

**DRAFT**

**ITEM 5**

**REGULAR MEETING #620  
CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS  
MINUTES**

**Tuesday, March 29, 2016  
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: Clark, Haack & Masto  
Directors Absent: Breeding & Muller  
Staff: District Manager Russell  
Agents: Authorized Agent Morris, Webb Consulting Services, Inc.  
Contractors Present: Securitas Branch Manager, Susan Baron

**4. PUBLIC COMMENTS**

No comments.

**5. APPROVAL OF MINUTES**

**Meeting #619 of March 01, 2016**

Board President Masto summarized the March 01, 2016, #619 Meeting Minutes.

***MOTION*** - A motion was made by Board President Masto and seconded by Director Haack to approve the Minutes of Meeting #619. The motion was passed by a vote of 3-0-2 (Directors Breeding and Muller absent).

**6. SECURITY**

**Monthly Securitas Report for February 2016**

Branch Manager, Susan Baron, reported on the update of Patrol Officer, Judy Merchant after her heart attack on Saturday March 26, 2016. Judy was in good spirits and sitting up and talking.

***ACTION*** – District Manager Russell was directed by the Board to get \$100 cash to give to Judy as a Get Well Gift and to help with finances as she will be off work for a while.

Branch Manager, Susan Baron, also reported that Patrol Live was up and running. And she reported that one of the new officers who was just recently hired was unable to continue at his position and that she would be interviewing new candidates in the coming week to replace him.

**ACTION** - Board President Masto would like a biography created for each of the new guards for inclusion in the next newsletter.

7. **FINANCE**

a. **Report of Monthly Expenses through February 2016**

Board President Masto reviewed the Financials through February 2016 and replied that all looked in order.

**ACTION** – District Manager Russell was directed by the Board to obtain one or two more estimates on wood working maintenance. Currently John’s Painting, who does the maintenance on the guard gates now, charges approximately \$50 per hour.

b. **Short Term Rentals**

City Collections since 2014/Proposed District Renter Fees. Board President Masto gave the following Report:

The City has provided the following information regarding the amount of Short Term Rental Taxes that have been collected from Beach Road since the program began:

- 2014 - \$180,000 (partial in the first year of inception)
- 2015 - \$244,000

Proposed Renter Fees for Renter Related Expenses:

The District has attempted, without success, to have the City agree to share a percentage of its renter tax collected from Beach Road. The purpose of which would be to reimburse the District for expenses incurred from vacation rentals on Beach Road.

Currently, the City retains 100% of the Renter Tax from Beach Road yet the District is left to absorb the costs related to managing the rental activity here in the community. While it is difficult to measure the full scope of the negative effect on the community, some of the more obvious impacts are:

- Regular phone calls to the gate for assistance, directions, guest lists, etc.
- Patrol time to respond to various complaints: Illegal parking – party noise – smoky/illegal beach fires – loose dogs
- Additional gate officer on Saturdays during the summer months
- Monitoring the Friday summer trash collection program

The Board is proposing the following fees be charged, directly to the rental property owners, for recovering some of the expenses in dealing with renters:

- \$100 per rental group per check in (a per group charge regardless of length of stay)  
\*example: \$100 per rental address X 10 different renters thru the summer = \$1000
- \$25 for every phone call to the gate
- \$50 for District violations

Director Clark feels that the District should approach the city, via a lawyer, to request that the city share a portion of the 10% that it collects per rental. Have the lawyer write up a friendly letter and run it by the city.

**ACTION** – District Manager Russell will contact Bob Owen, the District’s lawyer, and request that he put together a communication concerning the District’s request to share in the

Short Term Rental 10% TOT Tax to help cover some of the enforcement charges that the District is incurring. The letter will then be run by the Board for approval before being sent to the City.

**8. OLD BUSINESS**

**a. Further Discussion on Forming a Geologic Hazard Abatement District (GHAD)**

The District invited a guest speaker, Dr. Jeff Adams of ENGEO, Inc. who gave a presentation about Geologic Hazard Abatement Districts or GHAD's. ENGEO, INC., is a firm of engineers, geologists, environmental scientists and hydrologists. As specialists in providing geotechnical engineering, environmental engineering and engineering geology, ENGEO INC also specializes in developing Geologic Hazard Abatement Districts. Since joining ENGEO in 1999, Dr. Adams has provided environmental and geotechnical expertise on major development and public projects, as well as financial and cost benefit analyses. He leads ENGEO's entitlement and permitting support services and leads programs for Geologic Hazard Abatement Districts. The District office has a copy of a brief summary and explanation of GHAD's. Dr. Adams explained what GHAD's are, how they work and how this might benefit the Districts efforts at shoreline protection. No action was taken at this time.

