

**HONEY LAKE VALLEY RECREATION AUTHORITY
GOVERNING BOARD MEETING
Special Meeting Minutes
May 31, 2016 – 3:00 p.m.
City Council Chambers 66 North Lassen Street Susanville CA 96130**

Meeting was called to order at 3:08 p.m. by President Wilson.

Roll Call of Board of Directors present: Dave Meserve, Tom Hammond, Nicholas McBride, and Brian Wilson. Absent: Jim Chapman. (Alternate Jeff Hemphill in audience)

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

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

APPROVAL OF MINUTES: Board decided to wait on the approval of the minutes until Vice President Chapman's arrival.

President Wilson requested Board member Hemphill take Vice President Chapman's place until his arrival.

3 PUBLIC COMMENT:

Bill Fierabend inquired about the materials to be used in the bathhouse structure and President Wilson stated that, as the item will already on the agenda, we will revisit his question at the time.

Vice President Chapman arrived at 3:11 p.m.

4 MATTERS FOR BOARD CONSIDERATION:

4A Acceptance of Annual Audit for Fiscal Year ending 2014 and 2015

Mr. Hancock opened the item is regarding the financial audit for the JPA. Due to the limited amount of transactions in the first year, the Board decided to go with the two-year audit option. The firm they chose to utilize was Price Paige and Company, who is also utilized by the County and being that Price Paige and Company is familiar with the checks and balances system used by the County, they agreed to contract at a reduced rate.

Vice President Chapman inquired as to why the Treasurer and Auditor were not in attendance and asked if they were notified. Mr. Hancock confirmed they were notified.

Motion by Vice President Chapman, second by Board member Meserve to approve and accept the annual audit for fiscal year ending 2014 and 2015.

4B IRS Private Letter Ruling Update

Mr. Hancock stated that he wanted to provide an update on the private letter ruling. We originally thought that the private letter ruling would cost the JPA \$2,200. However, we have since been informed by the IRS that the actual amount is \$28,300. The suggestion has been made to go through the County or City to take contributions on behalf of the JPA. Mr. Hancock continued that the IRS code does not specifically notice that the JPA can be listed as a "wholly owned instrumentality".

Vice President reiterated as a question that the IRS wanted \$28,300. Mr. Hancock confirmed. Vice President Chapman stated that the amount was ridiculous. Mr. Hancock stated that we are looking into other options. He continued that the IRS also refused to give an estimated time frame for the determination.

Board member McBride inquired as to which agency should be utilized.

Mr. Hancock stated that the City is already looking into options but wanted to keep it open to the County as well.

Board member McBride stated that the County may be a good option as they already maintain the Pennies-for-the-Pool account.

Vice President Chapman suggested that the item be continued until such time that County staff are there to comment. Mr. Hancock added that it is for informational purposes only so no action was required.

President Wilson requested the item be tabled until the next meeting.

Bill Fierabend inquired if a 501(c) was being considered. Mr. Hancock offered an explanation on how the suggested option could be used and how it would potentially be different from a 501(c) as some funds would not be permitted for anything other than construction.

President Wilson directs Mr. Hancock to work with Nancy Cardenas to see if utilizing the County is preferred.

4C Review Final Pool Design Plans

Mr. Hancock stated that, based on the information from the last meeting, and bringing the budget up to \$2.75 million, staff have been working with Modern Building Inc. (MBC). Plans have been distributed to the permitting agencies and the main design elements are included in the packet. Mr. Hancock then requested Phil Strawn with MBC to discuss with the Board.

Mr. Strawn opened that his firm took the comments from the last meeting and modified the plan. They incorporated geothermal to heat the pool, HVAC and building. The building was decreased in size, parking remained the same and that the pool decking was modified slightly. He continued that the fencing ended up being the fancier iron fencing as it was only slightly higher than vinyl coated chain link (\$2,000 more). Landscaping, lockers and irrigation are not included as it was not permitted with the given budget. Additional geothermal equipment was added in the equipment room and the geothermal well casing will be extended and capped.

