



# Sunset Beach Sanitary District

**P.O. Box 1185**

**Sunset Beach, CA 90742**

**(562) 493-9932**

**[www.sunsetbeachsd.org](http://www.sunsetbeachsd.org)**

**Minutes for the General Meeting of the Board of Directors**  
**January 14th, 2016 - 7:00 p.m. - Sunset Beach Woman's Club**

**Directors present:** President John Woods, Secretary Graham Hoad, Director Jon Regnier and Director Bernard Hartmann.  
**Staff present:** Superintendent Jim Caslin, Engineer Tom Dawes, and Clerk Chris Montana.  
**Community:** None.

President Woods called the meeting to order at 7:00 p.m.

Community Input/Board Member Items: None.

Review and Possible Approval of the December 3rd, 2015 General Meeting Minutes: After Directors reviewed the December 3rd, 2015 Minutes for the General Meeting of the Board, Director Regnier moved to approve as prepared. Director Hartmann seconded, and the motion was passed unanimously.

Current Bills: Clerk Montana presented the January 14th, 2016 Claims Transmitted for Payment, in the amount of \$139,897.41, which included the final payment of \$80,000 to the City of Huntington Beach for the Warner Sewer Project. Director Regnier moved to approve as prepared, Secretary Hoad seconded, and the motion was passed unanimously.

Treasurer's Fund Balance Report: In Treasurer Griffin's absence, Clerk Montana reported the Fund Balance as December 31, 2015 to be \$1,062,469 and reviewed the trial balance with the Board.

Clerk's Report: Clerk Montana reported that bank reconciliations, no-spill reports, and website were up to date. The Clerk also reported that all quarterly and annual payroll tax reports had been timely filed and that audit fieldwork for fiscal year 2015 was underway. An upcoming Prop. 218 and Rate Setting workshop was discussed and the Board authorized two Directors and the Clerk to attend. The 2015 Directors Stipends Schedule (including applicable mileage and payroll taxes) was distributed for review.

**MOTION:** Director Regnier moved to approve the 2015 Directors' Stipends Schedule in the amount of \$7,772.31 and payment as calculated. Secretary Hoad seconded and the motion passed unanimously.

The Smart Cover Annual Warranty Renewal was presented to Board and staff for consideration:

**MOTION:** Director Regnier moved to approve the Annual Warranty for parts and labor for 15 manhole covers for the period 02/01/2016 through 01/31/2017 in the amount of \$11,985.00. Secretary Hoad seconded and the motion passed unanimously.

Superintendent's Report: - See attached. The Superintendent also discussed ongoing issues encountered with the residents at A-95 Surfside not properly storing refuse containers and therefore violating the District's trash ordinance. The Board authorized the District Engineer to draft a letter to the resident and authorized the staff to enforce the ordinance as necessary, including the removal of containers.

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Engineer's Report: - See attached. After review and discussion of items presented in the Engineer's report, the following motions were made and carried:

**MOTION:** Director Regnier moved to approve contract with Ayala Engineering for the repair of the Broadway wet well in an amount not to exceed \$18,000. Director Hartmann seconded and the motion passed unanimously.

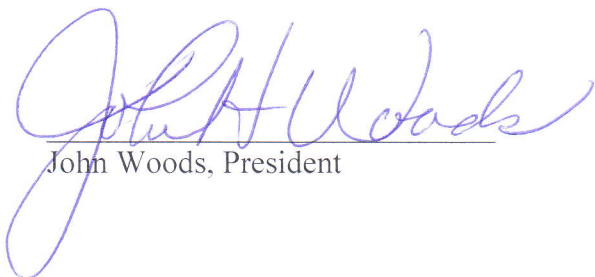
**MOTION:** Director Regnier moved to approve contract with Performance Pipeline for sewage bypass for an estimated cost of time and materials of \$9,000. Director Hartmann seconded and the motion passed unanimously.

