

**EMERALD BAY SERVICE DISTRICT
SPECIAL BOARD OF DIRECTORS MEETING
Wednesday, March 11, 2020**

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

ABSENT: John McDermott, Director

ALSO PRESENT: Michael Dunbar, General Manager
Allison Burns, Attorney, SYCR
Susan Olmstead-Bowen, Director of Finance
Cathy Lovitt, Recording Secretary, Member Services Administrator
Toni Hughes, Community Association Manager
Cisco Farias, Director of Maintenance
Victor Assad, President Community Association
Jason Young, OC Lifeguards

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

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 March 6, 2020.

CLOSED SESSION

Under provisions of Government Code Section 54956.9(d) (2), the Board entered closed session at 5:32 p.m.

OPEN SESSION

At 5:45 p.m. the Board returned to open session. No reportable actions were taken in closed session.

PUBLIC COMMENT

None

MINUTES

The Board discussed the minutes of the Special Meeting of the Board of Directors January 23, 2020 and approved the minutes as written.

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

REVIEW OF FINANCIAL MATTERS

The Board discussed the financial reports as presented.

DEPOSITS

Total deposits for January 2020 were \$186,977.84. Total deposits for February 2020 were \$179,997.65.

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INVOICES FOR PAYMENT

Invoices for payment totaled \$359,135.19 for the period ending February 30, 2020.

Philip deCarion made a motion to approve the invoices for payment for the period ending February 30, 2020 totaling \$359,135.19. The motion was seconded by John Marconi and unanimously approved.

ACTION ITEMS

1. Approve the Joint Use Agreement between the Emerald Bay Service District and the Emerald Bay Community Association for the Use and Lease of the Community Association's Backhoe/Loader. Michael Dunbar reported that the Service District performs routine maintenance on its facilities storm drains and sewer lift stations; these are also cleaned on an annual basis. Staff has discussed the use of a recently purchased backhoe/loader which was purchased by the Emerald Bay Community Association (EBCA) to transport heavy equipment and materials to the sewer lift stations; the Service District would help fund the backhoe/loader. The District's legal counsel prepared the proposed Joint Use Agreement and provided a copy to EBCA, which did not have any comments. Staff recommends that the Joint Use Agreement page 18, Section B.1. verbiage be changed to read, "Beginning on January 1, 2020 and continuing until the end of the useful life of the equipment as determined by the Association." The Service District has budgeted the lease payments as part of its Fiscal Year 2019-2020 budget.

James Flynn made a motion to approve the Joint Use Agreement between the Emerald Bay Services District and the Emerald Bay Community Association for the use and lease of the Community Association's Backhoe/Loader contingent on the verbiage change in Section B.1. The motion was seconded by John Marconi and unanimously approved.

2. Approve the Mid-Year Budget Adjustments for Fiscal Year 2019-2020. 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 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 2019-2020. 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 2019-2020. The motion was seconded by Philip deCarion and unanimously approved.

3. Authorize the General Manager to Enter into a Contract with Pyro Spectaculars, Inc. for the July 4, 2020 Fireworks Display in the Amount Not-to-Exceed \$40,000. 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 fireworks is \$40,000, an increase of \$2,500 due to increased costs of materials and labor. This does not include the estimated permit fees from the Orange County Fire Authority (OCFA) of \$2,500.

James Flynn made a motion to authorize the General Manager to enter into a contract with Pyro Spectaculars, Inc. for the July 4, 2020 Fireworks Display in the amount not-to-exceed \$40,000. The motion was seconded by Philip deCarion and unanimously approved.

4. Authorize the General Manager to Enter into a contract with Pacific Tugboat Service for the July 4, 2020 Fireworks Display in an Amount Not-to-Exceed \$28,024. Michael Dunbar informed the Board

that Pacific Tugboat Services submitted their annual proposal of \$28,024, a 5% increase over the \$26,690 charge in 2019. The tugboat is contracted annually to coordinate with Pyro Spectaculars, Inc. Pacific Tugboat supplies a barge which displays and launches the fireworks, and a tugboat to tow the barge to the site for the July 4th celebration fireworks show.

John Marconi made a motion to authorize the General Manager to enter into a contract with Pacific Tugboat Service for July 4, 2020. The motion was seconded by James Flynn and unanimously approved.

