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Summary of Actions

BROAD BEACH GEOLOGIC HAZARD ABATEMENT DISTRICT

REGULAR SESSION MEETING

Sunday November 17, 2019; 9:00 a.m.

**Juan Cabrillo Elementary School-Library
30237 Morning View Drive, Malibu, CA 90265**

1. Call to Order

The Chair called the meeting to order at 9:13 a.m.

2. Roll Call

PRESENT: Chair Karno, Vice Chair Grossman, and Board Member Marine. Board Member Kuba joined the meeting at approximately 9:16 a.m.

ABSENT: Board Member Needleman

BBGHAD STAFF ALSO PRESENT: Project Manager Ovrom, Project Counsel Ehrlich, and Clerk/Treasurer Fuchs. Special Counsel Colantuono and Project Engineer Boudreau participated by phone.

3. Adoption of Agenda

The Chair recognized Project Counsel, who reported that the Agenda was posted on Wednesday November 13, 2019 at approximately 9:00 a.m. within the BBGHAD boundaries and concurrently posted on the BBGHAD website. The Chair recognized Board Member Marine, who moved to adopt the Agenda as posted. The Vice Chair seconded the Motion, and the Motion passed 3-0.

Closed Session

At 9:15 a.m. the Chair announced, without objection, that the Board would move into Closed Session.

Resumption of Regular Session

The Chair resumed Regular Session at approximately 10:39 a.m. The Chair recognized Project Counsel, who reported that no specific actions were taken in Closed Session. Special Counsel left the meeting at approximately 10:39 a.m.

The Chair recognized Project Counsel, who reported on the status of the four (4) questions submitted by Max Factor at the October 27, 2019 Board meeting. Project Counsel further reported that he responded to question #4 orally and responded to the remaining set of questions in writing to Mr. Max Factor and his counsel on November 4, 2019. Project Counsel further stated that he received a request from Mr. Factor late Saturday night to also put the

answer to question #4 in writing. Project Counsel suggested to take Mr. Factor's supplemental submission under consideration but not to take any immediate actions. The Board unanimously agreed to Project Counsel's suggestion.

7. Consider Summary of Actions from October 27, 2019 Meeting

The Chair recognized Project Counsel, who reported that the last sentence in Section 12 is to be deleted, as it did not transpire at the October 27, 2019 meeting. The Chair recognized Vice Chair, who moved to approve the Summary of Actions with the recommended deletion of the last sentence as announced by Project Counsel. Board Member Marine seconded the Motion, and the Motion passed 4-0.

8. Old Business

a. Permitting and Regulatory Process Status

1. Lead Agency Update

A. CCC

i. Prior-to-Issuance Conditions compliance

B. Army Corps

C. RWQCB

D. SLC

The Chair recognized Project Counsel, who reported that the no rent grace period associated with the SLC lease ends December 31, 2019. Staff submitted an application for extension of this grace period and the SLC agreed to for a \$50,000 fee per year. Project Counsel recommended to adopt and to agree to the proposed SLC amendment.

The Board discussed the potential ramifications if it would not agree to the SLC lease amendment. Project Counsel briefed the Board on the different lease payments due if the revetment would not get relocated before, and the Project will not be implemented by December 31, 2019.

MOTION: The Vice Chair moved to adopt and agree to the proposed SLC amendment and the \$50,000.00 payment to extend the rent grace period for 2020. Board member Marine seconded the Motion. Hearing no further Board comment, the Chair called the question and the Motion passed 3-0-1.

2. Responsible & Consulting Agency update: NMFS, Cal. DFW, CalTrans, etc.

No update.

3. Sand Source Update

No update.

9. New Business

a.) Proposed contract with Accounting Support Position

The Chair recognized the Project Manager, who reported that the BBGHAD's auditor LSL suggested specific accounting work by BBGHAD staff at their last audit for the year ending 2018. The Project Manager further stated that staff reached out to and interviewed local bookkeepers and accountants and recommends the retention of Ms. Kaiser who has 26 years of experience in accounting. A Board discussion ensued about the responsibilities of the accounting support position. The Board unanimously agreed to defer this matter until further review and after the Project Manager interviewed Ms. Kaiser.

b.) March 2020 Board Election

The Chair recognized Project Counsel, who reported that the Notice of BBGHAD Board Election was published in the *Malibu Times*, as well as circulated and mailed to the each homeowner within the boundaries of the GHAD, containing all the information about the next Board Election from nomination period to the deadlines.

10. BBGHAD Officer Report

a. Project Manager

No Report.

b. Treasurer's Report

The Treasurer reported that, as of October 21, 2019, the cash balance was \$1,209,754.99 in the Regular checking account and the estimated unpaid bills amount to \$42,976.45. The Treasurer further reported that the total fees and costs incurred through October 2019 for the Reef Group litigation amounts to \$496,651.85, \$226,288.26 for Arnault/Factor litigation, and \$461,146.94 for the Validation Action.

11. BBGHAD Board Member Reports

No reports.

12. Public Comment - Non-Agenda Items

The Chair recognized homeowner Alex Haagen III, who suggested to relocate the revetment now to save the \$50,000 payment to the SLC for the extension of the grace period. The Chair responded that if the Project is not implemented in its entirety that there would be still

fees due (\$90,000) to the SLC, exceeding the proposed \$50,000 for the extension of the grace period.

The Chair recognized Project Counsel, who responded to Mr. Haagen's question in detail, stating that moving the revetment would have no impact on the continued encroachment at the west end of the revetment.

The Chair recognized homeowner Alex Haagen, who addressed the findings and rulings of his legal case against the BBGHAD and the BBGHAD's appeal, and his legal costs associated with it. Mr. Haagen further suggested that the parties attempt to agree on a global settlement.

The Chair recognized Project Counsel, who recommended that the Chair thank Mr. Haagen for his constructive comments and not to comment or respond substantively at this time, as most of the matters raised by Mr. Haagen are subject to Closed Session discussion.

The Chair recognized Board Member Kuba, who thanked Mr. Haagen for his comments and attending the meeting. Board Member Kuba further supported moving forward with settlement discussions with the Reef Group.

Malibu West representative Patt Healey stated that Malibu West would like to be a part of the discussions.

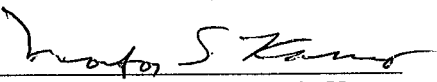
13. Future Meeting

The Chair decided to defer on announcing future meeting dates until further input from Project Counsel and Special Counsel.

14. Adjournment

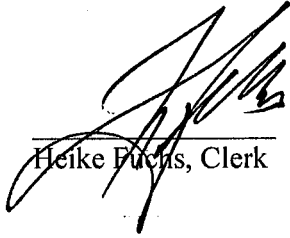
The Chair recognized Board Member Marine, who moved to adjourn Regular Session. Board Member Kuba seconded the Motion and the Motion passed 4-0. Regular session was adjourned 11:49 a.m.

Approved and adopted by the Broad Beach GHAD Board of Directors


Norton S. Karno

Broad Beach Geologic Hazard Abatement District
Summary of Actions-Regular Session
November 17, 2019
Page 5 of 5

Attest:



Heike Fuchs, Clerk