

Klondike Canyon Geologic Hazard Abatement District

P.O. Box 3675 – Palos Verdes Peninsula, CA 90274 - (310) 787-7111

MINUTES – June 17, 2024

The Chairman, Steve Cummins, called the re scheduled Meeting of the Board of Directors of the Klondike Canyon Geologic Hazard Abatement District to order @ Ladera Linda Community Center and also via Zoom.

Roll Call

Directors Present - Cummins, Hotchkiss, and Freeman and later Grillo joined the meeting on Zoom

Approval of Agenda

The agenda was approved by voice vote.

Oath of Office – The Oath of Office was not administered to Mr. Dennis Jaconi at the May 30, 2024 meeting because he was out of town. We were going to install him this evening, but unfortunately he has sent in his resignation. We will have to discuss a new member.

Approval of Minutes

The minutes of the April 22, 2024 meeting were presented. It was moved by Ms. Hotchkiss and seconded by Mr. Freeman that the minutes of the January 22, 2024, meeting be approved.

The vote was: Ayes: Cummins, Hotchkiss and Freeman

The motion passed by the above vote.

Before we continued with the meeting, the Chairman asked the clerk to begin the opening of the ballots regarding the assessments. The clerk's assistant was unable to join us, but Kwi Lee volunteered to help and our thanks to her.

Continued Business

1. **a Upper Canyon Drain** – Mr. Cummins discussed remedial efforts being done in the canyon.

1. **b Beach Drain (Artesian Well)** – There was a break last Saturday, and our contractor, Mike Drews was available and he fixed it. It was an emergency pipeline repair on the 6” force main. We are pumping over 200 g/min, but the water table is fluctuating between 15 and 18 ft down. He is not sure why but he thinks water is still getting through. The hydraugers construction site has been set up to do initial borings to get a reading on what the sub structures are. Geologists are now starting to do the analysis on the samples..

2. **Seaview Report** Mr. Cummins knows there have been a lot of issues in Seaview. Nic Grillo was able to join us and gave a report. Nikki Noushkam and Diedre Heimer said that they have had several water line breaks and gas line breaks on Admirable and Dauntless. Discussion followed.
3. **Klondike channel Maintenance Plan** – the beach frontage and actually the ocean floor has risen about 7 feet. They are working on the 48 in pipe and there may have to be more grading done.
4. **Sub Slide Maintenance** – the area is cleared. They need to design the plan and figure out how to get the water out of the head of the slide. Hopefully we will get done before the next rains.
5. **Video Presentation for district** – Mr. Freeman says they are working on the video presentation. Still looking for members to share information.
6. **P.B. slide dirt removal** – Mr. Cummins says that they are still doing dirt removal along the PB slide. They are including the channel grading in this effort. If the city loan comes through, this is one of the first things on the list to work on. Discussion followed.

New Business – Item - Public Hearing - 2024/2025 Proposed Maintenance & Operations Budget

The Chairman, Mr. Cummins, stated that this is the time and place set for the Public Hearing for consideration of the 2024/2025 Fiscal Year Maintenance and Operations Budget. The Abatement District has the privilege of coming up with the budget every year and for the last 40 years the assessment has remained the same. This year unfortunately it had to be raised a lot.

The Clerk reports that the Notice of this Public Hearing (the second Public Hearing notices and ballots were mailed on April 29, 2024) to all owners of properties in the district so that they could vote yes or no on the proposed budget. The vote is not one property, one vote, it is now based on the units of the property. The packet included: voting instruction and the budget; a ballot and a benefit assessment formula. There also a brief summary of the work the district is planning to do with the funds. The owners now have 45 days to vote and the decision will be made at the Public Hearing.

The Chairman asked if there were any questions. The ballots were counted and the vote was YES 105.471 units and NO 26.002 units. The city did not send in a ballot. The assessment vote is a protest vote. If you do not send in a no vote, it is considered a yes vote.

Discussion followed on the budget and then after discussion, the Chairman ordered the Public Hearing closed. Chairman Cummins asked the Board to formally approve the Maintenance and Operations Budget as approved at the Regularly Scheduled Meeting of the Board of Directors on March 25, 2024.

Budget amount \$570,570.00

A **motion** to approve the budget of \$570,570, was made by Ms. Hotchkiss and seconded by Mr. Freeman.

The vote was: Ayes: Cummins, Hotchkiss, Freeman and Grillo
The motion passed by the above vote.

Resolution No. 24-6, which is a Resolution of the Board of Directors of the Klondike Canyon Geologic Hazard Abatement District confirming the Proposed Assessment for the Costs and Expenses of Maintaining and Operating Improvements for the 2024-2025 Fiscal Year and Ordering the Levy and Collection thereof was introduced and read by title only.

A **motion** was made by Ms. Hotchkiss to waive reading in full of Resolution 24-6 and that Resolution 24-6 be adopted. The motion was seconded by Mr. Freeman.

The vote was: Ayes: Cummins, Hotchkiss, Freeman and Grillo
The motion passed by the above vote.

New Business – Item 2 – loan from the city of RPV – The city loan that we are asking for is \$1,917,500 which was based on a short list of items that came out of the 5-step plan beginning with all the grading that will help control the landslide. There is also piping and well drilling to be considered. The Chairman discussed the items that are included in the estimates.

The loan terms have not been agreed upon at this time. This is a draw down loan and we make payments on the amounts of money that we have used.

Our reserves are very low now and we need this loan to get projects done before the winter rains. The terms of the loan are 2.5% interest rate and it is a 12-year term. The first payment would be due on December 1 2025. With any luck we may get another loan to pay this off.

