

Piedras Blancas Light Station Association
Minutes
La Terraza Mexican Grill - Cambria, CA
February 28, 2018

Board Members in attendance: Tim Postiff (Vice Chair), Harry Thorpe (Treasurer), Jim Harris, Gary O'Neill, Zale Schuster

Board Members absent: David Cooper (Chair), John Brass

Others present: Ryan Cooper (BLM), Holly Gant (PBLSA)

Tim Postiff called the meeting to order at 6:05 pm

Announcements: None.

Approval of the Agenda: Agenda was approved with consensus.

Reports:

1. Secretary Report- *M/S/P Secretary's Report Minutes of January 24, 2018, approved.*
2. Financial Status and Treasurer's Report - See report. Harry asked the board how they want to handle investment income and donations for the tower in the future. He excluded them in the treasurer's report for now so they don't skew the profit from the operations figures.
3. Gift Shop Report- See report.
4. BLM Update- See report. Harry requested to raise the Fidelity funding amount from 68K to 80K to cover the increased costs of FSB. PBLSA committed to fund phase 1, but Phases 2 and 3 were supposed to be funded via the co-op agreement. Ryan stated it may be harder to fund it in the required timeframe through the co-op agreement due to a new lengthier BLM approval process, but that he expects no problem with the funding itself. Anything over 50K may have to have a more extensive approval by the state office; over 100K may have to be reviewed by the DC office. That could be as long as a 3-month review if going through DC office. Harry explained that in the past a form (SF424,424A) was required to approve transfer of funds to cover projects. The approved money sits in an account until it's requested for a specific project (via an SF270). We will need about 145K to advance payments of phase 2 and 3 to Dan until we can be reimbursed by BLM. Ryan hopes to clarify all this as soon as possible. *M/S/P Board approved to use investment account for \$80,000 as a payment to complete phase 1. M/S/P Board approved potential use of association money of \$141,000 for phases 2 and 3 pending BLM reimbursement.*
5. Fog Signal Building Restoration- See report and notes under BLM report.
6. Tower Update- See report.
7. Power Lines Report- See report.
8. Lens Report- Jim Woodward will tentatively be here in the second half of March for a lecture and an evaluation of the PBLS lens and the Point San Luis lens. Zale and Ryan met with members of the Lions Club regarding plans for the lens and planning for Jim's visit.

Old Business:

1. FSB Engine- FSB engine update: Gary still communicating with the owner of the engine. Harry suggested making a life-size photo of the engine for display in the FSB.

New Business:

1. Formation of capital campaign. John Brass got an estimate from a consulting agency that would organize a capital campaign for \$50,000. For now, Jim and Holly will focus their efforts on FSB completion and updating the Hind Foundation on our progress.

Discussion Items:

None

Board meeting adjourned at 7:42 pm

Appendix 1: Treasurer's Report 2/28/18 – Harry Thorpe

TREASURER'S REPORT for January 2018

1. OPERATIONS INCOME: Last Month: \$3,980.00* YTD: \$3,980.00

PROFIT: Last Month: \$364.27** YTD: \$364.27

BLM SUPPORT EXPENSE: Last Month: \$14.88 YTD: \$14.88

BALANCES: H. O. Bank: \$8,934.19 ASAP: \$37,844.00

*Gift Shop: \$2,389

**Tour Fees: \$1,053.78

2. INVESTMENT BALANCE – FIDELITY INVESTMENTS

<i>Month</i>	<i>Beg Bal</i>	<i>Market Chg</i>	<i>Div/Int</i>	<i>Deposit</i>	<i>W/D</i>	<i>Ending Bal</i>
Jan 2018	620,434.09	5,573.79	916.30	--	--	627,024.18
Dec 2017	629,899.06	3,686.53	1,848.50	--	<15,000>	620,434.09
Nov 2017	626,037.11	2,777.82	1,084.15	--	--	629,899.08

3. OTHER:

❖ Completed extensive audit of year end transactions:

- Changed/corrected sales tax accruals, including PayPal accounting.
- Changed/corrected COM process, including scrap accounting.
- Changed/corrected fixed asset accounting on balance sheet.
- Analyzed book/bank reconciliation (in progress).
- Changed/corrected membership to bring book/board report into balance.

❖ Met with CPA to validate new tower restoration accounting process.

❖ Filed/paid sales tax for Q4 2017.

❖ Drafted first cut of SF 424, 424A funding for FSB project, phases 2 and 3. Ryan reviewing.

❖ Submitted SF 270 for school outreach and transferred funds.

❖ Drafted sales tax procedure for accounting manual.

