

**REGULAR MEETING #616
CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS
MINUTES**

**Tuesday, October 27, 2015
REGULAR MEETING: 6:30 pm
OPEN TO THE PUBLIC**

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

1. CALL TO ORDER

Board President Masto called the Meeting to order at 6:30 p.m.

2. PLEDGE OF ALLEGIANCE

Board President Masto led attendees in the Pledge of Allegiance.

3. 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 Present: Securitas Field Supervisor, Don Brumit
Securitas Field Manager under Brumit, Jorge Moreno

4. PUBLIC COMMENTS

A local contractor, Drew Liddle, brought up a comment regarding timber sea walls. In his opinion, there are disadvantages in utilizing the epoxy-into-sand method as it breaks apart too quickly leaving broken epoxy in its place.

Director Muller brought up the most recent case concerning rock-revetment/sand erosion: Broad Beach in Malibu, received Coastal Commission approval for sand replenishment. Previously, in 2010-2011, they had received approval for construction of a rock revetment to protect their shore line from continued sand erosion.

5. APPROVAL OF MINUTES

Meeting #615 of September 29, 2015

Board President Masto summarized the September 29, 2015, #615 Meeting Minutes. There was a brief discussion of how to better manage and follow through on Action Points.

MOTION - A motion was made by Director Haack and seconded by Director Muller to approve the Minutes of Meeting #615. The motion was passed by a vote of 5-0

6. **SECURITY**

Monthly Securitas Report for September 2015

Securitas representatives spoke to the Board regarding the following concerns that have arisen:

- Reports of poor customer service by the guards.
- Turnover of staff.
- Training issues.

Securitas indicated that the guards would be given more hands-on training for a longer period of time. Each guard in training would be given periodic quizzes on the post orders and typical scenarios, to ensure the guards are grasping the policies and procedures correctly. Board President Masto recommended that there be more beach patrols that occur during the day.

Securitas will be returning to the next Board Meeting with suggestions on how they can improve their guard service for the District, on behalf of owners and residents. They will focus on speeders and recommend solutions on how to slow vehicles down and implementing documentation concerning speeding violators. Also, the Branch Manager that is currently being trained to be our replacement manager, will be present at the next Board Meeting, December 15, 2015.

District Open Gate Policy for Homeowners

In the interest of time, this item was postponed to the December 2015 Meeting.

Vandalism Incident at 35605

A service worker was witnessed stealing Plumeria cuttings from the large tree at 35605. In the process, several of the homeowner's landscape lighting fixtures were driven over and a chain support brace to keep unauthorized vehicles from parking on his railroad parking area was wrecked. The Orange County Sheriff was called and a deputy responded who took a report. The following day, District Security reviewed the surveillance video at the gate entrance and found the vehicle both entering and leaving the community. Vehicle owner information, vehicle make and model and license plate # were turned over to the Sheriff's Department for investigation.

Hazardous Fire Pit Debris

In the interest of time, this item was postponed to the December 2015 Meeting.

7. **FINANCE**

Report of Monthly Expenses Through September 2015

Board President Masto reviewed the September 2015 Financials and relayed that all looked in order. Director Muller questioned why, on the Profit and Loss Budget Performance page, the current User Fee Revenue amount under the column titled, "Jul-Sep 15" \$225,226.35 reflected closely to the Annual Budgeted amount and not the actual amount collected as of September 30, 2015. Additionally, on the Balance Sheet, under Accounts Receivable, there is \$13,454.72 showing as 2015 Annual User Fee still uncollected?

ACTION – Authorized Agent Morris will be contacting the District's CPA, Chris Vossman, to inquire about the reporting of the Annual User Fee and why it is recorded in that manner.

Process New Bank Signature Card for Wells Fargo Bank

A new signature card from Wells Fargo will be circulated for Director's signatures as soon as the new account has been set up. This new Wells Fargo account is the result of transitioning the dormant existing Business Checking – Public Funds account ending in 2812. This account is currently a non-interest bearing checking account and will be switched into an interest bearing checking account.

8. ADMINISTRATION OFFICE & ENTRY AREA

Progress Report and Schedule Update

Status of completion and pending items remaining as of Board Meeting time:

- Roof structure complete
- Lava stone veneer complete
- Lodge pole posts complete
- Exterior IPE siding 90% complete – expected to be complete by Friday October 30th

Remainder to be done beginning Monday November 2, 2015:

- Grade grass area, form and pour sidewalk and wheelchair ramp
- Build wood portion of wheelchair ramp and front porch and steps
- Install new front door
- Oil all IPE woodwork and paint all exposed rafters, eaves and exterior side of windows
- Repair landscape vegetation, grass and accent lighting
- Upgrade new wire from main electrical panel for more power to run AC Unit

By November 13, 2015, a majority of the exterior work on the administration office should be complete, with the possible exception of the sheet metal roof, some exterior painting and landscape repairs.

