

**EMERALD BAY SERVICE DISTRICT BOARD OF DIRECTORS**  
**SPECIAL TELECONFERENCE MEETING PURSUANT TO GOVERNOR'S ORDER N 29-20**  
**Wednesday, August 19, 2020**

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

**ALSO, PRESENT:** Michael Dunbar, General Manager  
Allison Burns, Attorney, SYCR  
Susan Olmstead-Bowen, Director of Finance  
Victor Assad, Community Association president  
William Morton, Municipal Finance Corporation

**CALL TO ORDER**

The meeting was called to order via Zoom Teleconference at 5:30 p.m. by President Susan Thomas. The pledge of allegiance was recited.

**CERTIFICATION OF POSTING**

Susan Olmstead-Bowen 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 August 14, 2020.

**PUBLIC COMMENTS**

None

**MINUTES**

The Board discussed the minutes of the June 17, 2020 Special Meeting of the Board of Directors and approved the minutes as written.

*James Flynn made a motion to approve the June 17, 2020 minutes as written. The motion was seconded by John McDermott and passed unanimously.*

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea  
Vice President Marconi – yea  
Treasurer Flynn - yea  
Secretary deCarion - yea  
Director McDermott – yea

## REVIEW OF FINANCIAL MATTERS

The Board discussed the financial reports as presented.

## DEPOSITS

Total deposits were \$209,623.67 for June 2020 and \$184,377.58 for July 2020.

## INVOICES FOR PAYMENT

Invoices for payment totaled \$159,432.34 for the period ended July 15, 2020 and \$97,067.77 for the period ended August 12, 2020.

*John McDermott made a motion to approve the payments of \$159,432.34 for the period ended July 15, 2020 and \$97,067.77 for the period ended August 12, 2020. The motion was seconded by James Flynn and unanimously approved.*

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea  
Vice President Marconi – yea  
Treasurer Flynn - yea  
Secretary deCarion - yea  
Director McDermott – yea

## PRESENTATIONS

1. William Morton, President of the Municipal Finance Corporation. At the request of the Board of Directors Mr. Morton presented information regarding the reduction of the interest rate on the 2015 Installment Sales Agreement between the District and City National Bank. The current interest rate is 3.45% and it would be reduced to 2.40%. The Board thanked Mr. Morton for his time and President Thomas requested that Treasurer Flynn and Director McDermott work with the District's General Manager and Mr. Morton to determine the best way to proceed with the refinancing.

## ACTION ITEMS

1. Adopt Resolution 20-08-19-01 Establishing an Amended Appropriation Limit for Fiscal Year 2020/21. Susan Olmstead-Bowen reported that the District is required each year to determine its appropriations limit, known as the Gann Limit. This is based on several factors and determined through a series of calculations. The 2020/21 GANN Limit is \$2,215,735. Staff recommended that the Board of Directors approve and adopt Resolution No. 20-08-19-01, Establishing an Amended Appropriations Limit for Fiscal Year 2020/2021.

*John McDermott made a motion to approve and adopt Resolution 20-08-19-01 Establishing an Amended Appropriations Limit for the Fiscal Year 2020/2021. The motion was seconded by John Marconi and unanimously approved.*

A Roll Call was taken, and the Directors' votes were recorded as follows:

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President Thomas – yea  
Vice President Marconi – yea  
Treasurer Flynn - yea  
Secretary deCarion - yea  
Director McDermott – yea

**2. Public Hearing: Review Proposed Annual Fiscal Year 2020/2021; Adopt Resolution 20-08-19-02 Adopting a Budget and Approving Initial Appropriations for the Fiscal Year July 1, 2020 to June 30, 2021.** President Thomas opened a Public Hearing for discussion related to the Fiscal Year 2020/2021 budget and adoption of Resolution 20-08-19-02 Adopting a Budget and Approving Initial Appropriations for the Fiscal Year July 1, 2020 through June 30, 2021 at 6:24 p.m. There was no public comment and the hearing was closed at 6:25 p.m.

