

BROAD BEACH GEOLOGIC HAZARD ABATEMENT DISTRICT

REGULAR MEETING AGENDA

Sunday November 20, 2016; 9:00 a.m.

Private Residence: 31030 Broad Beach Road, Malibu, CA 90265

Regular Session

- 1) **Call to Order**
- 2) **Swearing In of New Board Member, Shaul Kuba (Chair).**
- 3) **Roll Call**
- 4) **Adoption of Agenda**

Closed Session

- 5) Conference With Legal Counsel; Pending Litigation
(Gov. Code § 54956.9(d)(1))

Conference with legal counsel: Discussion of County of Ventura and City of Fillmore v. City of Moorpark and Broad Beach Geologic Hazard Abatement District, Santa Barbara County Superior Court Case No. VENC100479937.

- 6) Conference With Legal Counsel; Anticipated Litigation
(Gov. Code § 54956.9(d)(4))

In the opinion of the Board of Directors on the advice of its legal counsel, a point has been reached where, based on the existing facts and circumstances, the District is deciding whether to initiate litigation.

Facts and Circumstances: Dispute over the gap in the revetment seaward of 30822 Broad Beach Road (Magidson) and responsibility for fees and costs associated with filling the gap and related activities.

Resumption of Regular Session: approximately 10:00 a.m.

- 7) **Approve Summary of Actions from October 16, 2016 Meeting**

Staff Recommendation: Chair to conduct vote on approving Summary of Actions from October 2016 meeting. If passed, Chair to sign Summary of Actions.

- 8) **Ceremonial/Presentations**

None.

- 9) **Consent Calendar**

None.

10) Public Hearings

None.

11) Old Business

- a. Permitting and Regulatory Process Status. (Project Counsel and Engineer) Report to include project regulatory status update, including:
 - (i) Lead Agency Update
 - (A) CCC (and Science Advisory Panel)
 - 1. Budget update including Habitat Monitoring Plan costs (Board Member Marine)
 - (B) SLC and Army Corps.
 - (ii) Responsible & Consulting Agency update: RWQCB, NMFS, Cal. DFW, CalTrans, etc.
- b. Permitting Outreach & Strategy Update. (Project Counsel) Report to include status update on agency advocacy, stakeholder outreach, and related matters.
- c. BBGHAD Insurance: Update on Pursuit of Liability Insurance Coverage. (Project Counsel) Update on search for comprehensive insurance package (D&O, property, liability).

12) New Business

- a. Project Manager Search. (Board Member Marine/Project Counsel) The Board will be updated on the search for a new Project Manager.

13) BBGHAD Officer Report

- a. Treasurer's Report (GHAD Treasurer)

14) BBGHAD Board Member Reports

- ## **15) Reconsideration of Resolution of Dispute Regarding Previous Assessment Overpayments by West End BBGHAD Owners.** Reconsider resolution to resolve refunds owed to West End homeowners. Among other points, Board to reconsider scope of requested release and binding successors to agreement. (Project Counsel).

16) Public Comment - Non-Agenda Items

Communications from the public concerning matters that are not on the agenda but for which the BBGHAD Board has subject matter jurisdiction. The BBGHAD Board may not act on non-agendized matters except to refer the matters to staff or schedule the matters for a future agenda.

17) Future Meeting

Next Meetings: December 18, 2016 & (tentative) January 15, 2017
Time: 9:00 a.m.
Location: TBD

18) Adjournment

Item 7

Summary of Actions

Summary of Actions
BROAD BEACH GEOLOGIC HAZARD ABATEMENT DISTRICT
REGULAR SESSION MEETING
Sunday October 16, 2016; 9:00 a.m.
31030 Broad Beach Road, Malibu, CA 90265

1. CALL TO ORDER

The Chair called the meeting to order at 9:15 a.m.

2. ROLL CALL

PRESENT: Chair Norton Karno, Vice Chair Grossman, and Board Member Jeff Marine.

ABSENT: Board Member Bill Curtis

BBGHAD STAFF ALSO PRESENT: Project Engineer Russ Boudreau, Clerk/Treasurer Heike Fuchs, Project Counsel Ken Ehrlich, and Counsel John Bowman.

3. ADOPTION OF AGENDA

The Chair recognized Project Counsel, who reported that the Agenda was posted on October 13, 2016 at 8:30 a.m. within the BBGHAD boundaries and concurrently posted on the BBGHAD website. The Chair recognized Board Member Jeff Marine, who moved to approve the Agenda as presented. Vice Chair Grossman seconded the Motion. The Chair called the question, and the Motion passed 3-0.

Closed Session

At 9:17 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 10:32 a.m., and a report was given on Closed Session items.

6. APPROVAL SUMMARY OF ACTIONS FROM SEPTEMBER 18, 2016 MEETING

The Chair recognized Board Member Marine, who moved to approve the Summary of Actions from the September 18, 2016 Board Meeting with certain minor edits announced by Project Counsel. Vice Chair Grossman seconded the Motion, and the Motion passed 3-0.

7. CEREMONIAL/PRESENTATIONS

None.

8. CONSENT CALENDAR

None.

9. PUBLIC HEARINGS

None.

10. OLD BUSINESS

a. Permitting and Regulatory Process Status

(i) Lead Agency Update

(A) CCC (and Science Advisory Panel)

1. Budget Consequences of Draft Habitat Monitoring Plan

The Chair recognized Project Counsel, who reported that BBGHAD staff has worked for the past month to create a CDP-mandated Habitat Monitoring & Mitigation Plan (“Plan”) acceptable substantively and from a budget perspective to the BBGHAD. Project Counsel stated that the current Plan, as directed by SAP and CCC staff, would cost approximately \$850,000 per year to implement. Project Counsel further reported that BBGHAD staff submitted the Plan with provisions directed by the agency, but with a cover note stating clearly that the BBGHAD could not implement the Plan as submitted because the Plan costs exceed the current BBGHAD assessment, and requesting a meeting with CCC staff to discuss a more manageable Plan scope of work.

Project Counsel informed the Board that CCC staff agreed to meet on October 17, 2016, and Board Member Marine, BBGHAD biologist Keith Merkel, Project Counsel, and Tonia McMahon of Moffatt & Nichol staff will represent the BBGHAD at the meeting.

Project Counsel further reported that, separate from the Plan requested by CCC staff and the SAP, BBGHAD biologist Merkel submitted a reduced scope Plan that, according to Merkel, would cost the BBGHAD approximately \$450,000/year to implement, complies with the CDP, and would yield the same data as the more expensive version. Project Counsel alerted the Board that, according to Merkel, any further cost reductions on the Plan (below the \$450,000 reduced scope Plan) would require a revision to CDP Section 6.

Project Counsel asked the Board, in light of the excessive costs for the Plan and other potential Project expenses, for guidance for the October 17 meeting with CCC staff.

The Chair summarized the findings of the newly received ENGEO budget proposal based on the updated Quarry sand quote. The Chair stated that, if the most recent proposal is correct and implemented, the current assessment would have to be increased from the current \$602.14/lineal foot to approximately \$850/lineal foot, an approximate \$10,000/year increase for a 40-foot parcel, and the West End would increase to approximately \$212/lineal foot.

The Chair asked Project Counsel to verify his findings that the ENGEO budget eliminated legal fees for 2017 and onward. Project Counsel responded affirmatively. The Chair thanked everyone for putting the budget together and opined that the numbers/costs are largely understated in the proposed budget. The Chair pointed out three (3) examples of the problems with budget: a) the elimination of legal fees from 2017 on, 2) a 5% return on financing excess cash and generating an approximate \$1,000,000 in earnings is too high, 3) a 3% CPI increase for assessment is too high as CPI has averaged 1 % for quite some time. The Chair concluded that, based on the Quarry sand costs and the Plan (reduced scope), the assessment would need to be increased to the range of \$900 to \$1000 per lineal foot and \$ 225 to \$250 per lineal foot for the West End to match Project components and costs contained within the newly received ENGEO budget proposal .

The Chair suggested to approach the CCC staff with the following alternatives moving forward: 1) inform the CCC staff that the BBGHAD's proposed reduced scope Plan complies with the CDP and the BBGHAD Board would request the community for an increase of the assessment from \$600 to approximately \$1000 per lineal foot if the CCC agrees to the lower cost Plan (\$450,000.00), and 2) inform CCC that the costs of complying with the Plan, even at the reduced annual cost (\$450,000) proposed by Merkel remain so high that they may destroy the viability of the Project, and 3) the BBGHAD Board will seriously consider asking the CCC to revise the CDP to allow for an even further reduced scope for the Plan, reducing the SAP monitoring costs to an amount affordable for the BBGHAD. Separately, the Chair urged BBGHAD staff to request Merkel to reduce Plan the costs to \$200,000 – \$250,000 annually, or the BBGHAD may obtain a second independent view by a new biologist.

The Chair asked Project Counsel if he agrees with the Chair's summary of possible alternatives. The Chair recognized Project Counsel, who responded affirmatively.

The Chair recognized the Vice Chair, who stated that the Chair properly identified viable alternatives and suggested to proceed with the CCC staff meeting tomorrow accepting Mr. Merkel's assessment of the Plan's costs and asking the CCC staff for alternative ideas and or suggestions for additional habitat monitoring cost reductions. The Vice Chair further asked BBGHAD staff to explore potentially less expensive alternative sand sources and identify these newly presented alternatives with CCC staff. The Vice Chair stated that, at this moment, he is not inclined to ask the BBGHAD owners for an assessment increase, and would rather scale back aspects of the Project to render the Project more viable. The Vice Chair further added that, for the upcoming TPOA meeting, the BBGHAD should update TPOA members on the Project.

The Chair asked the Vice Chair how the Vice Chair suggests presenting the BBGHAD's position, without increasing the assessment, to the CCC staff at tomorrow's meeting. The Chair recognized the Vice Chair, who responded that he would be transparent with the CCC staff, expressing the BBGHAD's desire for CCC staff to support the reduced scope Plan, and concurrently inform CCC staff that the BBGHAD has concerns, even after reducing Plan costs to \$450,000 annually, that the Project may not be viable. In addition, the Vice Chair suggested informing CCC staff that the BBGHAD seeks additional cost savings through alternative sand sources. In the interim, the BBGHAD should request the CCC staff to approve Merkel's reduced cost Plan and welcome CCC staff suggestions on further cost reductions. The Vice Chair further suggested informing CCC staff that, if the BBGHAD cannot make the necessary adjustments, then the BBGHAD Project would have to be revised dramatically, including the potential to eliminate sand nourishment.

