audits but also setting up internal controls related to pool operations.

Eileen Spencer (public) again states that the public will want to have access to the financial statements to see where the money is going.

7C Design Workshop

Mr. Hancock opens the workshop by introducing Justin Caron, of Aquatic Design Group, while stating that he attended the Public workshop and is here to present the conceptual designs based on the information gathered.

Mr. Caron introduces himself and begins the power point presentation starting with the history of how the JPA got to this point starting with the analysis of the first 19 sites down to 3 top sites. He then states that he visited the site and discussed possible program needs and other issues to be addressed. The parameters: the site is made up of two properties that combine to make three (3) acres and the construction budget is approximately \$2.5 million. The highlights from the last workshop: \$2.5 million is not much for a pool but great input was received, the community is comfortable with a seasonal pool to start but only if the ability to add a cover at a later date exists and the community is much more focused on a multipurpose pool for everyone than any other option.

Mr. Caron continues with typical programs which include competitive, instructional, fitness and recreation. Instructional is where most revenue is generated followed by recreation. But, fitness benefits everyone.

Typical pool issues include: size, one pool vs. multiple, indoor/outdoor, water temperature (fitness vs. competitive), water depths 3'6" to competition depth, deck area requirements, storage spaces and other buildings. Whether the pool enclosure would be traditional brick and mortar or a pre-engineered building was discussed as well as the ability to cover multiple pools, etc...

Mr. Caron continues that ADG was very aware of not only building costs, but also operating costs. We have talked with many other operators to give you information on their operating costs. Currently, about 55% of their revenue comes from recreation, 28% from swim lessons with the other coming from programs, group sales and competitive swimming. Expenses currently come from labor at 43%, 24% utilities, 17% benefits, 5% maintenance/repairs, 4% advertising and the remaining going to cost of insurance and other. Cost recovery also needs to be discussed, the more recreation you have the more revenue you will be able to generate. He then states that, as a Board, you may decide you need a lap lane pool, which fine, but, it will not bring in revenue.

Bill Feierabend (public) asks what kind of revenue ADG thinks we can receive? Mr. Caron responds that it depends on the facility. If it was strictly recreation it could be 100% but if it was competition it could be closer to 50%.

Vice President Chapman inquires as to whether or not the expense analysis is generic. Mr. Caron states that it is based on approximately 500 facilities from 2005-2010 on average. Vice President Chapman states that the utilities will be a big impact since we have geothermal available and will be substantially cheaper than what is "average". Mr. Caron states that, yes, significantly. There are numbers worked up on paper that need to be studied but are not included on the slides as it would have been too complicated. The 24% could drop to as low as 10-15%.

Vice President Chapman also pointed out that we should not be calling the community swimming pool, not an aquatic center. We need to keep it as such so we don't lose members of the community.

Mr. Caron shows Option 1. He states we would keep the site level and keep parking and buildings where they are currently located. Buildings in the center and pool(s) on the back side of the property. It would include a single covered pool 25 yards – 6 lanes with shallow end for activities. Cost - \$2.7 million for hard costs, \$3.8 including soft costs.

Bill Feierabend states that we do not have the money for a covered pool at this time.

Option 2: 2 pools, patio space, with everything else the same. \$2.9 million. Richard Egan asks what is NOT included in this cost scenario. Mr. Caron responds that the abatement/demolition of the existing pool is not included in that price.

Vice President Chapman inquires as to where the well is located in regard to the buildings as they are laid out. Mr. Hancock shows on the slide that it is located just to the left of the proposed building. Vice President Chapman then inquires about the status of said well. Mr. Hancock responds that the well is to be preserved as part of the terms in the abatement/demolition. We could not perform testing etc... as it is cost prohibitive. The well has not been used, the motor is spinning freely but other repairs may be needed. Vice President Chapman inquires as to what the well will be used for. If it is not being used to fill the pool itself, maybe it can be used for radiant heating... including the parking lot? Mr. Hancock states that there hasn't been much discussion on geothermal capabilities because it is pretty straightforward. Using this well for heating would be impractical as the water is at approximately 100 degrees and would lose temperature fast and the cost to pump it wouldn't be economical. If you used the independent well to fill the pool, it would be able to increase the temperature etc... using the current geothermal system is more practical even though it is not potable but it could still be used under the sidewalks. Vice President Chapman states that both options should be looked into.