*John McDermott made a motion to adopt Resolution 20-08-19-02 Adopting a Budget and Approving the Initial Appropriations for the Fiscal Year July 1, 2020 through June 30, 2021. The motion was seconded by James Flynn and unanimously approved.*

Roll Call was taken and the Directors' votes were recorded as follows:

President Flynn – yea  
Vice President Thomas – yea  
Treasurer Marconi – yea  
Secretary deCarion - yea  
Director McDermott – yea

**3. Approve the Second Amendment to the Eighth Amended and Restated Management Services Agreement Between the Emerald Bay Community Association (EBCA) and the Emerald Bay Service District.** Michael Dunbar explained that the District is authorized, under its LAFCO authorized powers, to provide Health, Safety and Parks and Recreation Services to its residents. The District approved the funding of the pool lifeguards at the June 17, 2020 board meeting. This amendment to the agreement formalizes the agreement between the EBCA and the District to reimburse the EBCA for up to \$94,000 for costs incurred for the months of July 2020, August 2020, May 2021 and June 2021.

*John McDermott made a motion to approve the Eighth Amended and Restated Management Services Agreement between the EBCA and the District. The motion was seconded by James Flynn and unanimously approved.*

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea  
Vice President Marconi – yea  
Treasurer Flynn - yea

Secretary deCarion - yea  
Director McDermott – yea

**4. 2020 Biennial Review of the Conflict of Interest Code.** Michael Dunbar informed the Board that The Political Reform Act requires that every public agency review its Conflict of Interest Code biennially and notify the Clerk of the Board of Supervisors if their current code is accurate.

*John Marconi made a motion authorize Michael Dunbar, the General Manager, to file with the Clerk of the Board of Supervisors that no Conflict of Interest Amendment is required. The motion was seconded by John Marconi and the motion was unanimously approved.*

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea  
Vice President Marconi – yea  
Treasurer Flynn - yea  
Secretary deCarion - yea  
Director McDermott – yea

**5. Adopt the Orange County Operational Area Agreement.** Michael Dunbar reported that the County of Orange has been designated as the Operational Lead Agency for the purposes of coordinating the prevention, preparedness, response, recovery and mitigation efforts for the safety of persons and property from the effects of natural, human-caused or war caused disasters. In the event of an actual or threatened emergency, each jurisdiction shall retain the authority provided by law respecting its own jurisdiction. The County of Orange is requesting that the District adopt and sign the Operational Area Agreement.

*John McDermott made a motion to adopt the Orange County Operational Agreement, the motion was seconded by John Marconi and it was unanimously approved.*

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea  
Vice President Marconi – yea  
Treasurer Flynn - yea  
Secretary deCarion - yea  
Director McDermott – yea

**6. Receive and File the Auditor Communication Letter.** Susan Olmstead-Bowen reported that to ensure compliance with AU-C 260, the District's Auditors, Eide Bailly, provided the required planning letter to be received and filed by the Board.

*James Flynn made a motion to receive and file the auditor's planning letter, John McDermott seconded the motion and it was unanimously approved.*

A Roll Call was taken, and the Directors' votes were recorded as follows:

President Thomas – yea  
Vice President Marconi – yea  
Treasurer Flynn - yea  
Secretary deCarion - yea  
Director McDermott – yea

**CORRESPONDENCE**

None.

**AD HOC REPORTS**

None

**GENERAL MANAGER'S REPORT**

Michael Dunbar reported his June and July 2020 activities to the Board of Directors.

**DIRECTOR'S COMMENTS**

The next Board meeting is scheduled for Wednesday, September 16, 2020 and will be held via Zoom teleconference.

**LEGAL COUNSEL'S REPORT**

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

**ADJOURNMENT**

The meeting was adjourned at 7:08 p.m.



Susan Thomas, President



Susan Olmstead-Bowen, Acting Recording Secretary