



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 13th, 2018 - 7:00 p.m.

Sunset Beach Woman's Club – 16812 Bayview Drive

Directors present: President Woods, Secretary Hoad, Treasurer Bernard Hartmann, Jon Regnier, and Josh Westfall
Staff present: Engineer Tom Dawes, Clerk Chris Montana
Community: None.

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

Community Input: None.

Review and Possible Approval of the August 9th, 2018 General Board Meeting Minutes: After Directors reviewed the August 9th, 2018 General Board Meeting Minutes, Director Regnier moved to approve as prepared. Director Westfall seconded, and the motion passed unanimously.

Current Bills: Clerk Montana presented the September 13th, 2018 Claims Transmitted for Payment in the amount of \$90,020.63 for current bills. After review and discussion, Secretary Hoad moved to approve as presented, Director Hartmann seconded, and the motion passed unanimously.

Fund Balance Report: Treasurer Hartmann reported the Fund Balance as of the August 31, 2018 fiscal year-end to be \$1,466,615.

Clerk's Report: Clerk Montana reviewed the trial balance with the Board. Clerk Montana reported on a recent LAFCO meeting to discuss proposed policies and work plan for upcoming MSR. Clerk Montana reported that the annual workers' compensation insurance reconciliation had been completed as well as quarterly payroll tax reports.

Review and Possible Adoption of Resolution No. 2018-09-01 to Approve the 2018-19 County of Orange Special District Budget, Reserves, and Investment Policies: Clerk Montana presented the Orange County Auditor-Controller 2018-19 Special District Budget in the amount of 1,926,773. After review and discussion, as well as a review of current Reserve and Investment Policies, a motion was made and carried as follows:

MOTION: Treasurer Hartmann moved to approve the Orange County Auditor-Controller 2018-19 Special District Budget in the amount of \$1,926,773, and Reserve and Investment Policies as presented. Director Regnier seconded and the motion passed unanimously.

Sunset Beach Sanitary District
General Meeting of the Board
September 13th, 2018 Minutes

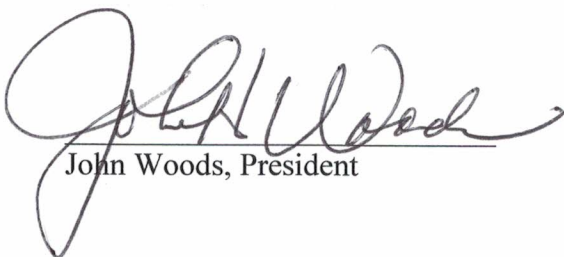
Engineer's Report: See attached. After reviewing the report and recommended actions, the following motions were made and carried:

MOTIONS: Director Regnier moved to (1) approve an increase to the Engineering Services Contract with Jones-Cahl from \$25,000 to an amount not to exceed \$45,000 for Permit Assistance, Preliminary Plans, and Utility Assistance and to direct the District Clerk to file the Notice of Exemption with the County Recorder. Secretary Hoad seconded and the motion passed unanimously.

In regards to the EEC Environmental Proposal for The FOG Program proposal, the Board tabled action and requested that a representative attend next month's meeting for the purpose of answering specific questions. Also, revisions to the existing Sewer and Trash Ordinances were discussed and considered, and the District Engineer was directed to present updated drafts to the October 2018 Board meeting.

New Business / Board Member Items: None.

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



John Woods, President



Graham Hoad, Secretary



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Of Orange County

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RESOLUTION NO. 2018-09-01

The approval and adoption of the County of Orange Special District Budget for the Sunset Beach Sanitary District is contained in the minutes of the September 13th, 2018 Board Meeting as follows:

MOTION: To approve and adopt the budget of \$1,926,773 for the fiscal year 2018-2019, including reserves, 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: Bernard Hartmann, Treasurer


Seconded by: Jon Regnier, Director

Ayes: 5


Nays: 0

Absent: 0


John H. Woods, President


Graham K. Hoad, Secretary

I hereby certify that the above is true and correct:


Chris Montana, Clerk of the Board



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of Orange County

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Superintendent's Report

Board Meeting

September 13, 2018

1. Review Flow Report.

2. Two Emergency Call-Outs - False alarm caused by contractor updating Alarm System. Second was Edison Failure. **(Staff)**

3. New Alarm System and Electrical switching components installed at Broadway Pump Station. Generator Equipment awaiting delivery of a couple of relay's to complete project. **(Flo-Services and Staff)**

4. Monthly training Completed: **(Staff)**

a. Ergonomics

5. Relining of four (4) additional manholes completed.
(Ayala Engineering & Staff)

6. Emergency Repair of broken street End Cap (Lamp Hole) in alleyway between 23rd and 24th Street. **(Ayala Engineering & Staff)**

7. Received several complaints in reference to the Trash and Homeless on the Greenbelt. Referred complaining parties to City of Huntington Beach Code enforcement.

