



# Sunset Beach Sanitary District

P.O. Box 1185, Sunset Beach, CA 90742

(562) 493-9932

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

## AGENDA FOR THE GENERAL MEETING OF THE BOARD

THURSDAY, JULY 10th, 2014

7:00 P.M.

**SUNSET BEACH WOMAN'S CLUB**

**16812 Bayview Drive, Sunset Beach**

In accordance with the requirements of California Government Code Section 54954.2, this Agenda is posted not less than 72 hours prior to the meeting date and time above. All written materials relating to each agenda item are available for public inspection in the office of the District Clerk.

The District complies with the provisions of the Americans with Disabilities Act. Anyone needing special assistance please contact the District's Clerk at least one business day prior to the meeting so that we may accommodate you.

### 1. Community Input

*Any person may address the Board of Directors at this time upon any subject within the jurisdiction of the Sunset Beach Sanitary District; however, any matter that requires action must be referred to a subsequent Board meeting, at the discretion of the Board.*

### 2. Minutes of the June 12th, 2014 General Board Meeting

### 3. Current Bills

### 4. Treasurer's Report - Fund Balance

### 5. Clerk's Report

### 6. Superintendent's Report

### 7. Engineer's Report

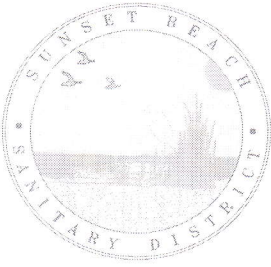
a. Review, Discussion and Possible Approval of Change Order No. 1 to Agreement with Bensfield Engineering, Inc. in the amount of \$17,074.00 and time extension of 10 days.

### 8. Discussion and Possible Action to Vote for Candidate to CSDA

### 9. New Business / Board Member Items

*This part of the Agenda is reserved Board members to discuss issues that are not on the Agenda, and/or to request that specific items be placed on a future Agenda. No Board action may be taken on these items that are not on the Agenda.*

### 10. Adjournment



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## Minutes for the General Meeting of the Board of Directors

July 10th, 2014

7:00 p.m. - Sunset Beach Woman's Club

**Directors present:** President John Woods, Treasurer Greg Griffin, Secretary Graham Hoad, Director Jon Regnier

**Staff present:** Engineer Tom Dawes, Superintendent Jim Caslin, Clerk Chris Montana.

**Community:** None.

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

Community Input: None.

Minutes of the June 12th, 2014 General Board Meeting: The Directors read the minutes of the June 12th, 2014 General Meeting of the Board of Directors. Director Regnier moved to approve the minutes as prepared. Treasurer Griffin seconded. The motion was passed unanimously.

Current Bills: The Directors reviewed Claims Transmitted for Payment dated July 10th, 2014, totaling \$131,853.63. Treasurer Griffin moved to approve the Claims Transmitted for Payment as prepared. Secretary Hoad seconded. The motion was passed unanimously.

Treasurer's Fund Balance Report: Treasurer Griffin reported the Fund Balance as of June 30th, 2014 to be \$1,857,692.

Clerk's Report: Clerk Montana reported that no-spill reports had been electronically filed with CIWQS. The Clerk also reminded the Directors up for re-election (Griffin and Hartmann) to file necessary papers with the Registrar of Voters if they intend to run for re-election. Clerk also reported that the bi-annual audit had been completed with no adjustments being made and that Notice for annual assessment would be published. The Clerk reviewed the June 30, 2014 fiscal year-to-date financial report with the Board.

Superintendent's Maintenance Report: - See attached.

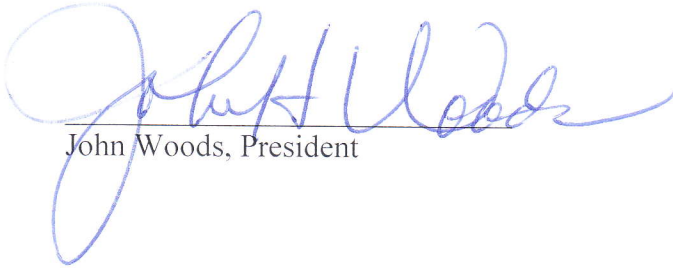
Engineer's Report: - See attached. After review and discussion with the District Engineer Dawes, a motion was made and carried as follows to approve Change Order No. 1 with Bensfield Engineering, Inc.:

**MOTION:** Director Regnier moved to approve Change Order No. 1 to Agreement with Bensfield Engineering, Inc. in the amount of \$17,074.00 and to grant to time extension of 10 calendar days due to both additional work that was not part of original contract and unforeseen digging problems as detailed in Engineer's Report. Treasurer Griffin seconded and the motion passed unanimously.

