

Surfside Colony Storm Water Protection District

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Minutes of the June 28th, 2021 General Meeting of the Board of Trustees Surfside Office – B89 - 7:00 p.m.

Trustees Present: President V. John Kriss, Secretary Linda Garofalo, Dave Chamberlain, Hank Viets, and Don Karich.

Trustees Absent: None.

Staff Present: Chris Montana, Clerk.

Community: Paul Mesmer, Gayle Mueller-Winnen, Tara Amundson, and Karen Johnson of Surfside Colony Community Services District; Sandy Kriss and K.C. Coultrup of Surfside Colony, Ltd.

President Kriss called the meeting to order at 7:18 p.m.

Community Input: None.

Review and Possible Approval of the May 24th, 2021 General Board Meeting Minutes: After the Board reviewed the May 24th, 2021 General Board Meeting Minutes, Trustee Karich moved for approval. Trustee Viets seconded, and the motion passed unanimously.

Surfside Colony, Ltd. Project Update: Project Manager K.C. Coultrup reported that the A-Row Section 4 Drainage Project was complete and Clerk Montana distributed a final Project Template to close the project out. K.C. Coultrup reported that the Street/Drainage Project for Sections 5 & 6 would go out to bid soon, and contracts were expected to be presented for approval at the District's August meeting.

Current Bills: Clerk Montana distributed the first draft of the 4th quarter reconciliation of 2020-21 Surfside Colony, Ltd. Drainage and Erosion Contract Reconciliation for review. The majority of the District's \$11,258 underpayment was due to Surfside Colony Ltd.'s Repairs and Maintenance expense overage. Sandy Kriss stated that repairs and maintenance entirely attributable to Surfside Colony, Ltd. would be backed out for the final reconciliation. Since the District's total annual contract payments were still expected to be under total expenses incurred by Surfside Colony Ltd. in fulfilling the contract, the Board unanimously agreed to pay the June billing in full, with the understanding that any overpayment would be credited next month. Clerk Montana presented check #'s 1427-1434 for a total amount of \$76,095.41 consisting of \$7,538.00 for the monthly Drainage and Erosion billing, \$64,267.79 for Project Costs, and \$4,289.62 for general and administrative expenses. After review and discussion, checks were approved and signed as presented.

Clerk's Report, Fund Balance and Review of Trial Balance: Clerk Montana reported the fund balance as of May 24th, 2021 to be \$366,079, and reviewed the trial balance with the Board.

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Review, Discussion and Possible Approval of Surfside Colony, Ltd.s 2021-22 Proposal for Drainage and Erosion Control Services: Sandy Kriss of Surfside, Ltd. re-presented the 2021-22 Proposal for Drainage and Erosion Control Services dated May 18, 2021 for review and discussion (see attached), for an annual amount of \$100,101 (\$8,342 monthly), as follows:

Drainage Expense - \$52,980
Erosion Control Expense - \$40,521
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 Chamberlain moved to accept the Surfside Colony, Ltd.'s proposed 2021-22 Annual Drainage and Erosion Contract in the amount of \$100,101 (\$8,342 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 2022 billing. Trustee Viets seconded and the motion passed unanimously. Clerk Montana agreed to draft correspondence and the annual contract.

Review, Projects and Possible Agreement to Set Aside Funds for Revised 2021-22 Capital Projects Proposal: K.C. Coultrup of Surfside Colony, Ltd. present the 2021-22 Revised Request for Project Funding dated June 25th, 2021 (see attached) in the amount of \$375,526 as follows:

A & B Row Street Drainage Section 5 - \$96,481
A & B Row Add'l Drainage Section 5 - \$96,481
A & B Row Street Drainage Section 6 - \$98,782
A & B Row Add'l Drainage Section 5 - \$83,782

Based on a review of projected 2021-22 Revenue and current Project Reserves, the Board and staff determined that funding could only be set aside for proposed projects to the extent of \$233,462. Therefore, Section 6 of the Drainage project would only be funded to the extent of \$40,500. A motion was made and carried as follows:

MOTION: Trustee Chamberlain moved to set aside funding for the above projects in the amount of \$233,462 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 Viets seconded and the motion carried unanimously.

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Review, Discussion and Possible Adoption of the 2021-22 Preliminary Operating Budget, Reserve and Investment Policies: Clerk Montana presented the 2021-22 Preliminary Budget, in the amount of \$422,887 with the understanding that amounts may change in the preparation of the Final 2021-22 County of Orange budget once the year-end books are closed. After review and discussion, the following motion was made:

MOTION: Trustee Chamberlain moved to adopt the 2021-22 Preliminary Operating Budget in the amount of \$422,887 (attached) and to amend the Reserve Policy accordingly. No changes were made to the Investment Policies. Trustee Karich seconded, and the motion passed unanimously.

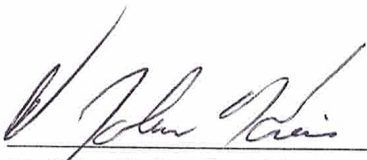
Clerk Montana distributed a CSDA Board of Directors Election Ballot for Seat A – Southern Network and a nomination letter for Jo MacKenzie, the incumbent. Clerk Montana stated that none of the other candidates had contacted the District at this time, and a motion was made and carried as follows:

MOTION: Secretary Garofalo moved to vote for Jo MacKenzie for Seat A – Southern Network of the CSDA Board of Directors, and to authorize Clerk Montana to cast the vote electronically. Trustee Chamberlain seconded, and the motion passed unanimously.

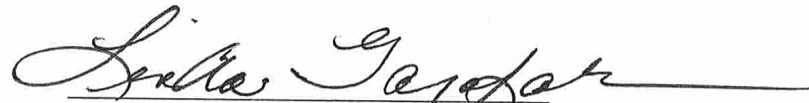
Sand Replenishment Project Update: President Kriss reported that the Stakeholders of the Surfside-Sunset Sand Replenishment Project have continued to communicate the urgent need of Stage 13 being funded to the U.S. Army Corps of Engineers. Trustee Chamberlain recommended that the USACE be made aware that any natural disaster resulting from lack of funding would be connected to their inaction.

Board Member Items/New Business: None.

Adjournment: There being no further business, President Kriss moved to adjourn the meeting at 8:05 p.m., and to schedule the next Board meetings for July 19th and August 16th. Trustee Chamberlain seconded, and the meeting was unanimously adjourned.



V. John Kriss, President



Linda Garofalo, Secretary