

# 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

February 10th, 2022 - 6:30 p.m.

Sunset Beach Woman's Club - 16812 Bayview Drive, Sunset Beach CA 90742

**Directors present:** President Graham Hoad, Secretary John Woods, Treasurer Bernard Hartmann, Dave Evans, and K.C. Coultrup.  
**Staff present:** Supt. Brad VanMalsen, Supt. II Rolf Pridham, District Engineer Tom Dawes, and District Clerk Chris Montana.  
**Community:** None.

President Hoad called the meeting to order at 6:30 p.m.

Community Input: None.

Review and Possible Approval of the January 13th, 2022 General Meeting of the Board Minutes: After Directors reviewed the minutes for the prior month's General Meeting of the Board as prepared by the District Clerk, a motion was made and carried as follows:

**MOTION:** Secretary Woods moved to approve the minutes of the January 13th, 2022 General Meeting of the Board as presented. Treasurer Hartmann seconded, and the motion passed unanimously.

Current Bills: District Clerk Montana presented the February 10th, 2022 Claims Transmitted for Payment in the amount of \$68,187.19. After review and discussion, Treasurer Hartmann moved to approve the Claims as presented, Secretary Woods seconded, and the motion passed unanimously. The Claims were signed as presented by President Hoad and Secretary Woods.

Fund Balance: Treasurer Hartmann reported the Fund Balance as of January 31st, 2022 to be \$2,568,992.

Clerk's Report: Clerk Montana reviewed the current month's trial balance, as well as a 5-year Cash Flow Projection with the Board. Draft Form 700's, Statements of Economic Interests were distributed for review and signature. Resolution 2022-02-01, Authorization of Application for CalRecycle Grants, was distributed and a motion to adopt was made and carried as follows:

**MOTION:** Secretary Woods moved to adopt Resolution No. 2022-02-01 authorizing applications for CalRecycle grants. Treasurer Hartmann seconded and the motion passed unanimously.

Lastly, Clerk Montana distributed the first draft of Ordinance No. 22-01 to implement and regulate mandatory organic waste disposal in accordance with SB 1383 Organics, for Board and Staff review and discussion.

**Sunset Beach Sanitary District  
Minutes of the February 10<sup>th</sup>, 2022  
General Meeting of the Board**

Superintendent's Report (see attached): Superintendent VanMalsen reviewed the attached Superintendent's Report and Flow Report with the Board.

Engineer's Report (see attached): District Engineer Dawes reviewed and discussed the attached Engineer's Report with the Board, including the following recommended actions relating to the planning of the Broadway Pump Station Bypass Sewer Project, which were made and carried as follows:

**MOTION:** Treasurer Hartmann moved to approve the Design and Services Agreement with Lee & Ro, in the amount of \$147,378 and to authorize the District's President and Secretary to sign, all in a manner approved by District Counsel. Secretary Woods seconded, and the motion passed unanimously.

**MOTION:** President Hoad moved to authorize the District Clerk and District Engineer to act on behalf of the District for purposes of submitting and requesting financing information. Director Coultrup seconded, and the motion passed unanimously.

**MOTION:** Director Evans moved to approve an increase of \$25,800 to the professional services contract with LSA & Associates approved last month, for a total of \$42,900, due to added work required in order to comply with federal environmental standards. Treasurer Hartmann seconded, and the motion passed unanimously.

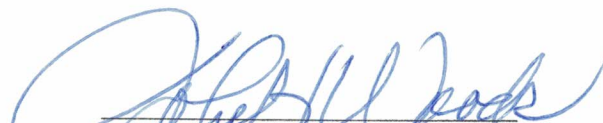
**MOTION:** Treasurer Hartmann moved to approve a professional services contract with the Prizm Group in an amount not-to-exceed \$31,750 for design surveys. President Woods seconded, and the motion passed unanimously.

