

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

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

ABSENT: John McDermott, Secretary

ALSO PRESENT: Michael Dunbar, General Manager
Allison Burns, Attorney, Stradling Yocca Carlson & Rauth
Jill Chambers, EBCA Director of Architecture and Compliance
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 Susan Thomas and the pledge of allegiance was recited.

CERTIFICATION OF POSTING

Recording Secretary, Cathy Lovitt, 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 Friday, January 12, 2018.

PUBLIC COMMENT

None

President Thomas advanced Action Item #1 – Reorganization of Officers and following the election, newly elected, President John Marconi chaired the remainder of the meeting.

MINUTES

The Board discussed the minutes of the Special Meeting of the Board of Directors of December 20, 2017 and the minutes were approved as written.

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

REVIEW OF FINANCIAL MATTERS

The Board discussed the financial reports as presented. John Marconi expressed his appreciation to James Flynn for joining the Board as Treasurer and values his expertise in financial matters.

DEPOSITS

Total deposits for December were \$804,447.77.

INVOICES FOR PAYMENT

Invoices for payment totaled \$154,901.47 for the period ending January 12, 2018.

Susan Thomas made a motion to approve the invoices for payment for the period ending January 12, 2018 totaling \$154,901.47. The motion was seconded by Philip deCarion and unanimously approved.

ACTION ITEMS

1. Reorganization of Officers for 2018: Susan Thomas made a motion to elect the following officers for 2018:

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

The motion was seconded by Philip deCarion and unanimously approved. Susan Thomas thanked her fellow board members for all of their efforts and support during the past year. John Marconi graciously accepted the office of President and thanked Susan Thomas not only for her service to the District but to the entire Community.

President Marconi appointed Board members to the following ad hoc committees:

Insurance/Properties	John Marconi and John McDermott
Fire House	John McDermott and Philip DeCarion
Lifeguards	John McDermott
CERT	Susan Thomas and Philip DeCarion
Water and Sewer	John Marconi and Susan Thomas
Finance	John Marconi and James Flynn
Personnel	Susan Thomas and James Flynn
Community Relations	Susan Thomas
Strategic Planning	Susan Thomas

President Marconi asked Mike Dunbar and staff to prepare a calendar of events for each of the above ad hoc committees.

2. Preliminary Cost Estimate for Sewer Pipeline Repairs: Michael Dunbar reported that the District recently completed a sewer pipeline system assessment by Houston & Harris. As part of the assessment, each segment of pipeline was videotaped from manhole to manhole. Staff reviewed all of the 237 segments and have identified 13 which require attention, 5 of which are critical, due to cracks or breaks in the pipeline. Those pipeline segments were also reviewed with an outside contractor, Sancon, who provided pipeline lining services and provided cost estimates of \$75 per foot for work within the streets of Emerald Bay and \$200 per foot for work within easements. This project has been budgeted up to \$132,000. Michael Dunbar requested permission from the Board to send this project out to bid. Mr. Dunbar explained that he would

receive the bids mid-February, award the contract at the February Board meeting, work will begin in March and be completed in April.

James Flynn made a motion to direct the District's General Manager, Michael Dunbar to prepare the necessary documents and send the project out to Bid. The motion was seconded by Philip deCarion and unanimously approved.

OLD BUSINESS

1. Storm Water Run-off. Michael Dunbar reported that Security did not have any incidents to report since the last Board meeting.

NEW BUSINESS

Nothing to report.

CORRESPONDENCE

Nothing to report.

BOARD REPORTS

General Managers Report. Michael Dunbar reported his December 2017 activities to the Board of Directors.

Additionally, Michael Dunbar reported that the Service District will be sending out two letters to Emerald Bay Residents and Tenants regarding the water rate increases by Laguna Beach County Water District. Mr. Dunbar was directed to add "the Service District does not charge any fees for the management and administration of the water system, nor does the District receive any compensation."

The second letter reviewed by the Board will be to residents with root blockages in their sewer lateral from their homes, along with pictures of the blockages. This will alert them of potential blockages and instruct them to contact a plumber to prevent any sewer problems in their homes.

CLOSED SESSION

Under provisions of Government Code Section 54956.9(d) (2), the Board entered closed session at 6:10 p.m. to discuss anticipated litigation:

1. Conference with Legal Counsel – Existing Litigation: Significant Exposure to Litigation of Joint Powers Authority of which the District is a member, pursuant to Government Code Section 54956.96 and Government Code Section 54956.9 (d) (2) – one potential cases.
2. Conference with Legal Counsel – Existing Litigation: Pursuant to Government Code Section 54956.9 (a) – Smith v. Benefiel, Orange County Superior Court Case No. 30-2016-00857931

OPEN SESSION

At 6:35p.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 Manger, Michael Dunbar.

The next regularly scheduled meeting will be held on Wednesday, February 21, 2018 at 5:30 p.m.

ADJOURNMENT

The meeting was adjourned at 6:40 p.m.

A handwritten signature in blue ink, reading "John Marconi", is written over a horizontal line.

John Marconi, President

A handwritten signature in blue ink, reading "Cathy Lovitt", is written over a horizontal line.

Cathy Lovitt, Recording Secretary