❖ Continued monitoring of FSB progress – see status report.

Harry M. Thorpe, Jr.

REVISED

TREASURER'S REPORT for December 2017

1. OPERATIONS INCOME: Last Month: \$5,442.00 YTD: \$64,882.85

PROFIT: Last Month: <\$2,199.40>* YTD: \$7,844.10**

BLM SUPPORT EXPENSE: Last Month: \$460.50 YTD: \$56,523.76

BALANCES: H. O. Bank: \$6,793.07 ASAP: \$40,000

* CPA: \$1,045, Depreciation/Amortization: \$1,413.50; PI adjustment: \$1,344.30

**Tower Restoration: \$3,150 excluded, per accounting discussion.

2. INVESTMENT BALANCE – FIDELITY INVESTMENTS

<i>Month</i>	<i>Beg Bal</i>	<i>Market Chg</i>	<i>Div/Int</i>	<i>Deposit</i>	<i>W/D</i>	<i>Ending Bal</i>
Dec 2017	629,899.06	3,686.53	1,848.50	--	<15,000>	620,434.09
Nov 2017	626,037.11	2,777.82	1,084.15	--	--	629,899.08
Oct 2017	624,072.99	1,071.21	892.91	--	--	626,037.11

3. OTHER:

- Reviewed November/December transactions – in progress.
- Continued monitoring of FSB progress – see status report.
- Holly completed PI and posted PI adjustments.
- Transferred \$15,000 from Fidelity to PBLSA for tower costs.
- Drafted possible tower designated funds accounting procedures.
- Researching accounting transaction for EFT transfers.
- Extensive year-end reconciliation still underway.

4. ANNUAL REVIEW:

INCOME – 2017: \$64,882.85 #, **2016:** \$44,360.68 – **CHANGE:** \$20,522.17 ##

Special Events: +\$7,131, **Donations:** +\$2,307, **Gift Shop:** +\$7,041, **Membership:** +\$4,800

Expenses excluded: \$3,150 (tower)

PROFIT – 2017: \$7,844.10, **2016:** \$618.06 – **CHANGE:** \$7,226.04 ###

COM: +\$5,423.96 (56%), **Tour Fees:** +\$1,558, **PI Adjustment:** \$1,344

Payroll: +\$4,247. Tower expenses excluded.

Harry M. Thorpe, Jr.

Appendix 2: Gift Shop Report 2/28/18– Holly Gant

NET SALES

	Jan	Feb	Mar	Apr	May	Jun
2011	884	1,009	1,354	2,517	1,435	2,216
2012	862	922	1,497	1,812	1,366	2,121
2013	1,848	1,270	1,931	2,849	2,208	3,407
2014	1,853	3,263	3,072	2,447	2,186	2,697
2015	2,873	2,278	2,512	2,604	2,783	3,628
2016	1,798	2,609	2,830	1,988	2,142	2,586
2017	2,196	1,461	2,678	3,909	2,864	3,350
2018	3,077					

*Shaded month indicates lower sales than that same month last year

	Jul	Aug	Sep	Oct	Nov	Dec
2011	3,481	2,973	1,733	1,445	1,158	1,837
2012	3,718	3,725	1,951	2,653	1,207	1,344
2013	4,351	4,121	2,314	2,048	1,872	1,965
2014	3,838	4,283	3,045	2,528	1,412	1,635
2015	4,862	4,356	2,609	3,216	2,258	2,157
2016	4,861	3,410	2,716	2,647	1,930	2,103
2017	4,666	3,701	2,218	3,022	2,793	3,491
2018						

	TOTAL	Jan - June
2011	\$ 22,042	\$ 9,415
2012	\$ 23,178	\$ 8,580
2013	\$ 30,184	\$ 13,513
2014	\$ 32,259	\$ 15,518
2015	\$ 36,136	\$ 16,678
2016	\$ 31,620	\$ 13,953
2017	\$ 36,349	\$ 16,458
2018		

Appendix 3: BLM Update 2/28/18 – Ryan Cooper

Past Events

Birthday Hike-in

Was a great success. Estimated 300 people 115 on the regular tour the rest hiked out.

Projects

Communication Tower:

Move dead line is March 2018. There is a walk thru with CHP potential crane contractors.

Fog Signal Bldg. (FSB):

Everyone is up to date on the progress of the FSB. Dan is working hard and doing great work.

Special Event:

March 23 rd	Whale team arrives
April 14 th	Sunset / Whale Watch Tour
April 29 th	Meet the Scientists Day

Educational Outreach:

Bauer Speck	Feb. 29 th
Del Mar	March 16 th
Baywood	April 6 th

Duplex and Keepers Cottage

Beth is working on the foundation plan and I am planning on getting everyone together again with Beth in early 2018.