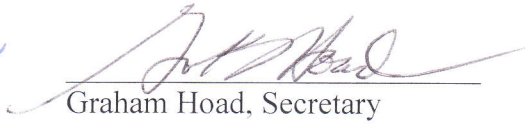
Discussion and Possible Action to Vote for Candidate for CSDA: No action taken.

New Business/Board Member Items: None.

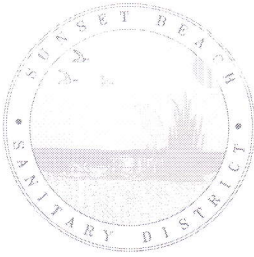
Adjournment: There being no further business to come before the Board, Director Regnier moved to adjourn the meeting at 7:55 p.m. Secretary Hoad seconded. Meeting was unanimously adjourned.



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

July 10, 2014

1. One Emergency Call Out. Edison issues at Broadway Pump Station. **(Staff)**
2. Emergency Phone Dialer back in service at Warner Station. **(Flo-System & Staff)**.
3. Smart Cover Alarm issue resolved (F-2) Damaged antenna. **(Hydronex & Staff)**.
4. Annual flows sent to City of Huntington Beach and O.C.S.D. (76,612,000 gal). Increase of +190,000 gal from 2012/2013. .
5. Scheduled maintenance for this month as follows:
  - a. Clean, Jet and Degrease entire system including wet wells.
  - b. Pump Station Maintenance/Safety Checks (Warner and Broadway). **(Staff, Performance Pipeline & Flo-Systems)**.
6. All District Equipment serviced and inspected. No issues noted. **(Staff)**.
7. Review Flow Reports
8. All updates to this report will be presented at the Board Meeting.



# MEMORANDUM

July 3, 2014

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

From: Tom Dawes

SUBJECT: Engineer's Report for the July 10<sup>th</sup>, 2014 Regular Board Meeting.

## **1. Surfside Avenue Sewer Replacement.**

The temporary water line was completed, and 17 homes were connected to it without incident. We distributed a letter to homeowners a couple of days ahead of the water service disruption, and knocked on their doors when we were ready to do it to see if there would be any problems. The relocated permanent water line is under construction, and will probably be completed about the time of the meeting and we will soon follow the same notification procedure when we do the second, and final, water service switch to it. The contractor has started working on the B-Row laterals

### **Change Order No. 1**

I'm recommending approval of Change Order No. 1, adding \$17,074.00 and 10 calendar days. The changes fall into two categories: added work that was not a part of the contract, and underground digging problems.

There are two issues in the added work. First, we are recommending replacement of the bolt down manhole frame and cover at the start of the job. It's not part of the contract, but it is in poor condition, and this is the ideal time to do it. It will cost \$2,574 and would not be subject to the reimbursement agreement with Surfside Colony since it is an unrelated maintenance project.

Second are a series of actions and costs related to water service. As you may recall, the homes at B111; 112 and 115 are served water from Pacific Ave., (C-Row). We are installing services and meter boxes for these 3 homes as part of our contract work. The first addition is hooking these 3 houses to the new line in Surfside Avenue. The work includes installing meters in the boxes, a connector from the meter to the house, and abandoning the existing water service connection in Pacific Avenue. All of this is explained in the several items in Change Order No 1, and will cost an additional \$7,934.00. Some of this, \$1,770.00, will be paid by extension of bid items, the rest via this Change Order No.1 if approved, and when the work is done. All costs will be paid by Surfside Colony under the existing reimbursement agreement and these actions were requested and approved by them. Also included is replacing 17 existing water meters with new ones (furnished by the city). This addition was requested by the City and approved by Surfside Colony.

The second category is unforeseen digging problems. While excavating for the existing waterline, we found solid asphalt and concrete dumps. This rubble was not placed in the 1950's after the washout; it was dumped as part of the undergrounding project in the 1990's. Getting through this rubble cost us money and time. I decided it would be in our best interest to get a 'breaker' on the job, an attachment to the Contractors excavator. Adding this piece of equipment has and will eliminate additional rubble cost removal and delay. To date, the poured asphalt and concrete we have found have cost \$2,810.

## **Future Changes**

We have found the existing pavement to be nearly 5-inches thick all over, greater than the 3-inches on the plans or what we found in the potholing we did. We will face extra costs for removal and disposal of the additional asphalt and for installing a thicker pavement than we anticipated. I believe the most cost effective and least disruptive way to install the new pavement is to simply place a thicker course than intended. This will add several thousand dollars.