8. Tom and myself met again with Joe Jenkins from E.E.C. Environmental in reference to District Fog Program. Updates to this meeting will be presented at the Board Meeting by District Engineer.

MEMORANDUM

September 7th, 2018

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

From: Tom Dawes

SUBJECT: Engineer's Report for September 13th, 2018 Regular Board Meeting.

1. Broadway Siphon Replacement.

I have sent exploratory permit request to the following agencies:

City of Huntington Beach (Public Works)
California Coastal Commission
RWQCB, Region 8
U.S. Army Corps of Engineers
California State Fish and Wildlife
California State Lands Commission
County of Orange Public Works

As of this writing, I've had feedback from all but the County of Orange. Following is the permit status:

- A. City of Huntington Beach (both Public Works and Planning).
I've met and sent information to both departments. I won't be doing much with them directly until we get permits from several other agencies, as the permit process will greatly affect the construction work and the City's permit requirements. For now, I'm keeping them informed every step of the way. Our permitting with the Coastal commission will depend on City cooperation.
- B. California Coastal Commission.
We need a permit from the CCC for the work within the channel, and we need a second coastal permit from both the CCC and the City of HB coastal program for work inland from the channel sides. The CCC is open to a joint permit issued by both agencies if HB agrees; to me that seems like the best approach (at this time). I plan to meet with HB planning soon to get their thoughts.

I am now working on this permit application.
- C. Regional Water Quality Control Board (Region 8).
We have applied for a federal Clean Water Act 401 Certification. They have deemed the application 'incomplete', pending approval of other applications, and completion of CEQA.
- D. U. S. Army Corps of Engineers.
We have applied for a C of E Nationwide permit.
- E. California State Department of Fish and Wildlife.
I've also had a telephone response from the California State Department of Fish and Wildlife, who on July 5 inspected the site and, finding no Ell Grass, said we did not need a permit from them (which I documented).

F. California State Lands Commission.

On July 23rd, I received notice that we did not need a permit from them via telephone (which I documented).

G. County of Orange.

The County of Orange has not responded. I don't think they have any role, and by not responding, it seems they don't care. (It's been nearly 2 months). Unless you direct otherwise, I don't plan to contact them again.

H. CALTRANS.

We will need an encroachment permit to replace the manhole in the intersection of PCH and Broadway, but that's a construction issue that we need plans for and were a long way from that.

We must comply with CEQA. I believe replacing 230-feet of old 6-inch pipe with 230-feet of new 6-inch pipe is Categorical Exempt. I would have preferred to wait with a filing of the NOE, but the RWQCB is requiring it now. I have prepared the NOE and will show it to you at the meeting.

We will need added help from Jones- Cahl to complete the applications for such things as preparation of exhibits, mailers, utilities and preliminary plans, typing etc. In February 2018, you approved \$25,000 for these services. It's impossible to know what will be required for each permit, but I believe we should increase the allowable authorization to \$45,000. I believe this will be adequate for the entire permitting and utility process.

RECOMMENDED ACTIONS: (1) Approve an Increase to the Engineering Services Contract with Jones-Cahl from \$25,000 to an amount not to exceed \$45,000 for Permit Assistance, Preliminary Plans, and Utility Assistance.

(2) Direct the District to file the NOE with the County Recorder.

2. Sewer Collection Ordinance and Development Issues.

At the August meeting, I reviewed possible revisions to our current Sewer Ordinance, adopted in 2012. I believe it should be revised in order to strengthen our authority in dealing with private laterals and connection fees. A revised draft is enclosed.

BACKGROUND

Here is a comparison of connections fees with the Cities of Seal Beach and Huntington Beach. As you know, connection fees for the Orange County Sanitation District are collected in those cities, but not in SBSD.

- A. The OCSD bases commercial connections on square footage. In Huntington Beach and Seal Beach, commercial fees are based on water meter size. In SBSD, it's a flat fee regardless of size. Here an example comparison for a 2000 sf commercial building:

Commercial Rates (1-inch water meter; 2,000 sf)

SBSD:	\$1,500
Seal Beach: City fee: \$5,191 plus OCSD fee: \$3,855 min.	Total \$9,046
Huntington Bch: City fee: \$5,269 plus OCSD: \$3,855 min.	Total \$9,124

- B. For residential connections, SBSD and Huntington Beach have a flat fee. In Seal Beach, It's based on water meter size. OCSD fees are based on the number of bedrooms. Here is an example for a 4-bedroom house with a 1-inch water meter:

Residential Rates (1-inch water meter, 4-bedrooms)

SBSD:	\$1,000.
Seal Beach: City Fee: \$3,210 plus OCSD fee \$4,586	Total \$7,786.
Huntington Bch: City fee: \$2,317 plus OCSD fee \$4,586	Total \$6,903.

