

SUMMARY OF ACTIONS
BROAD BEACH GEOLOGICAL HAZARD ABATEMENT DISTRICT
REGULAR MEETING
OCTOBER 14, 2012
31030 BROAD BEACH ROAD

1. CALL TO ORDER

Chair Karno called the meeting to order at 9:05 a.m.

2. ROLL CALL

PRESENT: Chair Karno, Vice Chair Grossman, Board Member Levitan, Board Member Marquis, and Advisor Goss.

ABSENT: Board Member Lotman.

GHAD STAFF ALSO PRESENT (not Board Members and not subject to Roll Call):
GHAD Clerk and Treasurer Barbara Hamm and GHAD Project Counsel Ken Ehrlich.

3. ADOPTION OF AGENDA

The GHAD Clerk reported that the meeting Agenda was posted at 8:35 a.m. on Thursday October 11, 2012 within the boundaries of the GHAD. Board Member Marquis moved, and Board Member Levitan seconded, the approval of the Agenda. The motion approving the agenda passed 4-0.

4. APPROVED SUMMARY OF ACTIONS FROM SEPTEMBER 16, 2012 MEETING

Board Member Marquis moved, and Board Member Levitan seconded, the approval of the Summary of Actions from the September 16, 2012 meeting, with various edits read by GHAD Project Counsel. The motion passed 4-0.

5. CEREMONIAL PRESENTATIONS

None.

6. CONSENT CALENDAR

None.

7. PUBLIC HEARINGS

None.

8. OLD BUSINESS

a. Permitting and Regulatory Process

The Chair recognized the GHAD Project Counsel, who briefed the Board on the following items:

(i) CCC Status: The primary deal points with the CCC include: (a) the concept of providing constant lateral access during the permit term even if the nourished beach erodes to expose the revetment, and (b) proposed alteration of the Project to move the eastern 1300' of the emergency revetment landward. The Chair recognized Board Member Marquis who suggested that the GHAD may consider interim, modest volume nourishments, if necessary according to objective triggers, during the second half of the 10 years between major nourishments. Vice Chair Grossman suggested that the GHAD should guarantee its performance on implementing the Project, but not guarantee specific results (i.e., not guarantee that the revetment will remain covered and a certain amount of public access at all times-- even after significant storms). Regarding the potential movement of the eastern portion of the revetment, Board Member Marquis stated that the GHAD needs to act accordingly once it determines the significance of this issue to the CCC, especially in light of recent indirect comments from CCC staff that a lack of consensus exists within staff on this issue.

The Chair recognized Vice Chair Grossman. The Vice Chair suggested that GHAD representatives meet with CCC Executive Officer Charles Lester and Deputy Executive Officer Jack Ainsworth to further discuss these points. Project Counsel was directed to schedule the meeting.

(ii) SLC & APTR Status: GHAD Project Counsel reported that the APTR is anticipated to be circulated publicly on October 22, 2012. GHAD Project Counsel further reported that the pre-release draft shared with the GHAD reflects at least three (3) mitigation measures seeking monetary contributions from the GHAD: (a) mitigation for allegedly lost intertidal habitat at the extreme west end of the beach, (b) mitigation for regional sand management if sand is taken from Santa Monica Bay, and (c) mitigation for the public's inability to use lateral access easements since the placement of the revetment. The SLC also seeks the placement of a bond or other surety for revetment removal in the event that the revetment is required to be removed at some future date. GHAD Project Counsel further reported that the APTR draft also contained certain mitigation measures that the GHAD believes are unnecessary. The Vice Chair recommended that GHAD representatives prepare written comments and also meet with SLC members and staff in an attempt to resolve the issues.

The Chair recognized Board Member Levitan, who suggested that the GHAD consider a public/press strategy if the proposed project conditions appear too onerous. The Chair recognized Advisor Goss, who suggested that such a strategy may not be effective as the GHAD owners may not appear in the public as particularly sympathetic.

(iii) Sand Source Update: The Chair recognized Board Member Marquis, who advised the Board on the status of finalizing a sand source for the project. Board Member Marquis reported that the GHAD staff continues to: (a) push the City of LA for a response to the GHAD's proposal and multiple submittals, (b) work with SLC staff to recommend potential use of sand offshore of Manhattan Beach, and (c) develop alternate potential sources, including Calleguas Creek-- which was recently sampled but such samples are in the process of being analyzed.

Advisor Goss suggested that the Board investigate the availability of alternate dredge equipment to ensure competitive pricing on sand cultivation, transport, and placement. The Chair requested Advisor Goss to lead such a due diligence and investigative effort; Advisor Goss agreed to do so.

(iv) RWQCB Update: Project Counsel Ehrlich reported that the RWQCB's initial water quality certification analysis is expected by the end of November 2012.

b. Right of Access Alternatives:

The Chair recognized Project Counsel Ehrlich. Project Counsel reported that draft agreements were circulated to the involved Board Members. Project Counsel provided additional copies for review.

9. NEW BUSINESS

NONE

10. GHAD BOARD MEMBER REPORTS

a. Chair Karno- The Chair reported that City National Bank has expressed interest in negotiating a private placement for the project costs at relatively favorable terms, expediting such negotiations, and minimizing attorneys fees on such a transaction. Vice Chair Grossman suggested that the Board seek input from GHAD owners with interest and experience in the financial services industry. Board Member Marquis suggested that a private placement may be the best financing vehicle for the GHAD due to the relative size and scale of the project. Board Member Levitan suggested that the Board receive additional input from GHAD owners on financial and dredge equipment matters. The Chair stated that a term sheet should be developed and circulated as appropriate.

11. GHAD OFFICER REPORTS

a. Treasurer's Report

The GHAD Treasurer further reported that the Financial Report attached to the Board packet for the October 14, 2012 meeting is accurate; as of September 30, 2012, the GHAD had cash on hand of approximately \$255,000. The Treasurer also reported that the GHAD may need an additional draw on its existing line of credit as the amount of the bills on hand exceed the present balance by approximately \$30,000.

The GHAD Treasurer further reported that the GHAD's permitting and other "soft" costs have exceeded the budgeted amounts for same by approximately \$700,000.

b. **GHAD Manager Report**

NONE

12. **PUBLIC COMMENTS: NON-AGENDA ITEMS**

NONE.

13. **FUTURE MEETING**

The next GHAD Board meeting will be on November 18, 2012 at 9:00 a.m. at a private residence located at 31330 Broad Beach Road. The Chair also suggested that the December GHAD Board meeting coincide with the TPOA's General Meeting on December 2, 2012.

14. **ADJOURNMENT**

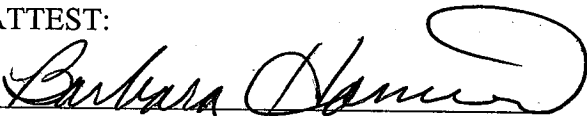
The Chair recognized Board Member Levitan, who moved to adjourn. Board Member Marquis seconded the motion. The motion passed 4-0. The meeting adjourned at 11:15 a.m.

Approved and adopted by the Broad Beach GHAD
Board on November 18, 2012.



NORTON KARNO, Chair

ATTEST:



BARBARA HAMM, GHAD Clerk