

Surfside Colony Storm Water Protection District

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Minutes of the June 10th, 2019 General Meeting of the Board of Trustees Surfside Office, B-89 7:00 p.m.

Trustees Present: Secretary Linda Garofalo, Steve Rowe, Don Karich and Henry Viets

Trustees Absent: V. John Kriss

Staff Present: Chris Montana, Clerk

Community: Paul Mesmer, Gayle Winnen, and Tara Amundson of Surfside Colony Community Services District; Saundra Jacobs and Jim Leach of Santa Margarita Water District; Jim Fisler and Stacy Taylor of Mesa Water District; Chris Palmer of CSDA

In President Kriss' absence, Secretary Garofalo called the meeting to order at 8:35 p.m.

Community Input: Saundra Jacobs of Santa Margarita Water District and Jim Fisler of Mesa Water District individually introduced themselves, summarized their qualifications, and requested the Board's vote to elect them as the regular, voting, special-district member of LAFCO. Chris Palmer of CSDA reviewed the benefits provided to the district as a member of the association.

Review and Possible Approval of the June 10th, 2019 General Board Meeting Minutes: After the Board reviewed the May 13th, 2019 General Board Meeting Minutes, Trustee Rowe moved for approval as presented. Trustee Viets seconded, and the motion passed unanimously.

Current Bills: Clerk Montana presented check #'s 1343-1344 in the amount of \$2,500 for June 2019 invoices for administrative expenses for review and signature. The June 2019 Drainage and Erosion Contract payment would not be presented until the 2018-19 year-end reconciliation was completed in July. Checks were approved and signed as submitted.

Fund Balance and Clerk's Report: Clerk Montana reported the pro-forma June 30, 2019 fund balance to be \$681,877, and reviewed the trial balance with the Board.

Review and Discussion of Surfside Colony Ltd.'s 2019-20 Re-submitted Drainage and Erosion Contract Proposal: Clerk Montana presented Surfside Colony, Ltd.'s Re-submitted 2019-20 Proposal for Drainage and Erosion Services/Request for Funds dated May 18, 2019 for an annual amount of \$83,378, as follows:

Drainage Expense - \$43,466

Erosion Control Expense - \$33,312

Office Space Rent - \$6,600

**Surfside Colony Storm Water Protection District
Minutes of the June 10th, 2019
General Meeting of the Board**

The Clerk also presented a prior-year comparative cost analysis of the amounts above (see attached). The Board discussed the partial allocation of the landscaping fees to the contract, and after reviewing government code, concluded that it was consistent with the district's erosion prevention and drainage functions. After review and discussion, the following motion was made and carried as follows:

MOTION: Trustee Viets moved to accept the Surfside Colony, Ltd.'s proposed 2019-20 Annual Drainage and Erosion Contract in the amount of \$83,378 (\$6,948 monthly) as presented, with the understanding that quarterly reconciliations of actual expenses incurred to contract amounts paid would continue to be prepared, with amounts paid in excess of actual expenses incurred by Surfside Colony, Ltd. to be credited against the final June 2020 billing. Trustee Rowe seconded and the motion passed unanimously. Clerk Montana agreed to draft correspondence and the annual contract.

Surfside Colony Ltd.'s 2019-20 Capital Projects Proposal/Request for Funds: The Clerk presented Surfside Colony, Ltd.'s request for 2019-20 Capital Projects dated May 21, 2019 in the amount of \$228,000 as follows:

C Row Drainage and Street Replacement - \$80,000
A Row Drainage and Street Replacement - \$80,000
A Row Drainage Revision - \$8,000
Navy Parking Lot Drainage & Expansion - \$40,000
Street Cleaner - \$20,000

After review and discussion, a motion was made and carried as follows:

MOTION: Trustee Rowe moved to set aside funding for the above projects with the exception of the Navy Parking Lot Expansion (\$40,000) until a more definitive starting date and plan is established, and the Street Sweeper (\$20,000), as the board could not agree that it fell within the scope of this district. Total 2019-20 Project Funding, with the above changes being made, totaled \$168,000. In addition, while the Board agreed to set aside funding for the above projects, actual payment for each individual project is to be made only after procedures per the District's Capital Improvement Project Approval Policy are complied with.

Also, a request was made to place funds in reserve for projects identified in Reserve Study from 2019-2029 in the amount of \$236,483. It was determined that the District's current amount of Project Repairs/Improvements Reserve currently covered this amount.

Review, Discussion and Possible Adoption of the 2019-20 Preliminary Operating Budget, Reserve and Investment Policies: Clerk Montana presented the 2019-20 Preliminary Operating Budget to the Board in the amount of \$576,407 with the understanding that amounts may change in the preparation of the Final 2019-20 County of Orange budget once the year-end books are closed. After review and discussion, the following motion was made and carried:

Surfside Colony Storm Water Protection District
Minutes of the June 10th, 2019
General Meeting of the Board

MOTION: Trustee Rowe moved to adopt the 2019-20 Preliminary Operating Budget in the amount of \$576,407. No changes were made to the Reserve or Investment Policies. Trustee Karich seconded and the motion was passed unanimously.

Sand Replenishment Project Update: Due to President Kriss' absence, no report was given. However, it was noted that on May 20th, correspondence had been sent to Lt. General Todd Semonite of the U.S. Army Corps of Engineers requesting the restoration of a funded, periodic Surfside-Sunset Beach Sand Replenishment Program.

Board Member Items: Trustee Rowe commented that the District should inform the community about the current status of the sand replenishment project, as there seems to be some confusion. The Board agreed that the status would be reported at the annual shareholders' meeting in July.

Adjournment: There being no further business to be brought before the Board, Trustee Rowe moved to adjourn the meeting at 9:05 p.m. and the next meeting date was set for Monday, July 8th, 2019. Trustee Viets seconded, and the meeting was unanimously adjourned.



~~Linda Garofalo, Secretary~~