President Wilson inquired about locker pricing. Mr. Strawn responded that it would be approximately \$14,000 including the install. He also explained that there is a modern locking system included within the \$14,000 estimate that could be reduced if a different locking system was chosen.

President Wilson also inquired about the timing equipment. Mr. Strawn replied that all infrastructure will be in place including sleeves and conduit for the timing equipment and a j-box in the wall for the scoreboard. All infrastructure will be there, the JPA will just need the wiring and the starter blocks. Everything required for sign off will be included so the pool can open.

Board member Hammond inquired as to whether or not the utility connection fees would be included. Mr. Strawn responded that those types of fees are typically not included in a contractor's proposal. Board member Hammond inquired as to how much those fees would be. Mr. Hancock responded that there will be no fee for natural gas, that staff is still awaiting final approval from the Sanitary District but they are considering looking at the number of fixtures that were located in the old Roosevelt Pool versus the amount fixtures which will be associated with the new build and there may or may not be a fee. The electric company (LMUD) also waived their review fee and may also give us credits on installation costs.

President Wilson responded that he thought LMUD would be charging the HLVRA and then we would receive a credit and Board member Hammond requested confirmation that there are no fees with LMUD. Mr. Hancock stated there are currently no fees from LMUD and, if there are, it would be minimal.

President Wilson inquired about the gas connection listed as #9 on the letter. Mr. Hancock responded that the City's natural gas company will work with MBC to cover installation costs as far as coming back, covering up the new lines and paying over it. Mr. Strawn stated that, typically, the natural gas company would handle this, they connect the line

and the meter and turn on the gas once completed. MBC would be responsible for back fill etc... Mr. Hancock responded that the site is not developed so there would be no interruptions.

President Wilson asked if natural gas was already there and Mr. Strawn responded that if he looked at drawing C2, it would show where the natural gas line is, which would be the northwest side of the property.

Vice President Chapman asked why we were worried about natural gas when we have geothermal available? Mr. Strawn responded that it would be used for backup for the geothermal and also for the showers and domestic heating only and that the natural gas cost should be rather low, maybe a few hundred dollars a month.

Bill Fierabend inquired as to why the bath house was being constructed out of wood and not concrete blocks. Mr. Strawn responded that, while concrete would be more sustainable, the cost is not feasible with this budget.

Mr. Fierabend also inquired as to whether or not the project was being designed to be enclosed at a later date. Mr. Strawn confirmed that it was. He stated that the 20ft offset was there just in case we had to add a cover over the pool as a firewall area. Whether an actual enclosed structure or simply an awning, it would work.

Board member Hammond requested confirmation that once this is completed as listed, the pool can open. Mr. Hancock stated that we will still have to purchase deck furniture, life preservers etc... as that is not included. Board member Hammond asked how much it would cost (ballpark) to acquire the necessary items. Mr. Hancock stated it would be up to the Board on what they want. Board member Hammond inquired as to how much would be left after the pool is built and Mr. Hancock responded approximately \$200,000.

Contingency amounts and the GMP were then discussed and it was stated that if they go over the GMP amount, MBC would end up making less as they have to stick to the GMP amount. Mr. Strawn then stated that if they end up not managing the project correctly, and have issues with subcontractors, they lose, not the JPA. But, he stated he has confidence in his staff and they do not anticipate issues.

President Wilson inquired as to whether or not the Fire Department was okay with the plans. Mr. Strawn stated that he needed to work with Mr. Hancock of Mrs. Whitlock on how the chemicals will be stored. Mr. Hancock added that MBC has been working with architects to make sure code requirements are met and that the building does not require fire suppression at this facility. However, like the Golf Course, a plan will have to be established and accepted by Public Health. Mr. Strawn responded that yes, the plan should be able to direct the Fire Department where to respond to given the event of an emergency.

Board member Meserve asked **Jim Dougherty** of Holiday Pools (subcontractor for MBC) if chlorine gas was to be used. Mr. Dougherty stated no.

