

**EMERALD BAY SERVICE DISTRICT
SPECIAL MEETING OF THE BOARD OF DIRECTORS
Thursday, April 25, 2019**

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

ALSO PRESENT: Michael Dunbar, General Manager
Allison Burns, Attorney, Stradling Yocca Carlson & Rauth
Toni Hughes, Community Association Manager
Victor Assad, Community Association President
Cisco Farias, Director of Maintenance
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 James Flynn and the pledge of allegiance was recited.

CERTIFICATION OF POSTING

Cathy Lovitt stated that the agenda for this meeting was posted on the District Website, community bulletin board and at the Main Gate Guardhouse by 5:00 p.m. on Friday, April 19, 2019.

PUBLIC COMMENT

None.

MINUTES

The Board discussed the minutes of the Special Meeting of the Board of Directors of March 27, 2019 and approved the minutes as written.

Susan Thomas made a motion to approve the minutes as written. The motion was seconded by John Marconi and passed unanimously.

REVIEW OF FINANCIAL MATTERS

The Board discussed the financial reports as presented.

DEPOSITS

Total deposits for December were \$159,625.58.

INVOICES FOR PAYMENT

Invoices for payment totaled \$328,865.59 for the period ending April 17, 2019.

John Marconi made a motion to approve the invoices for payment for the period ending April 17, 2019 totaling \$328,865.59. The motion was seconded by John McDermott and unanimously approved.

ACTION ITEMS

1. Authorize the General Manager to Enter into a Contract with David's Tree Service, Inc. for the Annual Fuel Modification Program at a Cost of \$29,000. Michael Dunbar reported that staff prepared a proposal package for fuel modification within approximately 150 feet from the Emerald Bay Community exterior boundary which also involves the thinning of native vegetation between 150 feet and 200 feet from the boundary. The District retained the services of James Dockstader, landscape architect, to walk the perimeter and tag various plants for removal or thinning efforts. Mr. Dockstader also prepared the fuel modification bid packet for the perspective landscape contractors. The packet was sent to four pre-qualified landscape maintenance firms to submit proposals. The District received three bids ranging from \$29,000 to \$72,600 with the lowest, responsible bidder being David's Tree Service, Inc. Mr. Dunbar reported that David's Tree Service has been retained for work in the past.

Susan Thomas made a motion to authorize the General Manager to enter into a contract for \$29,000 with David's Tree Service, Inc. The motion was seconded by John McDermott and unanimously approved.

2. Authorize the General Manager to Enter into a Contract with Rumblefish Chase Boat Services in Conjunction with the July 4 Fireworks at a cost of \$2,000. Michael Dunbar reported that the District contracts with Rumblefish annually during the fireworks display to assist in monitoring the waters around the firework barge. In addition, the chase boat is retained the following day to monitor the waters to collect debris and any unexploded fireworks. Rumblefish then submits the annual report required by the San Diego Regional Water Quality Control Board on the amount of debris collected. Rumblefish submitted their proposal of \$2,000 to provide these services.

John McDermott made a motion to authorize the General Manager to enter into a contract with Rumblefish Chase Boat Services in the amount of \$2,000. The motion was seconded by John Marconi and unanimously approved.

3. Consider Adoption of the Comprehensive Financial Policies and Procedures Manual. Michael Dunbar reported that during the District's annual audit, the District's auditor, Vavrinek, Trine, Day & Co., LLP made several recommendations to document and improve the internal controls in order to protect the District's assets, one of which included the development of a Comprehensive Financial Policies and Procedure's Manual (Manual). President Flynn and Treasurer Marconi met with staff and directed the General Manager and the Director of Finance to prepare the Manual to ensure compliance with established public management best practices. After review and discussion of the Proposed Comprehensive Financial Policies and Procedures Manual, Susan Olmstead-Bowen presented an Amendment to the Policies and Procedures Manual with minor changes and discussed their purpose with the Board.

Jim Flynn made a motion to adopt the Comprehensive Financial Policies and Procedures Manual subject to the changes in the amendments provided by Susan Olmstead-Bowen. The motion was seconded by John McDermott and unanimously approved.

OLD BUSINESS

1. Storm Water Run-off. Michael Dunbar reported Security continues to notify homeowners of storm water run-off and the reports are tracked and turned in monthly to the County. Mr. Dunbar reported to the Board the progress of the storm drain at the pool road and provided pictures of its development.

CORRESPONDENCE

Letter from Mr. Peter Collisson - #801 Emerald Bay. Michael Dunbar reported that the Service District received a letter from Mr. Collisson regarding the placement of sandbags installed to divert rain and other drainage flowing in the street to prevent it from entering his residence. He noted that it worked well, although it did cause some soil erosion on his property. Mr. Collisson would like to work with staff in reaching a more permanent solution. Mr. Dunbar noted this may include possible street repairs and or street resurfacing.

BOARD REPORTS

General Manager's Report. Michael Dunbar reported his March 2019 activities to the Board of Directors.

DIRECTOR'S COMMENTS

None

AD HOC REPORTS

None

CLOSED SESSION

Under provisions of Government Code Section 54956.9(d) (2), the Board entered closed session at 6:20 p.m. to discuss the items listed on the agenda:

1. Conference with Legal Counsel – Existing Litigation: Pursuant to Government Code Section 54956.9 (a) – South Orange County Wastewater Authority et. Al., v. Moulton Niguel Water District.
2. Conference with Legal Counsel – Anticipated Litigation: Pursuant to Government Code Section 54956.9 (d) (2) – three potential cases.
3. Conference with Legal Counsel – Anticipated Litigation: Pursuant to Government Code Section 54956.9 (d) (2) – one potential case.
4. Conference with Legal Counsel – Existing Litigation: Pursuant to Government Code Section 54956.9 (a) – Mark Denny v. State of California, et. Al., Orange County Superior Court, Case No. 30-2018-0994482-CV-PO-OXC.

OPEN SESSION

At 6:40 p.m. 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 is scheduled for Wednesday, May 15, 2019.

ADJOURNMENT

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



James Flynn, President



Cathy Lovitt, Recording Secretary