Additionally, Engineer Dawes discussed the State Water Resources Control Board's proposed new Waste Discharge Requirements, which will require the District to prepare a new SSMP and for the District Superintendent to obtain a CEWA Class II certification.

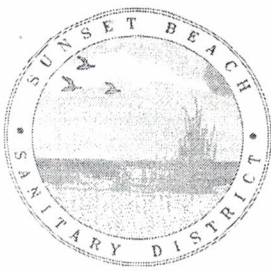
New Business/Board Member Items: President Hoad discussed public outreach presentations that he had given to the Sunset Beach Community Association and other local groups regarding new organic waste regulations and the District's capital projects. Director Coultrup also reported that the street replacement and drainage projects would be commencing in April and that the Superintendent would be needed for sewer lateral inspections.

Adjournment: There being no new business to come before the Board, Director Coultrup moved to adjourn the meeting at 7:40 p.m., Treasurer Hartmann seconded, and the meeting was unanimously adjourned.

  
Graham Hoad, President

  
John Woods, Secretary





# Sunset Beach Sanitary District

P.O. Box 1185

Sunset Beach, CA 90742

## Resolution No. 2022-03-01 REIMBURSEMENT RESOLUTION

WHEREAS, the Sunset Beach Sanitary District (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations the interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"), and WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds the Agency desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available moneys of the Agency; and WHEREAS, the Agency has determined that those moneys to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period and it is necessary to reimburse the Agency for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE AGENCY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The Agency hereby states its intention and reasonably expects to reimburse Expenditures paid prior to the issuance of the Obligations or the approval by the State Water Board of the Project Funds.

SECTION 2. The reasonably expected maximum principal amount of the Project Funds is \$2,500,000.

SECTION 3. This resolution is being adopted no later than 60 days after the date on which the Agency will expend moneys for the construction portion of the Project costs to be reimbursed with Project Funds.

SECTION 4. Each Agency expenditure will be of a type properly chargeable to a capital account under general federal income tax principles.

SECTION 5. To the best of our knowledge, this Agency is not aware of the previous adoption of official intents by the Agency that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax-exempt obligations have not been issued.

SECTION 6. This resolution is adopted as official intent of the Agency in order to comply with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of Project costs.

SECTION 7. All the recitals in this Resolution are true and correct and this Agency so finds, determines and represents.

AYES: 5

NOES: 0

ABSENT: 0

### CERTIFICATION:

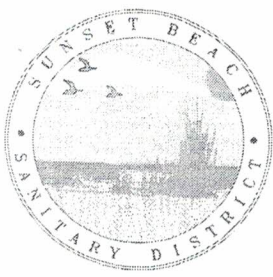
I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Sunset Beach Sanitary District held on 03/15/2022.

(Governing Board of the Agency)

(Date)

Chris Montana, Clerk of the Board

\_\_\_\_\_  
Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)



# Sunset Beach Sanitary District

P.O. Box 1185

Sunset Beach, CA 90742

**Resolution No. 2022-03-02**

## **AUTHORIZING RESOLUTION/ORDINANCE**

WHEREAS, the Sunset Beach Sanitary District (the "Agency") desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its water system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the Agency intends to finance the construction and/or reconstruction of the Project or portions of the Project with moneys ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board (State Water Board); and

WHEREAS, the Agency will file a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the BROADWAY PUMP STATION BYPASS SEWER (the "Project").

WHEREAS, the Agency will designate an Authorized Representative to sign and file the Financial Assistance Application on its behalf.

NOW, THEREFORE, RESOLVED BY THE Board of Directors OF THE Sunset Beach Sanitary District (the "Entity"), AS FOLLOWS:

The District Engineer (the "Authorized Representative") or designee is hereby authorized and directed to sign and file, for and on behalf of the Entity, a Financial Assistance Application for a financing agreement from the State Water Resources Control Board for the planning, design, and construction of the BROADWAY PUMP STATION BYPASS SEWER (the "Project").

