

**REGULAR MEETING #608
CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS
MINUTES**

**Tuesday, January 27, 2015
CLOSED SESSION – 6:00 pm
REGULAR MEETING: 6:30 pm
OPEN TO THE PUBLIC**

**Location: Palisades United Methodist Church
27002 Camino de Estrella, Capistrano Beach, CA**

A. CALL TO ORDER

Board President Masto called the Meeting to order at 6:37 p.m.

B. PLEDGE OF ALLEGIANCE

Board President Masto led attendees in the Pledge of Allegiance.

C. ROLL CALL

Directors Present: Breeding, Clark, Haack, Masto & Muller
Directors Absent: None
Staff: District Manager Russell
Agents: Authorized Agent Morris, Webb Community Management, Inc.
Contractors Absent: Securitas, Branch Manager Keirouz

D. PUBLIC COMMENTS

No public comments.

CLOSED SESSION REPORT OF ACTION:

Board President Masto reported that no action was taken during the discussion with counsel regarding the District Admin Office.

E. APPROVAL OF MINUTES

1. Approval of #607 Meeting Minutes from December 16, 2014

Board President Masto summarized the December 16, 2014 #607 Meeting Minutes.

MOTION - A motion was made by Director Muller and seconded by Director Haack to approve the Minutes of Meeting #607. The motion was passed by a vote of 5-0.

E.1 FIBER OPTIC SERVICE FOR BEACH ROAD – COX COMMUNICATIONS

Guest speaker, Nancy Marcello of Cox Communications, gave a short presentation on the current packages that Cox has to offer all customers. She was not prepared to speak on Fiber Optics. The Board gave Ms. Marcello some questions for her construction department concerning the possibility of bringing fiber optics to Beach Road.

F. SECURITAS ACTIVITY REPORT

1. One Month Period for December 2014 (Securitas)

There was much discussion concerning illegal parking and how many warnings should be given before a ticket is issued and how many tickets issued before a vehicle is towed.

ACTION – District Manager Russell was directed to define a policy for Board consideration.

G. FINACIAL REPORT

1. *Monthly Payment Claims*

The Board reviewed the Monthly Payment Claims with no action taken.

2. *Report of Monthly Expenses and Year-to-Date Status through December 31, 2014*

Director Muller gave a quick report on his communication with the Auditor concerning finalizing the FYE Audit. Director Muller said the Audit looked in order and that the one recommendation was to have accountability for AD99-1 money transfers and to adjust next year's budget to reflect the AD99-1 incoming revenue verses the Property Tax Revenue.

ACTION – District Manager Russell and Authorized Agent Morris will be implementing these adjustments into the next Fiscal Year budget.

3. *Proposal to Change Status of Wells Fargo Business Checking Account to an Interest-Earning Account.*

This account was originally established as an investment account. With the downturn in the economy it was decided by the Board to close the account and open a non-interest bearing checking account to take advantage of the 'Unlimited FDIC Deposit Coverage on non-interest bearing accounts' that was being offered. The Board felt this was the safest place for District funds at the time. As of January 2013, the Feds reduced this unlimited deposit coverage offer and now all bank deposit accounts are limited to \$250,000 of FDIC protection. Due to this change it no longer makes sense to keep the District funds in the Wells Fargo deposit account. It is recommended that Wells Fargo Bank account # xxxxxx2812 be closed and the funds be transferred into an investment account that draws interest. The current balance in this account is \$249,960.00.

Mr. Shawn Sessions of Wells Fargo Bank gave a presentation to the Board explaining some investment options.

ACTION – District Manager Russell was directed to find if there are any government codes requiring the District to maintain FDIC protection on its accounts.

H. DISTRICT ADMINSTRATION OFFICE

1. *Moving the District Office*

Board President Masto reported that current progress is in the hands of legal counsel in exploring options.

I. COMMITTEE REPORTS

1. *CBRA Activity Report*

No Report given.

J. MANAGER'S REPORT and OLD BUSINESS

1. *Webb Community Management, Inc. Monthly Report*

A. Financial Statements for the month of December 2014

Progress: December Financials were completed and emailed to the Board on January 20, 2015.

B. FYE June 30, 2014 Annual Audit

Progress: Annual Audit has been completed. Final reports will be mailed out by last week of January 2015.

2. *Steam Cleaning Trash Barrels and Exit Driveway Black Tire Tracking*

Steam Cleaning Trash Barrels

The trash barrel cleaning program began on Monday, December 29th and will be completed on Monday February 2nd. The progress is slow and takes several Mondays in a row to get to all the barrels. When completed we can then assess how long the cleaning effort is lasting to determine whether or not to continue with the cleaning effort on a monthly basis.

Removal of Black Tire Tracking on Exit Driveway

Since the driveway steam cleaning only lasted for a week, the next step was to consult the pavement engineer for a possible solution to reduce the black tracking.

LaBelle-Marvin Engineers was consulted on the issue and came out over Christmas to inspect the pavement surface and the tracking onto the driveway. It was explained that there is unfortunately no magic solution to the unintended consequence of tracking, it is a reality of slurry sealcoating.

