



Sunset Beach Sanitary District

P.O. Box 1185

Sunset Beach, CA 90742

(562) 493-9932

www.sunsetbeachsd.org

Minutes for the General Meeting of the Board of Directors

August 13th, 2015 - 7:00 p.m. - Sunset Beach Woman's Club

Directors present: President John Woods, Treasurer Greg Griffin, Secretary Graham Hoad, Director Bernard Hartmann, and Director Jon Regnier.
Staff present: Superintendent Jim Caslin, Engineer Dawes, and Clerk Chris Montana.
Community: Mr. and Mrs. Kobus of Surfside Colony, Fidel Rodriguez (contractor).

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

Community Input/Board Member Items: None, other than the following item:

Presentation by Homeowner Kobus of Surfside and Possible Action Re: Damaged Sewer Lateral:

Mrs. Kobus opened the discussion by stating that she didn't understand how her sewer lateral had been damaged and relocated. District Engineer Dawes presented photographs of the sewer lateral immediately after the District had completed work on her lateral related to the Surfside A-Row sewer line replacement, and explained to everyone present that the lateral's current location and physical condition is different from when the District had completed the job. The Kobus' paving contractor, Mr. Fidel Rodriguez, stated that when he originally inspected the lateral, the color of the pipes were white. The District Engineer reported that no white pipe had been used in the District's Surfside Sewer Project. After discussion and further review of photos and construction plans, the Board unanimously agreed that damage, replacement of parts, and relocation relating to the Kobus' lateral must have occurred after the District had completed their work. It was also agreed and that the lateral had to be repaired for health and safety reasons. President Woods commented that if evidence suggested that the District was at fault, that he believed the Board would vote to repair the lateral. However, if the damage was the result of another party, then public funds could not be used for the repair. A motion was made and carried as follows:

MOTION: Director Regnier moved that if after the Kobus' hired contractor opens up the ground where lateral is located, and, after inspection by District Engineer and/or Board members and staff, it is determined that the damaged lateral is the result of District work, then the District will pay for the repair of the lateral. However, if it is determined that the damage was not caused by the District, then the District would not reimburse the Kobus' for the repair of the lateral.

Mr. and Mrs. Kobus thanked the Board for addressing their issue and, after being reminded that they were welcome to stay for the remainder of the meeting, exited the meeting.

Review and Possible Approval of the Minutes of the July 9th 2015 Annual Board of Equalization Meeting: After the Directors reviewed the minutes of the July 9th, 2015 Annual Board of Equalization meeting, Treasurer Griffin moved to approve the minutes as prepared. Secretary Hoad seconded and the motion passed unanimously.

Review and Possible Approval of the Minutes of the July 9th, 2015 General Meeting of the Board: After the Directors reviewed the minutes of the July 9th, 2015 General Meeting of the Board of Directors, Treasurer Griffin moved to approve the minutes as prepared. Director Regnier seconded, and the motion was passed unanimously.

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Review and Possible Approval of the Minutes of the July 9th, 2015 Closed Executive Meeting of the Board: After the Directors reviewed the minutes of the July 9th, 2015 Closed Executive Meeting of the Board of Directors, Treasurer Griffin moved to approve the minutes as prepared. Director Regnier seconded, and the motion was passed unanimously.

Current Bills: Clerk Montana presented the August 13th, 2015 Claims Transmitted for Payment, in the amount of \$80,171.73, to be submitted to the County Auditor for processing. Also presented was a separate Claim for \$10,939.52 for payment to Hadronex, Inc. This Claim was presented separately, since Hadronex, Inc. was currently recalculating due to discrepancies noticed by Clerk. Treasurer Griffin moved to approve the Claims Transmitted for Payment in the amount of \$80, 171.73 as prepared, and the Claim to Hadronex, as it may subsequently be adjusted, as long as it does not exceed the proposal approved per the January 8th, 2015 minutes for \$11,980. Director Hartmann seconded and the motion was passed unanimously.

Treasurer's Fund Balance Report: Treasurer Griffin reported the Fund Balance as of Period 13 June 30, 2015 to be \$1,140,301.

Clerk's Report: Clerk Montana reported that the 2nd Quarter payroll tax returns had been timely prepared and filed. It was also reported that 6 new trash cans had been delivered to new units on N. Pacific and Anderson. Also, accounting work had been performed to close out the District's 2014-2015 fiscal year.