**MOTION:** Director Regnier moved to increase the current contract with Jones Cahl for the design of the generator from \$23,180 to \$36,096. Director Hartmann seconded and the motion passed unanimously.

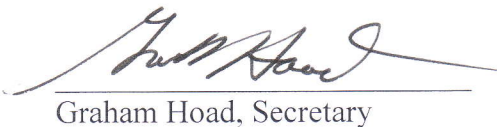
**MOTION:** Director Regnier moved to approve a contract with Performance Pipeline to TV the entire sewer line of the District for an estimated cost of \$1.50 per square foot, or \$38,000. Secretary Hoad seconded and the motion passed unanimously.

New Business / Board Member Items: None.

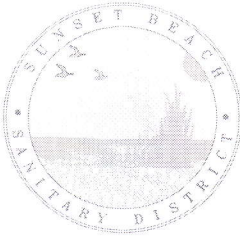
Adjournment: There being no further business to come before the Board, Director Hartmann moved to adjourn the meeting at 8:10 p.m., Director Regnier seconded and the meeting was unanimously adjourned.



John Woods, President



Graham Hoad, Secretary



## Sunset Beach Sanitary District

Of Orange County

P.O. Box 1185

Sunset Beach, CA 90742

Superintendent's Report

Board Meeting

January 14, 2015

1. No Emergency call-outs during this period. Increased Flows due to heavy rains and tidal surge.
2. Review Flow reports **(I'm only the messenger)**.
3. Check-valves at Broadway Station needed to be cleaned again due to additional debris. **(Staff, Flow-Services)**
4. Smart Cover repaired - F-2. E-Box replaced \$2,700.00 covered under warranty. **(Staff and Hydronix)**
5. Safety Training completed "Workplace Violence". **(Staff)**
6. Maintenance and repair issues discussed during the November & December Board meetings will be addressed during our Engineer's report plus recommended Board Actions. **(Staff)**
7. Any updates to this Report will be presented at the Board Meeting.

## MEMORANDUM

January 8<sup>th</sup>, 2016

To: Board of Directors of the Sunset Beach Sanitary District  
District Counsel  
Superintendent  
District Clerk

From: Tom Dawes

SUBJECT: Engineer's Report for the January 14<sup>th</sup>, 2016 Regular Board Meeting.

### **1. Broadway Pump Station.**

#### **A. Emergency Generator**

Not much to report at this time. We have the Coastal and AQMD permits at this time, and approvals from HB Plumbing Inspection and Fire. We still need HB Electrical and Building. Then the Building Permit can be issued. We completed the utility search we requested last month with good results at a cost of \$550. We have heard nothing from HB Public Works except that the Agreement we prepared is under review by the City Attorney's office. All this for a three sided generator enclosure, than goodness it's not four sided.

#### **B. Maintenance Issues**

There are a number of long term maintenance issues that need addressing, totaling about \$60,000 in cost and I wanted to discuss them all so that it doesn't seem so piecemeal

First, the Superintendent previously reported that certain equipment in the electrical motor control panels need replacing. That work is nearly done; costs will be around \$20,000.

He also reported that we would do an inspection of the wet-well; we did and repair work is needed. The coating at the bottom of the wet well, probably 15 years old, needs to be replaced along with other minor work. To repair it, we must dry it, which means a complete sewage bypass. The job is estimated to take 3 days, working only regular hours. All the line plugging and wet-well work requires confined space entries. We are proposing to use Ayala Engineering to do the wet-well repair and have solicited a proposal from them in the amount of \$18,000. We are proposing to use Performance Pipeline for the bypass work on a time and materials basis with an estimated cost of \$3,000/day or about \$9,000. We are proposing to use these contractors because we have confidence in them, and believe we have reasonable costs.

Separately we must replace the 2 in-ground gate valves that allow us to direct pumped sewage to either the 10-inch line in North Pacific Avenue to Warner, or the 6-inch force main to Warner. However this is not an urgently need item, so we will do it as part of the publically bid Generator contract. It will cost about \$10,000.

