

Surfside Colony Community Services District

P.O. Box 235
Surfside, California 90743
(562) 592-2352 • www.surfsidecsd.org

Minutes of the June 15th, 2020 General Meeting of the Board of Directors Surfside Office, B-89 6:30 p.m.

- Directors Present:** President Paul Mesmer, Secretary Gayle Mueller-Winnen, Karen Johnson, Tara Amundson, and Rudy Lalonde.
- Directors Absent:** None.
- Staff Present:** Clerk Chris Montana.
- Community:** John Kriss, Linda Garofalo, and Don Karich of Surfside Colony Storm Water Protection District; K.C. Coultrup, Sandy Kriss of Surfside, Ltd.; Greg Mills of Serrano Water District and Jim Fisler and Stacy Taylor of Mesa Water District; Assessor Tony Thrasher of Willdan Financial Services.

President Mesmer led all in the Pledge of Allegiance and called the meeting to order at 6:30 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: President Mesmer moved to vote for Greg Mills for Seat C – Southern Network of the CSDA Board of Directors. Secretary Mueller-Winnen seconded, and the motion passed unanimously. Clerk Montana agreed to cast the vote electronically.

2020-21 User Fee Assessment:

(a) Presentation of the 2019-20 User Fee Assessment Roll – Tony Thrasher of Willdan Financial Services (Assessor) presented the Surfside Colony Community Services District FY 2020-21 Preliminary Assessment Roll to the Board of Directors for review and discussion in the amount of \$40,960.00. The Assessor reported that the Notice of Filing Report had been published in accordance with Code Section 61115 and that fees remained unincreased at \$160 for developed lots and \$80 for undeveloped lots.

(b) Public Input and Protests – None.

(c) Approval of User Fee Assessment – After Board review and discussion, a motion to adopt Resolution 2020-01 to adopt the 2020-21 Assessment Roll was made and carried as follows:

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MOTION: Director Johnson moved to adopt Resolution No. 2020-01 (attached) to resolve:

- 1) that User Fees are \$80.00 for two undeveloped lots and \$160.00 for 255 developed lots, for a total 2020-21 assessment of \$40,960.00 (same as last year), and
- 2) to direct the Orange County Auditor-Controller to add the 2020-21 Assessment to the Tax Roll. Secretary Mueller-Winnen seconded and the motion passed unanimously.

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, Director Amundson moved for approval as presented. Director Lalonde seconded, and the motion passed unanimously.

Current Bills: Clerk Montana presented check #'s 3630-3634 in the amount of \$78,034.27, consisting of \$35,712.27 for Project Costs and \$42,322.00 for the monthly Security and Maintenance billing and general administrative expenses. Checks were approved and signed as presented, with the understanding that the check in the amount of \$40,115.00 for the monthly Security and Maintenance 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 \$1,035,068, 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 Forecast for the purposes of identifying future project funding available and reserve balances. Lastly, the Clerk reminded the Board that Director Karich's term is 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 Security and Maintenance Services: K.C. Coultrup and Sandy Kriss of Surfside Colony, Ltd. presented the 2020-21 Proposal for Security and Maintenance Services Contract dated May 15, 2020 for review and discussion (see attached), for an annual amount of \$503,952 (\$41,996 monthly), as follows:

Parks and Recreation Expenses, Code 61100(e) - \$152,401
Security Expenses, Code 61100(j) - \$316,601
Street Maintenance Expenses, Code 61100(l) - \$21,751
Office Space Rent - \$13,200

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:

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MOTION: Director Amundson moved to accept Surfside Colony Ltd.'s 2020-21 Annual Security and Maintenance Proposal in the amount of \$503,952 (\$41,996 monthly) as presented, with the understanding that quarterly reconciliations of actual expenses incurred to contract amounts will be prepared and any amounts paid in excess of actual corresponding expenses incurred by Surfside Colony Ltd. will be credited against the final June 2021 billing. Director Johnson 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 \$707,633 as follows:

Section 3 A Row Street Replacement, Code 61100(l) - \$304,945
Section 4 A Row Street Replacement, Code 61100(l) - \$352,688
C Row Landscaping, Code 61100(e) - \$10,000
Security Cameras, Code 61100(j) - \$40,000

After review and discussion of the above proposal, a motion was made and carried as follows:

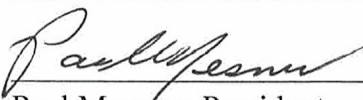
MOTION: Director Johnson moved to set aside funding for the above projects in the amount of \$707,633 with the actual approval and subsequent payment for each individual project is to be made only after the procedures per the District's Capital Improvement Project Approval Policy are complied with. Director Lalonde seconded and the motion passed unanimously.

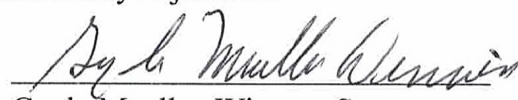
Review, Discussion and Possible Adoption of the 2020-21 Preliminary Operating Budget, Reserve and Investment Policies: Clerk Montana presented the 2020-21 Preliminary Budget, in the amount of \$1,268,122 with the understanding that amounts may change in the preparation of the Final 2020-21 County of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

MOTION: Secretary Mueller-Winnen moved adopt the 2020-21 Preliminary Operating Budget in the amount of \$1,268,122 and to amend the Reserve Policy to eliminate the Street Reserve, which would be used to fund street replacement projects. The Investment Policy did not change. Director Lalonde seconded, and the motion passed unanimously.

Board Member Items: None.

Adjournment: There being no further business to be brought before the Board, Secretary Mueller-Winnen moved to adjourn the meeting at 8:00 p.m., and to schedule the next Board meeting for Monday, July 20th, 2020. Director Johnson seconded, and the meeting was unanimously adjourned.


Paul Mesmer, President


Gayle Mueller-Winnen, Secretary