The Chair recognized Board Member Marine, who stated that the scope of work should be revised and sent to other consultants for possible cost reductions. Board Member Marine reminded the Board that too much of a reduced scope of work might result in paying future mitigation. Board Member Marine added that the Board should not discuss a potential assessment increase with the community since BBGHAD staff and others involved in the assessment process do not have a final recommendations for a revised assessment or certain estimates of Project costs. The Chair recognized the Vice Chair, who stated his appreciated for Board Member Marine's efforts on the budget.

The Chair added that, to have any possibility of 2017 beach nourishment, the BBGHAD must decide on authorizing \$230,000.00 for Fall baseline data testing in accordance with the Plan and other guidance from CCC staff and the SAP. The Chair stated that another alternative would be to inform CCC staff that the costs for the Project exceed our budget and request further input from CCC staff.

The Chair recognized Vice Chair, who inquired about: a) the scope of work for the \$230,000.00 cost, the consequences of not completing the Fall 2017 sampling work, and if the CDP would be violated by not conducting the baseline testing. The Chair recognized Project Counsel, who responded that: a) \$230,000.00 is the cost for the Fall baseline data sampling, which needs to be completed prior to implementation of the Project, b) the costs for the immediate Fall baseline data testing will remain the same regardless of the CCC's position on the full scope or reduced scope Plan, and c) if the BBGHAD decides not to authorize the Fall baseline data sampling, no per se CDP violation would occur, but the Project would be delayed for at least a year. Project Counsel opined that delaying the Project for another year would likely increase Project implementation costs in many aspects, including increased transportation and sand costs.

The Chair recognized Board Member Marine, who asked, if the BBGHAD conducts the Fall baseline data testing now, can the resulting data be used for beach nourishment in the future (beyond 2017). The Chair recognized Project Engineer, who opined that the BBGHAD would probably not be able to use the same data for 2018 beach nourishment because the beach environment is so dynamic.

The Chair stated that the BBGHAD should remain consistent on its message to the CCC staff and opined that, if the BBGHAD spends the money for the Fall testing, it would send the message that the BBGHAD still has complete confidence in going forward with the Project.

The Chair recognized Vice Chair, who inquired about any possibility of reducing the costs for the Fall baseline data testing. The Chair recognized Project Engineer, who responded that, in his opinion, the costs could not be reduced substantially since there is only a small window for Fall testing. The testing must be completed by October 31, 2016, and it takes time sourcing new sub-contractors to sample eelgrass and other tasks.

The Chair recognized a representative of a BBGHAD homeowner, who stated that the Project appears quite important to the CCC and suggested additional negotiation points such as: a) the BBGHAD's pioneering efforts, which will be directly applicable to other California coastal communities, and b) questioning the frequency of testing of the beach to reduce costs.

The Chair responded by explaining that, due Broad Beach's location in an environmentally sensitive habitat area, the CCC imposed the Science Advisory Panel- and its costly and strict monitoring Plan- on the BBGHAD.

The Chair recognized Vice Chair, who asked Project Engineer if other qualified contractors could consider the Plan and submit competitive bids for implementation. The Chair recognized Project Engineer, who stated that Merkel's Plan contains unique elements and other biologists might not be able to meet the scope of the monitoring Plan and implement the many innovative and cost-reducing techniques proposed by Merkel.

The Chair recognized the Vice Chair, who asked for the Chair's position on authorizing the Fall baseline testing for the Plan. The Chair responded that the Board must decide today due to the relatively late date to implement the work and have it validated by the SAP. The Chair stated that, based on his view on the possibility of cost reduction, and bringing down the costs to a viable range of the current assessment, he is undecided at this moment and would support the other Board Members' decision on this matter.

The Chair recognized Vice Chair, who asked the Board if it would be helpful to adopt a resolution instructing BBGHAD staff to reevaluate the Project by eliminating the sand replenishment component, and if it would be within the BBGHAD's authority to do so, report back by next Board Meeting, and then share this information with CCC staff. The Chair requested the Vice Chair's position on implementing the Fall testing for the Plan and potentially counteracting the impact of spending the \$230,000.00 by adopting a resolution calling for an entire reevaluation of the Project. The Vice Chair responded affirmatively.

The Chair recognized Board Member Marine, who stated that he does not favor authorizing the Fall baseline testing, but he would agree to it if it is confirmed that Plan

costs and overall Project costs would be significantly reduced since such significant reductions would give the Board a better understanding of the total budget. Board Member Marine stated that the community may be more receptive to a smaller increase than presently discussed, in the \$700-\$750 per lineal feet range for those parcels paying the full assessment.

The Chair explained that the CCC staff would not provide immediate or definitive input on the BBGHAD's proposals. Instead, CCC staff would likely take months to respond and the passage of time would hurt the BBGHAD and the Project.

The Chair asked the Project Engineer how long it would take to receive definitive answers regarding the additional costs and other aspects of the alternative sand source from British Columbia. The Chair recognized Project Engineer, who responded that he anticipates receiving useful information regarding the marine delivery option within the next few days to weeks. The Project Engineer further reminded the Board that, if the BBGHAD decides to use the marine delivery option, the CDP must be amended- and such an amendment would take 3-6 months to process.

The Chair asked Project Engineer's opinion of the deadline to decide on the Fall baseline data testing. The Chair recognized Project Engineer, who responded that Merkel must know by tomorrow, October 17th, if the BBGHAD is going forward with the Fall baseline data testing to meet the CDP-imposed deadlines.

The Chair characterized the Project's overall viability as the critical factor in considering the Fall testing. The Chair recognized Vice Chair, who stated that economic and collateral consequences would exist if the Board chooses not to authorize the Fall testing. The Chair concurred with Vice Chair, adding that: a) the Project construction could not begin in Fall 2017 if the current testing is not completed, and 2) another year delay could increase Project costs another 10% or more.

The Chair recognized Board Member Marine, who asked Project Counsel if he believes that is it viable to start the Project in 2017 if the BBGHAD chooses to amend approvals and applications to a marine delivery option. The Chair recognized Project Counsel, who responded that the Project Description would have to be changed and it would take approximately six (6) months to process with agencies. Therefore, a less than 50% chance exists for the Project to start in September 2017 if the BBGHAD pursues a change to marine delivery.

The Chair recognized Max Factor, who stated that it appears that the CCC prefers grain size closely matching existing beach. Mr. Factor asked if viable sand sources exist closer to Broad Beach than those under current consideration. The Chair responded by stating that a potentially viable new alternative sand source exists from British Columbia, and the vendor can blend the sand to any coarseness specification, but color may be uncertain.

Mr. Factor stated that the coarseness of the sand appears to trigger mitigation as stated in CCC's October 2015 staff report and suggested that a smaller grain size would

please the SAP and the CCC, allowing the BBGAD to have more productive negotiations. The Chair concurred, stating that the marine delivery option, if viable, would also eliminate the estimated 22,000 truck trips and reduce Project impacts.

The Chair called the question on the Fall sampling mandated by the Plan. The Chair recognized Vice Chair, who stated that he favors authorizing the sampling to preserve the potential of beginning construction in 2017. The Chair concurred with the Vice Chair and sought Board Member Marine's input. The Chair recognized Board Member Marine, who concurred with the Chair and Vice Chair in favor of authorizing the \$230,000.00 payment for the Fall baseline data testing.

The Chair recognized Vice Chair, who asked the members of the public for their suggestions in this matter. The Chair recognized Max Factor, who stated that he does not have sufficient information to opine on the matter. Mr. Factor also voiced his concern about the Project budget and stated that an assessment increase appears inevitable to implement the Project as presently envisioned.

The Chair recognized Patt Healy, who asked how much the costs would increase if the Project would be postponed for another year. The Chair recognized Project Counsel, who responded that the BBGHAD could not predict the costs, as many variables affect pricing—including sand costs, trucking rates, and shipping costs for marine delivery.

The Chair recognized a homeowner representative, who suggested asking the CCC staff to allow the Fall 2016 baseline data testing to remain valid for two (2) years to reduce the costs for annual testing. The Chair recognized Project Counsel, who responded that the beach is a dynamic environment and changes are assured over the course of a year. Typically, the more technical information the BBGHAD provides to the SAP/CCC staff, the better the result for the BBGHAD. For example, if the beach size changes next year, more sand or less sand on the beach, the BBGHAD can use this information as a baseline to argue the numbers to benefit the BBGHAD relative to the Plan's reference sites.

The Chair asked Project Counsel if he is clear on the directions given to BBGHAD staff. The Chair recognized Project Counsel, who answered affirmatively.

MOTION: Vice Chair Grossman moved, and Board Member Marine seconded, that the Board approve the completion of Fall 2016 baseline sampling as required by the Plan. Hearing no further discussion, the Chair called the question, and the Motion passed 3-0.

The Chair recognized Project Counsel, who stated that he acknowledges the directions from the Board for tomorrow's meeting.

(B) SLC and Army Corps.

No report.

(ii) Responsible & Consulting Agency update: RWQCB, NMFS, Cal. DFW, CalTrans, etc.

No Update.

b. Permitting Outreach & Strategy Update

No Report.

c. BBGHAD Insurance

No Update.

11. NEW BUSINESS

a. Vacancy on BBGHAD Board of Directors

The Chair recognized Project Counsel, who reported that due to Jeff Lotman's resignation, the BBGHAD posted the necessary notices, provided necessary information, and also informed L.A. County about the BBGHAD's intention to appoint a new director. Project Counsel further reported that he placed a significant amount of phone calls to BBGHAD members and, as a result, two (2) members appeared interested in serving as a Director: Shaul Kuba, an owner of 31388 & 31406 Broad Beach Road, and Ms. Kathy Needleman, an owner of 30874 Broad Beach Road. The Chair asked Project Counsel if he has confirmation from both candidates of their willingness to serve. The Chair recognized Project Counsel, who responded affirmatively. The Chair stated that Mr. Kuba's properties are located on the West End and, if appointed, the Board would have two (2) west end homeowner representatives.

