

Surfside Colony Storm Water Protection District

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Minutes of the June 20th, 2016 General Meeting of the Board of Trustees Surfside Office, B-89 7:00 p.m.

Trustees Present: President V. John Kriss, Don Karich, John Cahoon and Steve Rowe.
Trustees Absent: Gino Salegui.
Staff Present: Chris Montana, Clerk.
Community Present: Gayle Winnen, Michael Farrell, Karen Johnson and Paul Mesmer of Surfside Colony Community Services District.

President Kriss called the meeting to order at 7:26 p.m.

Community Input: None.

Review and Possible Approval of the May 16th, 2016 General Board Meeting Minutes: After the Board reviewed the May 16th, 2016 General Board Meeting Minutes, Trustee Rowe moved for approval as presented. President Karich seconded, and the motion passed unanimously.

Current Bills: Clerk Montana presented check #'s 1226 for signature in the amount of \$525.00 for June 2016 invoices, which excluded the June 2016 payment to Surfside Colony Ltd. pending the year-end reconciliation. President Kriss and Trustee Karich signed checks as submitted.

Fund Balance and Clerk's Report: Clerk Montana reported the fund balance as of June 20th, 2016 to be \$645,167, and reviewed the trial balance with the Board. The Board authorized the Clerk to transfer \$130,000 from the Bank of America account to the LAIF reserve account.

a) Surfside Colony, Ltd. 2016-2017 Annual Drainage and Erosion Control Contract: The Clerk presented Surfside Colony, Ltd.'s Annual 2016-2017 Proposal for Services/Request for Funds dated May 23, 2016 for an annual amount of \$72,412 (\$6,034.33 monthly) listed as follows:

Drainage Expense - \$37,639

Erosion Control Expense - \$28,173

Office Space Rent - \$6,600

MOTION: After Board review and discussion, President Kriss moved to accept the Surfside Colony, Ltd.'s 2016-2017 Proposal in the annual amount of \$72,412 (\$6,034.33 monthly) as presented, with the condition that quarterly reconciliations of actual expenses incurred to contract amounts would be prepared, and if total actual expenses incurred by Surfside Colony, Ltd. at year-end are less than billed amounts, the District may withhold the difference from the June 2017 billing. Trustee Cahoon seconded and the motion passed unanimously.

Clerk Montana agreed to draft contract and correspondence to Surfside Colony, Ltd.

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Surfside Colony, Ltd. 2016-2017 Capital Projects Proposal/Request for Funds: The Clerk presented Surfside Colony Ltd.'s request for Capital Projects dated May 18, 2016 which included the rollover of prior year unused funds and funding for 2016-2017 projects in the amount of \$241,500 as follows:

A-Row Gutter/Drainage Repairs and Maintenance – \$55,000 (\$40,000 rolled over from prior year + \$15,000)
Patio Drainage - \$65,000 (\$50,000 rolled over from prior year + \$15,000)
Landscaping for Drainage and Erosion Control at Office Building - \$9,000 (\$6,000 from prior year + \$3,000)
C-Row Landscaping - \$12,500
C-Row Gutter Replacement - \$100,000

Also, a request was made to place funds in reserve for projects identified in Reserve Study from 2016-2025 in the amount of \$62,507. Clerk Montana explained that since the District's current Reserve Policy states that the Project Repairs/Improvements Reserve Fund is annually increased by any excess unappropriated funds at year-end, this Fund will automatically be budgeted to exceed this request.

MOTION: After Board review and discussion, President Kriss moved to accept Surfside Colony Ltd.'s 2016-2017 Fund Request for the above Capital Projects in the amount of \$241,500, and to ensure that a minimum of \$62,507 be set aside in the Project Repairs/Improvements Reserve Fund for future projects as presented in the Reserve Study. Trustee Rowe seconded and the motion passed unanimously.

Review, Discussion and Possible Adoption of the 2016-2017 Preliminary Operating Budget: Clerk Montana distributed the 2016-2017 Preliminary Operating Budget to the Board. After review and discussion, a motion was made and carried as follows:

MOTION: Trustee Karich moved to adopt the 2016-2017 Preliminary Operating Budget in the amount of \$336,487, with the understanding that amounts may change in the preparation of the final 2016-2017 budget submitted to the County of Orange, as final taxes and fees are allocated. Trustee Rowe seconded and the motion was passed unanimously.


Discussion Regarding Board Member Expiring Terms and Upcoming Election: Clerk Montana reported that the following Board members were up for re-election: John Cahoon, Eugene Salegui and Steve Rowe. John Cahoon reported that he did not intend to run for re-election. The Clerk agreed to post a Notice of Upcoming Election and to email Registrar of Voters letter to Board members.

Drainage Projects / Sandfill Updates: President Kriss reported as follows: Earlier this year, the U.S. Army Corps of Engineers notified the Surfside Tax Districts that federal funding for the initial engineering project establishing specifications for the Stage 13 Erosion Control Project had been provided. In order to begin the project, a contract between the U.S. Government and the State of California, establishing and accepting responsibility for each phase of the work, needed to be written and signed. Since this was to be completed this month, the County of Orange has notified all civil parties to the project that a meeting has been scheduled for Thursday, June 30, 2016 at which jurisdictions and cost sharing will be discussed. This can be interpreted as meaning the project is underway with a possible start of actual sand replenishment anticipated for the Fall of 2017.

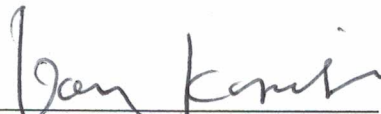
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Board Member Items: None.

Adjournment: There being no further business to be brought before the Board, President Kriss moved to adjourn the meeting at 8:15 p.m. Trustee Rowe seconded, and the meeting was unanimously adjourned.



V. John Kriss, President



Don Karich, Trustee