Vice President Chapman then inquires as to why it was laid out this way, when did this shift? We looked at demoing the old pool but leaving the substructure thus minimizing the demo area. Laid out in this fashion would subject the pool to prevailing winds and the views of the City and County yards. Mr. Caron interjects that this is only a conceptual design, we can move the buildings around. Vice President Chapman states that he likes this design but he thinks the demolition costs can be reduced and that is the motivating factor for him wanting to change the design. Mr. Caron states that he will take responsibility for the change. With his talks with Mr. Hancock and working on over 1,000 facilities the total savings would only be around \$50,000 which is only a small portion of the \$2.5 million budget but, yes, it all counts. ADG still owes the JPA another design, we can always move things around. Vice President Chapman states again that he likes the design but there are factors being left out. Mr. Hancock states that there are a few restrictions on the site and some are significant. We have a well, a sheriff's shed and access to the County building to consider. Everything else has been done by the consultant. We wanted to know what would fit and what the costs would be. We will be showing four options. I don't want the Board/public to think this is the set design. Vice President Chapman states that he likes seeing these features but he would like to know what other elements can go. There should be a master plan and a base plan that we can choose from. Some of the "restrictions" will be removed in the near future. We need to make sure we figure this out prior to choosing a design.

Option 3: is strictly open recreation water, no competitive swimming space. This was not the preference of the majority but, was a request we wanted to visit. It's probably not the best option but we wanted to give you the option at \$3.0 million.

Mr. Caron continues that, right now, we are looking at \$3.8 million total.

Also, Option 4, for an example of a complete build out, consists 3 bodies of water consisting of a lap pool, therapy pool and a recreation pool. The only thing needed with this option is additional locker facilities. Total is \$8.8 million. The point of this design is to show that, in the future, if you wanted more features, you have the space to do so.

Mr. Caron completes his power point presentation by stating that \$2.5 million is a hard fast number, a year round pool may not be an option at this time. So, where does that leave us? We need to decide which direction we would like to move towards. Once decided, ADG will produce a consensus conceptual design, a formal RFP would be issued for the design of the new community swimming pool.

Tony Jonas (public) requests information on gallons and pool depths on the given conceptual designs. Mr. Caron gives him the appropriate numbers. Other public comment included an inquiry on insurance coverage for spring boards and what the snow rating would be for the pre-engineered structure discussed. Mr. Caron responded that the snow rating for the pre-engineered structure he would suggest, if any, would be 28. For an area such as this, it would be a rather good rating but that would ultimately be decided by the Board.

President Wilson asks if the Board decided to go with Option 1 but without the pre-engineered structure, what could be added with the savings? What feature would be beset to add financially? Mr. Caron responded that a second body of water would probably give the best return. It's unofficial as it's been so long since you have had a swim facility. Generally, peak uses prefer the warm water bodies of water. Those will be your crowded areas.

Bill (LHS) states that the pool will lose money. The Board needs to anticipate that. The High School would like to use the pool for the swim teams we would like to create. It needs to be multifaceted. Maybe the High School could help offset some of the costs. The High School, the College, seniors, the learning to swim programs can use a single body of water long term. He then shows a picture of a pool that he is familiar with. Mr. Caron inquires as to how much that particular pool costs to build and the response was \$2.2 million in 2007. Eileen Spencer responded that both the High School and the College were both asked about their interest in assisting with the cost and they both opted out. We need to build a community pool, not one for the needs of the high school and the college. I don't think it's fair for them to ask us to build a pool around them if they were not interested in partnering.

Board member McBride states that 6 lanes are adequate for high school. I think Option 2 is an excellent starting point. I don't agree with Vice President Chapman on the location of the parking lot. I also don't like the idea of a staff parking lot, it's a waste of future usable space. The sheriff spot may go and the patio area can be replaced by a slide with a catch pool like I previously suggested. This layout though, is the most feasible. We need to pick one design though and move forward.

