

Summary of Actions

BROAD BEACH GEOLOGICAL HAZARD ABATEMENT DISTRICT
REGULAR MEETING

November 24, 2013

31330 Broad Beach Road, Malibu, CA 90265

1. CALL TO ORDER

Chair Karno called the meeting to order at 9:10 a.m.

2. ROLL CALL

PRESENT: Chair Karno, Vice Chair Grossman, and Board Member Lotman.

ABSENT: Board Member Levitan and Board Member Rosenbloom.

BBGHAD STAFF ALSO PRESENT (not Board Members and not subject to Roll Call):
Project Manager Goss, BBGHAD Engineers Russ Boudreau and Chris Webb, BBGHAD
Clerk/Treasurer Bernadette O'Neill, and Project Counsel Ken Ehrlich.

3. ADOPTION OF AGENDA

Project Counsel reported that the meeting Agenda was posted at approximately 8:30 a.m. on Thursday November 21, 2013 within the boundaries of the BBGHAD. Vice Chair Grossman moved, and Board Member Lotman seconded, the approval of the Agenda. The Motion approving the Agenda passed 3-0.

4. APPROVED SUMMARY OF ACTIONS FROM OCTOBER 27, 2013 MEETING

Project Counsel noted certain edits for the Summary of Actions from the October 27, 2013 meeting. Subject to Project Counsel's edits, Board Member Lotman, moved and Vice Chair Grossman seconded, the approval of the Summary of Actions from the October 27, 2013 meeting. The Motion passed 3-0.

5. CEREMONIAL PRESENTATIONS

None.

6. CONSENT CALENDAR

None.

7. PUBLIC HEARINGS

None.

8. NEW BUSINESS

None.

9. OLD BUSINESS

a. Permitting and Regulatory Process

The Chair recognized the Project Manager, who stated that the BBGHAD Engineer would begin the report. The BBGHAD Engineer reported that the BBGHAD submitted supplemental CDP application materials to the CCC on October 29, 2013, submitted supplemental materials to the SLC on November 7, 2013, and submitted follow-on materials (air and dune design) to both agencies on November 19, 2013. Thus, the agencies have until December 20, 2013 to inform the BBGHAD if its applications are complete. The BBGHAD Engineer also reported that the BBGHAD has scheduled in-person meetings with the RWQCB and the Army Corps to re-introduce the project and kick-off those agencies' approval processes.

The Chair asked if recent oral questions from CCC staff are routine in that agency's review of CDP applications. The Project Manager responded that the BBGHAD has submitted thousands of pages of supplemental materials and that CCC staff is likely at the beginning of its review of the new materials, which makes the recent questions appear predictable and routine. The Project Manager added that BBGHAD staff plans to conduct an on-site meeting with various agencies interested in the habitat affects of the project, such as the National Oceanic and Atmospheric Administration, the National Marine Fisheries Service, and the state Department of Fish and Wildlife-- and that proactive planning will occur before such meeting.

b. Project Outreach

The Chair recognized the Project Manager. The Project Manager reported that meetings have occurred with 4 potential project lobbyists. Based on these meetings, the Project Manager recommended retention of Susan McCabe. The Project Manager added that the best scenario would be to retain a lobbyist after the CCC deems the CDP application complete, but we will need to wait until at least December 20th to learn if that will be possible in the near term. Alternatively, and depending on the CCC's December 20th communication, it may benefit the BBGHAD for the lobbyist to engage on attempting to have the agency deem the application complete. The Project Manager stressed the need to move as quickly as possible in the CDP process because, if the BBGHAD seeks a September 2014 construction start date, some CCC approval conditions could take weeks or even months to clear. The Vice Chair added that post-approval conditions must be considered carefully as they can be onerous. The Chair recognized George Novogroder, who stressed that any lobbyist retained by the BBGHAD must be close with at least 8-9 Commissioners to be successful in moving the project forward.