The Chair recognized Board Member Marine, who informed the Board that Mr. Kuba is partner in a large real estate investment and development firm and opined that Mr. Kuba would be a strong addition to the Board. The Chair recognized the Vice Chair, who opined that both candidates are very qualified to serve on the Board, pointing out that Ms. Needleman has been an active member of the TPOA for a long time and owns and manages significant real estate holdings and other business ventures. The Vice Chair stated that he would be pleased with either candidate joining the Board.

The Chair recognized Board Member Marine, who reminded the Board that Board Members Curtis' home is for sale and a possibility exists of another Board vacancy fairly soon. Board Member Marine recommended Mr. Kuba for the immediate position, followed by Ms. Needleman when the Curtis parcel is sold. The Chair stated that he respects both of the candidates and recognizes that Mr. Kuba has significant real estate expertise and is undecided because on the issue of representation for the west end. The Chair recognized Vice Chair, who stated that he understands the Chair's concern, but that he trusts that everyone on the Board is looking out for the best interest of the entire beach, and it appears that Mr. Kuba could be immediately helpful to the Board.

MOTION: Board Member Marine moved, and Vice Chair seconded, to adopt Resolution No. 2016/04 to appoint Mr. Shaul Kuba to serve as a member of the BBGHAD Board of Directors, filling the currently vacant Board position. Hearing no further comment, the Chair called the question, and the Motion passed 3-0.

The Chair instructed Project Counsel to convey to Ms. Needleman that the Board appreciates Ms. Needleman's willingness to serve on the Board, inform Ms. Needleman that the Board was torn between the candidates, and that there is a strong possibility of a vacancy on the Board fairly soon as one of the Board Member's has his home for sale. Project Counsel agreed to do so.

b. Project Manager Search

The Chair recognized Board Member Marine, who reported that he, Project Counsel and possibly newly appointed Board Member Kuba will begin the screening process for a new Project Manager in the coming days and then plan to interview the top candidates. The Chair asked Board Member Marine to invite the potential candidates to the next Board Meeting for the Board to make a decision.

12. BBGHAD OFFICER REPORT

a. Treasurer's Report

The Treasurer reported that, as of October 11, 2016, the cash balance was \$2,889,778.12 and the estimated unpaid bills amount to \$ 593,180.26.

13. BBGHAD BOARD MEMBER REPORTS

None.

14. PUBLIC COMMENT - NON-AGENDA ITEMS

A quorum was lost at 12:35 p.m. when Board Member Marine left the meeting. The Chair asked Project Counsel to update those in attendance on bypassed agenda items. The Chair recognized Project Counsel, who reported that the Army Corps has indicated that it is withholding final Project consideration it is satisfied with the BBGHAD's final habitat monitoring plan and mitigation framework.

15. FUTURE MEETING

The Chair stated that the next BBGHAD meetings are scheduled for November 20, 2016 (combined with TPOA Annual Meeting) and December 18, 2016, both to start at 9:00 a.m., location to be determined.

Approved and adopted by the Broad Beach GHAD

Board on _____

NORTON KARNO, Chair

ATTEST:

HEIKE FUCHS, Clerk

Item 11

Broad Beach Restoration Project Status Report

BROAD BEACH RESTORATION PROJECT STATUS REPORT – November 20, 2016

CALIFORNIA COASTAL COMMISSION (CCC)

- *Jurisdiction: Coastal Development Permit (CDP)*
- 10/9/15: **CDP with condition modifications approved at CCC hearing.**
 - BBGHAD proposed revetment alignment (Alt 4C) accepted.
 - Public access compromise identified.

Notice of Intent and Final Condition language dated 1/11/16 and received 1/29/16

Matrix prepared for "Prior to Issuance" conditions; proposed completion: Fall 2016

- 6/26/16: CCC/SAP rejects BBGHAD monitoring proposal and cancels nourishment for 2016/17.
- 8/23/16: Meeting with CCC staff re SAP progress, definition of "impacts", and MHMMP
- 9/21/16: BBGHAD submits CCC staff-mandated MHMMP
- 10/13/16: BBGHAD submits BBGHAD biologist-recommended MHMMP
- 10/17/16: Meeting with CCC staff re scope of MHMMP

CALIFORNIA STATE LANDS COMMISSION (CSLC)

- *Jurisdiction: Lease and certification of APTR*
- September 11, 2015: CSLC issued letter deeming the BBGHAD application (in support of updated project Alt 4C) incomplete.
- 2/9/16: BBGHAD response to SLC lease letter sent.
- 5/20/16: Mtg with SLC staff
- August 6, 2016: **SLC approved Project and Lease**

US ARMY CORPS OF ENGINEERS (USACE)

- *Jurisdiction: National Environmental Policy Act (NEPA) Compliance and certification; Section 10 and 404 permits*
- Degree of NEPA compliance: Unknown. BBGHAD advocating for EA.
- Public Notice process complete.
- November 5, 2014: USACE initiated contact with tribal communities re cultural resource issues. USACE to submit cultural records search results to SHPO.
- August 5, 2015: Team submitted 404b(1) alternatives analysis to USACE; supplemented Jan 2016 in response to questions posed in 10/15.
- September 21, 2015: USACE initiated formal consultation with USFWS.
- November 2015: Cultural investigation records search and pedestrian survey requested by USACE completed.
- 2/15/16: BBGHAD received Draft Biological Opinion from USFWS.
- 3/18/16: Technical Decision Makers meeting with Congressman Ted Lieu and Colonel Gibbs.
- June 2016: Revetment mitigation negotiations complete; ACE begins participating in SAP.
- 7/11/16: NMFS issues letter re incomplete EFH consultation; BBGHAD response in process.
- 8/11/16: Meeting with senior USACE staff re finalizing permitting process; staff confirmed altvs. complete.
- 9/2/16: BBGHAD submitted response to 7/11/16 NMFS letter.
- 9/4/16: BBGHAD submitted draft EA to Army Corps.
- 9/16/16: Revised Biological Opinion issued

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- 11/18/16: BBGHAD finalizing mitigation framework and bolstered revetment alternative (4B) analysis requested by USACE staff

REGIONAL WATER QUALITY CONTROL BOARD (RWQCB)

- *Jurisdiction: 401 certification and, potentially, waste discharge requirements (WDRs)*
- Jan. 2016: BBGHAD submitted draft Water Quality Certification. RWQCB staff review in progress.
- July 2016: BBGHAD contacted EO to expedite review and processing.
- October 2016: RWQCB staff seeks mitigation framework (same as USACE) and anticipates Fall 2016/Early 2017 certification.

CALTRANS

- *Jurisdiction: Encroachment permit for temporary traffic signal on PCH*
- Requires full engineering of the signal, a deceleration lane, an access to the west Zuma lot, and an egress point out of the west Zuma lot.
- 11/14/14: Permit package issued. Permit to be revised based on latest traffic plan.

LA COUNTY DEPT OF BEACHES AND HARBORS

- *Jurisdiction: Owner of Zuma Parking Lot 12 (Project Staging Area); BBGHAD needs Right of Entry Permit to use parking lot; LACDBH also coordinates with Caltrans and City of Malibu on traffic issues.*
- Right of Entry Permit Application to be submitted. GHAD Counsel advised holding off on submitting LA County permit application until dates of construction are better defined (dependent on timing of all other permits).
- Permit pending progress w/CCC and USACE.

CITY OF MALIBU

- Once construction start date solidified, will coordinate re traffic permits etc.

CONSULTING AND COORDINATING AGENCIES

National Marine Fisheries Service (NMFS), California Department of Fish and Wildlife (CDFW), & SM Bay Restoration Commission (SMBRC)

- *Jurisdiction: No discretionary permits, but consult with and provide input to permitting agencies.*
- NMFS: Essential Fish Habitat consultation pending; BBGHAD response submitted 9/2/16.
- CDFW: Responsible for Marine Protective Areas (MPAs), including that off Broad Beach. Rep. part of SAP group. Concerned with Project effects on MPA - subtidal, intertidal, and turbidity. .
- Table below shows primary concerns with selected agencies:

Agency	Next Action	Concern
USACE	Formal consultation by NMFS and CDFW.	NEPA : Possibility that EIS will replace EA; ACE appears agreeable to integrating mitigation into adaptive management program; EFH pending.
CCC	Submittal of final design reports prior to permit issuance.	Substantial liaison with Science Advisory Panel (SAP) required to finalize monitoring and dune plans prior to permit issuance.

SLC	Review of final Project (Alt 4C) items	Approved 8/9/16.
RWQCB	APTR review	Potential for request of RWQCB-specific additional info.

PERMIT SCHEDULE STATUS AS OF 10/16/16

AGENCY	ACTION	DURATION ESTIMATE	COMPLETION DATE (earliest possible)
CCC	Commission consideration	1 day	October 9, 2015. CDP approved.
	Review/Negotiation of Permit Conditions/SAP	5-6 months	Fall 2016
	BBGHAD completion of "Prior to Issuance" Conditions	5-6 months	December 2016? Dependent on finalizing sand source
	Permit Issue	1-2 months	Early 2017
SLC	Lease App. Completeness Notice	1 month	November 13, 2015
	Lease Negotiations	3 months - ongoing	N/A
	Commission consideration	1 day	Approved: 8/9/16
	Issue Final Lease	1 month	Fall 2016
	Lease Signature	1 week	Fall 2016
USACE	Submit 404b(1) alternatives analysis	2 months	August 5, 2015; supp 1/16/16 & 11/16 SUBMITTED & COMPLETE
	End formal biological consultations with CDFW re snowy plover	120 days (legal maximum)	September 2016- Amended Bio Opinion issued; Final pending
	Finalize EA ¹	2 months	December 2016 ²
	Issue Draft Permit	1 week	December 2016
	Review/Negotiation of Draft Permit Conditions	2 weeks	January-February 2017
	Issue Final Permit	1 week	February/March 2017 ³
RWQCB	Submit draft 401 Certification	3 weeks	January 2016
	Negotiate 404/WDRs	2 month	Fall 2016/Early 2017
	RWQCB approval of 404/WDRs	1-2 months	January /February 2017
CALTRANS	Encroachment Permit	4.5 months	November 2014 ISSUED
LA COUNTY	Parking Lot Permit	1 month	Unknown
CITY MALIBU	Traffic/signal approvals	Unknown	Unknown

¹ Longer duration if EIS is required.