This Authorized Representative, or his/her designee, is designated to provide the assurances, certifications, and commitments required for the financial assistance application, including executing a financial assistance agreement from the State Water Resources Control Board and any amendments or changes thereto.

The Authorized Representative, or his/her designee, is designated to represent the Entity in carrying out the Entity's responsibilities under the financing agreement, including certifying disbursement requests on behalf of the Entity and compliance with applicable state and federal laws.

AYES: 5

NOES: 0

ABSENT: 6

### **CERTIFICATION**

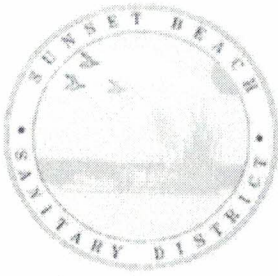
I do hereby certify that the foregoing is a full, true, and correct copy of a resolution duly and regularly adopted at a meeting of the Board of Directors held on March 15, 2022.

Chris Montana, Clerk of the Board

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(Name, Signature, and Seal of the Clerk or Authorized Record Keeper of the Governing Board of the Agency)





Sunset Beach Sanitary District  
Of Orange County  
P.O. Box 1185  
Sunset Beach, CA 90742

Superintendent's Report

February 10th, 2022

1. No Emergency Call-outs this period.
2. Review Flow Reports.
3. Safety training
  - a. "Drivers Safety"
4. Clear Pump Station Valve to Gravity Line **(9 times).**
5. Next Week we will be performing 60 day maintenance and safety inspection at Broadway Pump station and Electrical switching components at generator building.
6. Emergency Bypass Equipment **(discuss).**

# MEMORANDUM

February 4, 2022

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

From: Tom Dawes

SUBJECT: Engineer's Report for the February 10, 2022 Regular Board Meeting.

## **1. Broadway Pump Station Bypass Sewer.**

The project has started and both our designer Lee & Ro and our environmental consultant LSA are working on it. You may recall last year when we tried to pay Lee & Ro the first time, our treasurer, the County of Orange, required us to sign a professional services agreement or they would not make the payment. That will probably happen again, so we asked District Counsel to prepare such an agreement and are asking you to approve same. The agreement neither adds to or subtracts from the previous authority you approved; it was prepared to avoid a payment problem with the county treasurer.

**RECOMMENDED ACTION: Approve the Agreement with Lee & RO and Authorize the President and Secretary to sign, all in a manner approved by District Counsel.**

We have been working on the financing plan for the project and I contacted the State Water Resources Control Board (SWRCB). Part of their response was that we should apply for a loan under the Clean Water State Revolving Fund (CWSRF). I asked about a grant, and there was no explanation as to why we should not pursue one, it was simply stated the loan was the most 'appropriate'. Previously I've read those grants would go to needier communities, and if that means poorer, that's probably the reason. I'm still working on that issue.

Over the last 12 years, the CWSRF interest rate has varied from a high of 2.7% in 2010 to the current low rate of 0.80%. It seems to change a couple of times a year; last September it was 1.10%. While we are investigating all possible funding sources, at this time, in the absence of a grant, a loan from the CWSRF seems to be the best alternative. Typically loan and grant applications require Board Authority for staff to submit applications or request documents. Therefore, it is requested that your Board authorize the District Engineer and/or the District Clerk authority to act on financial applications for this project. The District Clerk will take the lead on financial matters. The requested authority would not bind the District to any contract; that authority would have to come from your Board at a later date.

**RECOMMENDED ACTION: Authorize the District Clerk and District Engineer to Act on behalf of the District for purposes of Submitting and Requesting Financial Information.**

A second issue came up when I reviewed the requirements to obtain a loan/grant about our environmental compliance. If the source of the loan/grant is federal money, do we have to prepare the environmental document to meet 'federal cross-cutting' requirements? This means that if federal funding is used, our environmental certification would be required to be consistent with specific federal laws (the cross-cutters), rather than just CEQA. We can do that, but it was not in our original scope and would add a great deal of work.