While excavating for the new water line, we hit so much poured concrete and asphalt, and other rubble that the excavated material is not suitable for backfill. While removing this rubble, we undermined the roadway and private garage approaches; it will be difficult if not impossible to compact soil for backfill under the garage approaches. Therefore, we are removing the excavated rubble from the job, and will backfill with low strength slurry. I believe it will take about 30 yards to do the job. We have agreed to pay for the slurry, in the range of \$3,000, while the contractor will pay for removal of the rubble and installing the slurry.

Finally our contract calls for the removal of the old water line. This is normally the proper way to proceed. However, after finding all the dumped asphalt and concrete on it, removing it could cost far more than the bid item to do it, so I'm planning to leave the line in place and take the bid credit (\$1,150).

**Recommended Action: Approve Change Order No. 1, Adding \$17,074 and 10 Calendar Days to the Contract.**

### **2. Emergency Generator for Broadway Pump Station.**

Our preliminary plans have been submitted to the City of HB. Hopefully I'll have an update on the status of the project at the meeting.

### **3. Warner Avenue Gravity Sewer.**

The City's contractor has started our connector. Right away we found a conflict between our force main and a planned new manhole. We resolved it by delaying the stacking of the full manhole until we can take the force main out of service. It will add an extra charge to the job. The project has fallen behind schedule about two months due to other unforeseen buried conduits problems. The new completion date is about January 1, 2015. I'll update you at the meeting

### **4. Updated Estimate of Capital Costs, Schedule, and Available Funding.**

I've taken a look at our capital program now that the Surfside Sewer Replacement is under construction and our costs for this project are much clearer. I've reviewed our net surplus, defined as the sum of our collected tax revenue and current fees, less our normal operating costs (all costs but capital). For fiscal year 2013-2014, that netted about \$85,000, similar to past years.

On the revenue side, we receive a share of the Basic Levy, which is rising, but none of our fees are rising. We collect fees of \$390 per year for trash and sewage collection, treatment and disposal, and minor amounts for other services.

Our major operating costs are (1) the fees we pay to collect and dispose of MSW; (2) the fees we pay OCSD and HB to transport and dispose of sewage; and (3), the 'in-district' charges for staff, maintenance, utilities, rent and all other operating costs.

The \$85,000 is the positive difference between revenue and expense.



Our Capital program is a big burden on our District. Our four most urgent projects are the abandonment of the Warner Pump Station (now under construction), the Replacement of the Surfside Avenue Sewer (now under construction), the Installation of a Permanent Generator at the Broadway Pump Station (now in permitting), and the Replacement of the Broadway Siphon (now in planning). The projects that are under construction are slightly lower than estimated, so our fiscal outlook is a little bit brighter.

I believe our budget of \$450,000 in fiscal 2014-2015 for Warner is on target. That includes \$425,000 to pay HB for the connector and abandonment, plus \$25,000 for unknown changes, such as utility problems, plus funds to install our new gravity meter (by a separate contractor).

We have budgeted \$500,000 for Surfside, which I believe is also accurate. However we will separately receive reimbursement for some of those funds, and a small portion was in fact spent in June of fiscal 2013-2014, so I believe the net additional outlay will be about \$400,000.

If we get lucky, we will be able to install our generator in Fiscal 2014-2015 at the Broadway Pump Station. To do that, we must receive the necessary permits, do the design, bid the work, and build it. I'm thinking we can do a lot this year, but we will probably spend the construction funds in 2015-2016.

I believe we will spend all of 2014-2015, and 2015-2016 permitting and designing the replacement siphon at the Broadway channel. I think the cost will be about \$1,000,000, largely spent in 2016-2017. It's a very preliminary estimate.

Some of the unknowns we might face include a possible increase in MSW costs. We do know that we will receive increases from OCSD of 10-15% per year. We also know that our last \$80,000 payment to HB for the Warner Gravity Sewer occurs in Fiscal 2015-2016. Finally, we will enjoy savings by the abandonment of the Warner Pump Station, now scheduled for January, 2015.

Many of these increases in tax revenue and increases in operating cost are impossible to accurately know, since we have little control over them. However, based on all of this, I recommend we plan for net savings \$85,000 per year for fiscal 2014-2105, and 2015-2016. We can increase this to \$165,000 per year for the next 2 fiscal years.

Our net cash balance for the next 4 years would then look like this:

<u>Fiscal Year</u>	<u>Net Savings</u>	<u>Capital Outlay</u>	<u>Cash Balance</u>
2013-2014			\$1,840,000
2014-2015	\$85,000	\$850,000	\$1,075,000
2015-2016	\$85,000	\$150,000	\$1,010,000
2016-2017	\$165,000	\$1,000,000	\$175,000
2017-2018	\$165,000	0	\$340,000