² Timing dependent on finalizing monitoring and mitigation plan.

³ Timing dependent on finalizing monitoring and mitigation plan.

Item 11

- 10/31/16 Ventura County Star article on Project delay and haul route litigation.**

Malibu beach project delayed one year

Mike Harris, mike.harris@vcstar.com, 805-437-0323 9:20 a.m. PDT November 2, 2016



(Photo: STAR FILE PHOTO)

This time last year, backers of a project to replenish Malibu's Broad Beach thought that hundreds of trucks a day would already have begun hauling sand there from Ventura County quarries.

But because project proponents failed to conduct required sampling tests at the beach this past spring, the trucks won't start rolling for at least another year, the project's attorney said last week.

"Probably the biggest development is that through permitting and regulatory reasons with the Coastal Commission, the project is going to be delayed for a year," said Ken Ehrlich, the attorney for the Broad Beach Geologic Hazard Abatement District. "That means that the earliest we can start putting sand on the beach is September 2017," about five years after applications for the project were initially filed.

The district is comprised of the group of landowners, including Hollywood and business elites, funding the \$31 million beach restoration project.

Greenlighted by a divided California Coastal Commission in October 2015, the project will create a new 1.1-mile public beach, including a restored dune system. The permit issued by the commission is for 10 years, with the potential for an amendment every 10 years thereafter.

Ehrlich said that under the permit, a scientific advisory panel reviews exhaustive monitoring and sampling plans to make sure the project will not have any significant adverse impacts to the beach.

"One of the permit's rules is that we need to get baseline beach monitoring for spring and fall before we actually are able to construct," he said. "And for whatever reason, we missed the spring 2016 sampling, which we will now do in spring 2017. We're doing the fall sampling literally as we're speaking right now.

"This isn't about fault or blame, but we need to get the spring sampling completed before we implement the project," he said.

Ongoing litigation

It remains uncertain whether the sand for the restoration will come from quarries in Grimes Canyon between Moorpark and Fillmore, as was previously planned.

An agreement between Moorpark and the Broad Beach district for the trucks to avoid Moorpark when traveling from Grimes Canyon to the beach is being contested in a lawsuit filed by Ventura County and Fillmore.

The suit filed in April against Moorpark and the district contends that the agreement, which would send the trucks through Fillmore, Ventura, Oxnard and unincorporated areas, is illegal.

Moorpark City Attorney Kevin Ennis disagrees, saying the accord is a lawful one aimed at protecting Moorpark residents from the environmental impacts of the trucks. But officials of other parts of the county don't want the trucks rumbling through their streets for the same reasons Moorpark officials don't: noise and air pollution.

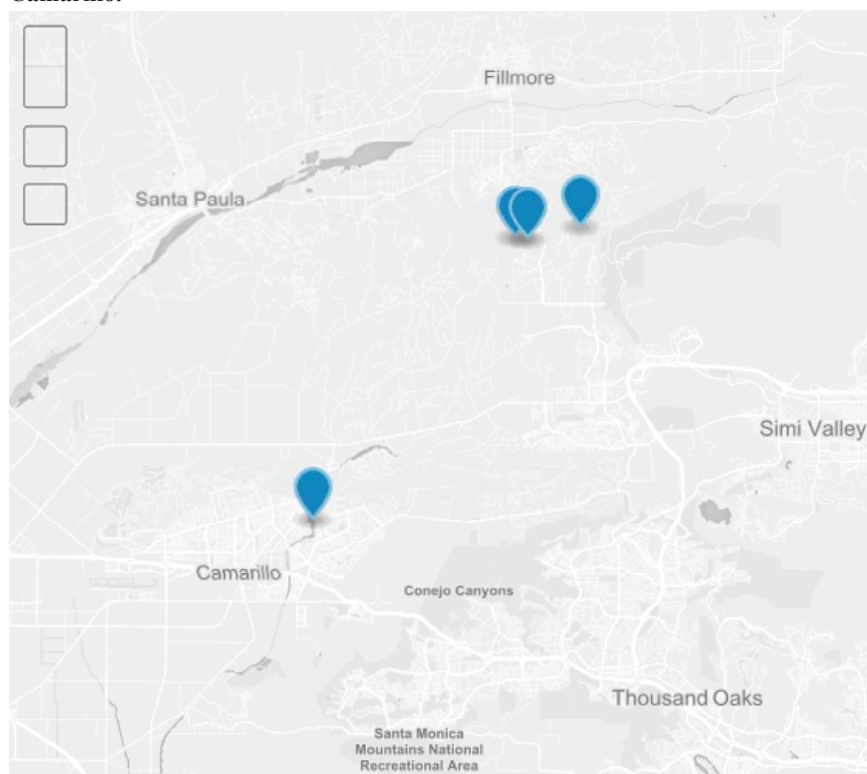
The parties will attempt to resolve the litigation before trial in a court-ordered mediation on Nov. 17. If they can't, the suit — filed in Ventura County Superior Court but later transferred to Santa Barbara County Superior Court — is scheduled to go to trial Dec. 20.

"We've explored various ways of trying to resolve the case voluntarily, but it's proven difficult not because the parties don't get along, but just because of various things about our project that don't coincide with what works for the county, and vice versa," Ehrlich said. "But we'll take another shot of trying to resolve the case at the mediation, and then if necessary, we'll see where the chips fall at trial."

Ventura County Counsel Leroy Smith said he's cautiously optimistic that the lawsuit can be resolved in mediation before retired Santa Barbara Superior Court Judge Elinor Reiner.

"We have some hope that we can reach a deal," he said.

The Broad Beach restoration project in Malibu may use sand from quarries in Grimes Canyon between Moorpark and Fillmore or from Calleguas Creek in

Camarillo.

Can't view the map above, or wish to view it in more detail? Click here. (https://a.tiles.mapbox.com/v4/vc-star.20648j71/page.html?access_token=pk.eyJ1IjoidmMtc3RhcilslmEiOiJRY21uTkprln0.9Gbd_LyN6jcvfR0ozWBjhA#11/34.2816/-118.9545)

Alternate sand source

While the Grimes Canyon quarries remain the Broad Beach district's best sand option at the moment, the district continues to search internationally for another viable sand source that could resolve the lawsuit by making the Moorpark truck route agreement moot.

"We're continuing our efforts to locate another economically viable sand source that meets the Coastal Commission's specs," Ehrlich said. "We're looking for sand everywhere from Mexico to British Columbia."

Jeff Pratt, director of Ventura County's Public Works Agency, said Thursday that the county has found what it considers to be an ideal alternate sand source for the district: Calleguas Creek between Upland and Adolfo roads in Camarillo.

"It's much, much closer to their site," Pratt said. "So it would be a huge cost savings to them because they wouldn't have to haul the sand as far. They've tested the sand, and it meets their specs. And we're just trying to work out a deal with them" in which the district would buy the sand from the county.

"It's an ideal source from the county's perspective, though they may find better sand in another county," he added.

Ehrlich said the district is evaluating the Calleguas Creek sand.

"We agree with the county that on its face, Calleguas Creek appears to be a potentially helpful solution to all parties," he said. "But there are a couple of challenges with that site, including satisfying ourselves that it could provide enough sand for the initial beach nourishment and future nourishments.

"So we just need to make sure that it works technically and meets the Coastal Commission's specifications," he said.

The district has not been looking at coastal areas near Broad Beach for an alternate sand source, Ehrlich said.

"That was a hurdle we overcame years ago when it became very clear from various constituencies that they did not want the sand to be obtained from the Santa Monica Bay watershed," he said.

In its search, the district is reconsidering an option it rejected four years ago as not being economically viable: transporting the sand to Broad Beach via ships, Ehrlich said.

"Four years ago, the economics of ocean shipping weren't quite there," he said. "But the cost of it has actually come down in the last four years, while the cost of road-borne trucks has actually gone up. What was uneconomical before now may not be. We're trying to figure that out.

"So we're looking as diligently as we possibly can, but the quarries (between Moorpark and Fillmore) remain our best option right now."

While the one-year delay gives the district more time to find an alternate sand source, Ehrlich said the homeowners who are funding the project are getting antsy at how long things are taking. They've paid upwards of about \$10 million in district assessments since 2012 for a project that has yet to be implemented, he said.

"So you can imagine that if you were in their situation, you'd be anxious to get the project underway," he said.

"None of us are neophytes to the process," he said. "But we did not anticipate this long. I think a more accurate estimate by anyone's stretch of the imagination would have been two to three years for a project of this magnitude. But now we're in unanticipated time frames."

Read or Share this story: <http://www.vcstar.com/story/news/local/2016/10/31/malibu-beach-project-delayed-one-year/92293932/>

Item 11a

Army Corps Comments on September 2016 MHMMP Draft

The CCC solicited comments from various agencies on the Habitat Monitoring Plan required for the BBGHAD. The Army Corps submitted comments that, if accepted, would create significant problems for the BBGHAD and may even jeopardize the Project. The comments include:

- Request for Project to perform at least equal to best performing reference site — despite the fact that Broad Beach would no longer be in natural state.
- Advocating for an unreasonably low and unsupportable error rate in monitoring data.
- Potential for Army Corps to construe “loss of waters of the US” in a manner that would immediately trigger mitigation.
- Request to calculate “impacts” on an annual basis and have BBGHAD pay mitigation annually.

**Comments by Bonnie Rogers (Army Corps) on
MHMM Draft Plan version 1 (dated September 2016)**

General:

Corps requirements and context are still missing from this document. If this is to be the same document as the Corps-approved mitigation plan, please write accordingly. We are an approving agency of a final mitigation plan independent of CCC requirements.

And see 2008 Mitigation Rule regulations required sections of a Mitigation Plan. In particular the sections missing include:

- Entities, names, and addresses of all persons responsible for carrying out all aspects of the plan.
- Conceptual compensatory mitigation plan options.
- Financial Assurance Section (may be provided as an attachment).
- Adaptive management plan section with specific activities that could be employed for various scenarios.

Section 1.2.

