



**MINUTES
BOARD OF DIRECTORS
ROSSMOOR COMMUNITY SERVICES DISTRICT**

SPECIAL MEETING

RUSH PARK
3001 Blume Drive
Rossmoor, California

Tuesday, July 5, 2017

A. ORGANIZATION

1. CALL TO ORDER: 5:06 P.M.

**2. ROLL CALL: Directors, Casey, Kahlert, DeMarco, Nitikman
President Maynard**

3. PLEDGE OF ALLEGIANCE

B. REGULAR CALENDAR

1. DISCUSSION WITH GENERAL MANAGER RE:

General Manager Jim Ruth reported regarding his recommendation to approve the quotes and project proposal submitted by Express Energy Services, Inc. to convert all current District Facility Lighting and Community-wide Street Lighting Systems to LED with no out-of-pocket costs, paid for by The Edison Company—no interest— On Bill Financing (OBF) Loan Program and authorize the General Manager to be the signatory on all contract and loan documents.

Mr. Ruth further reported that the District had recently worked with Express Energy Services, Inc. and The Edison Company to upgrade 26 streetlights located on Montecito Road in Rossmoor, from HID to LED lights. The new lights had been well received by the community and increased safety and visibility along Montecito Road during the evening hours.

The second phase of the proposed project involves all remaining streetlights in the Rossmoor Community in addition to the following District facilities and property:

1. Rush Park Office Building and Auditorium and Parking Lot
2. Rossmoor Park Walkway, Tennis Courts and Monument Sign
3. Security Light Poles at Foster and Kempton Mini-Parks
4. Montecito Center

The proposal would require no out-of-pocket costs to the District with all the funding provided by savings through financing at 0% interest through Southern California Edison Company. Staff has reviewed the proposal which is based on actual power used by RCSD in the operation of our parks and facilities and believes it has excellent possibilities to reduce our energy costs and upgrade our lighting systems to LED at all of our public facilities. In regard to the community wide street lighting upgrade, many California cities, including Newport Beach, Long Beach and the City of

Orange have upgraded their streetlights to LED and are very satisfied with the results. Mr. Ruth stated that Express Energy Representative and CEO Doc Rivers was present to discuss the second phase of the project for the Board's consideration. If the upgrades are approved the contract will take effect immediately.

Express Energy Representative and CEO, Doc Rivers reported to the Board on the second phase of the project. He stated that Southern California Edison was seeking to remove energy rebates within the next year. Recently the cities of Orange, Newport Beach, Downey and Corona had upgraded their lighting in order to take advantage of the existing rebate opportunity before it was phased out. He reported that the OBF Program has been in existence for at least 10 years. There were no out-of-pocket costs; funds come out of the energy savings. There was 0% interest and shows as a line item on your utility bill. Doc Rivers discussed the scope of the project, lighting adjustment options and warranty. He added that Express Energy Services would service the light fixtures for the first 5 years of the warranty although he would attempt to increase it to 7 years.

Discussion ensued relative to the scope of the project, energy savings per year, bulb lifespan, warranty coverage, replacement costs, ownership, liability and future maintenance plan for the lighting fixtures.

Doc Rivers stated that after the LED conversion was completed the District would own the lighting fixtures and bulbs and Edison would own the light poles. After the warranty expired, the District could consider entering into an ongoing maintenance agreement with Express Energy Services to maintain and repair the light fixtures or could choose to manage them internally. He stated that he would be happy to compose a maintenance agreement for their consideration.

Further discussion ensued relative to lighting timers and photocells, brown outs and black outs, future energy cost predictions and the estimated timeframe for completion of the project.

Doc Rivers stated that brown outs and black outs were a reality and there were no plans to build any more power plants so conservation was the name of the game. He estimated the timeframe for the project's completion at approximately 100 fixtures per day, it would take about two weeks to complete.

Motion by Director Kahlert, seconded by Director Nitikman to approve the General Manager's recommendation to enter into an agreement with Express Energy Services, Inc. to initiate their lighting improvement project proposal to convert all current District Facility Lighting and Community-wide Street Lighting systems to LED with no out-of-pocket costs, paid for by The Edison Company—no interest—On Bill Financing (OBF) Loan Program and authorize the General Manager to be the signatory on all loan documents. Motion passed 5-0.

2. BUDGET WORKSHOP.

In accordance with Board policy and the adopted Budget Calendar, the General Manager presented the FY 2017-2018 Preliminary Budget to the Board at the June 13, 2017 Regular Board meeting. At that meeting, the Board requested that this Budget Workshop be scheduled. The Board will discuss and/or modify the recommendations of the Public Works/CIP and Budget Committees for inclusion into the Final Budget. Those preliminary recommendations are as follows:

1. Receive and/or modify the Fund 40 FY 2017-2018 Budget and Project List.
2. Approve and/or modify the FY 2017-2018 Salary Plan.

The Budget Committee recommended approval of the FY 2017-2018 Salary Plan subject to a review of the an updated June Consumer Price Index (CPI). An April CPI, which is attached, was used as a basis of the proposed 3% raise. The Preliminary Budget has incorporated this increase, but will be revised based on the Board's decision of the Salary Plan.

Other cost/revenue items were discussed at this Budget Workshop and are being incorporated into the Final Budget. The Final Budget will be presented at the July 11, 2017 Board meeting for approval.

Discussion ensued relative to the proposed Rush Park parking lot and tree removal project. It was the consensus of the Board that there was no immediate urgency to replace the parking lot or remove the trees. President Maynard stated that the project could be postponed for at least two years. The Board agreed that the District should focus on building up its reserves.

General Manager Ruth stated that staff would be scheduling a CIP Committee meeting to discuss and explore the condition of the Rossmoor Park Playground and how soon it would need to be repaired or replaced.

Further discussion ensued relative to the District fee study recommendations and salary plan. Director Nitikman opined relative to the lack of consistency or cost recovery rationale in the District's existing fee schedule. Director DeMarco and President Maynard agreed and suggested that additional revenue generating and cost saving ideas are explored, i.e. a tennis tournament, reserving the Rush Park Tot Lot Canopy on Saturdays, marketing wedding staging and packages, Fourth of July event, etc. The Board agreed to the proposed 3% raise based on the CPI increase. Director Nitikman requested that Accountant/Bookkeeper Kathy Bell modify the summary page contained in the budget to include additional columns with percentages for the estimates to close and the new budget.

C. ADJOURNMENT:

Motion by Director Maynard, seconded by President DeMarco to adjourn the regular meeting at 6:36 p.m. Motion passed 5-0.

SUBMITTED BY:

James D. Ruth
General Manager