MOTION: Board Member Lotman moved to authorize the Project Manager retain a lobbyist for no more than 6 months for a total compensation amount not to exceed \$125,000, and the Project Manager shall negotiate compensation and other retention terms with the lobbyist subject to approval of terms by the Vice Chair and the Project Manager. There was no further discussion. The Vice Chair seconded the Motion. The Chair called for a vote and the Motion passed 3-0.

The Chair recognized the Project Manager, who suggested that adding a second daily work shift for project construction would increase the likelihood of completing the project

within a single work season (September to May). The Project Manager stated that Don Schmitz, a local Malibu lobbyist, may be helpful with the City or other agencies which may have input on the "two-shift" concept. The Project Manager acknowledged that additional work must be completed before pursuing or retaining Mr. Schmitz, but the "two shift" concept remains important.

MOTION: The Vice Chair moved to authorize the Project Manager to engage a local lobbyist to work with local entities on local issues (including but not limited to the viability of a second daily work shift for project construction) for a total compensation amount not to exceed \$5,000, and the Project Manager shall negotiate compensation and other retention terms with the local lobbyist subject to approval of terms by the Vice Chair and the Project Manager. Board Member Lotman seconded the Motion. Hearing no further discussion, the Chair called for a vote. The Motion passed 3-0.

c. Project Financing

The Chair related that he has received correspondence from City National Bank regarding a non-binding pricing indication and terms for permanent project financing. The Chair stated the importance of having such a pricing indication in place in hopes that the key agencies deem the BBGHAD's applications complete and actual construction work may begin in or around September 2014.

MOTION: The Chair moved that, within the next 15 days, the BBGHAD may incur costs of no more than \$20,000 as an expense deposit in connection with the Project's proposed permanent financing from City National Bank. The Chair stated that, until the BBGHAD knows that its applications are complete with the CCC and SLC, he will instruct City National Bank not to begin drafting the proposed documents. Hearing no further discussion, the Chair called for a vote. The Motion passed 3-0.

d. Proposed GHAD Contracting Policy

No report.

10. GHAD OFFICER REPORTS

a. Project Manager

The Project Manager reported that he has begun a thorough examination of proposed Project logistics as they relate to pricing and budget. He stated that he is not yet prepared to offer an amended Project budget because important component costs remain to be negotiated. The Project Manager discussed the preferred business arrangement for the trucking component of the Project, including desired insurance parameters. The Vice Chair asserted the need to ensure that all vendors have sufficient insurance in place prior to beginning construction. Board Member Lotman suggested that the BBGHAD consider purchasing a hedge on truck fuel. The Project Manager agreed that this idea merits further consideration.

b. Treasurer Report

The Treasurer reported that, as of December 1, 2013, the BBGHAD will have cash on hand of approximately \$288,000. The Treasurer anticipates that BBGHAD funds will be bolstered after December 2013 property tax payments are received in early January 2014.

The Vice Chair mentioned that Project Counsel has proposed a 2014 hourly rate of \$650 for his services and others in his firm at a 10% discount off of their standard rates. The Chair requested that the BBGHAD agendaize hourly rates and other business arrangements for Project Counsel for the next BBGHAD Board meeting.

11. BBGHAD BOARD MEMBER REPORTS

No Board Members presented any reports.

12. PUBLIC COMMENT: NON-AGENDA ITEMS

The Chair recognized Jane Arnault, who asked, if a construction accident occurs during Project construction and the liability exceeds available vendor insurance, who would be responsible for the exceedence? The Vice Chair responded that additional facts would be needed to best answer the inquiry, but the BBGHAD may or may not incur such liability under appropriate facts.

13. FUTURE MEETING

The next BBGHAD Board Meeting will be on January 5, 2014, followed by February 2, 2014. The meetings will be at 9:00 a.m. at a private residence located at 31330 Broad Beach Road.

14. ADJOURNMENT

Board Member Lotman moved for adjournment, with a second from the Vice Chair. The Motion passed 3-0. The meeting adjourned at 11:22 a.m.

Approved and adopted by the Broad Beach GHAD
Board on January 5, 2014.



NORTON KARNO, Chair

ATTEST:



BERNADETTE O'NEILL, Clerk