

SURFSIDE COLONY BOARD OF DIRECTORS
MONTHLY MEETING
MINUTES
TUESDAY, JANUARY 11, 2011

Board Members Present – Dave Evans, KC Coultrup, Sandy Redding, and Steve Wiles.
Absent: Darlene Cahoon.

Colony Administrator: Chressa James
Residents – Gayle Winnen (A38), John Kriss (A100), Gino Salegui (A57) and Nora Straight (A99)

Dave Evans opened the meeting at 6:30 pm.

Motion by Steve Wiles to approve the Surfside Colony Board of Directors Meeting minutes for October 2010
Second by KC Coultrup
Vote: all in favor
Motion carried

Motion by KC Coultrup to approve the Surfside Colony Board of Directors Meeting Minutes for November 2010 as written
Second by Dave Evans
Vote: all in favor
Motion carried

Open Forum for Shareholder concerns: As there was no input from the floor at that time Mr. Evans turned the meeting over to Mr. Coultrup to give the financial report.

Financial Report by KC Coultrup: Mr. Coultrup indicated the income and expensed for the colony are on track. Fifty percent of the year has been completed and the income and expenses reflect that. He indicated the cash balance including CD's is approximately \$674,000.00. Due to the recent assessment invoices going out, the receivables were lengthy. The delinquent accounts have decreased significantly to only 2 over 60 days.

Tax District Report by KC Coultrup: Mr. Coultrup then gave a report on the Tax District meeting he had attended. He indicated he had sent a letter to the Tax Districts requesting their financial support in going forward with the two colony projects; Front Gate remodel and storm drain system. He specifically asked the Tax Districts to assist in paying down the debt if the Colony were to borrow money to pay for the projects. According to the attorney, the Tax District board members spoke to; the Tax Districts are not allowed to make multi year commitment to the colony, especially to pay down debt. Mr. Coultrup asked the Tax Districts to respond in writing. A lengthy discussion ensued between the board members and the Tax district members in attendance. It was identified that the Tax Districts take in approximately \$490,000.00 this year and they have made a \$420,000.00 commitment to Surfside Colony. The Tax Districts pay the bills as they are received. Mr. Kriss pointed out if the Colony borrowed \$500,000.00 the interest over 10 years would be approximately \$114,000.00.

The Board then reviewed the Tax District Budgets. Mr. Salegui informed the Board the Tax Districts are willing to pay for expenses using all but their reserves. A discussion then ensued regarding the safety of the reserves considering the financial state of California. They also discussed the idea of Seal Beach taking over the expense of the Surfside Sand Replenishment. The Board requested a copy of the Tax District's reserve policy. The Group then discussed the possibility of the Storm Water Tax district paying for the emergency upgrade of the French drains due to recent Surfside flooding.

Front Gate Construction: Mr. Evans indicated the plans for the front gate had been submitted to the Coastal Commission. The colony has complied with everything they have asked. There should be a permit issued in January. The City of Seal Beach will also issue a building permit. The budget for the front gate alone is approximately \$245,000.00.

Colony Drainage: Mr. Evans indicated he has been meeting with Mr. Cahl weekly. There was a problem with the electrical utilities not being where they were supposed to be under the streets of Surfside. The utilities were set too high. Potholes were done to confirm the whereabouts of the underground utilities. It has been decided that a large 12inch pipe will be required to get the water down to the B Row drainage system. Using multiple 6 or 8inch pipes has not been ruled out. The placement of the storm chambers was discussed. Mr. Cahl is still working on the final design. Mr. Evans indicated the project would probably have to be put off at least 6 months, as the plans must be submitted to the Coastal Commission. The project may be done in stages. Mr. Evans indicated the final plan and how to pay for it would be discussed at the Annual Shareholder meeting to get the input of the Shareholders on how to pay for the project.

The Board had received a letter from John Kriss and it was discussed with him. They agreed to attach the letter to the final meeting minutes in the office. Shareholder, Steve Rowe also wrote a letter and it was agreed to attach it as well.

As there was no further business brought before the Board the meeting was adjourned to an Executive Session at 8:09 pm

Respectfully Submitted,


Sandra Redding
Secretary

Next Board Meeting March 8, 2011