

Surfside Colony Storm Water Protection District

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Minutes of the June 15th, 2020 General Meeting of the Board of Trustees Surfside Office, B-89 7:00 p.m.

Trustees Present: President V. John Kriss, Secretary Linda Garofalo and Don Karich.

Trustees Absent: Steve Rowe, Henry Viets.

Staff Present: Chris Montana, Clerk.

Community: Paul Mesmer, Gayle Mueller-Winnen, Karen Johnson, Rudy Lalonde and Tara Amundson of Surfside Community Services District, K.C. Coultrup, Sandy Kriss of Surfside, Ltd. Greg Mills of Serrano Water District, Jim Fisler and Stacy Taylor of Mesa Water District.

President Kriss called the meeting to order at 8:00 p.m.

Community Input: - Greg Mills of Serrano Water District introduced himself as a candidate for CSDA, Seat C, reviewed his qualifications, and requested the Board's vote. Jim Fisler and Stacy Taylor of Mesa Water District voiced their support for candidate Greg Mills for Seat C of CSDA. Clerk Montana stated that none of the other candidates had contacted the District at this time, and a motion was made and carried as follows:

MOTION: Secretary Garofalo moved to vote for Greg Mills for Seat C – Southern Network of the CSDA Board of Directors. Trustee Karich seconded, and the motion passed unanimously. Clerk Montana agreed to cast the vote electronically.

Review and Possible Approval of the May 18th, 2020 General Board Meeting Minutes: After the Board reviewed the May 18th, 2020 General Board Meeting Minutes, Secretary Garofalo moved for approval as presented. Trustee Karich seconded, and the motion passed unanimously.

Current Bills: Clerk Montana presented check #'s 1387-1391 in the amount of \$103,879.01 consisting of \$94,971.01 for Project Costs and \$8,908.00 for the monthly Drainage and Erosion billing and general administrative expenses. Checks were approved and signed as presented, with the understanding that the check in the amount of \$6,948.00 for the monthly Drainage and Erosion billing would be held until the annual Surfside Colony, Ltd. reconciliation of contract payments to actual expenses was prepared.

Clerk's Report, Fund Balance and Review of Trial Balance: Clerk Montana reported the fund balance as of June 15th, 2020 to be \$621,520, and reviewed the trial balance with the Board. Clerk Montana distributed the 2019 audited financial statements indicating an unqualified opinion (the best opinion available), indicating that the district's financial statements were fairly presented without any identified exceptions. Clerk Montana also presented and reviewed with the Board and Surfside Colony Ltd. a 5-Year Budget Projection/Cash Flow

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Forecast for the purposes of identifying future project funding available and reserve balances. Lastly, the Clerk reminded the Board that Trustees Kriss, Rowe and Garofalo's terms are expiring in 2020, and that the candidate filing period is from July 13th through August 7th.

Review, Discussion and Possible Approval of 2020-21 Proposal for Drainage and Erosion Control Services:
K.C. Coultrup and Sandy Kriss of Surfside, Ltd. presented the 2020-21 Proposal for Drainage and Erosion Control Services Contract dated May 15, 2020 for review and discussion (see attached), for an annual amount of \$90,452 (\$7,538 monthly), as follows:

Drainage Expense - \$47,562
Erosion Control Expense - \$36,290
Office Space Rent - \$6,600

After review and discussion between District Board members and Surfside Colony Ltd. representatives K.C. Coultrup and Sandy Kriss, a motion was made and carried as follows:

MOTION: Trustee Karich moved to accept the Surfside Colony, Ltd.'s proposed 2020-21 Annual Drainage and Erosion Contract in the amount of \$90,452 (\$7,538 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 2021 billing. Trustee Rowe seconded and the motion passed unanimously. Clerk Montana agreed to draft correspondence and the annual contract.

Review Status of 2019-20 Capital Projects and Possible Agreement to Set Aside Funds for Revised 2020-21 Capital Projects Proposal: K.C. Coultrup and Sandy Kriss of Surfside Colony, Ltd. reviewed the status of 2019-20 Capital Projects and presented the Revised 2020-21 Proposal for Projects dated June 9th, 2020 (see attached) in the amount of \$483,422 as follows:

Section 3 A& B Row Street & Drainage - \$101,648
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Section 4 A& B Row Street & Drainage - \$117,563
Section 4 A& B Row Drainage - \$117,563
A Row Drainage Engineering - \$35,000
C Row Landscaping & Erosion Protection - \$10,000

Based upon a review of projected 2020-21 Revenue and 2020 Project Reserves on hand, the Board and staff determined that funding could only be set aside for proposed projects to the extent of \$443,361. Therefore, the Section 4 Drainage project for \$117,563, would only be funded to the extent of \$77,502. A motion was made and carried accordingly, as follows:

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MOTION: Trustee Karich moved to set aside funding for the above projects in the amount of \$443,361 with the actual approval and subsequent payment for each individual project is to be made only after the procedures per the District's Capital Improvement Project Approval Policy are complied with. Trustee Garofalo seconded and the motion carried unanimously.

Review, Discussion and Possible Adoption of the 2020-21 Preliminary Operating Budget, Reserve and Investment Policies: Clerk Montana presented the 2020-21 Preliminary Budget, in the amount of \$1,268,122 with the understanding that amounts may change in the preparation of the Final 2020-21 County of Orange budget once the year-end books are closed. After review and discussion, the following motion was made:


MOTION: Trustee Karich moved adopt the 2020-21 Preliminary Operating Budget in the amount of \$628,600. No changes were made to the Reserve and Investment Policies. Director Lalonde seconded, and the motion passed unanimously.

Board Member Items: None.


Sand Replenishment Project Update: President Kriss reported that a letter was sent to an attorney provided by CSDA, since as a member, the District is entitled to one free hour of legal counsel. A response has not yet been received.

Board Member Items/New Business: None.

Adjournment: There being no further business, Trustee Karich moved to adjourn the meeting at 8:55 p.m. and set the next meeting for Monday, July 20th, 2020. Secretary Garofalo seconded, and the meeting was adjourned.



V. John Kriss, President



Don Karich, Trustee