-For the Corps, the following monitoring objective is required: Monitoring of beach profiles and jurisdiction to determine any loss of waters of the United States (Section 10 and Section 404) as a result of the project rock revetment and sand placement.

- Remove references to 'significance' as it refers to an EIS.

Section 2.2.

-Please add a word to the acronym or revise 'APE' terminology. An APE is used specifically for Section 106 historic/cultural considerations and is therefore misleading in this document for future readers.

- Insert the 2009 jurisdictional delineation showing the labeled Section 10 and Section 404 lines and describe in the text, while referencing the Section 10 Mean High Water and Section 404 max High Tide Line. Insert the acreages of all Special Aquatic Site types.

Section 2.1.1.1 Supratidal zone

-Define 'slightly gravelly sand'. I thought the grain size was 0.2 mm at M50 in intertidal; therefore it is 'sand'. 'Gravel' is coarse. Clarify throughout document.

-Under 'Boulder/Cobble' sections and next section (Intertidal Zone) add in surveying for *Egregia menziesii*, a persistent key intertidal kelp.

Section 4.1

Objectives:

-To the second bullet add the missing activities: ‘and from the frequency of maintenance activities (backpassing, renourishment).’

-To the last bullet add expand on explanation by adding in location, seasonal, and frequency effects. For example,: “(e.g., future sand replenishment grain size adjustments, volume of future sand replenishment, sand placement location adjustments, seasonal timing and frequency).”

Section 4.2.1.2 Intertidal and Supratidal Habitats to be Mapped

-The majority of this document focuses on mapping the beach intertidal habitat in detail using UAV photography. The impacts to ephemeral organisms (mussel/barnacle and red/green algae) on rock are anticipated to be primarily adversely affected by burial and not some other sublethal effect. From the Corps’ perspective the level of detail in this mapping effort could be scaled back substantially to only map Egregia, surfgrass, other kelps (Eisenia), and wrack within the supratidal/intertidal zones.

-Define ‘undifferentiated wrack’ and the intent of using this terminology.

4.2.2.2 Subtidal Habitats to be Mapped

-Anticipated error rate of misclassification is 20%. That is a really high error rate. I thought we discussed 10% or less.

-Does the ‘slightly gravelly sand’ include all unconsolidated sandy bottom? Explain.

4.2.2.3 Accuracy Ground-truthing

-RE: “it is presently planned that rock on rock not be treated as classification error in the analyses but rather the underlying bedrock would be the relevant mapping unit when these features overlay each other.”

It seems the relevant mapping unit should instead be the overlying boulder/cobble feature because it provides greater complex habitat and functions.

-RE: “It is expected that this mapping methodology, inclusive of verified error will exceed the statistical power desired under the monitoring program.”

Explain. Why expected? Why would including verified error exceed the power? Not clear.

4.2.2.4 Schedule and Frequency

-The June 2016 data is proposed to be included in the analysis. This dataset is lacking and we

have not agreed to include this set, although it may anecdotally be useful information. Since it lacks standardization, how would it be used in the analyses anyway? I need more information to understand whether it should be included or not.

-Spatial data gaps: What is being proposed to fill data gaps? Are the three standardized rules your proposal, or are these options for us to discuss?

-For the Habitat Area Rescaling, do you mean you would extrapolate data into the gap using other habitat data? Explain the methods and how it would be done.

Section 4.2.3.1 Intertidal/Supratidal Habitat Mapping Analyses Metrics

-RE: "This model has been adopted over classic BACI designs applying t-tests due to the model's capability to detect impact recovery from pulsed event disturbance versus permanent change type disturbance that can be adequately handled by t-test."

When you say 'applying t-tests', do you just mean the ANOVA's comparison of means?

Are you proposing to compare the temporary disturbance to permanent change using t-tests alone or the ANOVA? If only t-tests, why not the ANOVA instead?

- When displaying final maps, any areas previously occupied with eelgrass, from all historical datasets should be shown as well on maps.

-Why are habitats being compared against the lowest performing reference site? Comparisons should be made to the best reference standard available, or at least the average at minimum. The lowest performing site would under-exaggerate your comparison. A medium or the mean level performing reference site would be more appropriate and fair to use as the reference, given the inherent differences between the project site and reference sites.

Section 4.2.3.2 Subtidal Habitat Mapping Analyses Metrics

-Describe that the eelgrass mitigation schedule follows CEMP.

For eelgrass CEMP assessments, add "two annual sampling events following implementation of an action," such that impacts are assessed after two sampling events and eelgrass mitigation implemented at that time (at Year 3). Alternatively you can apply the below temporal loss ratio assessment and implement an eelgrass mitigation project after year 4 to offset any adverse impacts.

'Where delayed implementation is authorized by the action agency, the increased mitigation ratio may be determined by utilizing the Wetlands Mitigation Calculator (King and Price 2004) with an appropriate value for parameter D (See Attachment 4).'

4.3.1.2 Sand Beach Macroinvertebrate Monitoring

-Seems the wrack assessment in this section is redundant with the aerial mapping of wrack.

Combine by reference or clarify.

4.3.2 Subtidal Habitat Sampling

-Be explicit up-front throughout the document regarding which sampling is being conducted by hand (scuba or beach) or by aerial/boat methods.

- Regarding the Create Random Points tool, explain why this method is proposed. Cannot reef sites be chosen based on topography and depth rather than randomly? It seems variability would be too high to keep changing locations by random appointment. This method is counter to the reasoning provided (sparse non-contiguous reef) for choosing circular quadrats.

- This subtidal habitat rocky reef is a key habitat to monitor but the methods lack robustness and clarity.

- I'm not convinced these circular transects will pick up the community information expected. Will you count organisms on the sides of rocks where they are likely to occur?

In a linear transect method, you would record everything within 2 meters on either side, but here in this small quadrat you are subsampling for some reason. Can linear transects be used, even if they are only 10 meters long, so that you count all listed organisms within your sample area. Otherwise all listed organisms should be counted within the circular quadrat.

- The proposed counting of organisms within the circular quadrat uses the Random Point Contact method along linear segments. This method is okay for macroinverts, but will likely not capture filter feeders. I understood the number of individual filter feeders to be distributed in select locations or clumps for which uniform point contact methods would most often miss these individuals. Could you use square quadrats spaced at intervals to count percent cover filter feeders within quadrats? For quadrats with high densities of filter feeders, a percent estimation could be used with an extrapolation.

4.3.2.2. Sandy Subtidal Macroinvertebrates Monitoring

- So would there be 3 cores for each of the 16 profile transects, equaling 48 cores?

What does the distribution of infauna look like now along the core profiles?

How many of these profiles cross rocky reef substrate? Sampling locations far from rocky reef may naturally show a different infaunal community composition than those near rocky reef, so this sampling design may not be very informative. Efforts may be better well spent surveying the sandy community located around/near each subtidal rocky reef circular quadrat rather than across the arbitrary pre-set profile lines.

- For grain size sampling in the subtidal, can you run an example comparison to see how much different the grain size composition would have to be to detect a difference? This assessment could be removed, however, the GHAD may want to include this sampling to help them explain any adverse impacts potentially not caused by the project.

-To what level of taxonomy would subtidal invertebrates be identified? List.

Section 4.4 Analysis Methods

- Describe the expected hypotheses and explain the analysis in written text. How many runs of the ANOVA would occur, and list each. Given the introduction and baseline explanations, it is not clear what analyses would be run.

4.5 Sampling Program Schedule and Distribution of Effort

- Additional sand is proposed for Year 5, so the 4th year monitoring report must be submitted at Year 4 for our review prior to consideration of Year 5 nourishment. To the text please add reports would be submitted to the Corps. Also include anticipated contents of the reports, including a qualitative description of impacts based on field assessment observations.

5.2 Adverse Impact Assessment

- Here you say 'ephemeral community indicators (e.g., ephemeral algae, diatom mats, bare hard substrate) are indicative of disturbance thus changes in these features are not to be used to assess adverse impacts.' So why is there so much focus on mapping supratidal barnacles/mussels/algae when the information should not be used to determine adverse impacts? This statement is very confusing to add at the end of this document.

- Please provide a detailed revised schedule because assessing the 'net impact' after 10 years is not the required mitigation method. Adverse impacts need to be calculated on an annual basis and tracked. Any temporal loss needs to be considered and incorporated for each year.

5.3 Weight of Evidence Contradictions

- How would you use the third condition when you have not characterized the sand grain composition throughout the project site? I assume sand grain composition varies by bathymetry, location, and time of year. I don't know how you would be able to use this information because of its variability both pre- and post-project and seasonally across the project area.

6.0 Mitigation

-Provide a clear schedule for compensatory mitigation. Major milestones are Year 5 and Year 10. While monitoring reports must be submitted annually and impacts assessed, at Year 4 the GHAD should submit a final assessment prior to the proposed major renourishment at Year 5.

After submitting an impact assessment, then we evaluate and interpret the impacts, the Corps

comes up with a compensatory mitigation amount determination incorporating the mitigation ratio checklist and any temporal loss, we review the compensatory mitigation conceptual options plan, we review a mitigation implementation plan, the compensatory mitigation is completed by the Permittee.

This process would be repeated for the next cycle, whereby an impact assessment is submitted at Year 9 and evaluated prior to activities occurring at Year 10, and to determine required compensatory mitigation.

-The Corps will calculate the mitigation ratio for non-eelgrass habitat based on our Mitigation Ratio Checklist. This is a requirement. Other agencies may or may not choose to conform to this requirement but the GHAD may prefer everyone does for consistency. Please include ratio checklist assessment requirement in the document for the Corps.

- Add a section with potential compensatory mitigation options and estimated costs.

Item 11a

BGHAD Response to Army Corps' Draft MHMMP Comments

The BBGHAD responded to the Army Corps comments within days of receiving same. The attached responds individually to every significant Army Corps comment. Primarily, the attached:

- Explains why Broad Beach should be compared to the worst performing reference site, especially since the reference site remains in natural condition.
- Provides a rational basis for the standard error rate in monitoring data.
- Provides a rational and common sense approach to “loss of waters of the US.”
- Explains that impacts can only be calculated over time in the dynamic beach environment, not yearly, and following the implementation of adaptive management techniques.