A suggestion was made to consider no further sealcoating in the exit lane of the roadway portion in the entrance area, that at some point the sealcoating will wear off and cease to track onto the exit driveway tile at which time the driveway could be pressure washed and would stay clean.

3. *Further Discussion on Proposed Modifications to the Planter Behind the Guard Building*

At the last Board meeting, it was agreed that the District would get an estimate to perform a slight modification to the isolated planter island behind the guard building by cutting the planter corner back 18-24" where it juts out into passing vehicles.

In early January Director Breeding came to the District Office and expressed his doubts about the plan to alter the planter and indicated he still prefers to have the planter removed completely. In light of Director Breeding's uncertainty, this item is back before the Board for further consideration.

The cost to cut the planter back 18 inches, pour a new section of concrete curb and repair the concrete tiles will run \$600-\$700. There is no cost estimate developed yet for a complete planter removal, but it could be in the neighborhood of \$7000-\$8000, or more, depending on how the City wants to alter the traffic and pedestrian flow patterns, assuming they will even approve such a change.

Homeowner Ernest Klein offered his professional services to research the existing approved plans and the proposal to remove the planter and alter the pedestrian and vehicle traffic flow.

ACTION – District Manager Russell was directed to assist Mr. Klein in preparing his findings and to present recommendations to the Board at the next meeting.

4. *Update on Storm Drain Maintenance Work at Drain #12 ~ 35595 Beach Road*

The owner of this property began some repairs and maintenance work to his pre-existing seawall in December. During the course of the work, a section of the existing storm drain running through this property was exposed to reveal a rusted-out hole in the drain pipe where water was leaking out and eroding the grade.

While the seawall work is the expense of the property owner, the repairs to the storm drain are the District's responsibility. Repair to the rusted portion of the drain has been completed. The only remaining work is to install a rock/gravel barricade at the outfall/discharge end of the storm drain pipe on the beach.

5. *Manager's Priority List*

- A. Work on cleaning out the District storage unit and creating onsite storage in the north gate yard
Progress: This item is on hold until the administration office relocation is finalized
- B. Continue monitoring progress by the County on the Poche water quality control program
Progress: Nothing new to report as of January 20, 2015
- C. Try to find a more cost-effective painter for re-oiling the woodwork on the guard building and gates
Progress: Board President Masto has suggested looking for a part-time handyman type for this and other incidental jobs
- D. Repair of corroded and damaged drain pipe at drain #14 at 35691 Beach Road
Progress: The City completed this work in early January, but have yet to install a flap gate
- E. Bids for a community-wide CCTV system for security monitoring purposes

- Progress:** This item may be incorporated into the eventual fiber optic service installation
- F. Follow up with Greenfield Communications regarding the possibility of fiber optic cable and undergrounding utilities
Progress: Consideration of Greenfield Communications is on hold while waiting to meet with COX Communications January 27, 2015
- G. Contact San Clemente High School x-country track team regarding the annual beach clean-up
Progress: The District may be able to revisit this item in the spring after winter weather settles down

K. NEW BUSINESS

1. *Proposed Cancellation of Annual Termite Service at Guard Building*

Board President Masto had recently requested cancellation of this \$200/year service in lieu of the possibility of an hourly paid handyman providing this service.

For the following reasons, District Manager Russell chose to pay and continue the termite service for 2015:

- There is uncertainty at this time with the hiring of a handyman
- The contract was due for renewal
- District Manager Russell is inexperienced with the procedures and practices of termite control and would not be qualified to determine whether any handyman that the District may hire has required qualifications
- District Manger Russell believes that the use of pesticides in California by a person paid for the service must be licensed by the state
- For \$200, District Manager Russell considered this to be good insurance for the ongoing maintenance of the guard shack

ACTION – Board President Masto would like to review the current Termite contract in order to reconsider his request.

2. *Request for Increase to Annual Service contract by Bemus Landscaping*

The increased costs for the Affordable Care Act went into effect on January 1 (Letter from Bemus Landscaping available at the District Office). The request by Bemus, for a monthly increase of \$52.50, is based primarily on the ACA and, in small part, on the minimum wage increase from last August and the resulting increase in Workers Comp. Fortunately for our District, Bemus is large enough that the increase is spread out among all the clients which makes our share comparatively small.

The budget for the annual Bemus service contract is fixed in our budget at \$12,600. There is, however, an allowance for Bemus extras at \$1300 of which we have spent zero to date. The increase requested by Bemus comes out to a grand total \$315 between now and the end of June leaving us with \$985 remaining in that budget item. District Manager Russell believes there is enough in our current budget to absorb this increase.

MOTION – A motion was made by Board Vice President Haack, seconded by Director Breeding and passed by a vote of 5-0 to approve the proposed monthly increase to the Bemus Landscape Service Contract in the amount of \$52.50.

L. WRITTEN COMMUNICATION

There were no written communications

M. BOARD AND STAFF COMMENTS

No Comments

N. ADJOURNMENT

Board President Masto officially adjourned the Meeting at 9:00 p.m.

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 #608 held on January 27, 2015.

Donal S. Russell

DONAL S. RUSSELL, Manager
CAPISTRANO BAY COMMUNITY SERVICES DISTRICT

February 28, 2015

DATE