

**EMERALD BAY SERVICE DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, May 15, 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
Cisco Farias, Director of Maintenance
Susan Olmstead-Bowen, Director of Finance
Cathy Lovitt, Recording Secretary, Member Services Administrator

GUESTS: Sandra Jacobs, Director Santa Margarita Water District
Jim Leach, Santa Margarita Water District
Doug Davert, President, East Orange County Water District
Jim Fishler, Mesa Water District
Paul Shonberger, Mesa Water District
Megan Yoo Schneider, Director, Division 7, MWDOC
Stacey Taylor, External Affairs Manager

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, May 10, 2019.

PUBLIC COMMENT

MINUTES

Michael Dunbar reported that the Special Meeting of the Board of May 8, 2019 minutes have not been finalized and will be reviewed at June Board of Director's meeting. The Board discussed the minutes of the Special Meeting of the Board of Directors of April 25, 2019 and approved the minutes as written.

Susan Thomas made a motion to approve the minute of April 25, 2019 as written. 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 \$808,497.98.

INVOICES FOR PAYMENT

Invoices for payment totaled \$671,886.33 for the period ending May 8, 2019.

John Marconi made a motion to approve the invoices for payment for the period ending May 8, 2019 totaling \$671,886.33. The motion was seconded by Susan Thomas and unanimously approved.

ACTION ITEMS

1. Consideration and Possible Action to Award a Contract for the Installation of Water Pipeline and Fire Hydrant and Appurtenances for the Water Service Pipeline and Fire Hydrant Project. Micheal Dunbar reported Mr. Wojtaszek, who resides at 66 Emerald Bay, made a request to the District to install the water service along the frontage road and allow the District to place a fire hydrant at the end of his property. An agreement was drafted in which the District would fund \$15,000 for this project and Mr. Wojtaszek would fund the remainder. Plans were drawn by Rob Hamers and Associates and sent to three prequalified contractors. A pre-bid meeting was held to review the site conditions with the contractors. The District received three construction bids ranging from \$88,000 to \$125,000. The low bid was received late and was deemed non-responsive. The lowest responsive bid was \$110,900. Due to new information on the location of the gas pipeline and some minor changes in alignment staff is recommending that the District reject all bids and will rebid the project during the next fiscal year.

John Marconi made a motion to reject all bids. The motion was seconded by James Flynn and unanimously approved.

2. Approve Reimbursement Agreement with Mr. Wojtaszek (#66 Emerald Bay) for the Water Pipeline and Fire Hydrant Project. Michael Dunbar reported that Staff and legal counsel have drafted a Reimbursement Agreement with Mr. Wojtaszek to memorialize the funding and components of the water pipeline and fire hydrant project and has been signed by both parties.

Susan Thomas made a motion to authorize the General Manager to enter into the Reimbursement Agreement with Mr. Wojtaszek. The motion was seconded by James Flynn 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. Mr. Dunbar reported to the Board the progress of the storm drain at the pool road and provided pictures of its development. Mr. Dunbar reported that they Champion Paving has done an excellent job and the preliminary paving has been completed.

NEW BUSINESS

1. Candidates for Special District Representative to the Orange County Local Agency Formation Commission (LAFCO). Michael Dunbar reported that the Local Agency Formation Commission of Orange County (LAFCO) is holding elections for candidates for a Special District Representative for LAFCO. Saundra Jacobs from Santa Margarita Water District and Jim Fidler from Mesa Water District were among the guest presenters. Several guests shared their support for the two candidates. Mr. Dunbar reported that he has worked with each of the candidates and has no specific recommendation. Ballots will be mailed in June and are to be turned in to July.

No action taken.

CORRESPONDENCE

None

BOARD REPORTS

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

DIRECTOR'S COMMENTS

None

AD HOC REPORTS

None

CLOSED SESSION

Under provisions of Government Code Section 54956.9(d) (2), the Board entered closed session at 6:25 p.m. to discuss the items listed on the agenda:

1. Conference with Legal Counsel – Existing Litigation: Pursuant to Government Code Section 54956.9 (a) – Mark Denny v. State of California, et. al., Orange County Superior Court, Case No. - 2018-0994482-CV-PO-OXC.
2. Conference with Legal Counsel – Anticipated Litigation: Pursuant to Government Code Section 54956.9 (d) (2) – three potential cases.

OPEN SESSION

At 6:43 p.m. the Board returned to open session. No reportable actions were taken in closed session.

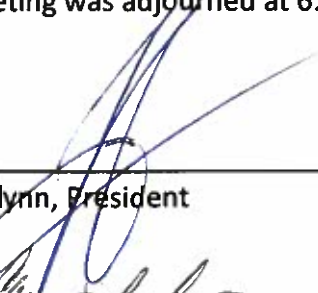
LEGAL COUNSEL'S REPORT

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 is scheduled for Wednesday, June 19, 2019.

ADJOURNMENT

The meeting was adjourned at 6:45 p.m.



James Flynn, President



Cathy Lovitt, Recording Secretary