

**HONEY LAKE VALLEY RECREATION AUTHORITY**  
**GOVERNING BOARD MEETING**  
**Regular Meeting Minutes**  
**December 15, 2015 – 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 Directors present: Dave Meserve, Tom Hammond, Nick McBride, Jim Chapman and Brian Wilson.

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

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

**4      APPROVAL OF MINUTES:**

Motion by Board member McBride, second by Board member Meserve, to approve minutes from September 1, 2015 meeting. Motion carried unanimously.

Motion by Board member McBride, second by Vice President Chapman, to approve minutes from October 6, 2015 meeting. Motion carried unanimously. Abstain: Meserve.

**5      CORRESPONDENCE: None.**

**6      PUBLIC COMMENT: None.**

**7      MATTERS FOR BOARD CONSIDERATION:**

**7A      Resolution No. 15-07 Execute Contract with Modern Building Inc.**

Mr. Hancock opened by stating that the item is the fully signed, completed agreement with Modern Building Inc, with the exception of the Board's signature. He continued that, as part of signing the agreement, the contract required bonding to be completed with its execution resulting in the cost being included in the first phase.

President Wilson inquired if it was just moved from Phase 2 to Phase 1. Mr. Hancock responded yes, but it was the same overall cost.

Vice President Chapman inquired as to what bonds are being required and referenced page 53 of the contract. Mr. Hancock responded and added that it was required, per the contract language, to be paid up front.

Discussion about the prior meeting and the concern of the numbers increasing took place. Vice President Chapman asked if this was going to be a \$4 million dollar project once completed. Mr. Hancock responded, no, it will not. He inquired as to whether or not the Board would like him to obtain the information of how the process works and what the bonds cover, exactly. He stated that the additional \$29,000 was for the performance bond but, the Board could recess so he could obtain the information.

Board member Hammond stated that the construction amount was still \$500,000 over budget. President Wilson responded that this was a known fact and that during the design phase we will have to get it down to the \$2.5 million we have for construction.

Mr. Hancock stated that he thought the point that was being missed was that we had a basic, single page layout that we provided to the contractors and that we asked for, a cost to design the project as well as for the construction. In addition to that, we asked for a GMP. Anyone submitting would have to work with a lot of unknown factors and commit to a GMP. We will get a new GMP to build it at the end of Phase 1. Mr. Hancock stated that he is hopeful that when the GMP goes down, so will the cost of the bonds but we are currently working with a lot of hypotheticals. The worst case scenario is if the design comes in and the construction costs are above the \$2.5 million requiring us to go out to bid again for the project.

Board member McBride stated that if we look at the proposal, there are a lot of items that can be scaled back. He requested that the Board stay positive and get the project underway.

Discussion occurred on the bonding requirements and the feasibility on negotiating those rates. Mr. Hancock stated that Modern is only providing what we required. Vice President Chapman asked if a delay is going to be triggered by scaling down the design. Mr. Hancock responded, no, the opposite. The items will be discussed and the only way the cost will go up is if we add items. We are requesting scaling the project down and are looking for cost savings. A new GMP will be determined and the delay clause is only for additional items, not the revision of plans and/or a revised scope.

**Jim Hodge** (public) inquired as to whether or not an addendum could be added to specify those items being discussed to make it clearer. Mr. Hancock responded that there is no need for an addendum as the contract is already drafted. Mr. Hancock then gave an example of what was being discussed. He referenced the bathhouse and how it was required but they were not given the number of stalls, required square footage or number of lighting standards. Mr. Hodge asked how we let them know it is to be under \$2.5 million. Mr. Hancock responded that we have always told them that \$2.5 million was our budget. We have looked into items, such as fencing, that we can cut out if necessary and have others do the work, such as the prison crews. President Wilson explained that Modern is providing high numbers until they obtain their subcontractor's bids.

Vice President Chapman stated that he felt he was being finessed into a corner. He added that, although social media is stating otherwise, he is not against the pool. However, every time the Board comes together, the dollar amount increases. He continued that it is also stating that the JPA is responsible for certain items. Mr. Hancock responded that the numbers for those items will be included in the Phase 2 GMP.

Additional discussion on items that could be omitted or scaled back occurred.

Board member McBride added that there are concerns with the \$3 million pool yet fundraising efforts have not yet started.

Mr. Hodge asked if Vice President Chapman wanted a guarantee from the contractor or staff. Vice President Chapman stated that he would like something basic and if money was not an issue it would be great but, the projects always grow. He stated he just wanted assurance from staff that the budget we have is realistic and can be obtained.

President Wilson reiterates that we are not building the pool they proposed. We have chosen them to design a pool based on what we can afford. Mr. Hancock stated that the only difference is, we are designing while they are getting numbers from their subcontractors. We will know what it costs as we are designing it. It will not be revealed after everything is complete.

Vice President Chapman stated that in June, when we decided to go this design-build route, we were told it would be faster and cheaper. Mr. Hancock responded that he didn't believe we could obtain a design for twice the dollar amount before the board. Board member McBride stated that, even at \$2.5 million, they would want to build it so they have an incentive to make it work. He suggested we be positive and not look at the project as though it is falling apart. Board members Meserve and Hammond agreed with the statement.

Motion by Board member McBride, second by Board member Meserve, to approve Resolution No. 15-07 authorizing the execution of the contract with Modern Building Inc. Vote polled: Meserve, aye, Hammond, aye, McBride, aye, Chapman, aye and Wilson, aye.

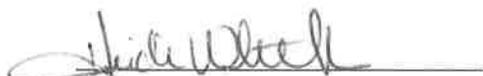
**8      BOARD MEMBER ISSUES/REPORTS:**

Board member McBride requested that fundraising and tax deductible contributions be an item on the next agenda and asked where staff was on the item. Mr. Hancock stated that we looking into some options and even discussed with the attorney to see if someone could submit funds to the City or County and receive a tax deductible donation and if it is something we can look into doing as a JPA. The Board requested it be brought back on the next agenda.

**ADJOURNMENT:** Meeting adjourned at 4:08 p.m.

  
Brian R. Wilson, President

Respectfully Submitted by

  
Heidi Whitlock, Project Manager

*Approved February 2, 2016*