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November 3, 2016

VIA U.S. MAIL AND E-MAIL

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Re: Broad Beach Restoration Project ("Project")
BBGHAD Response to Army Corps Comments on Draft MHMMP
Army Corps file no.: SPL-2011-00333

Dear Aaron and Dan:

This letter constitutes the Broad Beach Geologic Hazard Abatement District's ("BBGHAD") response to the United States Army Corps of Engineers' ("USACE") September 2016 MHMMP comments ("Comments") provided to the California Coastal Commission staff and received by the BBGHAD on October 25, 2016. The BBGHAD responds separately to the USACE Comments as they are critical to the future implementation of the Project. The BBGHAD may not have the ability to implement the Project if certain of the Comments are adopted.

1. INTRODUCTION

As you know, the BBGHAD seeks to implement a beach and dune restoration on 1.1 miles of beach in western Malibu, CA ("Project"). The BBGHAD includes 114 property owners who have assessed themselves millions of dollars to replenish sand on a mile-long stretch of public beach in western Malibu. This is a 100% privately funded Project that will provide significant public benefits, including unprecedented public access on a new public beach. As of this date, the BBGHAD has spent more than \$10,000,000 in private funds to study and work through various state, local and federal Project approvals stretching over nearly five (5) years. All approvals, including the California Coastal Commission ("CCC"), are in hand, other than those required by the federal government and the companion water quality certification from the Regional Water Quality Control Board ("RWQCB"). A Section 401 water quality certification has been drafted and will be issued in the near future.

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The USACE Project review has taken nearly three (3) full years and has included the agency's extensive participation in the CCC-mandated Science Advisory Panel ("SAP"). The CCC created the SAP to provide a mechanism for dealing with potential Project impacts so that the urgently needed beach and dune restoration can move forward with proper oversight and with full knowledge that it is impossible to anticipate all of the Project impacts, if any, before full implementation of the Project. The USACE has participated in at least five (5) SAP meetings, but never raised any issues that come close to the points articulated in the Comments.

Regretfully, USACE's Comments will significantly delay placing a single grain of sand on the beach and dramatically increase Project costs. If implemented, the Comments threaten the entire Project.

This letter outlines the BBGHAD's specific concerns and seeks USACE's re-review—on an expedited basis—so that this important effort to enhance safety and public accessibility can move forward (at no cost to government) as quickly as possible.

2. SPECIFIC RESPONSES TO COMMENTS

The BBGHAD and CCC will address many of the Comments through modifications to the plan document, the MHMMP. These will assist in both making the MHMMP more robust and uniformly effective in addressing all of the agencies somewhat differing concerns. However, a few major issues exist and clarifications must be revisited with the USACE as the BBGHAD has either misunderstood the item or believes the requested revision places an untenable burden on the applicant and are otherwise out of scale for the Project.

This letter focuses on the BBGHAD's key issues with the Comments rather than opining on all of the points provided. The USACE's points are provided in italics with responses and questions following in regular font.

General:

Corps requirements and context are still missing from this document. If this is to be the same document as the Corps-approved mitigation plan, please write accordingly. We are an approving agency of a final mitigation plan independent of CCC requirements.

And see 2008 Mitigation Rule regulations required sections of a Mitigation Plan. In particular the sections missing include:

-Entities, names, and addresses of all persons responsible for carrying out all aspects of the plan.

-Conceptual compensatory mitigation plan options.

-Financial Assurance Section (may be provided as an attachment).

-Adaptive management plan section with specific activities that could be employed for various scenarios.

BBGHAD Response: In connection with the proposed compensatory mitigation plan and financial assurances package, the BBGHAD understands that the USACE seeks for the MHMMP to address anticipated impacts based on the modeling of sand movement and burial duration as presented in numerous forums and documents. The MHMMP serves as the best available estimate of Project effects and outlines the anticipated Project impacts. The BBGHAD intends for its extensive proposed monitoring program to determine if the modeling is correct. This program may result in identification of additional impacts that would need to be addressed. However, from an initial mitigation standpoint, the BBGHAD has adopted the Moffatt & Nichol (BBGHAD Engineer) sand distribution modeling as the basis for impacts. The BBGHAD intends to present to the USACE documentation in accordance with the 2008 Mitigation Rule regulations.

Section 1.2.

-For the Corps, the following monitoring objective is required: Monitoring of beach profiles and jurisdiction to determine any loss of waters of the United States (Section 10 and Section 404) as a result of the project rock revetment and sand placement.

BBGHAD Response: Beach profiles will be monitored in accordance with the physical monitoring program as specified in the BBGHAD's Adaptive Management Plan. However, the BBGHAD has fundamental questions with this USACE assertion. Is the USACE's interest in the loss of jurisdictional waters associated with the development of the full beach profile focused on understanding the gains and losses of the Project in the ecological and regulatory context, or is it anticipated that changing the shoreline profile from a concave to convex configuration (that will result in losses of regulated waters for the benefit of beach and dune development) in itself generates a mitigation obligation? Based on our review of beach Statewide nourishment projects, we have found no similar conditions that reference loss of physical waters. The BBGHAD expects the rebuilding of the beach to result in a reduction of area of jurisdictional waters, but an improved shore form for public, private, and ecological resources.

The MHMMP will assess the ecological elements of the Project. However, the BBGHAD must understand the USACE's view on reduction of jurisdiction on a coastal margin where the functional benefits are partially defined by the restoration of non-jurisdictional beach and dune conditions. Does the USACE see this as requiring mitigation, or is shoreline replenishment viewed as the objective and impacts beyond the footprint of placement viewed as potentially requiring mitigation? Please advise.

Section 4.2.3.1 Intertidal/Supratidal Habitat Mapping Analyses Metrics

-Why are habitats being compared against the lowest performing reference site? Comparisons should be made to the best reference standard available, or at least the average at minimum. The lowest performing site would under-exaggerate your comparison. A medium or the mean level performing reference site would be more appropriate and fair to use as the reference, given the inherent differences between the project site and reference sites.

BBGHAD Response: The BBGHAD and SAP have supported comparing the lowest performing reference site to Broad Beach. This is because no perfect reference sites exist, and any one site may be expected to perform at the lowest condition for a given metric based on random chance. However, if Broad Beach consistently performs below the other sites on multiple metrics, it would be presumed this result is Project driven. The methodology remains identical to that applied for other large scale marine projects, such as the San Onofre Nuclear Generating Station (SONGS), to impact evaluation and mitigation where inherent variability among reference sites is high. By separating multiple parameters for evaluation and using the methodology proposed, random chance failures are unlikely to occur.

Considering the anticipated variability of marine nearshore reference sites, if Broad Beach is required to perform at the top, or in the middle of the reference site pack, an undue burden is placed on the site to perform above reference site expectations. Sites may vary in performance from year to year and that their individual performance may shift rank on a regular basis. By requiring Broad Beach to be at least as good as the lowest performing reference site already establishes that it cannot be statistically below the other sites in its performance, even though it would otherwise be expected to hold that position for some metrics purely as a natural course of events and irrespective of sand nourishment.

For example, if there are two reference sites and Broad Beach, for any given metric and interval, each of the reference sites and Broad Beach have a 1/3 chance of being the lowest performer based on random chance alone. With the current framework, Broad Beach cannot vary statistically below the lowest performer. Under a proposal to lift this performance to the middle of the range, the methodology would de facto require Broad Beach to perform above expectation of the normal range of variation. This would almost certainly result in the determination of an impact, even if no such impact has actually occurred. Lastly, due to the active recreational uses and adjoining land uses along Broad Beach, it is not relevant to use high quality reference sites for comparison. The daily uses of Broad Beach must be considered when comparing the site to reference locations that may have less urban interface.

4.5 Sampling Program Schedule and Distribution of Effort

- Additional sand is proposed for Year 5, so the 4th year monitoring report must be submitted at Year 4 for our review prior to consideration of Year 5 nourishment. To the text please add reports would be submitted to the Corps. Also include anticipated contents of the reports, including a qualitative description of impacts based on field assessment observations.

BBGHAD Response: Additional replenishment events are anticipated to be needed around Project year 5 based on physical monitoring results. The reporting will be completed for the prior year fall monitoring prior to any nourishment, but the spring data of the nourishment year will not be available prior to a triggered nourishment event. The USACE shall be copied on the reports; however, Year 5 nourishments should be assumed and shall move forward pursuant to the Project description.

5.2 Adverse Impact Assessment

- Please provide a detailed revised schedule because assessing the 'net impact' after 10 years is not the required mitigation method. Adverse impacts need to be calculated on an annual basis and tracked. Any temporal loss needs to be considered and incorporated for each year.

BBGHAD Response: The plan for calculating effects has assumed a temporally integrated assessment methodology. However, the integrated assessment includes consideration of both positive and negative deflections from expectation, hence the term "net impact". This does not mean to construe a loss of temporal effects in the calculation (e.g., equal and unmitigated impacts at time step 1 and step 4 are not equivalent due to delay factors being different. Conversely, over-performance of the Broad Beach expectations during one time step would reduce the net effects of underperformance at other time steps. Because it is likely that Broad Beach will vary above and below expectations over time, a one-sided calculation of effects would be inappropriate as normal variance would subject the Project to seemingly random and unfair mitigation consequences. Adaptive management, rather than formal mitigation, is expected to result year to year, so that impacts are minimized. As with any restoration project, the adaptive management practices shall be implemented and monitoring would continue so that appropriate action can take place. Should issues (net indirect/direct impacts) continue in the presence of adaptive management, then mitigation opportunities will be reviewed. To be fair, it is important to accumulate losses and gains over time along with the applicable temporal factors included. Please inform us immediately if the above explanation does not encompass the intent of the USACE comment.

6.0 Mitigation

-Provide a clear schedule for compensatory mitigation.

Major milestones are Year 5 and Year 10. While monitoring reports must be submitted annually and impacts assessed, at Year 4 the GHAD should submit a final assessment prior to the proposed major renourishment at Year 5.

After submitting an impact assessment, then we evaluate and interpret the impacts, the Corps comes up with a compensatory mitigation amount determination incorporating the mitigation ratio checklist and any temporal loss, we review the compensatory mitigation conceptual options plan, we review a mitigation implementation plan, the compensatory mitigation is completed by the Permittee.

