

**EMERALD BAY SERVICE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
Thursday, July 19, 2018**

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

ABSENT: John McDermott, Vice President

ALSO PRESENT: Michael Dunbar, General Manager
Allison Burns, Attorney, Stradling Yocca Carlson & Rauth
Victor Assad, President Emerald Bay Community Association
Jim Waddell, Director of Security
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 John Marconi and the pledge of allegiance was recited.

CERTIFICATION OF POSTING

Cathy Lovitt, Recording Secretary, stated the agenda for this meeting was posted on the community bulletin board, at the Main Gate Guardhouse, on the District's website and the media was notified by 5:00 p.m. on July 16, 2018.

PUBLIC COMMENT

None

MINUTES

The Board discussed the minutes of the Regular Meeting of the Board of Directors of June 20, 2018 and approved the minutes as amended.

James Flynn made a motion to approve the minutes as amended. The motion was seconded by Susan Thomas and passed unanimously.

REVIEW OF FINANCIAL MATTERS

The Board discussed the financial reports as presented.

DEPOSITS

Total deposits for June were \$20,906.20.

INVOICES FOR PAYMENT

Invoices for payment totaled \$288,771.07 for the period ending July 12, 2018.

James Flynn made a motion to approve the invoices for payment for the period ending July 12, 2018 totaling \$288,771.07. The motion was seconded by Susan Thomas and unanimously approved.

ACTION ITEMS

1. Approve the Eighth Amendment to the Management Services Agreement with the Emerald Bay Community Association. Mr. Dunbar reported that the 8th Amendment to the Management Services Agreement was reviewed by Directors Thomas and Flynn. There were two notable changes to the agreement, one being the addition of the Director of Security's vehicle and secondly an additional \$1,500 contracted for maintenance personnel for landscape work. Directors Thomas and Flynn agreed with the proposed changes. Mr. Dunbar informed the Board that the proposed Eighth Amended and Restated Management Services Agreement would be presented to the Emerald Bay Community Association Board for approval at its next meeting.

Susan Thomas made a motion to approve the Eighth Amendment to the Management Services Agreement with the Emerald Bay Community Association. The motion was seconded by Philip deCarion and unanimously approved.

2. Approve the Satisfaction and Termination of Right of Entry Agreement with James and Katie Loss (#829 Emerald Bay).

This agenda item was deferred and discussed at the next Board meeting in August.

3. Consideration and Possible Action to Award a Contract for the Installation of a Potable Water Pipeline and Fire Hydrant Based Upon the Lowest Responsive and Responsible Bidder. Mike Dunbar reported that the District has been working with the three property owners at #12, #20 and #22 Emerald Bay to construct an 8 inch water pipeline and fire hydrant adjacent to these properties to provide potable water service. The project has multiple benefits to the District. The addition of a fire hydrant at the dead-end street will assist in strengthening the overall firefighting capabilities for that area of the community. It will also benefit the community by allowing more efficient water shutdowns subsequent to the installation of additional water shut off valves.

Staff sent the plans and specifications to six pre-qualified contractors and received three construction bids ranging from \$89,484 to \$185,500. Staff reviewed the construction bids with the Finance committee and provided a recommendation to the Board to accept the bid from Frajio Brothers, Inc. in the amount of \$89,484. The District had budgeted \$61,000 as its share of the costs and would receive \$18,000 as reimbursement from the three property owners adjacent to the project. The additional \$10,484 would be funded from the General Fund.

James Flynn made a motion to award a contract to Frajio Brothers for the installation of a potable water pipeline and fire hydrant. The motion was seconded by Philip deCarion and unanimously approved.

4. Consideration and Action to Approve Amendment No. 1 to the Employment Contract with Michael Dunbar for a Salary Increase of \$4,500 Retroactive to January 1, 2018 and a One Time Incentive Payment of \$4,500 to Incentivize Continued Superior Performance. President Marconi presented the First Amendment to Employment Agreement for Michael Dunbar, General Manager of the Emerald Bay Service District since October 2012. Each of the EBSD directors completed an annual review of Mr. Dunbar's performance as General Manager for the year 2017. It was determined that due to Michael Dunbar's outstanding performance, the directors agreed to an annual salary increase of \$4,500 and a one-time payment of \$4,500 to incentivize continued superior performance.

James Flynn made a motion to approve Amendment No. 1 to the Employment Contract with Michael Dunbar. The motion was seconded by Philip deCarion and unanimously approved.

5. Determination to cast vote for Ms. Jo MacKenzie for Seat A for the Southern Network for the California Special District's Association 2018 Board of Directors. Michael Dunbar reported that the Service District is a member of the California Special District's Association (CSDA) and is eligible to vote in their election for Seat A of the Southern Network. Mr. Dunbar reported that he has worked with Ms. Jo MacKenzie in the past both with CSDA and the Association of California Water Agencies (ACWA) and has known her for over 20 years. After discussion, staff recommended the District cast its vote for Ms. MacKenzie for Seat A of CSDA.

James Flynn made a motion to authorize Michael Dunbar to cast the District's vote for Ms. Jo MacKenzie for Seat A for the Southern Network for the California District's Association Board. The motion was seconded by Philip deCarion and unanimously approved.

OLD BUSINESS

1. Storm Water Run-off. Michael Dunbar reported the on the water run-off report.

NEW BUSINESS

1. Update on the California Association of Sanitation Agencies (CASA). Michael Dunbar presented the CASA charges for annual dues for its membership of \$1,000 per year. The District has been a member of CASA since 2012. CASA provides advocacy on our collective wastewater issues in both California and on the federal level. It provides a platform to network with other wastewater professionals and elected officials. It is also a resource to contact various agencies that may have similar issues such as sewer collection system video-taping and sewer lift station problems to learn their operational techniques and avoid their problems. Michael Dunbar is the current President of the Educational Foundation of CASA which provides three \$5,000 scholarships each year to college students pursuing a degree in a wastewater field.

CORRESPONDENCE

None

BOARD REPORTS

General Manager's Report. Michael Dunbar reported his June 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 6:10 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 7:05 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 on Wednesday, August 15, 2018 will be cancelled due to directors' unavailability. A Special Meeting of the Service District has been scheduled for August 29, 2018 at 5:30 p.m.

ADJOURNMENT

The meeting was adjourned at 7:10 p.m.



John Marconi, President



Cathy Lovitt, Recording Secretary