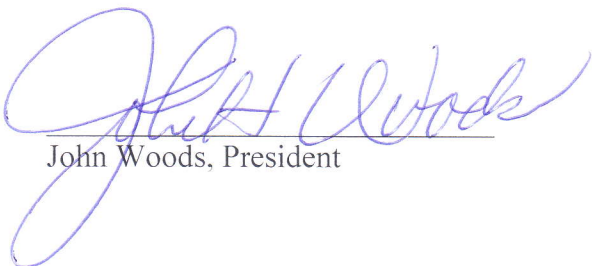
Superintendent's Report: - See attached. Also, Superintendent Caslin presented to the Board for possible approval a proposal from Ayala Engineering in the amount of \$55,455.00 to replace 43 steel manhole covers and rings with composite frames and covers. The Superintendent recommended approval of the proposal to increase the safety of District staff. After review and discussion, a motion was made and carried as follows:

MOTION: Director Regnier moved to approve the proposal from Ayala Engineering in the amount of \$55,455.00 to replace 43 steel manhole covers and rings with composite frames and covers. Treasurer Griffin seconded and the motion passed unanimously.

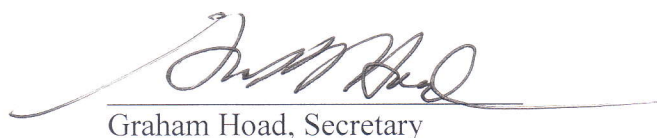
Engineer's Report: - See attached

Board Member Items: Director Regnier reminded Board members and staff of prior discussions of connection and permit fees and suggested that the District's policy be reviewed in the near future.

Adjournment: There being no further business to come before the Board, Director Hartmann moved to adjourn the meeting at 8:17 p.m. Secretary Hoad seconded and meeting was unanimously adjourned.



John Woods, President



Graham Hoad, Secretary



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RESOLUTION NO. 2015-09-01

The approval of the Sunset Beach Sanitary District Budget is contained in the minutes of the September 10th, 2015 Board Meeting as follows:

MOTION: To approve the budget of \$1,442,410 for the fiscal year 2015-2016 and to certify that the tax rates are levied in accordance with Sections 93 and 96.31 of the Revenue and Taxation code, as applicable.

Motion made by: *Treasurer Griffin*

Seconded by: *Director Regnier*

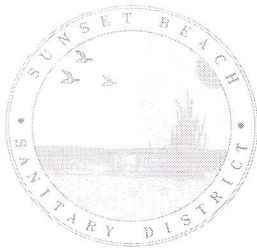
Ayes: *5*

Nays: *0*

Absent: *0*

John H. Woods, President

Graham K. Hoad, Secretary



Sunset Beach Sanitary District

Of Orange County

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Superintendent's Report

Board Meeting

September 10, 2015

1. New Composite Manhole covers being installed at this time.
2. No Emergency Call-Outs during this reporting period.
3. Review Flow Report - 4 year coverage beginning from December 2011.
Please note that our pump hours have remained constant during this time period, remaining at six (6) hours per each 24 hour period: meaning that our flows have remained fairly constant at the same levels.
4. During manhole cover replacement, we discovered several areas where the lining material was breaking off and going into our system. These areas will have to be repaired. I will give a full report of the manholes that need to be recoated as soon as we finish replacement of the manhole covers. We then will have an accurate count of the manholes that need to be repaired.
5. All systems are operating normally at this time.
6. Any updates to this report will be presented at the Board Meeting.

MEMORANDUM
September 4th, 2015

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

From: Tom Dawes

SUBJECT: Engineer's Report for the September 10th, 2015 Regular Board Meeting.

1. Surfside Sewer: Connection Problem at B-118.

On August 19th, the misaligned house lateral for B-118 Surfside Avenue was exposed and repaired. The damage to it was less than I would have thought. It's clear that the cleanout was rotated about 45 degrees to the south, I think to better align it in the paving stones. When it was twisted, it became misaligned both vertically and horizontally. The coupling held and no sewage ever leaked. It was repaired by the property owner, Mrs. Kobus. I have copied you with the never ending sequence of e-mails on this matter: she believes it's our fault, I know for certain the damage was done under her ownership. Wiser minds than mine say that this is the perfect case for a compromise and I have agreed not to oppose giving her half the costs associated with the misalignment, \$1,060, upon receipt of a signed general release from any future liability associated with her new house lateral. A copy of the release is attached.

