

EMERALD BAY SERVICE DISTRICT
REGULAR BOARD OF DIRECTORS MEETING
Wednesday, October 17, 2018

PRESENT: John Marconi, President
John McDermott, Vice President
James Flynn, Treasurer
Susan Thomas, Secretary
Philip deCarion, Director

ALSO PRESENT: Victor Assad – President EBCA Board
Nick Nichols – Toal Engineering
Geoff Sumich – Geoff Sumich Design
Michael Dunbar, General Manager
Allison Burns, Attorney, Stradling Yocca Carlson & Rauth
Toni Hughes, EBCA Community Manager
Cisco Farias, Director of Maintenance
Jill Chambers, Director of Architecture and Construction
Susan Olmstead-Bowen, Director of Finance
Cathy Lovitt, Recording Secretary, Member Services Administrator

CALL TO ORDER and PLEDGE OF ALLEGIANCE

The meeting was called to order at 5:30 p.m. by President John Marconi and the pledge of allegiance was recited.

CERTIFICATION OF POSTING

Allison Burns stated that the agenda for this meeting was posted on the community bulletin board and at the Main Gate Guardhouse by 5:00 p.m. on October 12, 2018. It was not, however, posted on the District's website 72 hours prior to the meeting as mandated by the Brown Act. She requested that the meeting proceed, and action items be ratified at next month's meeting.

PUBLIC COMMENT

Victor Assad, president of the Community Association Board, presented a plaque to the Service District Board and thanked them for their endless hours of dedication and outstanding service to the Emerald Bay Community. The plaque named all of the past presidents that served on the Board since its inception in 1961.

Mr. Assad also introduced the new Community Manager, Toni Hughes. The EBSD Board welcomed her in her new role and wished her much success.

MINUTES

The Board discussed the minutes of the Special Meeting of the Board of Directors of August 29, 2018 and approved the minutes as written.

John McDermott made a motion to approve the minutes as written. The motion was seconded by James Flynn and passed unanimously.

REVIEW OF FINANCIAL MATTERS

The Board discussed the financial reports as presented.

DEPOSITS

Total deposits for August were \$2,631.35; total deposits for September were \$644,628.62.

INVOICES FOR PAYMENT

Invoices for payment totaled \$300,568.26 for the period ending September 12, 2018. Invoices for payment totaled \$198,280.40 for the period ending October 10, 2018.

James Flynn made a motion to approve the invoices for payment for the periods ending September 12, 2018 totaling \$300,568.26 and October 10, 2018 totaling \$198,280.40. The motion was seconded by Susan Thomas and unanimously approved.

ACTION ITEMS

1. Direct Staff and Legal Counsel to Prepare a Waiver Agreement for a Downward Sloping Driveway at #141 Emerald Bay. Michael Dunbar reported to the Board that the owner of #141 Emerald Bay would like to put in a downward sloping driveway. EBSD staff and EBCA staff have met with the architect, Geoff Sumich, and engineer, Nick Nichols and Rob Hamers to discuss. They determined that due to the location of the lot and the proposed configuration of the property, it could be accommodated without the necessity of any road, gutter or curb modifications. Staff recommends that an Indemnity and Waiver Agreement be drafted and signed by the owner to waive any liability for damages due to storm water that may enter the property, any potential future liability due to storm water runoff and requiring the property owner to be responsible for any and all storm water improvements. The Board requested that the agreement be brought back for review by the Board of Directors prior to implementation. President Marconi gave Michael Dunbar and Legal Counsel direction to prepare the agreement.

OLD BUSINESS

1. Storm Water Run-off. Michael Dunbar reported the on the water run-off report. Jim Waddell and his staff have been doing an excellent job, leaving door hangers when needed for homeowners to address water run-off on their property. This has brought awareness to the Community and had a positive impact.

NEW BUSINESS

1. Ms. Jessica Andersen from Vavrinek, Trine, Day & Co. LLP, Independent Auditor for Emerald Bay Service District. Michael Dunbar reported that the General Manager, Director of Finance and District's counsel received a copy of the first draft of the audit prepared by Vavrinek, Trine, Day and Co. LLP for review. This item was deferred to the November 2018 Board meeting.

2. Election of Independent Special Districts of Orange County (ISDOC) Officers – President and First Vice President (Programs). Michael Dunbar reported that the Independent Special Districts of Orange County (ISDOC) is holding its biennial election for President and 1st Vice President and recommends Sandra Jacobs for the President seat and Mark Morin as 1st Vice President. Mr. Dunbar has worked with both candidates and highly recommends them.

Philip deCarion made a motion to direct President Marconi to cast a vote for Sandra Jacobs and Mark Morin as officers of the ISDOC on behalf of the Service District. The motion was seconded by James Flynn and unanimously approved.

CORRESPONDENCE

1 Letter from Special District Risk Management Authority (SDRMA) on Property/Liability Claims in 2017-2018. Michael Dunbar reported to the Board a letter from SDRMA on Property/Liability claims formally acknowledging the dedicated efforts of the Emerald Bay Service District's Governing Body, management and staff towards proactive risk management and loss prevention training which resulted in no "paid" property or liability claims for program year 2017-2018. Members of SDRMA with no "paid" claims during 2017-2018 earned 2 credit incentive points (CIPS) thereby reducing the annual contribution amount.

2 Letter from Special District Risk Management Authority (SDRMA) on Workers' Compensation Claims in 2017-2018. Michael Dunbar reported to the Board the Worker's Compensation Claims program resulted in no "paid" workers' compensation claims.

BOARD REPORTS

General Manager's Report. Michael Dunbar reported his September 2018 activities to the Board of Directors.

AD HOC REPORTS

None

STRATEGIC PLANNING COMMITTEE REPORT

CLOSED SESSION

Under provisions of Government Code Section 54956.9(d) (2), the Board entered closed session at 6:15 p.m. to discuss the items listed on the agenda:

1. Conference with Legal Counsel – Existing Litigation: Pursuant to Government Code Section 54956.9 – South Orange County Wastewater Authority et al v. Moulton Niguel Water District, OCSC Case No. 30-2017-00923143.
2. Conference with Legal Counsel – Anticipated Litigation: Pursuant to Government Code Section 54956.9 (d) (2) – two potential cases.
3. Conference with Legal Counsel – Existing Litigation: Pursuant to Government Code Section 54956.9(a) – Mark Denney v. State of California, et al., Orange County Superior court Case No. 30-2018-0994482 – CV – PO – CXC.

OPEN SESSION

At 6:40 pm the Board returned to open session. No reportable actions were taken in closed session.

LEGAL COUNSEL'S REPORT

General Counsel Allison Burns reported on various matters that she has been working on with the General Manager, Michael Dunbar.

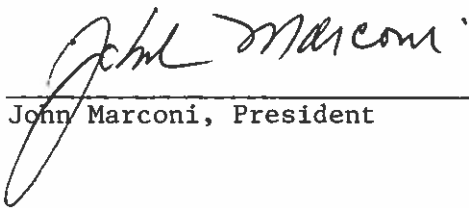
The next regularly scheduled meeting on Wednesday, November 21, 2018 will be cancelled due to directors' unavailability. A Special Meeting of the Service District has tentatively been scheduled for Wednesday, November 28, 2018 at 5:30 p.m.

ADJOURNMENT

The meeting was adjourned at 6:45 p.m.



Cathy Lovitt, Recording Secretary



John Marconi, President