The only good news is that we probably would have had to do all of the above to the Warner PS.

**Recommended Action: Approve contract with Ayala Engineering for Repair of the Broadway Wet well in an amount not to exceed \$18,000; and Performance Pipeline for sewage bypass with an estimated time and materials cost of about \$9,000.**

### **C. Fee increase Allowance for Jones-Cahl.**

In February, 2015, your Board authorized a design contract with Jones-Cahl in the amount of \$23,180 based on a scope of work I envisioned. The design work is done, and we are awaiting permits (which could add more work), and we are nearly out of funds. I never envisioned the amount of work needed to get the permits, and now am requesting an increase in the available funding from \$23,180 to \$36,096. I believe that increase will get us through construction (including surveys) and preparation of record drawings.

**Recommended Action: Authorize an Increase in Available Funding from \$23,180 to \$36,096.**

### **2. Warner Avenue Gravity Sewer Meter.**

The December Flows were erratic and high. I will meet with the meter manufacture to discuss my concerns; we already are making some changes. We will update you at the meeting.

### **3. In-Line TV Recording of all Sewers.**

We last did a complete TV inspection of our sewers in 2004. Current guidelines say we should do it every 5 years. Although we do not believe we have a serious problem, we have some concerns about infiltration we noticed during recent high tides. We would like to TV the entire system, and in a manner we have not done before. We want the address of each connection on each sewer lateral, with a note as to the observed condition.

This will aid us in remodeling and new construction permits. We plan to soon discuss new permit conditions with you and lateral condition will take on a new significance.

We are proposing to hire Performance Pipeline for this work, and estimate the cost around \$1.50 per foot, or \$38,000. We would like to proceed quickly since we just cleaned the lines.

**Recommended Action: Authorize Performance Pipeline to proceed with a TV inspection of the entire collection system at a cost not to exceed \$38,000.**

#### 4. Consideration of Fee Increase.

We should probably have a discussion on our fees. We haven't raised our fees in over 10 years, and I believe we have the lowest fee structure in the County. We get about half our annual revenue from our share of the Basic Levy, the other half from our sewer and trash fees. I believe that if we get our Broadway Generator project awarded, we will close out this fiscal year with approximately \$1 million dollars. Our operating costs will generally be less than previous years, and this February we make our last \$80,000 payment to the City of Huntington Beach for the Warner Pump Station Abandonment. This is all good news. Starting in Fiscal 2016-17, we should be able to save about \$175,000 per year, the surplus of expected revenue less operating costs.

Our last big need, the Broadway Siphon replacement project, will cost at least \$1 million. We have always strived to have a healthy reserve to tide us over should a disaster strike, and previously said it should be at least \$600,000. I believe it will take about 3 years to get a replacement project out; it hasn't been started because we don't have the funding.

We know our sanitation disposal costs will rise each year, as they have in each of the last several years. We don't know about our trash costs, but Rainbow has sold out, and the history of takeovers and costs is not encouraging.

A \$10 fee increase would yield about \$12,000 per year. If the fee increase is an additional \$10 per year, cumulative, in each of the next 5 years, that would yield a total of about \$180,000 total.

Here are some very rough estimates:

<u>End of Fiscal Year</u>	<u>Funds Avail.</u>	<u>Funds Avail w/Increase</u>
2015-16	\$1,000,000	\$1,000,000
2016-17	1,175,000	1,187,000
2017-18	1,350,000	1,374,000
2018-19	1,525,000	1,597,000

By 2018 we should award the siphon replacement and if we spend \$1,000,000, we would be low on reserves. All these figures are back of the envelope estimates. If there is interest in a fee increase, I can work up better estimates. To comply with Proposition 218, we would need to send out a notice and have a hearing before raising fees for fiscal 2016-17.