This process would be repeated for the next cycle, whereby an impact assessment is submitted at Year 9 and evaluated prior to activities occurring at Year 10, and to determine required compensatory mitigation.

BBGHAD Response: This comment suggests that the USACE considers compensatory mitigation on a "pay-as-you-go" approach and assumes that compensatory mitigation will be necessary. The BBGHAD disagrees (refer to adaptive management discussion, above).

The BBGHAD believes it prudent to mitigate once any such mitigation is determined to be necessary, and not be obliged to additional mitigation for future nourishment efforts within the same scale and character as the initial nourishment event. In this manner, only events that exceed the initial scale of effect would be subject to subsequent mitigation and that mitigation would be limited to the amount necessary to offset the net increase in impact rather than that which is attributed to the first event. This concept is critical to the fate of the Project and must be confirmed as quickly as possible.

-The Corps will calculate the mitigation ratio for non-eelgrass habitat based on our Mitigation Ratio Checklist. This is a requirement. Other agencies may or may not choose to conform to this requirement but the GHAD may prefer everyone does for consistency. Please include ratio checklist assessment requirement in the document for the Corps.

- Add a section with potential compensatory mitigation options and estimated costs.

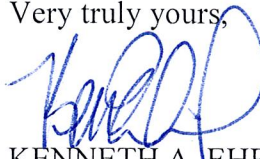
BBGHAD Response: We propose to incorporate the above measures as an appendix rather than integrating the elements into the body of the MHMMP.

Aaron Allen
Dan Swenson
November 3, 2016
Page 7

3. CONCLUSION

We appreciate the USACE's consideration of the responses above and look forward to further engagement on this important Project.

Very truly yours,



KENNETH A. EHRLICH,
a Professional Corporation of
Elkins Kalt Weintraub Reuben Gartside LLP

KAE:dah

cc: Bonnie Rogers
Steve Hudson
Lauren Garske-Garcia
Jonna Engel
Keith Merkel
Richard Beck
Lisa Pinto
David Herbst

Item 11a

Army Corps' Reply to BBGHAD Draft MHMMP Comments

- On 11/18/16, Army Corps replied to BBGHAD response.
- Army Corps reply appears largely conciliatory and clarifying: Corps will not seek compensatory mitigation for same, continued impacts on aquatic life, Corps seeks yearly "waters of the US" measurements to calculate boundaries and not for mitigation purposes, and explains methodology for calculating impacts based on reference site comparison.



DEPARTMENT OF THE ARMY
LOS ANGELES DISTRICT, U.S. ARMY CORPS OF ENGINEERS
915 Wilshire Blvd. Ste 930
Los Angeles, California 90017

November 18, 2016

Ken Ehrlich
Broad Beach Geologic hazard Abatement District
2049 Century Park East Suite 2700
Los Angeles, California 90067

DEPARTMENT OF THE ARMY

Dear Mr. Ehrlich:

Thank you for your letter dated November 3, 2016, regarding our comments sent October 11, 2016 on your draft Monitoring Habitat Mitigation and Monitoring Plan (MHMMP). We have reviewed your letter and provide the following information in response to your comments and questions.

Regarding the monitoring of beach profiles and jurisdictional areas to determine potential loss of waters of the United States (Section 10 and Section 404) as a result of the rock revetment and sand placement, as well as your question concerning whether or not loss of waters of the United States could require compensatory mitigation: Because the project would take place within waters of the United States and is intended to modify the beach profile, including successive beach nourishments, we would require the BBGHAD to track the lateral extent of waters of the United States (both high tide line and mean high water mark) throughout the life of the project to assist us in determining when additional beach nourishment may be warranted. Following project construction, our jurisdictional limits would be moved seaward, then would subsequently either maintain position, move landward, or move seaward over time depending on the variability of natural littoral processes in combination with any subsequent beach nourishment activities. We do not anticipate compensatory mitigation would be required solely for modification to our jurisdictional limits, but rather we would rely on the ecological monitoring results to detect loss of aquatic resource functions resulting from the project that may warrant compensatory mitigation.

The Regional Compensatory Mitigation and Monitoring Guidelines for the South Pacific Division state that "in general and where appropriate compensatory mitigation plans should utilize reference sites to help develop performance standards". Furthermore, the Guidelines indicate that "where appropriate and practicable, multiple reference sites may be used rather than a single reference site". The most efficient method to incorporate reference site information into performance standards would be to use one or more reference sites, monitoring each site for all habitat types, rather than use of multiple reference sites to develop performance standards for each specific habitat type. Once baseline data are collected at the Broad Beach site and candidate reference sites utilizing Corps-approved monitoring methods, the data should be evaluated to determine which site(s) performs most similarly to the Broad Beach site. Once a proposed

reference site(s) is selected, a detailed rationale should be included as part of the draft MHMMP, including a rigorous comparison of the baseline data for the Broad Beach site and for each candidate reference site.

Regarding the sampling schedule and monitoring submission to determine any impacts, loss of aquatic resource functions, compensatory mitigation, or additional sand placement: Prior to each major renourishment (anticipated at approximately years five and ten, but based on observed erosion rates and thresholds), we would require the BBGHAD to submit a notification package for our review. At a minimum (and in addition to standard beach nourishment pre-construction requirements), the notification package would include a summary of all authorized construction activities that have occurred, all monitoring data, and an assessment of any impacts and associated loss of aquatic resource functions within waters of the United States. While a permit would include a project description detailing all authorized activities, the permit would also include a special condition requiring the BBGHAD to receive a written Notice-to-Proceed from the Corps prior to conducting any additional beach nourishment activities within waters of the United States. If warranted, based on the information in the annual monitoring reports that documents loss of aquatic resource functions, the Corps would also request the BBGHAD to submit a compensatory mitigation proposal. Once approved by the Corps, the BBGHAD would need to implement the compensatory mitigation proposal within a specified timeframe.

Finally, regarding the potential for successive compensatory mitigation requirements: In general, we do not require additional compensatory mitigation for the same loss of aquatic resource functions. Any successive compensatory mitigation requirements would be for additional documented losses of aquatic resource functions in the project area.

Please let us know if you would like to meet in person or via teleconference to discuss any of these issues. If you have any questions, please contact me at (213) 452-3414, or my staff Bonnie Rogers, at (213) 452-3372.

Sincerely,

SWENSON.DANIEL.PA
TTERSON.1081348363

Digitally signed by
SWENSON.DANIEL.PATTERSON.1081348363
DN: c=US, o=U.S. Government, ou=DoD, ou=PKI,
ou=USA,
cn=SWENSON.DANIEL.PATTERSON.1081348363
Date: 2016.11.18 12:26:30 -08'00'

Daniel P. Swenson, D. Env.
Chief, L.A. and San Bernardino Section
Regulatory Division

Item 12a

- On 11/15/16, Jeff Marine, Ryan Harter (CIM's Development Director, sitting in for Shaul Kuba), and I interviewed three Project Manager candidates. Charles Melber, working with Ray Files, are the strongest candidates. We asked them to provide a proposal to the Board covering their proposed responsibilities and compensation.
- In response, we received the enclosed, in which they seek:
 - \$12,000 for reviewing critical documents to understand Project
 - Up to \$20,000 to confirm sand sources and analyze sand/construction proposals
 - \$9,900 to negotiate with Project contractors
 - \$22,500 for meetings to facilitate Fall 2017 Project start and smooth Project
 - \$242,800 for Construction Management

***With each new project we reaffirm our commitment to Creativity and
Craftsmanship***

November 16, 2016
BBGHAD
Kenneth A. Erhrlich, Esq.
Elkins Kalt Weintraub Reuben Gartside LLP
2049 Century Park East 27th floor
Los Angeles, CA 9067

Thank you for the opportunity to provide the following cost estimates for our services as Project Managers.

Charles Melber will be the lead of this two-person team. Ray Files will work on an “as needed” basis. The cost projections below reflect the fact that there will be not one, but two, highly qualified experts, each with their own specific set of skills, managing this unique project. We honestly believe our expertise will allow BBGHAD to achieve the best possible results in regards to cost and timeline to completion.

The following Management cost is broken into four phases in an effort to give you as much clarity and explanation as to where the money is being allocated.

Phase #1 “Catch Up”

Phase #1 includes section “A” and “B”, which will run concurrently to every extent possible in an effort to complete Phase #1 as quickly as possible. This “Catch Up” phase is extremely important in order to move the project forward rapidly in the correct and most economical direction, as well as allow us the ability to arrive at accurate budget. We will use your existing budget as a base line and revise accordingly.

Section “A” Review of all Documents (Budget amount **\$12,000** based on 40 hrs. work by both Charles Melber and Ray Files).

- We will review all past and present documentation, recommendations, and conditions from regulatory agencies. We will also review all conditions of any and all permits from various agencies, whether approved or still a work in progress. All existing relevant contacts and documents will be provided to us, by BBGHAD.
- We will maintain and promote open discussions from all consultants.

State License # 673925
Peregrine Inc. 29376 Hillrise Dr. Agoura CA. 91301
Voice/Cell 818-968-9707 Fax 818-706-1179
Peregrinechuck@gmail.com

- A critical path timeline, (GANT CHART), will be created.
- Utilizing bids already obtained by BBGHAD, a preliminary comparison cost analysis will be created quickly for discussion purposes, utilizing the delivery of sand via land or sea transport.
- We will review preliminary bids and analysis.

Section “B” Sand Sourcing Confirmation and Bid Analysis (\$10,000-\$20,000, depending on location of sand)

- We will further examine feasibility and cost of existing source of sand as already identified by BBGHAD and, should it become necessary, locate 3 alternate sources while utilizing the detailed sand specifications as outlined by the CCC.
- Once we have established the location of sand, we can create more accurate budgets for the import of sand, by sea or land, and the logistics involved.
- Travel could be necessary to confirm the suppliers are capable of providing the correct product in quantities required and within specified time constraints. Travel will be charged as a reimbursable expense.
- All bids will be reviewed and analyzed in detail, discussed directly with bidder either in person or via telephone, and will be vetted in detail as to experience with this type of construction, past records, and past customers.
- Ray Files will provide analysis comments on methods and amounts in an effort to arrive at the most cost effective amounts.