**b. Undergrounding of Utilities – What is Next?**

The Board has made some progress with developing a cost estimate for converting the overhead power and phone lines to an underground system. A firm was hired to assess the overall cost for such a project for the Beach Road community and their findings will be discussed at the annual CBRA Spring meeting scheduled for this coming April. The community-wide meeting will be held at the Giurbino home at 35077 Beach Road at 10:00 AM on Saturday, April 23, 2016.

**c. Possible New Landscape Maintenance Service Contractor**

While the monthly rate is important in maintaining cost control, the District has learned that the quality of the service can result in either a good lush healthy-looking environment or the dry, straggling appearance that is present at the community entrance today.

The District was provided a referral from Webb Consulting Services, Inc. for a reliable and competitively priced landscape maintenance contractor to step in and replace Bemus Landscaping. The nature of the community entrance landscaping requires a more concierge-type of service and the current contractor has just not been able to deliver on this.

Management met onsite with Marty Dieckmeyer of Western Landscape Maintenance Plus, Inc. last week and was impressed not only with the discussion regarding their landscape maintenance philosophy and how they would proceed with correcting the existing problems but was very relieved to see their competitive pricing.

Over the past two years, the District has solicited several proposals for the landscaping, many of which were in excess of \$2000 per month. The following list represents those contractors that were more reasonably priced:

- Bemus \$1102/mo (this will be their increase starting in July)
- Soto Company \$1750/mo (in 2014)
- Paradise Designs \$1050/mo (in 2014)
- Western \$1200/mo (3-23-16)

As was expressed at the last meeting, Bemus is under-performing and should be replaced. Soto is a bit over-priced and leaves no room for extras and annual price increases. Paradise has not been vetted but the District now knows what it gets for the price and their low price will become a problem down the road, plus management is not too impressed with their very basic one-page proposal. Western has come to us with a strong referral from Webb Consulting Services, Inc. and a monthly price that is completely reasonable.

Western's full proposal is available at the District office. The District Manager's recommendation is to deliver a 30-day notice to Bemus and hire Western Landscape Maintenance Plus, Inc., with an effective date of May 1, 2016.

After Western's presentation, Director's Clark and Haack were both in favor of hiring Western. Board President Masto abstained from voting until he has had a chance to run the bid by the missing Directors, Breeding and Muller. Board President Masto would like to have this decision made before the next Board Meeting.

**ACTION** – District Manager Russell has been instructed by the Board to look into having a cross walk painted on the street by the Administration Office, checking in with Director Breeding concerning his ideas on cross walk placement.

**ACTION** – District Manager Russell has been instructed by the Board to have the speed cushion moved at 35147 to a location where vehicles may not drive around the cushion, but are forced to go over them. Also, there are many speed cushions that have bolts that have come loose and will be repaired by Traffic Logix at the same time.

## 9. New Business

### a. **FEMA – Possible Revision of Flood Insurance Rate Maps for our Coastal Zone**

The Federal Emergency Management Agency, FEMA, has begun the process to revise the flood insurance rate maps for coastal California. The rate maps are what dictate the allowable development standards for residential and commercial construction within the coastal flood zones in California.

This will have a significant impact on future development for Beach Road. Currently, only portions of our homes sit in the VE flood zone and some are actually outside this VE zone. The VE zone encompasses the portion of a home that is determined, by the rate maps, to be most likely to experience wave run-up damage and flood inundation. Within the current guidelines, homes within the VE zone are severely restricted in the scope of improvements that are permitted.

**IMPACT** - The proposed revisions are expected to move the VE Zone back in a landward direction all the way to the roadway. This would result in 100% of ALL homes being placed in the restricted VE Zone where remodeling would be either prohibited or severely curtailed. New homes will still be allowed but would be required to sit at higher elevations above the sand. This is being driven by climate change and worldwide sea level rise. Currently the wave run-up and flood zones are primarily out on the beach side of your homes – the scientists predict that by 2050 the flood zone could be all the way back to the road. Our coastal engineer, Dave Skelly, has been directed to monitor the FEMA process and report on their re-mapping progress with some analysis. This will be ongoing over the next several months.

**ACTION** – District Manager Russell will be disseminating the flood insurance information to all the homeowner to make them aware of the proposed changes.

**10. QUALITY OF LIFE DISCUSSION TOPICS**

There are no new items for discussion.

**11. WEBB MANAGEMENT / CBRA ITEM**

**a. The following information was previously provided to the Board:**

District Financial Statements for the month of February 2016

**12. WRITTEN COMMUNICATIONS**

There were no written communications.

**13. BOARD AND STAFF COMMENTS**

**ADJOURNMENT**

Board President Masto officially adjourned the Meeting at 8:45 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 a *DRAFT* copy of the Minutes of Meeting #620, held on March 29, 2016.

Donal S. Russell

DONAL S. RUSSELL, Manager  
Capistrano Bay Community Services District

April 12, 2016

DATE