Planning

Draft Schedule is on hold. The archaeologist and I would like to meet with the Native American groups before we start. Hopefully that will be in April.

Tour Numbers

Month	2014	2015	2016	2017	2018
October	637	605	516	500	506
November	622	503	474	357	481
December	404	464	426	273	829
January	661	731	623	266	396
February	573	570	572	284	591
March	696	754	560	502	
April	663	616	581	666	
May	432	629	352	572	
June	658	916	521	787	
July	1178	990	850	1125	
August	985	809	693	836	
September	601	481	442	437	
Total	8110	8068	6610	6605	

Status Report as of February 26, 2018

The Board approved the additional cost for Phase 1 of \$21,400 for the replacement of the metal truss plates. Board approval for the transfer of additional funds from Fidelity Investments is required.

Progress has been made on all the tasks of Phase 1. Dan (Wellsona) expects to have all the brickwork complete in 2-3 weeks. It has been decided that the installation of the steel beams will be done as Phase 2 instead of Phase 3 as originally proposed. The beams have been purchased and fabrication tasks will be done once Phase 1 is complete.

The steel beams will need to be galvanized and that will take about 2 weeks. Dan will start some of the preliminary woodwork needed to tie in the diaphragm of the roof to the top of the brick walls and the additional truss struts. This is the first step of Phase 3.

Shoreline Engineering is evaluating whether the metal bolts that fasten the wooden trusses are in need of repair. The results of that assessment could impact cost and schedule targets.

The necessary paperwork (SF 424, 424A) for funding Phases 2 and 3 has been drafted and reviewed by Ryan. He indicated that getting the funds from BLM under the terms of the cooperative agreement could take additional time because of the costs defined (@\$145,000). This may require the PBLSA to advance additional funds from the investment account until BLM reimbursement is finalized.

Final forms will be completed and submitted to BLM following the upcoming Board meeting.

Harry M. Thorpe, Jr.

Appendix 5: Tower Report 2/28/18 – Jim Harris

Summary of tower top project – Jim Harris 2/28/18

Bruce Elster continues to enter data for the exterior encapsulation design into the computer simulation model for the tower, and assists with the engineering issues associated with the Fog Signal Building construction and Dan Murphy. He will be meeting with Professor Cole McDaniel on Thursday this week; they plan to discuss a number of issues including additional empirical testing of the light station tower, acquiring Cal Poly student interns to assist with the tower computer model input, and similar engineering efforts at the Point Sur light station. Bruce mentioned that the Coast Guard approved moving the first order Fresnel lens at Point Sur to the light station either at its original place in the tower, in their Fog Building, or at different locations at the station. I suggest that we follow the Point Sur lens plans in preparation for the tower and light station restoration planning, especially after the Jim Woodward's evaluation visit.

Appendix 6: Power Lines Report 2/28/18- Jim Harris

Summary of underground utilities project – Jim Harris 2/28/18

Continuing our saga on developing plans to put our utilities underground, we now have an application for service (#114248969) filed with PG&E, and Bob Burke is our PG&E contact person. We spoke by phone on February 22, 2018, with the conclusion that Bob needed to know the meter number at the light station before proceeding with any effort. He reminded me that in order to initiate PG&E's work that they require a deposit of either \$5K or \$10K (not clear which is required at this time) and if work does not proceed after a year, then the deposit is forfeited. He asked how the PBLSA plans to pay for the effort, which he estimates will cost about \$200-250K (note that this estimate does not include the "trenching costs" and the preparation of the transformer pad at the light station; I replied that the PBLSA board is responsible for funding. Ryan is going to provide the meter number, which I will provide to Bob. Remember that the Rule 20a (PG&E and SLO county share the costs) is a seven year waiting list, rule 20b is shared cost by all parties to be negotiated, and the default Rule 20c is that we pay for the project. We cannot negotiate until we see where our application for service goes. Currently it is expected that Rule 20c will be the course of action (we pay) and we need PG&E to inform us of their cost. Therefore, to proceed with the project, for our negotiations with PG&E, I recommend that the PBLSA board authorize the commitment of up to \$10K to submit a deposit to PG&E to initiate their effort to prepare engineering design documentation with the understanding that the PBLSA will have to provide something on the order of \$250K within a year or so to cover construction costs. Otherwise, the PBLSA should consider putting this project on hold until the funding issue can be addressed (capital campaign planning).