5. Authorize the General Manager to Enter into a Contract with James Dockstader Landscape Architect for Professional Services for the Perimeter Fuel Modification Project for a Fee Not-to-Exceed \$2,970.

Michael Dunbar reported that the Service District is responsible for the fuel management project for the exterior perimeter of the Emerald Bay community and each year retains the services of James Dockstader, landscape architect. He performs his services by visiting the site and tagging plants that will be protected from removal or cutting. Mr. Dockstader also meets with representatives from Orange County Fire Authority (OCFA) and the State Parks to coordinate the limits of the fuel management zone as well as preparing the scope of work for the contractor. Once the contractor is selected by the District, Mr. Dockstader will meet with him to review the areas for thinning and removal of vegetation. After the contractor has completed the work, Mr. Dockstader will review the site for conformance with the specifications. He will also work with staff to meet with representatives from State Parks to discuss the Fire Behavior Analysis report currently being prepared.

John Marconi made a motion to authorize the General Manager to enter into a contract with James Dockstader Landscape Architect for the perimeter fuel modification project for a fee not-to-exceed \$2,970. The motion was seconded by Philip deCarion and unanimously approved.

6. Authorize the General Manager to Enter into a Contract with the OC Lifeguards for Lifeguarding Services in an Amount Not-to-Exceed \$149,780.

Michael Dunbar reported that OC Lifeguards submitted a proposal which included Option A and Option B, for lifeguard services 2020 with an increase of \$16,320. The increase was a result of adjustments to the Laguna Beach Unified School District's (LBUSD) school calendar with summer recess beginning one week earlier in June; due to 2020 being a Leap Year, there is an extra week added between the first day of school and Labor Day weekend resulting in 227 total hours added, and a 2% increase in wages and insurance. Based on 2019, the actual average hourly rate is increasing by 47 cents. The OC Lifeguards also proposed Option A which is a less staffing option where the week prior to Labor Day would not be staffed by the lifeguards. Mr. Dunbar explained that the Security Staff and the District's Attorney, Allison Burns have reviewed the agreement. He then recommended to approve the agreement Option B with OC Lifeguards for beach lifeguarding services for the Emerald Bay Community for 2020.

John Marconi made a motion, subject to the General Manger researching cost effective umbrella coverage, to authorize the General Manager to enter into a contract as presented with OC Lifeguards for lifeguarding services Option B in an amount not-to-exceed \$149, 780. The motion was seconded by James Flynn and unanimously approved.

OLD BUSINESS

1. Storm Water Run-off - Michael Dunbar reported that Security continues to monitor water run-off and there was nothing of significance to report. He reported that they have seen a decrease in water run-off over the years by making members more aware and better educated. Mr. Dunbar also reported that he has no updates to report from OC Health.

NEW BUSINESS

1. Form 700. 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, 2020 to the county. Mr. Dunbar stated the he has received all of the necessary forms from the Board Members and staff and he will mail them in March 12, 2020.

CORRESPONDENCE

President Thomas reported that she received a letter from Dr. Burns, a CERT Medical Team Leader, expressing his concern over the water supply during an emergency. Dr. Burns would like to implement the reverse osmosis water system. President Thomas in conjunction with General Manager Mike Dunbar sent Dr. Burns a letter in February explaining several alternatives to provide drinking water to Emerald Bay residents in the event of an emergency.

AD HOC REPORTS

None

GENERAL MANAGER'S REPORT

Michael Dunbar reported his January 2020 and February 2020 activities to the Board of Directors.

DIRECTOR'S COMMENTS

President Thomas discussed the Board meeting schedule with the directors and has proposed that the Board hold meetings as scheduled on the third Wednesday of each month, cancelling the months of February, July and November due to the directors' unavailability.

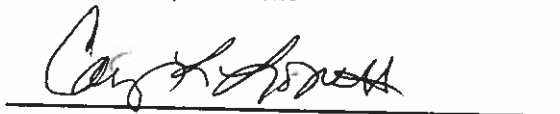
The next regularly scheduled meeting is scheduled for Wednesday, April 15, 2020.

ADJOURNMENT

The meeting was adjourned at 6:34 p.m.



Susan Thomas, President



Cathy Lovitt, Recording Secretary