



Tamalpais Community Services District

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AGENDA

TAMALPAIS COMMUNITY SERVICES DISTRICT Work Session

Board of Directors

305 Bell Lane, Mill Valley, California 94941
Phone: (415) 388-6393 / Fax: (415) 388-4168
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Wednesday, April 28, 2010
305 Bell Lane, Mill Valley, CA
8:45 AM

1. CALL TO ORDER
2. ROLL CALL
3. PUBLIC EXPRESSION
4. GENERAL BUSINESS:
 - A. TECHNICAL MEMORANDUM – SHORELINE HIGHWAY DIVERSION SEWER INVESTIGATORS – ED NUTE
 - B. UPDATE DISCUSSION REGARDING EDU PURCHASES - JON ELAM/STEFFEN BARTSCHAT
 - C. DISCUSSIONS WITH SMCD ON 4/22/10 - JON ELAM/STEFFEN BARTSCHAT/JIM JACOBS
 - D. LOAN MODIFICATION AGREEMENT – JERRY TAYLOR
5. ADDITIONAL BOARD DISCUSSION AND COMMENTS
6. ADJOURNMENT

Date: April 28, 2010

ITEM # 4A

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager

Subject: Technical Memorandum – Shoreline Highway Diversion Sewer Investigators

Recommended Action: Discussion and Provide Direction to Staff

Date: April 28, 2010

ITEM # 4B

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager

Subject: Update Discussion Regarding EDU Purchases

Recommended Action: Discussion

Date: April 28, 2010

ITEM # 4C

STAFF REPORT

To: Board of Directors

From: Jon Elam, General Manager

Subject: Discussions with SMCSO on 4/22/10

Recommended Action: Discussion

Date: April 28, 2010

ITEM # 4D

STAFF REPORT

To: Board of Directors
From: Jon Elam, General Manager
Subject: Loan Modification Agreement

In 2005, TCSD signed a 20-year, \$3,000,000 note to finance the Robin Starling and Bell Market Sewer Replacement Projects. The proceeds also funded part of the Linda/Jean/Ross Project. In 2008, an additional \$3,000,000 note completed the L/J/R project, as well as the Sewer Replacement for the Cardinal neighborhood and two pump stations.

These loans were made by Municipal Finance (arranged by Bartle Wells). Municipal Finance continues to monitor these loans, but they have "sold" them to City National Bank.

Due to our revenue and expense mismatch in the Sanitation Fund, some of TCSD's financial ratios have fallen below the standards set in the contracts. City National has formally waived these requirements for the Fiscal Year ending June 30, 2009; Steffen Bartschat accepted this waiver on February 22, 2010.

Staff has been working with Municipal Finance Corporation and City National Bank since last summer to resolve the Bank's concerns. A major step in this direction has been the 218 Process necessary to generate more revenue for the Sanitation Fund. Both organizations have followed these steps closely.

Now, modifications to our loan agreements are being proposed:

- To allow TCSD's Financial Ratios to meet the levels specified in the loan agreements, the contracts will be modified to include the assets of both of our Enterprise Funds, Sanitation and Refuse (as you know, the liquid assets of all of our funds are combined operationally: bank accounts, LAIF)
- To ease TCSD's Cash Flow requirements, the payment schedule on the loans will be modified. 55% of our revenues from service fees and taxes comes to us on December 15th, 40% arrives April 15th, and the remaining 5% comes after the end of the fiscal year. Currently, the 2005 loan schedule structures semi-annual payments in early December and early June; the 2008 loan schedules semi-annual payments in late October and late April. The proposed modifications will schedule payments for both loans on December 30th and June 30th

This rescheduling will cause one time increases in interest payments for each loan:

- The December 30 2010 payment for the 2005 loan will have 23 additional days of interest, adding \$6,945.55 to that payment
- The December 30, 2010 payment for the 2008 loan will have 67 additional days of interest, adding \$21,344.33 to that payment.

Staff recommends adopting the attached resolution and signing the loan modification agreements.

Recommended Action: Discussion and Authorization for President and General Manager to sign