PROPOSED REVISIONS

The enclosed draft includes revisions discussed at the August Board meet, and I'm highlighting the following, more significant sections that have been changed:

Section 201 C. Changes add requirement that all laterals over 20 years old must be upgraded when construction on the parcel takes place.

Section 201 D. Changes delete waiver of connection fee for building conversion.

Section 201 E. No Change. It's always been in our Ordinance since I wrote the first one. 15 years ago. It's in the City of HB's ordinance. I mention this because of the proposed new air bomb hotel.

Section 210 F. Allows only 1 service per use unless an exception is approved by the District.

Section 203 B. New fees go here.

Section 204 H. Stops outdoor pools from draining to the system.

Connection Fees

I recommend we increase our connection fees. We need the new connection fees to help pay for all the rehabilitation work we have done, and the new connections benefit from, and must do in the future.

If we raised the residential fee to \$5,000, we would still be much lower than the fees in Huntington or Seal Beach. For Commercial, the corresponding fee could be \$2.50 per square foot, minimum \$5000, (based on 2,000 sf equaling a house). A connection fee increase of this size would add about \$50,000 per year, equivalent to our last property tax fee increase. (Note: an increase in connection fees will trigger a Proposition 218 Notification.)

RECOMMENDED ACTION: Consider the issues re our Sewer Ordinance and provide direction to the District Engineer. Schedule the First Reading of Ordinance NO. 18-01 for October, 2018.

3. FOG Inspections.

At the August meeting, the Directors discussed the attached proposal dated June 21, 2018 from EEC Environmental. I've always said that our frequent line cleaning is the most important thing we can do, and that will not change. We now supplement the quarterly line cleaning with yearly inspections by the OCHCA.

While our frequent line cleaning is clearly the best thing we can do, our restaurant and kitchen inspection could be improved. Our FOG Program is not compliant with the SWRCB Waste Discharge Requirements and would probably be faulted in an audit. Additionally, we don't have a good inventory of our kitchens, or at least one that has been updated and verified in the last 15 years. This proposal would do that, while reviewing our FOG Ordinance and suggesting needed changes.

The proposal is an estimate and is based on 20 food serving establishments. OCHCA is inspecting 11, we think there are 13. If you approve this proposal, we'll know for sure. I would expect the costs to be somewhat less than the estimates. Following is a breakdown of the EEC Proposal:

- A. First Year. Complete review of our program including our 2002 Ordinance. Prepare an approach with printed materials including educational information that you will review prior to use. Review hot spots and make specific recommendation. **All findings and recommendations will be reviewed with you first.** Once the approach is approved, the first quarterly inspection will be made. (I suspect this will bring some revisions to the plan). An estimate of \$16,400 was included for this effort.
- B. First year and ongoing years. Quarterly inspections will be made with reports submitted. Based on 20 establishments, a yearly estimate of \$12,000 is included.

The entire estimate for the first year effort is \$28,400. It's possible to add or delete work to change the expenditure. However, we are not doing what other communities are doing, including the Cities of Seal Beach and Huntington Beach. (Note: fees paid by restaurants could be raised to offset any new FOG expenditures, triggering a Proposition 218 Notification).

RECOMMENDED ACTION: Approve the EEC Environmental June 21, 2018 FOG Program Proposal.

4. Odor Control Injection using Broadway Generator Building.

In the last few weeks, I've been involved in a proposal to inject an odor control chemical into the District's sewage near the Broadway Sewer Pumping Plant. The proposal has been going on for some time; I've just heard about it since the August Board meeting. Here's a summary:

Performance Pipeline is proposing the project, in conjunction with the chemical supplier Calix. They are proposing a 30-day trial to reduce odors at the City of Huntington Beaches' Warner Sewer Pumping station. Apparently injecting the chemical, Magnesium Hydroxide, at our site would allow proper mixing (through our pump station). The injection equipment would be housed in our Standby Generator Building, and through the restroom lateral, delivered to our sewer in south Pacific, just upstream of our pump station. It was represented that OCSD and/or HB would pay for ongoing cost if successful.

OCSD seems solidly behind the project, as now does the City of Huntington Beach. (When I got into this, HB management didn't know anything about it). I'm concerned about a couple of minor issues with the project, which I'll describe at the meeting.

The big problem is 'who pays'. As of this writing, OCSD and HB are not interested in paying; a very late development. This is 100% opposite of what we were originally led to believe. I see no reason to do a demonstration project if no-one wants to commit to on-going charges if it's successful.

I am **not** recommending any participation in the project at this time, but it could be a good project. I'll keep you updated.

5. Revisions to Trash Ordinance to Eliminate Enforcement of Container Placement.

Ordinance No. 17-02 regulates the collection of refuse in the District. It includes a weak policing power over the placement of containers in public view. As you know, this has led to a lot of trouble, particularly between neighbors who are upset when a container isn't put away timely. Both the Cities of Huntington Beach and Seal Beach have municipal codes which regulate the placement of refuse containers in public view. Both Cities have Code enforcement officers.