

**EMERALD BAY SERVICE DISTRICT
REGULAR MEETING OF DIRECTORS MEETING
Wednesday, February 20, 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
Jill Chambers, Director of Architecture and Construction
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, February 15, 2019.

PUBLIC COMMENT

None.

MINUTES

The Board discussed the minutes of the Regular Meeting of the Board of Directors of January 16, 2019 and approved the minutes as amended.

Susan Thomas made a motion to approve the minutes as amended. 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 \$98,466.97.

INVOICES FOR PAYMENT

Invoices for payment totaled \$167,068.05 for the period ending February 14, 2019.

John Marconi made a motion to approve the invoices for payment for the period ending February 14, 2019 totaling \$167,068.05. The motion was seconded by Susan Thomas and unanimously approved.

ACTION ITEMS

1. Approve Mid-Year Budget Adjustments for Fiscal Year 2018/19 Michael Dunbar presented the proposed Mid-Year budget adjustments to the Board. Mr. Dunbar reported that the District has conducted a mid-year budget review with adjustments during the h last several years to allow both the staff and Board to have better knowledge of where the funds are being spent. The Finance Committee spent extensive time to finalize the mid-year budget adjustments for the Fiscal Year 2018/2019. Staff is proposing these mid-year budget adjustments at this time.

John Marconi made a motion to approve the mid-year budget adjustments for fiscal year 2018/2019 as presented. The motion was seconded by John McDermott and unanimously approved.

2. Authorize the General Manager to Enter into a Contract with Pyro Spectaculars, Inc. for the July 4th Fireworks Display in an Amount Not-to-Exceed \$37,500. Michael Dunbar informed the Board that Pyro Spectaculars has submitted a proposal to provide the identical fireworks program as last year. This includes over 1,500 fireworks over an 18 to 20-minute period. The fee for the July 4th Celebration of fireworks of \$37,500; this does not include the estimated permit fees from the Orange County Fire Authority (OCFA) of \$2,050.

John McDermott made a motion to enter into the contract with Pyro Spectaculars, Inc. for July 4, 2019. The motion was seconded by Susan Thomas and unanimously approved.

3. Authorize the General Manager to Enter into a Contract with Pacific Tugboat Service for the July 4th Fireworks display in an amount not-to-exceed \$26,690. Michael Dunbar informed the Board that Pacific Tugboat Services submitted their annual proposal of \$26,690, a 5% increase over the \$25,420 charge in 2018. The tugboat is contracted annually to coordinate with Pyro Spectaculars, Inc. to start the fireworks during the July 4th Celebration fireworks show.

John McDermott made a motion to enter into the contract with Pacific Tugboat Service for July 4, 2019. The motion was seconded by Susan Thomas and unanimously approved.

4. GASB Pronouncement Analysis. Michael Dunbar reported that as a local government agency, the District has an obligation to analyze any new GASB pronouncements and integrate, if necessary, the required information into the future annual financial statements. He also reported that at this time, there are no GASB pronouncements to be integrated.

John McDermott made a motion to receive and file the GASB Pronouncement Analysis as presented. The motion was seconded by Susan Thomas and unanimously approved

5. Adopt the Comprehensive Financial Policies and Procedures Manual. This item was deferred to next months' Board meeting.

OLD BUSINESS

1. Storm Water Run-off. Michael Dunbar reported that due to the recent rain events run-off notices have not been necessary. Staff reported that, prior to the rain storms they have anticipated possible problem areas throughout the Bay and placed sandbags prior to the storms.

NEW BUSINESS

1. Report on Phase 2 – Full-Length Sewer Repairs - Mike Dunbar reported on the proposed Phase 2 – Full Length Sewer Repairs. This phase 2 of the sewer pipeline project proposes the Base Project of three segments at an estimated cost of \$89,000. The Alternative project involves nine segments which are a mixture of sewer pipelines within easements and within public right-of-way. Staff has prepared a cost estimate of \$104,000 for these nine sewer pipeline segments. Staff will provide the bid and contract documents to select sewer lining contractors at the end of February, conduct a pre-bid meeting with the contractors on March 7. The construction bids would be due on March 18. The bids will then be reviewed, and a recommendation will be provided to the Finance Committee and Board of Directors at its meeting in March 2019.

2. Form 700 – Statement of Economic Interest – Michael Dunbar reported that County of Orange requires designated filers to complete and submit an annual Statement of Economic Interest, Form 700. These forms are due April 1, 2019 to the County.

CORRESPONDENCE

None

BOARD REPORTS

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

AD HOC REPORTS

Michael Dunbar reported that the Firehouse kitchen is scheduled to be completed by the end of February. Mr. Dunbar and Fire Chief Fennessy will be meeting to finalize the lease on Station 11 and will bring it to the March Board meeting for review then to the Fire Authority for approval.

CLOSED SESSION

Under provisions of Government Code Section 54956.9(d) (2), the Board entered closed session at 6:40 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 6:50 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 March 20, 2019.

ADJOURNMENT

The meeting was adjourned at 6:55 p.m.



James Flynn, President



Cathy Lovitt, Recording Secretary