Board member Meserve states that where he had been previously, they had an indoor pool which was 25 yards by 25 meters and they were able to compensate for everything with no trouble at all. Mr. Caron adds that the second body of water is strictly being suggested to increase revenue potential. Board member Meserve states he sees nothing wrong with this Option 2 design. Mr. Caron adds that the other good reason to have two bodies of water is just in case one system goes down, you still have a second usable system/pool.

Vice President Chapman agrees with Board member McBride that we need to pick one design and go with it. I just want to make sure that when we finalize it, all factors are considered. One of the negatives I have mentioned were the views of the City and County shops. I think the view should be of the mountains. Here, the buildings get in the way of the view. He then asks what the difference in cost would be if we chose to do a 25 yard by 25 meter pool instead of the 25 yard by 6 lane pool. Mr. Caron stated that it could be up to \$700,000. Vice President Chapman continued if the high school would agree to give \$700,000 to the JPA we would be all over it.

Bill (LHS) states that maybe his vision is different because of his family's experience with swimming. I appreciate what the Board has done to this point. I have no problem sitting down with a planner and figuring out the difference in costs and taking it to my Board to see if we can assist in any way.

Vice President Chapman states that he would also like to not see the entire parking lot paved, only the handicapped areas. We will want to decide what to do with the well and make sure all options are considered. I like Board member

McBride's opinion on this one. He then asks Richard Egan, Lassen County CAO, what his thoughts are. Mr. Egan responds, that if you add the abatement, adjustments for outside etc... the finances are the issue that needs to be resolved. No entity has agreed to commit to an upfront payment.

Public (unidentified male) states that he appreciates all the comments but he thinks this is short cited. I don't know if this has ever been on the ballot two times but we need a senior center and a youth center around this facility. I know it would mean a lot more money but I think if it's presented correctly, people would support it. Multiple persons responded that it has been on the ballot and had not passed.

Bill Feierabend agrees that, yes, Option 2 is favored but he doesn't think the community will back it.

Unidentified female (public) adds that we keep discussing the revenue aspect of the pool. But, we never discuss how much revenue the Police Department or Fire Department bring in. Learning to swim is a life skill, it needs to be important.

Reesa Rice (public) inquires if one pool, like before, is something we can live with? It worked before. Can we look at an "L" shaped pool? President Wilson states that an "L" shaped pool is feasible. She states it would be like having two bodies of water.

Tony Jonas (public) wanted to elaborate that with a pool 25 yards by 25 meters, you are creating 2 pools in one with only adding a limited amount of extra gallons. He is also hoping to see an "L" shaped pool.

Vice President Chapman states that one other thing to look at is to see all the other things that we would like and see if other groups, Eagle Scouts, Rotary etc... can assist with finishing some of these options. We should concentrate on what we need, a basic facility, and save what we want, additional features, for other groups.

Bill Feierabend adds that the non-profit will also be up and running in the near future and will be able to assist.

President Wilson states that it looks as though the Board likes Option 2. What is the bare bones? Pave half the lot. We want a "L" shaped option. We can battle over the exact location at another time and suggests that Mr. Hancock work with ADG on site specifics for design alternatives such as something to block the wind. Also, a 12'6" depth option. President Wilson then thanks Justin Caron for his time and information.

Vice President Chapman requests an updated timeline on the next agenda.

Bill Feierabend inquires as to where we are on property acquisition. President Wilson responds that we are ready to close but are waiting on the results of the Phase 1 and soil analysis.

8 BOARD MEMBER ISSUES/REPORTS:

Request was made to formally request the County Counsel to act as the JPA's Counsel. Mr. Hancock responded that it should be discussed in closed session.

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

Open session recessed at 5:06 p.m. closed session to commence in ten minutes.

CLOSED SESSION: At 5:15 p.m. the Honey Lake Valley Recreation Authority recessed to closed session to discuss the following:

- A. Conference with Real Property Negotiator: pursuant to Government Code §54956.8.

Vice President Chapman exited at 6:21 p.m.

10 **RETURN TO OPEN SESSION:** At 6:33 p.m. the Honey Lake Valley Recreation Authority reconvened in open session.

A. Direction to staff, no reportable action was taken.

ADJOURNMENT: Meeting adjourned at 6:35 p.m.



Brian Wilson, President

Respectfully Submitted by


Heidi Whitlock, Project Manager

Approved December 16, 2014