There is a caveat in the use of the loan. It has to be used for projects; no administrative items are permitted uses of the loan. We will need to hire people, such as a CPA and various loan management people, geologists and more to make this work.

The city will oversee the money and we have to report to the city on every project. We need reports to the city as to exactly how the money will be spent and this will all be closely watched.

For the FEMA loans we pay for 25% and they pay for 75%. Both Kelly and Andrew Ehly are working very hard and are doing a great job regarding the grants. We are in a better position than most regarding the grants. However, they may not come through until 2025.

There are 5 FEMA loans in the works. Other loans were also discussed. However, a problem is that some of our government officials don't think that there is a problem here in the district. It's just a preexisting condition and Mr. Mihranian has asked that the community get as many pictures together as possible to show the damage.

We certified Kelly Ehly as the point of contact for these FEMA loans. It is kind of dangerous to be involved on the board because you need to be insured to protect the individual if someone sues the board. More information needs to be checked into regarding the insurance. The Ehly's will provide a summary of their work.

Sha Tahmasebi wanted to know why Klondike has not had a Treasurer. She says by law we need to have a Treasurer. Mr. Cummins says that we have never had one in forty years. He joined the board in 2011 and took over the Chairmanship in 2017, after Gale Lovrich left. Ms. Tahmasebi wants to make sure that Klondike operates legally.

Nikki Noushkam had a question re repaying of the loan and she will send a draft of her thoughts regarding a grace period.

The Chairman asked for any more comments from the audience.

It was **moved** by Ms. Hotchkiss that we accept the city loan, terms and conditions subject to further negotiation. The motion was seconded by Mr. Freeman

The vote was: Ayes: Cummins, Hotchkiss, Freeman and Grillo
The motion passed by the above vote.

New Business – Item 3 – Notice of Election

Resolution 24-8 – Giving notice of election to be held on November 5, 2024. This date is the regularly scheduled election date. Mr. Jaconi has resigned and we would like to fill his seat as soon as possible. Discussion followed on how to fill the vacant seat. It was discussed filling the vacant seat by appointment.

There was a **motion** from Ms. Hotchkiss that we set the election date as November 5, 2024. The motion was seconded by Mr. Freeman

The vote was: Ayes: Cummins, Hotchkiss, Freeman and Grillo
The motion passed by the above vote.

Revised & Corrected - Maintenance & Operations Warrant Register May 30, 2024

*There was an invoice on the May 30th register for \$2,575 which was for an invoice that we had already paid. The correct invoice to Mike Drews should be \$9,555 for installing the drain line under Yacht Harbor Dr.

The Maintenance & Operations Warrant Register was discussed regarding the wrong invoice for Mike Drews Construction that was included on the May 30, 2024 register. The wrong amount was \$2,575 and the correct invoice amount was \$9,555.

It was **moved** by Ms. Hotchkiss and seconded by Mr. Freeman that the Revised and Corrected Maintenance and Operations Warrant Register dated May 30, 2024, No. 1 through 9 in the amount of \$42,563.69 as summarized on the warrant register, be approved for payment.

The re-vote on the May 30, 2024 register was:

Ayes: Cummins, Hotchkiss, Freeman and Grillo

The motion passed by the above vote.

1. Sandy Marshall - District Clerk – May 2024 service	1,000.00 (Ck#1559)
2. Portuguese Bend Beach Club –5/11/24 to 6/11/24 + addl.	1,000.00 (Ck#1560)
3. Christopher Lewis – maintenance \$125 + \$135	260.00 (Ck#1561)
4. Mike Drews Construction – Inv. 2558 recreate the channel	19,875.00 (Ck#1562)
5. Portuguese Bend Club – reimb. envelopes for assessment	57.31 (Ck#1563)
6. Pump Systems -Inv.#Q8741745 wells #1 & #3 pumps	10,659.90 (Ck#1564)
7. Mike Drews Construction Co. – install drain line under Yacht Harbor Dr. PBC pd the other half of this invoice.	9,555.00 (Ck#1565) *
8. Sandy Marshall – reimb. postage for assessment (96@ \$1.63)	156.48 (Ck#1565)
9. Christopher Lewis – addl. maintenance	135.00 (Ck#1561)

* This ck was not printed for Mike Drews for \$2,575,00 which was the wrong amount. The correct amount is \$9,555 and the correct amount of the May invoices if \$42,563.69

Total Warrants **\$42,563.69**

Maintenance & Operations Warrant Register June 17, 2024

1. Sandy Marshall - District Clerk – June 2024 service	1,000.00
2. Portuguese Bend Beach Club –6/11/24 to 7/11/24	1,000.00
3. Christopher Lewis – maintenance	125.00
4. U. S. Postal service – 12-month box rental	222.00
5. Mike Drews Construction – Inv. #2567 emergency pipe break	4,550.00
	\$6,897.00

It was **moved** by Ms. Hotchkiss and seconded by Mr. Freeman that the Maintenance and Operations Warrant Register dated June 17, 2024, No. 1 through 5 in the amount of \$6,897.00 as summarized on the warrant register, be approved for payment.

The vote was: Ayes: Cummins, Hotchkiss, Freeman and Grillo

The motion passed by the above vote.

Speaker Items – there were no more speaker items.

Audience Items – there were no more audience items.

Adjournment – Again, our thanks to Kit Song for helping with the audio for Zoom. There being no further business at this time, the meeting was adjourned.

The next regularly scheduled meeting will be held via Zoom on July 22, 2024.

Respectfully submitted,

Sandy Marshall, District Clerk