

**EMERALD BAY SERVICE DISTRICT
SPECIAL MEETING OF DIRECTORS MEETING
Wednesday, March 27, 2019**

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

ABSENT: 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
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, March 22, 2019.

PUBLIC COMMENT

None.

MINUTES

The Board discussed the minutes of the Regular Meeting of the Board of Directors of February 20, 2019 and approved the minutes as written,

John Marconi 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.

DEPOSITS

Total deposits for December were \$159,625.58.

INVOICES FOR PAYMENT

Invoices for payment totaled \$355,256.15 for the period ending March 20, 2019.

Susan Thomas made a motion to approve the invoices for payment for the period ending March 20, 2019 totaling \$355,256.15. The motion was seconded by John Marconi and unanimously approved.

ACTION ITEMS

1. Authorize the General Manager to Enter into a Contract with OC Lifeguards for Lifeguarding Services in an Amount Not-to-exceed \$133,460. Michael Dunbar reported that OC Lifeguards has submitted a proposal totaling \$133,460 for lifeguard services for 2019, a \$10,000 increase from last year attributed to new insurance premiums imposed on OC Lifeguards. Staffing will begin April 6 through October 13, 2019. Staff and legal counsel request that Emerald Bay Community Association be added as additionally insured on the insurance certificate.

Susan Thomas made a motion to approve the contract with OC Lifeguards provided that EBCA be named as additionally insured. The motion was seconded by Philip deCarion and unanimously approved.

2. Approve the Lease with the Emerald Bay Community Association for the Fire Station No. 11 Property. Michael Dunbar explained to the Board that the Emerald Bay Community Association (EBCA) is the owner of the property at #259 Emerald Bay - Fire Station #11. EBCA and the District entered into a lease for the property on a year-to-year tenancy for the Service District to provide fire suppression service to the Emerald Bay Community. EBCA staff, Service District staff and their respective legal counsels met to formalize this relationship for the Fire station No. 11 property. The term of the lease would be for a five-year period and is renewable for ten 5-year terms thereafter. A separate sublease agreement has been drafted that includes EBCA, the District and the Orange County Fire Authority (OCFA) for OCFA to provide fire suppression service to the Emerald Bay Community. The Emerald Bay Community Association Board of Directors approved the lease at its March Board meeting.

John Marconi made a motion to approve the lease with the Emerald Bay Community Association for the Fire Station No. 11 property. The motion was seconded by Susan Thomas and unanimously approved.

3. Approve the Sublease with Orange County Fire Authority, the Emerald Bay Community and Emerald Bay Service District for the Operation of Fire Station No. 11. Michael Dunbar informed the Board that Emerald Bay Community Association desires to lease #259 Emerald Bay to the Service District to provide fire suppression service to the Emerald Bay community. In turn, District requests to sublease the property to the Orange County Fire Authority (OCFA) to operate and maintain the fire station on behalf of the Service District. Staff and legal counsel have reviewed this sublease and discussed with both the Community Association and the OCFA.

John Marconi made a motion to approve the sublease with OCFA, the Emerald Bay Community and the Emerald Bay Service District for the operation of Fire Station No. 11. The motion was seconded by Susan Thomas and unanimously approved.

4. Consideration and Possible Action to Award a Contract for the Installation of a Storm Drain Pipeline and Appurtenances for the Pool Access Road and Storm Drain Improvements. Michael Dunbar reported that he and staff met with Rob Hamers and prepared plans for the installation of a storm drain pipeline and appurtenances for the pool access road repairs and improvements due to the recent storm damage. A pre-bid meeting was held, and three contractors presented bids for the contract. Staff reviewed the bids and Champion Paving, Inc. submitted the lowest bid at \$275,000 plus an additional \$23,000 for asphalt paving. The asphalt paving is the responsibility of the EBCA, however, Mr. Dunbar reported that Special District Risk Management Authority (SDRMA) will cover property damage to private property as a result of a failed public storm drain. The insurance will cover the \$23,000 asphalt repair less a \$500 deductible.

John Marconi made a motion to award to Champion Paving, Inc. the Full-Length Sewer Pipeline Repairs contract. The motion was seconded by James Flynn and unanimously approved.

5. Consideration and Possible Action to Award a Contract for the Full-Length Sewer Pipeline Lining Repairs – Phase 2. Michael Dunbar reported to the Board that the District mailed bid packet information to four contractors to submit bids for the contract to line ten pipeline segments – two pipeline segments for the Base Bid and eight others as Alternative Bid items (alternate bids to be awarded at the discretion of the Board). The lowest responsive, responsible bid was submitted by Sancon Engineering, Inc. in the amount of \$20,039 for the Base Bid and the eight Alternative segments at \$75,903 for a total of \$95,942.

James Flynn made a motion to approve awarding the contract to Sancon Engineering as presented subject to an issuance of a notice to proceed from President Flynn. The motion was seconded by John Marconi 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.

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. Mr. Dunbar reported that he has received all directors' forms and will be turning them in on Thursday, March 28, 2019.

CORRESPONDENCE

None

BOARD REPORTS

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

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 – 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 – 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 6:55 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 April 17, 2019 will be cancelled due to directors’ unavailability. A Special Meeting of the Service District has tentatively been scheduled for Wednesday, April 24, 2019.

ADJOURNMENT

The meeting was adjourned at 7:00 p.m.



James Flynn, President



Cathy Lovitt, Recording Secretary