



# **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 11th, 2018 - 7:00 p.m.**

**Sunset Beach Woman's Club – 16812 Bayview Drive**

**Directors present:** President John Woods, Secretary Graham Hoad, Treasurer Greg Griffin, and Bernard Hartmann

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

**Community:** None

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

Community Input: None.

Nomination/Appointment of Officers of the Board: President Woods opened the floor for the nomination of officers. Discussion ensued and the following appointments were made:

**MOTION:** Secretary Graham moved to appoint John H. Woods as President, Director Hartmann seconded, and the motion was passed unanimously.

**MOTION:** President Woods moved to appoint Graham Hoad as Secretary and Greg Griffin as Treasurer, Director Hartmann seconded, and the motion was passed unanimously.

Review and Possible Approval of the December 13th, 2017 General Board Meeting Minutes: After Directors reviewed the December 13<sup>th</sup>, 2017 General Board Meeting Minutes, Director Hartmann moved to approve as prepared. Secretary Hoad seconded, and the motion passed unanimously.

Current Bills: Clerk Montana presented the January 11th, 2018 Claims Transmitted for Payment in the amount of \$76,810.54 for current bills. After review and discussion, Treasurer Griffin moved to approve as presented, Secretary Hoad seconded, and the motion passed unanimously.

Treasurer's Fund Balance Report: Treasurer Griffin reported the Fund Balance as of December 31, 2017 to be \$1,401,305.

Clerk's Report: Clerk Montana reviewed the trial balance with the Board. The Clerk also presented a Budget Forecast for fiscal years 2017-18 through 2022-23, including projected revenues, expenses and capital expenditures. Discussion ensued and Resolution 2018-01-01 was presented to amend the current year's budget to reflect changes in actual and planned expenses and to further commit funds by approving an amended Cash Reserve Policy. A motion was made and

Sunset Beach Sanitary District  
General Meeting of the Board  
January 11th, 2018 Minutes

carried as follows:

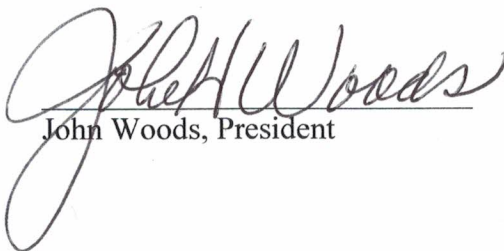
**MOTION:** Secretary Hoad moved to adopt Resolution No. 2018-01-01 to approve the amended fiscal year 2017-18 budget in the amount of \$1,724,939 and to commit funds per the attached Cash Reserve Policy.

Superintendent's Report: See attached.

Engineer's Report: - See attached report. District Engineer distributed a draft of the updated Capital Improvement Policy for review and discussion. District Engineer Dawes agreed to present a second draft at next month's meeting for possible adoption in March.

Report on LAFCO Committee: President Woods reported to the Board that the committee would meet to discuss the completion of a LAFCO electronic survey regarding the upcoming MSR.

Adjournment: There being no further business to come before the Board, Director Hartmann moved to adjourn the meeting at 8:00 p.m., Treasurer Griffin seconded, and the meeting was unanimously adjourned.



John Woods, President



Graham Hoad, Secretary



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**RESOLUTION NO. 2018-01-01**

WHEREAS, the Sunset Beach Sanitary District (District) adopted a County 2017-18 budget on August 9, 2017;

WHEREAS, the District desires to amend the budget due to significantly reduced expenses, and to reclassify and commit excess reserved fund balances per its Cash Reserve Policy;

The approval of the Sunset Beach Sanitary District Amended Budget and Cash Reserve Policy is contained in the minutes of the January 11th, 2018 Board Meeting as follows:

MOTION: To approve the amended budget of \$1,724,939 for the fiscal year 2017-2018 and to commit funds per attached Cash Reserve Policy.

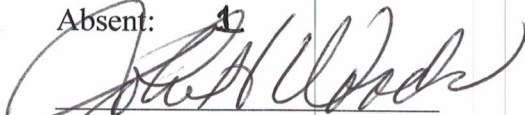
Motion made by: Secretary Hoad

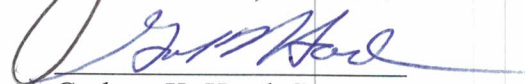
Seconded by: Treasurer Griffin

Ayes: 4

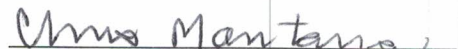
Nays: 0

Absent: 1

  
\_\_\_\_\_  
John H. Woods, President

  
\_\_\_\_\_  
Graham K. Hoad, Secretary

I hereby certify that the above is true and correct:

  
\_\_\_\_\_  
Chris Montana, Clerk of the Board



# Sunset Beach Sanitary District

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P.O. Box 1185  
Sunset Beach, California 90742  
(562) 592-2352

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## CASH RESERVE POLICY

### **Background**

California Government Code Section 53600 subjects all governing bodies of local agencies to the prudent investor standard which requires the Board to act with care, skill, and prudence to safeguard principal and maintain liquidity needs of the agency when investing, purchasing, acquiring or managing public funds.

