

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 September 10th, 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: None.

President Woods called the meeting to order at 6:58 p.m.

Community Input/Board Member Items: None.

Review and Possible Approval of the Minutes of the August 13th, 2015 General Meeting of the Board: After the Directors reviewed the minutes of the August 13th, 2015 General Meeting of the Board of Directors, Director Regnier moved to approve the minutes as prepared. Director Hartmann seconded, and the motion was passed unanimously.

Review, Discussion and Possible Approval of Partial Reimbursement to Property Owner: Engineer Dawes summarized the series of events leading up to his presentation of a Property Liability Release drafted by District legal counsel to be signed by Surfside property owner Kobus in exchange for a partial reimbursement for lateral repairs in the amount of \$1,060. Discussion ensued, and a motion was made and carried as follows:

MOTION: Director Regnier moved to approve a partial reimbursement of property owner Kobus' lateral repair expense upon receipt of an executed Property Damage Release (see attached). Treasurer Griffin seconded, and the motion passed with a vote of 3 to 2, with Director Hartmann and Secretary Hoad in opposition.

Review, Discussion and Possible Recommendation of Director Regnier's Appointment to the Oversight Board for the Successor Agency to the Seal Beach Redevelopment Agencies: After discussion, a motion was made and carried as follows:

MOTION: Secretary Hoad moved to Recommend and Support the Appointment of Director Regnier to Said Agency by the City of Seal Beach. Treasurer Griffin seconded and the motion passed unanimously.

Current Bills: Clerk Montana presented the September 10th, 2015 Claims Transmitted for Payment, in the amount of \$122,710.61, to be submitted to the County Auditor for processing. Treasurer Griffin moved to approve the Claims Transmitted for Payment as prepared. Director Regnier seconded and the motion was passed unanimously.

Treasurer's Fund Balance Report: Treasurer Griffin reported the Fund Balance as August 31, 2015 to be \$1,031,352.

Clerk's Report: Clerk Montana reported that the annual workers' compensation insurance reconciliation had been timely prepared. Clerk Montana reported that in connection with preparing the final County of Orange 2015-2016 Budget that all bank accounts and the Unreserved Fund Balance had been reconciled (see attached),

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and that these final budgeted amounts were included in the current month's financial report. The Clerk distributed Resolution No. 2015-09-01 to approve the Orange County Auditor Controller 2015-2016 Special District Budget and a motion was made and carried as follows:

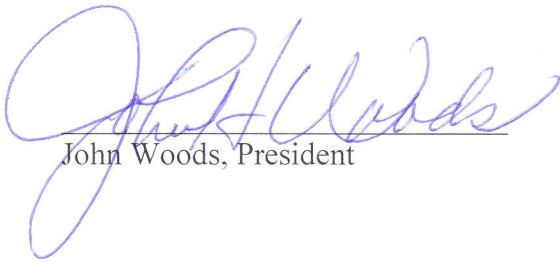
MOTION: Treasurer Griffin moved to adopt Resolution No. 2015-09-01 (see attached) to approve the District's 2015-2016 Orange County Auditor Controller Budget in the amount of \$1,442,410. Director Regnier seconded and the motion passed unanimously.

Superintendent's Report: - See attached.

Engineer's Report: - See attached. In addition, the District Engineer requested the Board's authorization for the District Engineer, District Clerk and Superintendent to develop an Employee Handbook, forms, procedures, training and record keeping in order to comply with the District's insurer's (SDRMA) suggestions and requirements. A motion was made and carried as follows:

MOTION: Director Regnier moved to authorize Staff to draft an Employee Handbook and other related documents for presentation to the Board for their review and input at a future meeting. Treasurer Griffin seconded and the motion passed unanimously.

Adjournment: There being no further business to come before the Board, Director Hartmann moved to adjourn the meeting at 8:10 p.m., and to set the Board's December meeting for the first Thursday of the month, December 3rd, in order to accommodate the Women's Club holiday party. Director Regnier seconded and the meeting was unanimously adjourned.



John Woods, President



Graham 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.