I asked this question to the SWRCB and the answer is 'yes', since the money source is federal. I then asked LSA to review the work scope you approved last month, for the amount of \$17,100, and determine what additional work is required. LSA submitted a second proposal in the amount of \$42,900, an increase of \$25,800 to cover the additional work. The new work to comply with the federal rules includes, but is not limited to, the following:

- Added Biological Analysis. This includes determining species to the US Fish and Wildlife Service of interest in the area.
- Preparation of a Biological Technical Memorandum. This includes research of requirements of a half dozen federal agencies plus preparation of an Area of Potential Effects Map.
- Tribal Coordination. LSA will contact and coordinate with up to 15 Native American and do a search of the Sacred Lands Act.
- Historical Properties Identification Act. LSA will prepare a report meeting SWRCB Section 106 guidelines, and draft a letter for us to send to the State Historical Preservation Officer with findings.
- Air Quality Analysis. LSA will prepare an estimate of emissions for the project and include it in the Historical Properties Identification report.
- Categorical Exemption Memorandum. LSA will add to this Memorandum a discussion of additional compliance regulations including Environmental Justice, Farmland Protection, Floodplain Management and Coastal Zone Management.
- California Coastal Act Exemption Request. LSA will assist the District in requesting an exemption from obtaining a coastal development permit.
- CWSRF Environmental Application Submittal. LSA will assist the District in packaging all this information into the submittal to the State and respond to questions.

As you can see, complying with federal requirements adds a lot to the process and there is no guarantee of success. If your Board does not want to proceed with a loan or grant application, this is the time to opt out. If we get a loan with their low rates, and I believe we will, the savings are substantial.

**RECOMMENDED ACTION: Approve an increase of \$25,800 to the existing contract of \$17,100, for a total not to exceed of \$42,900 with LSA Associates, Inc for added work to comply with federal environmental requirements.**

Finally, you will recall when the contract award to Lee & Ro was made, I said the work scope provided that the District pay direct for certain consulting services including surveying, soil engineering and environmental compliance. Lee & RO prepared a work scope for needed surveys and recommends awarding a contract to The Prizm Group of Corona. The Prizm Group is a land surveying company that specializes in the preparation of surveys for construction drawings. Their work scope includes complete surveys, aerial surveys, providing traffic control for the surveys (provided by their subcontractor, Roadsafe Traffic Systems, Inc.), and up to 20 pothole surveys (we must hire the potholer). The fee for all of this is \$31,750.00, a fee that is reasonable.

**RECOMMENDED ACTION: Approve a contract with The Prizm Group in an amount not to exceed \$31,750.00 for Design Surveys.**

## **2. Harbor House Café Open Wash Area.**

In response to our December, 2021 letter requesting that a cover be placed over an outdoor wash area that drains to the sewer, the Harbor House built a satisfactory roof cover over the drain which solves the problem and the matter is now closed.

### **3. New Statewide General Waste Discharge Requirements**

The State Water Resources Control Board has released a draft copy of a proposed new Waste Discharge Requirements, a document we have been expecting for at least 4 years. Former Director Josh Westfall was kind enough to send me a copy. The draft order is out for a 60-day review, so my guess is that it will be approved late summer or fall of this year. The order will replace the 2006 we now operate under which, in part, required us to prepare and adopt our SSMP. The 2006 order is 20 pages long, the draft 2022 order is 73 pages long.

I'll go over the draft at the meeting. It will require preparation of a new SSMP and certain operational changes. The 2006 order required a revision to the SSMP every 5 years and an Audit every 2 years; the 2022 draft order requires a revision every 6 years and an Audit every 3 years.

### **4. Invoice for Professional Services.**

I have submitted an Invoice for \$9,000.95 for professional services and expenses at cost for the two-month period of December 1, 2021 through and including January 31, 2022. The largest work items were the Broadway Siphon Replacement Project and the Broadway Pump Station Bypass Sewer. If you have any questions, please give me a call.