The delay that the District is experience lies with the slow progress mason's shaping and fitting the lava-stone work together. This process is very time consuming and is preventing progress on the sidewalk, which cannot get underway until the stone work is complete, noting that, if the etched concrete sidewalk surface gets stained with the black dust from the lava stone, there's no cleaning it off.

The current contract with Zornosa Construction will be about 90% complete on 10/27/15, with 71% billed. The District will be retaining 10% at the end, until his contract is completely done and has passed the District's inspection.

9. OLD BUSINESS

Progress with the Permit Proposal for Shoreline Protection (Quarry Rocks)

As a result of the discussion at the previous Board Meeting, an attorney was referred to the District who may be able to help the community in an effort to protect the beachfront from further erosion and sand loss.

The prospective attorney, Mr. Howard Coleman, of Nossaman, LLP, in Irvine, has had extensive experience working with private property owners in coastal California for many years in the area of shoreline protection.

One of the popular solutions that is being discussed, is to place large quarry stones in front of all homes to create a continuous rock seawall or rock revetment. Until the Board can engage in

some meaningful discussion with Mr. Coleman, there is much speculation regarding what property owners may be able to do.

The Board is currently setting a meeting with Mr. Coleman that could be in the first week of November. Several arguments the community could use to support a shoreline protection project include:

- OC armored the County beach park with rocks so we should be allowed to do the same
- Equal protection under the law
- Constitutional right to protect our property
- Construction of the harbor negatively impacted the natural course of beach replenishment
- Overall value of property in potential peril is estimated to be approximately \$700 million dollars

ACTON – District Manager Russell will be setting up the meeting with the District Board Members and the lawyer, Mr. Coleman, by the first week of November, to discuss a course of action for shoreline protection for Capistrano Bay District homeowners.

ACTION – District Manager Russell will be re-vamping the Shoreline Protection Request for Information letter/survey and mailing them out to the homeowners the first week of November.

ACTION – District Manager Russell will apply for an emergency permit in the month of November. Russell was advised by the Board to go directly to the City of Dana Point's manager, Doug Chotkevys, to help facilitate this emergency permit.

ACTION – District Manager Russell will be creating a list of contractors who can facilitate the construction and engineering of this proposed sea wall. This list will be available at the District Office for all homeowners to utilize.

ACTION – District Manager Russell will be keeping the community apprised, via email, of all updates concerning the progress of the shoreline protection matter thru the upcoming months.

10. NEW BUSINESS

Board President Masto discussed the information that would be in Shoreline Protection Survey such as:

- Do you own to the mean high tide line according to your property deed?
- Have any of your property deeds been changed to grant public easements?
- Do you have any information as to large boulders/rocks that may have been placed?
- Do you have an existing wood seawall or other type of seawall?
- Do you recall how the beach was prior to the Dana Point marina construction in the mid 60's?
- Do you currently have flood insurance through the National Flood Insurance Program?

11. WEBB MANAGEMENT

Monthly Report through October 22, 2015

- Audit is in process with Rogers, Anderson, Malody & Scott, LLP.

- Financial Statements for the month of September were completed and emailed to the Board on October 21, 2015.
- Working on the Billing for Summer Trash and Railroad Fees.

12. QUALITY OF LIFE ISSUES

Short Term Rental Issues for Discussion

Board President Masto discussed the desire to survey the community regarding Short Term Rentals. It was recommended by homeowner, Bill Matthies, that if the District wants to survey the community, they really need to seek an outside marketing firm that will put together an unbiased survey that will result in a clearer picture of how the community feels. The ultimate goal of this survey would be to obtain facts about the pros and cons of rentals and to find solutions that would be a win-win for the entire community.

ACTION – Authorized Agent Morris will be compiling the data that had been previously tallied by Webb Consulting and add to that report, the extra summer expenditures incurred by the Securitas guard services.

13. WRITTEN COMMUNICATIONS

There were no written communications.

14. BOARD AND STAFF COMMENTS

The Board of Directors reminded the audience that there will not be a November Board meeting. The November/December meetings will be combined into one meeting on December 15th to allow for the Thanksgiving and Christmas holidays.

Director Muller noted that there will be a future survey, in 2016, to the community regarding undergrounding of the utilities.

ADJOURNMENT

Board President Masto officially adjourned the Meeting at 9:25 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 #616 held on October 27, 2015.

Donal S. Russell
DONAL S. RUSSELL, Manager
Capistrano Bay Community Services District

December 16, 2015
DATE