### **General**

The appropriate level and separation of reserves is critical to the financial health of the District and is necessary for the sustainable delivery of public services. It is the goal of this policy to establish those reserve funds necessary to meet the District's operating and capital financial goals.

### **Policy**

The objective of the Sunset Beach Sanitary District's Reserve Policy is to provide adequate funding to meet the District's short-term and long-term plans as outlined in the District's Capital Reserve Policy and its Forecast Budget. The Board authorizes and directs that the following reserve funds be established as follows:

- (1) **Emergency Reserve Funds:** This fund is established to offset unexpected revenue shortfalls and/or unanticipated expenses in order for the District to operate in an uninterrupted manner for a period of 3 months despite unforeseen circumstances or emergency events significantly affecting budgeted amounts. This reserve fund commits one-quarter of total budgeted revenue, with a minimum \$400,000, to be invested in the Local Agency Investment Fund (LAIF).
- (2) **Reserve for Imprest Cash Funds:** This fund is established to account for funds within the Orange County Pooled Investment Fund set aside for Petty Cash and Payroll expenditures reimbursement from the General Cash account. A minimum of \$14,000 shall be committed to this fund.
- (3) **Reserves for Capital Improvements:** This fund is established to accumulate reserves which have been committed to fund specific upcoming District projects that repair, rehabilitate, or replace current District assets, approved by the District's Board, on a pay-as-you-go basis. This reserve shall be funded with excess unassigned funds available. The current Capital Improvement fund and projected increases to this fund have been committed by Board action to fund a targeted amount of \$5,500,000, based upon the District Engineer's estimated project costs and Capital Improvement Plan as follows:

2019 Replacement of Broadway Siphon,	\$2,000,000
2025 Broadway Pump Station	2,000,000
2025 Allowance for Sewer Lateral Repairs	1,500,000

The above Reserve Fund balances are to be reported on monthly financial reports and are to be evaluated at least once during the fiscal year, during the creation, adoption, and possible amendment of the District's budget.



# Sunset Beach Sanitary District

Of Orange County

P.O. Box 1185

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Superintendent's Report

Board Meeting

January 11, 2018

1. No Emergency call-outs during this period.
2. Review current Flow Reports.
3. Drive Belts Replaced on Generator at the shop. Cracked due to age. **(Quinn Power & Staff).**
4. Semi Annual cleaning of System and Wet Well will be completed this week. **(Performance Pipeline and Staff).**
5. Quarterly Maintenance and Safety Inspection at Broadway Pump Station and Electrical Switching Components at Generator Building completed. **(Flo-Services and Staff).**
6. Check Valves cleaned at Broadway Station. **(Flo-Services and Staff).**
7. All Equipment Serviced and Tested at shop. All tested satisfactory. **(Staff).**
8. Replaced Manhole Cover and Ring at Broadway and Remora. This completed all of our Manhole cover replacements and upgrades for the District. **(Ayala Engineering and Staff).**
9. All updates to the report will be presented at the Board Meeting.

# MEMORANDUM

January 3<sup>rd</sup>, 2018

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

From: Tom Dawes

SUBJECT: Engineer's Report for January 11<sup>th</sup>, 2018 Regular Board Meeting.

## **1. Broadway Siphon Replacement.**

I've begun working on this project and will provide you with an update at the meeting. One of the things I've not found is who owns the channel bottom land; i.e., the space between the interlocking steel sheet piling. While the steel sheet piling is owned by the City, it will probably take a title search to see who owns the channel itself. I've sort of come to the conclusion that it probably doesn't matter since we will be asking for permits from all possible owners.

I've prepared a draft paper, attached, that summarizes the project as we know it today.

## **2. Revised SSMP Manuals.**

I have updated these and will bring you your copy at the meeting.

## **3. Public Information**

I've previously send you some information on a possible trash information release and shared services. At the meeting I'll go over these and seek direction.

## **4. Update of our Capital Reserve Policy.**

Once we have the December Cash Balance, we can make a better projection for our long term cash flow. I hope to have a good draft for you at the February Board meeting, and possible adoption of a new Capital Reserve Policy at the March Board.