Vice President Chapman stated that the original cost of landscaping was projected at \$30,000 and confirmed that nothing was to be included under this plan. Mr. Strawn replied that the sleeves would be placed underground so pipes can be run through at a later date. He added that they would be planting a hydro seed, which is drought tolerant, around the pool as well to assist with the dirt issues. He then stated that they drafted an entire set of plans that are the JPA's property. If they wish to go out to bid on the landscaping they will have the plans to do so already in hand.

Vice President Chapman revisited the radiant heat option for the decking. He then stated that he also, eventually, wanted to see the pool enclosed, which would make the radiant heat a moot point so he is okay with that. He requested the minutes reflect that he simply wants to see the pool covered as soon as possible.

Vice President Chapman continued that he is not aware of what happened with the geothermal well, as it was a huge part of the consideration of this site. He is aware of the corrosive nature of geothermal but, it deserved a fair discussion and staff decided on their own instead of having Board discussion. He stated he is not on board with a new well while disregarding the existing well and that if a well is available, it should be used as its own independent water source.

Vice President Chapman asked what was included in the utility costs. Mr. Strawn responded that the sewer lines, trenches etc... would be included. Also, wiring and timing equipment would not be included although the conduit would be. Mr. Hancock stated that staff would work with MBC to get the costs together of everything needed to open that is not included. Mr. Strawn added that he could also provide vendors, budgets etc... to assist staff.

Mr. Strawn stated that the GMP would include items such as sealed concrete floors, tile and drywall as well as iron fence panels, paint and rubber paint.

Vice President Chapman then asked about City sidewalk and how much would be included. Mr. Strawn responded that all sidewalk would be included, being ADA compliant as well as adding sidewalk to the triangular piece of property to ensure adequate pedestrian flow.

Vice President Chapman inquired about pool covers and if they were part of the GMP. Mr. Strawn replied no, they would be the responsibility of the JPA.

Conversation between the Board and Mr. Dougherty regarding pool cover options occurred. Mr. Strawn responded that Modern could supply the Board with numbers for the suggested cover and reel and requested that Mr. Dougherty go over what staff should do during the winter months. Mr. Dougherty stated that water should stay in the pool to prevent damage to the plaster. A cover would be needed in the summer months to prevent evaporation and heat loss.

Vice President Chapman inquired about the lane lines from the old pool and it was mentioned that they are gone, too old and brittle.

Vice President Chapman inquired about the fencing and it was stated that it would be paneled iron fencing instead of the vinyl coated chain link as the cost was too close not to choose the higher end option. However, vinyl coated chain link will be used around the trash enclosure.

Vice President Chapman inquired about the possible root damage. Mr. Strawn stated that the sewer manhole to provide access is covered by a tree root. Sanitary District stated that any improvements have to be made by the client and it is the only path that they will allow. Mr. Hancock also added that discussion has occurred on the connections to be used.

Vice President Chapman inquired as to how many fixture units were in the old facility and if we were grandfathered in for that many fixtures for the future, just in case others are required at a later date.

Mr. Strawn continued that backwash is also now added to the sewer. Previously it was dumped into the ditch. Vice President Chapman responded that it has been dumped there all along. Mr. Hancock responded that yes, there was a rumor that it was all dumped there. Vice President Chapman stated that he would be okay with dechlorinating it and releasing it to the ditch for irrigation purposes. Mr. Strawn clarified that backwash is simply the pool cleaning water or, the top foot of water in the pool needing to go the sewer. He confirmed that it can be dechlorinated and released to the ditch. Mr. Hancock confirmed that there is a permit in place allowing for the release of the water into the ditch that we want to keep up.

Discussion on DBE occurred.

Vice President Chapman expressed his frustration with having few meetings lately. He continued that he knows that he has been trying to get a pool back for the past ten years and has received a lot of comments about the pool and it being a priority. He continued that he felt that staff has not been reaching out to County staff as they could have been and adds that County staff could have been reaching out as well. He stated he is happy the pool is getting in the ground but wants more collaboration in the future.

Conversation on remaining budget versus furniture and landscaping needs was discussed between Board member Hammond and Mr. Hancock.