Phase #2 Final Costing Negotiations 66 hrs. @ \$150 per/hr. **\$9,900**

- Once we make a final decision on the best construction model, whether it is one primary contractor or five separate contractors, we can finalize the line item budget.
- In conjunction with the BBGHAD, we will make a final decision on contractors to be selected.
- Final negotiations with various contractors will be conducted.
- A revised “final” line item budget will be created.
- We will issue Contractor Contracts and/or Letters of Intent.

Phase #3 Intermediate Meetings 30 weeks @ 5 hrs./wk. x \$150/hr = **\$22,500** (this item is as required)

- We will facilitate a start date of September 2017.
- We will work with Cal Trans if sand is delivered by land (temporary stop light and traffic control).
- We will schedule all consultant inspections required prior to work beginning.
- We will attend Board Meetings as needed.
- We will strategize and review progress.

Phase #4 Construction Process Management (based on 8 months \$242,800.00)

- Charles Melber will direct and manage all aspects of construction.
 - Provide Critical path schedule, updated daily.
 - Establish and maintain an effective and professional onsite working relationship with owners(s), consulting engineers, and other professionals related to the project.
 - Cash Flow projections
 - Develop and organize system for all paperwork, including “Dailies” and “On Site Inspections” from various consultants, including a detailed photographic record.
 - Review all billing to ensure its accuracy and correctly charge against “Line Item budget.”
 - Constantly review “Line Item Budget” for any potential savings.
 - Implement Safety program.
 - Confirm all BMPs and SWIPPs are being placed as required (this placement will be provided by a specialty contractor).
 - Verify all permitting is in compliance and conditions are being adhered to.
 - Monitor all field accounting functions, insure subcontractors are properly licensed, and insured, with additional insured certificates, 20-day preliminary notices, and lien releases for accuracy and compliance with procedures.
- Hire a full time on-site assistant.

Summary phase #4 as follows:

Peregrine 32 weeks x 30 hrs./wk. @ 150/hr. =.....	\$144,000.00
Management assistant 32 weeks X 40 hrs./wk. @ 50/hr.....	64,000.00
PBA 32 weeks x 6 x \$150/hr. =	28,800.00
Indirect cost Job site office, temp toilet / printing.....	6,000.00
Total	\$242,800.00

Summary of total cost as follows:

Phase 1 A.....	\$12,000
Phase 1 B.....	\$20,000
Phase 2.....	\$9,900
Phase 3.....	\$22,500
Phase 4	\$242,800
TOTAL	\$307,200 (over 18 month period =\$17,066/mo. Average)

You will only be billed as hours are accumulated. Please note during phase #4 the cash flow required substantially increases.

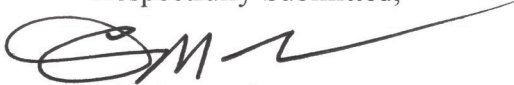
All hours spent will be presented and detailed with billing package.

We are prepared to start immediately once a contract has been negotiated and agreed upon, and all relevant documents discussed above are received.

Please note we have not included any budget for insurance requirements. This needs to be discussed in more detail.

Thank you again for the opportunity, we look forward to hearing from you.

Respectfully Submitted,

A handwritten signature in black ink, appearing to be 'CM' followed by a long horizontal stroke.

Charles Melber
Peregrine Inc.

Item 13a

BBGHAD Monthly Cash Flow & Allocated Budget

Broad Beach GHAD**Cash Flow**

Board Meeting 11/20/2016

Cash in Bank October 16, 2016	\$ 2,889,778.12
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Sources of Cash:

Cash collected	N/A
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Disbursements from October 16, 2016, through November 15, 2016

<u>Date</u>	<u>Check#</u>	<u>Description</u>		
10/17/16	3686	Moffatt & Nichol	\$	135,936.04
10/17/16	3689	Moffatt & Nichol	\$	41,464.12
10/18/16	3687	Elkins Kalt Weintraub	\$	57,279.75
10/18/16	3690	Heike Fuchs/Treasurer	\$	2,350.42
10/19/16	3684	AON Insurance	\$	8,283.00
10/21/16	3681	Colantuono Highsmith Whatley	\$	597.00
10/21/16	3685	Ramboll Environ	\$	3,139.08
10/26/16	3678	California Marine Sanctuary Foundation (SAP)	\$	57,902.00

Total invoices paid	\$ 306,951.41
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Cash Ending Balance as of November 15, 2016	<u>\$ 2,582,826.71</u>
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UNPAID BILLS

<u>Date</u>			
<u>Received</u>	<u>Invoice#</u>	<u>Vendor Name</u>	<u>Amount</u>
5/22/16		The Bay Foundation (US Army Corps)	\$ 214,500.00
8/19/16		West End Refunds	\$ 167,600.64
10/11/16		Engeo	\$ 5,222.50
8/16/16	720289/7205	Moffatt & Nichol	\$ 64,213.82
11/8/16		GHAD Membership	\$ 130.25
11/3/16		Colantuono Highsmith Whatley	\$ 145.00
10/28/16		Engeo	\$ 3,399.00
11/14/16		Vectis Strategies	\$ 20,000.00
11/14/16		Elkins Kalt Weintraub	\$ 48,864.35
		<u>Estimated Unpaid Bills</u>	<u>\$ 524,075.56</u>

Cash on hand 10/27/15: \$1,804,418.04		Budget	Actual											Total Income/Expense	Variance	
		FY2015-16	Nov./Dec. 2015	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov. 2015-Oct 2016		
Income:																
Annual Assessment 2015-16		\$ 3,138,625.00														
Deposits																
L.A. County		\$ 1,231,570.00	\$ 307,912.50	\$ 454,332.75			\$ 623,361.00	\$ 415,362.84		\$ 7,883.75	\$ 3,718.75			\$ 3,044,141.59		
Swim Club		\$ 29,750.00					\$ 29,750.00							\$ 59,500.00		
West End Refunds											\$ (167,600.64)			\$ (167,600.64)		
Income Total:		\$ 1,261,320.00	\$ 307,912.50	\$ 454,332.75			\$ 653,111.00	\$ 415,362.84		\$ 7,883.75	\$ (163,881.89)			\$ 2,936,040.95	\$ 202,584.05	
Estimated Annual Expense FY2015-2016																
Administration/Accounting & Insurance		\$ 150,000.00														
Project Manager		\$ 23,605.74	\$ 11,998.50	\$ 11,789.00	\$ 23,739.70	\$ 12,727.34	\$ 12,554.95	\$ 12,703.66	\$ 11,816.76					\$ 120,935.65		
Clerk/Treasurer		\$ 4,539.25	\$ 1,003.24	\$ 1,210.09	\$ 2,414.54	\$ 1,255.83		\$ 2,054.30		\$ 5,080.61	\$ 3,119.80	\$ 2,350.42		\$ 23,028.08		
D&O Insurance/AON Ins.												\$ 8,283.00		\$ 8,283.00		
L.A. County fees																
		Total Admin.													\$ 152,246.73	
Annual Monitoring Total: \$ 400,000.00																
SAP/California Marine Sanctuary Foundation - Managing fees		\$ 180,000.00					\$ 60,000.00			\$ 60,000.00		\$ 57,902.00		\$ 177,902.00		
SAP/California Marine Sanctuary Foundation - Monitoring Fees		\$ 220,000.00								\$ 1,693.48				\$ 1,693.48		
		TTL SAP													\$ 179,595.48	\$ 278,306.52
Permitting Fees		\$ 896,000.00														
Lobbyist Fees: Neish Inc. - CCC		\$ 16,219.53	\$ 9,070.26											\$ 25,289.79		
Vectis Strategies-U.S. Army Corps			\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00		\$ 20,000.00	\$ 10,000.00			\$ 90,000.00		
Legal Fees: Elkins Kalt		\$ 115,659.04	\$ 74,825.37	\$ 27,271.84	\$ 32,514.83	\$ 65,221.15	\$ 48,212.09	\$ 53,754.74		\$ 129,915.24	\$ 83,023.11	\$ 57,279.75		\$ 687,677.16		
Legal Fees: Colantuono Highsmith & Whatley		\$ 12,346.00	\$ 2,155.50	\$ 190.00		\$ 1,861.00	\$ 47.50	\$ 47.50	\$ 929.50	\$ 3,281.00	\$ 617.50	\$ 597.00		\$ 22,072.50		
Engineering Fees: Moffat & Nichol		\$ 185,807.68	\$ 106,460.85	\$ 68,198.49	\$ 41,859.99	\$ 133,071.75	\$ 112,706.54	\$ 128,808.40		\$ 150,297.54		\$ 177,400.16		\$ 1,104,611.40		
:ENGEO		\$ 880.00												\$ 880.00		
Ramboll Environ								\$ 4,156.79	\$ 4,075.28		\$ 1,489.51	\$ 3,139.08		\$ 12,860.66		
U.S. Army Corps Mitigation: The Bay Foundation							\$ 214,500.00							\$ 214,500.00		
State Lands Commission - Back Rent											\$ 50,000.00			\$ 50,000.00		
		TTL Permit. Fees													\$ 2,207,891.51	\$ (1,311,891.51)
Beach Nourishment		\$ 10,750,000.00														
Amt Financed		(\$ 10,750,000.00)														
Miscellaneous Expense		\$ 182,300.00														\$ 182,300.00
Debt Service		\$ 2,347,312.00														
		\$ 3,975,612.00														
Expense Total:		\$ 359,057.24	\$ 215,513.72	\$ 118,659.42	\$ 110,529.06	\$ 224,137.07	\$ 458,021.08	\$ 211,525.39	\$ 16,821.54	\$ 370,267.87	\$ 148,249.92	\$ 306,951.41	\$ 2,539,733.72			
		FY2015-16	Nov./Dec. 2015	Jan-16			Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov. 2015-Oct. 2016		

Assumptions
Beach Frontage (excluding Western 22 parcels)
Annual Assesment per foot of Beach Frontage
Beach Frontage of Western 22 Parcels
Annual Assessment per Foot of Beach Frontage of Western 22 Parcels
Annual Adjustment in Assessment (est.)
Escalation in Annual Costs (est.)
Investment Earnings (est.)
Frequency of Sand Nourishment (years)
Cost of Sand Nourishment (current \$)