



**TVCS D Board of Director's Special Meeting Minutes**

**Date: Tuesday, April 25, 2017, 6:30 pm**

**Location: Tomales Town Hall, Tomales, California 94971 DRAFT**

**Board Members Present:** Dru Fallon O'Neill, President, Donna Clavaud, Vice President; Bill Bonini, Deborah Parrish

**Board Members Absent:** Peter MacLaird

**Also Present:** Jose Ortiz, TVCS D General Manager; Melinda Bell, TVCS D Accountant; Cynthia Hammond, TVCS D Recording Secretary; Bruce Abbott, Shoreline Unified School District CFO; Jim Lino, Shoreline Unified School District Board Representative; Venta Leon, Margaret Graham, Walter Earle, Silas Valentino, (Pt. Reyes Light reporter).

**I. Call To Order**

Donna Clavaud called the meeting to order at 6:41 p.m.

**II. Open Communication** Time for community members and visitors to bring up items they wish to discuss and items that do not appear on the agenda.

None

**III. Approval of April 25, 2017 TVCS D BOD Agenda**

Donna Clavaud motioned to accept the TVCS D Special Meeting agenda as is. Deborah Parrish seconded the motion. M/S/C

**IV. Discussion and Consideration of Adopting Resolution 17-1 Setting Public Hearing Regarding Proposed Sewer Rate Increase – Action**

Jose Ortiz opened the discussion prior to Adopting Resolution 17-1 Setting Public Hearing Regarding Proposed Sewer rate Increase. Jose Ortiz explained there isn't enough revenue generated to pay District expenses. The biggest expense is paying down the debt service. By reducing administration costs and negotiating O & M costs, the proposed 2017/2018 budget can pay for everything except the debt service which is \$296,282 over the next nine (9) years until the debt is paid off. TVCS D's Financial Advisory Committee (FAC) demonstrated that without a rate increase, TVCS D cash reserves would be depleted in three (3) years time. The proposed increase is \$9.45 per EU per month for 2017-2018 and a \$9.45 proposed rate increase per EU per month for 2018-2019 would pay off the debt service in 2025-2026. Shoreline Unified School District (SUSD) pays 1/3 of the costs to TVCS D that includes their part of the debt service. There was speculation at one time, a development of twenty-eight (28) new units would be built that would generate \$280,000 in revenue; however the project didn't move forward.

Donna Clavaud reported projecting a ten (10) financial plan was very revealing and FAC has done their due diligence at reducing expenses. There hasn't been a rate increase in eleven (11) years except the \$5

per month restricted solar increase and raising rates is the responsible thing to do. Donna Clavaud read an article in the California Special District Association's electronic newsletter that quoted more than ½ of CSD's in California will be forced to raise their rates within thirty-six (36) months because of their infrastructure.

Bill Bonini reported there isn't much growth in Tomales, therefore no new revenue is generated through new hook-up fees. Bill Bonini would prefer not to raise rates but feels it necessary unless there is more growth in Tomales. Bill Bonini questioned his Marin County tax assessment bill that shows \$148 to sewer, Melinda Bell will look into this.

Deborah Parrish said she was the last hold out to a rate increase but there was no disputing the numbers looking forward and that all-basic service costs are going up. There is an estimated 5% overall increase in costs per year and TVCSD revenue has to keep up. Deborah Parrish said TVCSD's six (6) months of reserves will remain restricted unless there are emergency expenses. Deborah Parrish said what would be ideal in her view is that any new connection fees would go into the CIP and TVCSD would have to put this into policy.

Dru Fallon O'Neill said this process was to build a framework and a long-term financial plan and this process put everything in black and white. After cutting costs, the only conclusion is to increase rates.

**Public Comments:**

Margaret Graham suggested making the rate increase \$10 instead of \$9.45 for 2017/2018 and \$20 for 2018-2019. Margaret Graham asked if the \$25,000 per year debt was for improvements. Jose Ortiz explained the debt was to pay back the original loan. Margaret Graham asked how this affects the SUSD. Melinda Bell said SUSD rates wouldn't go up because this proposed rate increase is restricted to the debt service, not operating expenses.

Deborah Parrish motioned to accept Resolution 17-1 Setting Public Hearing Regarding Proposed Sewer Rate Increase. Bill Bonini seconded the motion. M/S/C

**O'Neill:** Aye      **Clavaud:** Aye      **Bonini:** Aye      **MacLaird:** Aye (by Proxy)      **Parrish:** Aye

Jose Ortiz said there would be forty-five (45) days for public comment from today, April 25, 2017. On June 14, 2017 there will be a Public Hearing and Regular TVCSD BOD meeting. Each parcel gets one (1) vote.

**XIV. Adjournment**

Deborah Parrish motioned to adjourn the TVCSD April 25, 2017 BOD Special Meeting. Bill Bonini seconded the motion. M/S/C

**Meeting adjourned at 7:25 pm**

**Important meeting dates:**

- **Wednesday, May 10, 2017 TVCSD BOD Regular Board Meeting (Primary vote on proposed 2017-2018 budgets)**
- Wednesday, June 14, 2017 TVCSD Public Hearing and Regular Board Meeting (Final vote on 2017-2018 budget)**

*Dru Fallon O'Neill*

*5/10/17*

Approved by: Dru Fallon O'Neill, President

Date:

*Cynthia Hammond*

*MAY 10, 2017*

Attested by: Cynthia Hammond, Recording Secretary

Date:

**TVCSO MISSION STATEMENT:** *Enhance quality of life, with commitment to the health of the community, by providing dependable wastewater collection, treatment and reuse in an environmentally friendly manner; maintaining safe and reliable recreational park facilities while providing a welcoming forum for active community participation and input.*

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Board of Directors:

Dru Fallon O'Neill, President • Donna Clavaud, Vice President • Bill Bonini

Peter MacLaird • Deborah Parrish