



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

November 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, and Dave Evans.

Staff present: Superintendent Brad VanMalsen, Supt. II Rolf Pridham, Asst. Supt. Eric Schlange, 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 October 13th, 2022 General Meeting of the Board Minutes: After Directors reviewed the Minutes of the October 13th, 2022 General Meeting of the Board as prepared by the District Clerk, a motion was made and carried as follows:

MOTION: Director Evans moved to approve the October 13th, 2022 Minutes of the General Meeting of the Board as prepared. Treasurer Hartmann seconded, and the motion passed unanimously.

Current Bills: District Clerk Montana presented the November 10th, 2022 Claims Transmitted for Payment in the amount of \$159,209.00. After review and discussion, Secretary Woods moved to approve the current bills and Claims for Payment as prepared for submission to the County Auditor-Controller for payment. Treasurer Hartmann seconded, and the motion passed unanimously.

Fund Balance: Treasurer Hartmann reported the Fund Balance as of October 31st, 2022 to be \$1,949,930 and signed off on the monthly bank reconciliations.

Clerk's Report: Clerk Montana reviewed the current month's trial balance and distributed Safety Specialist Certificates to District Staff which were issued by the District's insurer, SDRMA, as a result of District Staff completing required OSHA courses. The District Clerk reviewed Resolution No. 2022-11-01 to Adopt Debt Management Policy which had been reviewed by the District's legal counsel. A motion was made and carried as follows:

MOTION: Secretary Woods moved to approve Resolution No. 2022-11-01 to adopt the Sunset Beach Sanitary District's Debt Management Policy as prepared by the District Clerk and reviewed by District legal counsel. Treasurer Hartmann seconded and the motion passed unanimously.

**Sunset Beach Sanitary District
Minutes of the November 10th, 2022
General Meeting of the Board**

The Clerk reviewed the attached Timeline of Financing of the Broadway Pump Station Bypass Sewer Project and distributed an updated draft 5-year Projection which included debt service amounts and estimated required sewer rate increases, including a comparison to OCSD sewer rates applicable to Huntington Beach residents outside of the District. Clerk Montana presented an engagement letter from Raymond James & Associates, Inc. in an amount NTE \$25,000 to act as the District's Placement Agent in securing financing per above. The fee would be paid from financing proceeds. A motion was made and carried as follows:

MOTION: Director Evans moved to approve the Raymond James & Associates, Inc. engagement letter to act as Placement Agent in an amount NTE \$25,000, to be paid from financing proceeds. Treasurer Hartmann seconded and the motion passed unanimously.

Review of Surfside Colony, Ltd.'s Request for Reimbursement of 11 Private Sewer Lateral Replacements in the Amount of \$33,236.15: This Agenda item had been tabled at last month's General Meeting of the Board pending legal review by District Counsel. Clerk Montana had forwarded the Confidential Legal Memo prepared by District Counsel prior to the meeting for Board members to review. Discussion amongst Board and Staff ensued regarding the Legal Memo findings as well as other circumstances and potential consequences of payment. Director Evans recused himself from the vote, due to District's legal counsel's opinion that California Government Code Section 1090(a) prohibited from voting.

MOTION: Secretary Woods moved to pay \$15,000 to Surfside Colony, Ltd. to share in the cost of the repair of 11 private Surfside sewer laterals. Due to the lack of a second, the motion died and no action was taken.


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

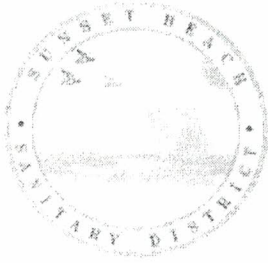
Engineer's Report (see attached): District Engineer Dawes reviewed the attached Engineer's Report with the Board, including the status of the Broadway Pump Station Bypass Sewer Project.

New Business / Board Member Items: None.

Adjournment: There being no further business to be brought before the Board, a motion was made by Secretary Woods to adjourn the meeting at 8:30 p.m. Treasurer Hartmann seconded, and the motion to adjourn passed unanimously.


Graham Hoad, President


John Woods, Secretary



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

Superintendent's Report

November 10th, 2022

1. No Emergency Call-outs
2. Monthly Safety Training conducted
 - a. "Ladder and Scaffolding Safety"
3. Review Flow Report
4. Cleared Pump Station Valve to Gravity Line **(5 Times)**
5. Quarterly "Hot Spot" Cleaning and Jetting completed **(Performance Pipeline and staff)**.
6. I met with Mike Mendez (Avala Engineering) about re-coating the Manholes.
He is going to send 2 quotes, 1 per lineal foot and 1 per day to do repairs.

