

REGULAR MEETING #565
CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS
MINUTES
December 7, 2010
CLOSED SESSION – 4:00 PM
35271 Beach Road, Capistrano Beach, CA
OPEN MEETING – 6:30 PM
Palisades United Methodist Church
27002 Camino de Estrella, Capistrano Beach, CA 92624

A. CALL TO ORDER

Board President Bell called the meeting to order at 6:34 PM.

B. PLEDGE OF ALLEGIANCE

C. ROLL CALL

Directors Present: Bell, Bancroft, Levinson & Schwartz
Directors Absent: None
Staff Present: Manager Russell
Guests Present: Brian Sanchez of Securitas

D. PUBLIC COMMENTS

Sheila Bullock, resident, introduced Carole Wunderly, resident, as the new CBRA President.

***Closed Session Report of Action**

Board President Bell reported that no action was taken during the closed session.

E. APPROVAL OF MINUTES

1. Meeting #564 of October 26, 2010

Motion was made by Director Bancroft, seconded by President Bell and passed 4-0 to approve the minutes of meeting #564 of October 26, 2010.

F. SECURITY ACTIVITY REPORT

1. The monthly report for October 2010 was presented for review.

Manager Russell reported that Police Officer Sokol will be returning to work on Thursday, December 9th. The Board expressed their relief that Officer Sokol has recovered well from his recent surgery.

G. FINANCIAL REPORT

1. The claims and transmittals were presented for review.

2. Presentation of FY2010 financial audit by Paul Kaymark of Charles Fedak & Company.

Mr. Kaymark handed out copies of the audit report including a separate report covering the Assessment District 99-1 finance program for the road improvement project in 2003. Director Bancroft pointed out a concern he had with the amount of cash showing in the report and requested the auditor insert a statement declaring that a majority of cash in the amount of \$850,000 was committed to private contracts for the proposed Entry Improvement Project. Director Schwartz asked the auditor what the District's liability

insurance limits were to which the auditor confirmed a limit of \$5 Million through the end of June, 2010. The reports (including 20 additional copies) were received and filed by the Board of Directors on December 7, 2010 and an electronic copy of the financial statement will be submitted to the State Controller by the auditor by the end of the week.

3. Monthly expenses and year to date reports through October were presented for review.
There were no further comments on financial reports.

4. Discussion to move funds from Wells Fargo Savings Account to the District Depository.
Staff was directed to transfer up to \$150,000 from the non-interest bearing account currently on deposit with Wells Fargo Bank to the District Depository account with Farmers and Merchants Bank.

5. Collection of Fees

Manager Russell reported that there were no Development Impact Fees levied for the month, User Fees are 99% collected and billing for Railroad Parking Fees was recently mailed out.

6. Further discussion to increase the District's liability insurance coverage to \$20 Million
Manager Russell followed up by explaining that the District had previously increased the liability insurance limit to \$10 Million and that any additional increase would have to come from an outside provider. SDRMA was then instructed to proceed with obtaining quotes for this additional excess liability in the amount of \$10 Million. SDRMA submitted a quote in the amount of \$11,000 per year which is now awaiting Board approval. Director Schwartz was instrumental in going over the details during the past two months and expressed his approval in the following Board action: **Motion** was made by Director Schwartz, seconded by Director Bancroft and passed 4-0 to approve the proposal by SDRMA to increase the District's liability coverage through an excess policy to \$10 Million, at a cost of not-to-exceed \$11,000 per year, thereby providing a total of \$20 Million of general liability insurance coverage for the District.

H. ENTRY PROJECT PROGRESS REPORT

Manager Russell reported that the District office will have to be shipped back to Rialto, California for the certification of occupancy that has been requested by the City of Dana Point. Director Bancroft requested staff to obtain a written assurance from the manufacturer that the building would be returned to the District immediately after inspection.

Staff was instructed to issue a notice to all property owners indicating that, for security reasons, the resident entry gate would become exclusive for transponders only after March 31, 2011. The notice should include a postal mailing, an email message, a handout notice issued at the gate and a temporary sign posted at the entrance.

I. COMMITTEE REPORTS

1. LCP Committee

There was no report for this item.

2. CBRA Activity Report including Quality of Life Committee

Attending tonight's meeting was Bill Limebrook, resident, who reported on his presentation at the November CBRA meeting of a cast bronze monument featuring the existing dolphin

statue set against a large breaking ocean wave, located in the grass area near the flagpole. Mr. Limebrook submitted several color conceptual photos of his proposal to the Board for consideration, including his rough estimate being \$30,000 to \$35,000. President Bell stated that further Board action of the proposal would have to wait until the new year and the Board had time to more closely review and consider the proposed details and cost.

J. MANAGER’S REPORTS

1. Review of Manager’s Priority List

This item is on hold until the community entry improvement project is complete.

K. OLD BUSINESS

1. Quiet Zone report of pending construction at RR grade crossing.

Manager Russell reported that proposed safety improvements by the railroad owners to the grade crossing going into Beach Road will be getting underway in January/February of 2011. In preparation for the anticipated interruption to community access, staff will be preparing a notice to the community pointing out the possibility of interrupted access during the course of the construction work and describing the alternate access through the Doheny State Park.

L. NEW BUSINESS

1. Election of new Board officers for 2011

Motion was made by Director Bancroft, seconded by Director Schwartz and passed 4-0 to approve the nomination of Director Kirk Bell to a second term as Board President with Director Jerry Levinson serving again as Board Vice President for the calendar year 2011.

M. WRITTEN COMMUNICATIONS

There were no written communications

N. BOARD AND STAFF COMMENTS

There were no board or staff comments

O. ADJOURNMENT

The meeting was officially adjourned at 8:30 PM.

ATTEST:

State of California)
County of Orange)ss
Capistrano Bay District)

I, **Donal S. Russell**, Manager of the Capistrano Bay Community Services District hereby certify that this is an *APPROVED* copy of the Minutes of meeting #565 held on December 7th, 2010.

Donal S. Russell
DONAL S. RUSSELL, Manager

January 19, 2010
DATE