Recommendation: Consider paying Mrs. Kobus \$1,060 upon receipt of an executed Liability Release, and authorize the District Clerk to issue said check.

2. Emergency Generator for Broadway Pump Station.

The plans are coming along and I expect to submit the project to the City Community Services, Building, and Public Works Departments by month's end for review. There are some issues I will review with you at the meeting.

3. Warner Avenue Gravity Sewer.

All of our work, including the installation of the new SCE meter was completed this week and approved by Huntington Beach. We expect that SCE will energize today or Tuesday. We are scheduled to have ADT install the meter Wednesday, September 9th.

When the meter is installed, we will have completed a project that started for us in late 2003. The original design was for a new, deep gravity sewer that would discharge to a new, deep pump station to be built at Warner Avenue and Los Patos. The total cost was estimated at about 10 million; our final cost was to be about \$1.35 million (design charges, a share of the new construction, our connector, and our gravity meter). The City required 'micro-tunneling' and the project was started. The new pump station went high, about \$6 million, and the new sewer also went high; more than \$6 million. Our connector was bid at \$411,000, also high. The gravity sewer couldn't be built by micro-tunneling, and the contractor walked off, or was thrown off, and legal proceedings started.

More studies took place and it was decided to build a second pump station and a new force main to the Los Patos pump station. That is now completed at a cost of about \$12 million. Our connector cost about \$470,000 this time. The Warner facilities cost more than \$20 million. Our total cost will be about \$1.45 million when we make the 10th and last interest free \$80,000 payment to the City in February, 2016. Because your Board

approved a fixed contract, our cost didn't increase much, and in fact went from 11% to less than 7% of the total project cost.

It's been a long time to get to this point, but we are now enjoying the benefits. We have reduced the chances of a sewage spill similar to the pump station failure Costa Mesa SD had, and are saving more than \$80,000 per year in maintenance, power, and monitoring costs.

4. Issues Re. Trash Disposal.

I have been in contact with Orange County Waste regarding the rebates we should be receiving had they done their full job. As you may recall, their Director said in his August 5th letter that they would assist us in asking our cities to give back the money the County should not have given them. If you believe their figures, which I'll show you at the meeting, we would get \$2,500. We could spend that much in staff time negotiating, and we may not be successful. I'll seek guidance from you at the meeting.

5. SDRMA Insurance Inspection Issues.

At the August Board Meeting, you received a briefing on the results of an onsite inspection of our facilities and procedures. The next day, the District Clerk, Superintendent and I met to go over the inspection reports. There are two reports, one for our Workers' Compensation Program, and one for our Property and Liability Program. Somewhat related to these inspection reports are our new requirements for work in Huntington Beach streets and alleys.

The Property and Liability Review (11 pages) focuses heavily on employee issues, practices and record keeping. Previously we talked about the need for an 'employee handbook'; most of the recommendations in this review can be accomplished by inclusion in an employee handbook.

The Workers Compensation Review (39 pages) focuses on an Injury & Illness Prevention Program (IIPP) including training, communications, inspections, and record keeping. There is a lot in this report. We do many of the items mentioned, with our monthly safety meetings and SSMP compliance and other forums, but we are not as formal as our carrier would like, and probably do document as well as we should. Many of the 48 issues in this report can be included in an employee handbook; others don't apply, and some will require in-house and outside employee training. We will need to develop new sign-off forms for various activities and files to show we have them. We believe we should begin with the preparation of the employee handbook and in doing that, prepare forms and procedures for record keeping. As we identify training needs, we will report back to you for authority. All of the work should take about 6-months.

Recommendation: Direct the District Clerk, Superintendent, and Engineer to Develop an Employee Handbook, Forms, Procedures, Training and Record Keeping to Comply with the SDRMA Suggestions and Requirements.

6. Invoice for Professional services.

I have submitted an invoice for professional services and expenses at cost for the two month period ending August 31, 2015, in the amount of \$5,223.73. If you have any questions, please give me a call.