

Sunset Beach Sanitary District

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Minutes for the General Meeting of the Board of Directors

December 12th, 2024 - 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, Dave Evans, and K.C. Coultrup.

Staff present: Supt. Brad VanMalsen, Supt. II Rolf Pridham, and District Clerk Chris Montana.

Community: John Dentzer of Sunset Beach and Mark Lewis, retired Fountain Valley Public Works Director.

President Hoad called the meeting to order at 6:30 p.m.

Additions to Agenda: President Hoad called for the addition of two Agenda items, based upon the recommendation of Clerk Montana. In accordance with Calif. Govt. Code §54954.2(b)(2) in that there is an immediate action needed and that the need came to the District's attention only today. A motion was made and carried as follows:

MOTION: Director Coultrup moved to add the two agenda items based on the above, (1) Accept the resignation of District Engineer Thomas Dawes effective December 31, 2024, and (2) Adopt Resolution No. 2024-12-02 to designate Clerk Montana as the SWCRB authorized representative. Secretary Woods seconded, and the motion passed unanimously.

Community Input: None.

Administration of Oaths of Office: As the election results had been certified, and the incumbent Directors Hoad, Woods, and Evans were re-elected and Sunset Beach community member John Dentzer was elected to serve 4-year terms, Clerk Montana swore in the above four Board members. Terms of office are set by Gov't Code §10554 to commence on the first Friday in December after Oaths are administered. The Board and Staff thanked Director Coultrup for his service to the District, wished him the best in his future endeavors, and welcomed Director Dentzer to the Board.

Review and Possible Approval of the November 14th, 2024 Minutes of the General Meeting of the Board and the November 21st, 2024 Minutes of the Special Meeting of the Board: After Directors and staff reviewed the November 14th General Meeting of the Board and the November 21st, 2024 Special Meeting of the Board minutes, a motion was made and carried to approve both as follows:

MOTION: Treasurer Hartmann moved to approve the November 14th General Meeting of the Board and the November 21st, 2024 Special Meeting of the Board minutes as prepared. Secretary Woods seconded, and the motion passed unanimously.

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Current Bills: Clerk Montana presented the December 12th, 2024 Claims Transmitted for Payment for County processing in the amount of \$85,391.63. After Board and Staff reviewed, Secretary Woods moved to approve Claims Transmitted for Payment for County processing and invoices as presented, Treasurer Hartmann seconded, and the motion passed unanimously.

Fund Balance: Treasurer Hartmann reported Total Fund Balance as of November 30th, 2024 to be \$3,135,853 and reviewed and approved November 2024 District bank account reconciliations.

Clerk's Report and Review of Trial Balance: Clerk Montana reported on certain loan covenants required by the SWRCB financing agreement, which was executed on November 25th, as well as the process for the State to disburse project invoice reimbursements. The Clerk reviewed the November 30th, 2024 trial balance and 5-Year Projected Cash Flow, reported by enterprise function, with Board and Staff. A current year County Cash Flow report was also distributed and discussed.

Review and Possible Adoption of Resolution No. 2024-12-01, Establishing a Debt Service Reserve Fund and Amending the 2024-25 Cash Reserve Policy: Clerk Montana stated that in order to be in compliance with the SWRCB financing agreement, a Debt Service Reserve fund must be established equal to one year of debt service. A motion was made to adopt Resolution 2024-12-01 and to amend the District's cash reserve accordingly:

MOTION: Treasurer Hartmann moved to adopt Resolution No. 2024-12-01 to establish a Debt Service Reserve Fund, to be invested in LAIF, and to amend the 2024-25 Cash Reserve Policy to establish the reserve in the amount of \$477,234, funded with a reduction to the Emergency Reserve in the same amount (see attached Cash Reserve Policy as amended).

Superintendent's Report (see attached): Superintendent VanMalsen reviewed the attached report with the Board.

Engineer's Report (see attached): The Board reviewed the District Engineer's report in the absence of District Engineer Thomas Dawes, as well as the District Engineer's resignation, emailed at 12:05 p.m. today, effective December 31, 2024. Mr. Mark Lewis, retired City of Fountain Valley Public Works Director, was recommended by Mr. Dawes as his replacement, and was present. Mr. Mark Lewis expressed his interest in becoming the District's new District Engineer, his capabilities in being able to manage the upcoming Broadway Pump Station Bypass Sewer Project, and other qualifications. The District Clerk was directed to draft a professional services agreement. It was acknowledged that District Engineer Dawes had issued a Notice to Proceed with the Project on December 11th, 2024. A motion to accept Mr. Thomas Dawes' resignation as District Engineer effective December 31, 2024 was made and carried as follows:

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MOTION: Treasurer Hartmann moved to accept Thomas Dawes' resignation from the position of District Engineer, effective December 31, 2024. Secretary Woods seconded, and the motion passed unanimously.

Approve an Agreement with Lee & Ro for Construction Management and Inspection Services in connection with the Broadway Pump Station Bypass Sewer Project not to exceed \$271,896: While the Board had previously accepted the Proposal in April of 2023, the legal Agreement was presented to formalize the acceptance. A motion was made and carried as follows:

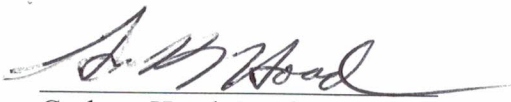
MOTION: Secretary Woods moved to approve an agreement with Lee & Ro for Construction Management and Inspection Services in connection with the Broadway Pump Station Bypass Sewer Project for an amount not to exceed \$271,896, per the attached proposal. Treasurer Hartmann seconded, and the motion passed unanimously.


Review and Possible Adoption of Resolution 2024-12-02 to Designate District Clerk as Authorized Representative for the SWRCB Financing Agreement: Due to the unexpected resignation of District Engineer Dawes, whom had been previously designated as authorized representative, action was immediately needed to designate a new authorized representative. A motion was made and carried as follows:

MOTION: Director Evans moved to adopt Resolution No. 2024-12-02, designating District Clerk Montana as the authorized representative on behalf of the District for matters relating to the previously executed SWRCB financing agreement. Treasurer Hartmann seconded, and the motion passed unanimously.

New Business / Board Member Items: None.

Adjournment: There being no other business to be presented to the Board, Director Dentzer moved for adjournment at 7:23 p.m., Secretary Woods seconded, and the meeting was unanimously adjourned.


Graham Hoad, President


John Woods, Secretary