President Wilson inquired about the cover and conversation occurred on the benefits of keeping water in the pool, geothermal heating will assist in the water not freezing. Protecting the edge of the pool was discussed as it would also require a gutter cover.

Vice President Chapman inquired about Mr. Dougherty's experience with pools in cold climates and Mr. Dougherty responded that he has designed pools in Etna, which is colder than here, and Weaverville. Discussion occurred on covers, snow loads and plaster protections. Mr. Strawn added that they will work with staff to ensure that an appropriate maintenance plan is created.

Bill Fierabend expressed his concerns with the "pretty tile" and the feasibility of it over concrete. Discussion between Mr. Fierabend and Mr. Dougherty occurred.

Board member McBride inquired about a backup power supply as the power does go out on occasion if the filtration cannot occur, how long is the pool okay to go without it. Mr. Hancock stated that we would be obtaining all of that information. Vice President Chapman requested that County staff be included in those conversations.

Discussion occurred on the pool depths, the requirements for racing and the diving board. Discussion resulted in leaving the design as is.

Vice President Chapman inquired with Mr. Dougherty about the warranty and the use of geothermal for the pool. If the geothermal water is found to be potable, it will be okay and will not affect the warranty. Mr. Dougherty believed that he was told that the water was not potable. Vice President Chapman expressed his concern that someone would state that the water was not potable to discount the existing well.

4D Approve Pool Construction Contract (Phase 2)

Mr. Hancock stated that this item is in regard to signing the contract with Modern Building for Phase 2.

President Wilson wanted to ensure that Mr. Hancock was confident that there will be enough money for the Phase 2 contract between training, staff time etc.... Mr. Hancock responded, yes, he thinks we are in a good place but we should reach out to both the City and County for a timeline.

Board addressed the approval of minutes as all members were present.

Motion by Board member Meserve, second by Vice President Chapman, to approve the minutes for December 3, 2015. Motion carried unanimously. Vice President Chapman requested it be noted that Jeff Hemphill (alternate) was in the audience and he was in attendance at the December 3rd meeting and agrees that the minutes accurately reflect the meeting.

Motion by Board member Meserve, second by Board member McBride, to approve the minutes for February 6, 2016. Motion carried unanimously.

Motion by Board member Meserve, second by Board member Hammond, to approve the minutes for March 29, 2016. Motion carried unanimously.

Conversation continues for item 4D.

Mr. Hancock responded that \$2.9 million is on hand and after July 1, 2016, an additional \$160,000 should be received with an additional \$160,000 half way through the year.

Motion by Board member McBride, second by Board member Meserve, to approve Resolution No. 16-03 authorizing the execution of the Notice to Proceed for Pool construction services, Phase 2 not to exceed the Guaranteed Maximum Price (GMP) of \$2.75 million, with Modern Building Inc. Motion carried unanimously.

Mr. Strawn requested the 120 days start from the date of the permit issuance being that there were 57 questions received that he has to respond to.

Motion to rescind the previous motion and approve Resolution No. 16-03 authorizing the execution of the Notice to Proceed for Pool construction services, Phase 2 not to exceed the Guaranteed Maximum Price (GMP) of \$2.75 million, with Modern Building Inc. Vote polled: Meserve, aye, Hammond, aye, McBride, aye, Chapman, aye and Wilson, aye.

5 BOARD MEMBER ISSUES/REPORTS:

Vice President Chapman motioned to direct HLVRA staff and consultants to work with County staff and then withdrew the motion, as it was not an agenda item, stating that he wanted his request to be reflected in the minutes.

Board member Meserve stated that he was glad to see the construction being started.

Board member McBride also stated that he was happy to see it getting done.

ADJOURNMENT:

Motion by Board member Hammond, second by Board member McBride, to adjourn; motion carried. Ayes: McBride, Hammond, Meserve and Wilson.

Meeting adjourned at 5:44 p.m.

Respectfully Submitted by


Heidi Whitlock, Project Manager


Jim Chapman, Vice President

Approved on July 12, 2016