7. A new Composite Manhole Cover and Ring was replaced in the Surfside project , replacing a Steel Lid and Ring.
8. Surfside Lateral replacements is now complete, the last section which included 33 Homes with 3 of the homes already been re-done, the other
 - 30 homes Laterals were replaced with 2 abandoned laterals.

MEMORANDUM

November 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 November 10, 2022 Regular Board Meeting.

1. Broadway Pump Station Bypass Sewer.

The plans, some 43 sheets, are done. I'm sending along with this report the electronic copy if you wish to look at them. Of course, there will be changes as we complete the permit process, but we are on our target. We have applied for our Caltrans permit, RWQCB permit and the Coastal Commission permit. We have a meeting scheduled with the City of Huntington Beach where we will turn in all documents necessary to obtain that permit.

California Coastal Commission Permit

The last month has been intense to get the permit. The permit will now go to the full commission in a public hearing at their November 16th-18th meeting in Salinas, Ca. If the commission approves the permit, and I believe they will, we will still have to complete certain items before the staff issues the permit. The proposed permit has many items and restrictions in it, some highlighted below:

- The commission dictated what trees we must plant. We must replace the 10 trees we have to remove with 20 trees suitable for heron and egret nesting and roosting. These are Aleppo, Torrey and Monterey pines. I protested the tree selection on the grounds that the District doesn't own the land and can't decide what trees the City should have, but the Commission staff went direct to HB and got approval.

Prior to issuance of the permit, we must submit a Tree Replacement Plan that states the type, location and size (24-inch box) of each tree. We must maintain the trees for 5 years, and hire a certified arborist to inspect the trees each year and make a report to the commission.

We must do another nesting bird survey by a 'qualified biologist' if we work in the nesting season, which we will. The nesting season starts February 1. If we work near a nest, we have to put up noise barriers to keep the noise below 60 decibels, and our biologist must be present. Our biologist must be able to halt the work if deemed necessary.

We will adjust our construction sequencing to avoid this problem.

- We must do a Cultural Resources Treatment and Monitoring Plan. This is a little trickier. We have to develop a plan with local Native American tribes for them to monitor the excavation and this means we have to hire a 'qualified' Native American who is a descendent of the tribe to watch the excavation, with the power to stop the job if we discover something. If we discover something, it has to go back to the commission to determine what to do. Our consultant, LSA, said there is little chance we will find something. In 2014, Huntington Beach had the same condition and found nothing.

We also must have an archaeologist on site to monitor the site with the power to stop the work if something is found.

There are many more conditions, but these are the most onerous. Most of the conditions will fall on the contractor and are largely scheduling and housekeeping issues.

As I mentioned to you in my interim report last week, the Public Hearing will be held before the full commission at their November 16th meeting to be held in Salinas. Because it is a public hearing (due to the large number of notices sent out), I will attend the meeting to answer questions. I believe if a problem does arise in the comment period, the CCC will notify me. If by chance no one comments from the recently sent notices, it will be moved to the consent calendar, but that decision won't be made until the morning of the hearing.

Caltrans Permit

We will have applied for our permit from Caltrans by the time of the meeting. We have one unresolved issue stemming from our pre-application discussions with the Caltrans permit staff. While we agree we must work at night in PCH and Warner Avenue, we want to do the installation via open cut; Caltrans has indicated they want tunneling. We will make a strong case for open cut and plating as a faster way to get the job done. Note that this could also be an issue with the City.

Regional Water Quality Control District Permit

This permit was applied for in early September and I haven't heard anything about it. I hope that's good; if I don't hear anything by the end of this month, I'll contact them.

City of Huntington Beach Permit.

Besides being built almost entirely in their right-of way, we affect their streets, parking and landscaping. Our plans have been prepared with a close ear on what we think they want, but we will learn a lot at our November 18th project delivery meeting.

New Work

We will have to award contracts for the monitoring described above. I'm seeking proposals from our existing contact, LSA (our environmental experts) for the Native American, Archaeologist and biologist monitoring, and from Nuvis, (our landscape architect) for the 5-year arborist monitoring of the trees. Both firms have done an excellent job for us.

Finance

I believe the total project cost will be \$6M, requiring a loan of \$4M. The financing will be discussed under the District Clerk's report.

2. New State Waste Discharge Requirements.

It appears to be finally happening; the 2006 State Waste Discharge Requirements will be replaced in May, 2023. The new requirements, some 80 pages of long, will be adopted in December of this year and be effective 150 days later, in May, 2023.

For us, we will have to prepare a new Sewer System Management Plan (SSMP) reflecting the changes. There is nothing for us to do now but wait for the adoption.

3. Invoice for Professional Services.

I have submitted an Invoice for \$6,206.96 for professional services and expenses at cost for the month of October, 2022. The largest work item was the Broadway Pump Station Bypass Sewer. If you have any questions, please give me a call.