

DRAFT

ITEM 5

**REGULAR MEETING #622
CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS
MINUTES**

**Tuesday, May 31, 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: Breeding, Clark, Haack & Masto
Directors Absent: Muller
Staff: District Manager Russell
Agents: Authorized Agent Morris, Webb Consulting Services, Inc.
Contractors Present: Securitas Field Supervisor, Kelly Becker
Securitas New Branch Manager, Jorge Moreno

4. PUBLIC COMMENTS

Homeowner, Chris Brown (owner rep. for 35093), was seeking guidance and direction from the Board regarding the process of setting up a Shoreline Protection sub-committee. Board President Masto directed him to compose an email to send out to the community inquiring about the possibility of enlisting volunteers to serve on this sub-committee. Board President Masto recommended limiting the membership to 4 to 5 members.

ACTION – District Manager Russell will be sending out the email, when it is ready, to the community alerting them to the formation of this Shoreline Protection subcommittee.

Homeowner Nancy Proodian reported on a stranger found in a home next door to her when the owner returned from being out. According to Mrs. Proodian, a woman got into the home through the open patio door, ate some food, took a shower and fell asleep in one of the bedrooms. There was no reported damage.

5. APPROVAL OF MINUTES

Meeting #621 of April 26, 2016

Board President Masto summarized the April 26, 2016, #621 Meeting Minutes.

MOTION - A motion was made by Director Haack and seconded by Director Breeding to approve the Minutes of Meeting #621. The motion was passed by a vote of 4-0-1 (Muller was absent.)

6. SECURITY

a. Monthly Securitas Report for April 2016

Securitas Field Supervisor, Kelly Becker, announced that Branch Manager, Susan Baron, has resigned from Securitas due to personal family matters. She introduced Jorge Moreno, a Branch Manager with Securitas for several years, and believes Mr. Moreno will be a good fit for the District.

b. Discussion to Possibly Prohibit Street Parking on Trash Day (Mondays)

Director Breeding has asked for a discussion to explore the possibility of prohibiting street parking on Mondays to ease traffic congestion and access during trash collection. The District controls the road and can legally pass an ordinance that regulates parking on Mondays but in order to enforce such an ordinance, more signs would have to be posted notifying drivers of the Monday parking limits. In addition, a strong public awareness effort to get the word to the community would be necessary, probably a regular program, as well, of handouts at the gate to service people coming in on Monday mornings and regular proactive monitoring by our duty security patrol officer. Another possibility for controlling the construction parking would be to limit construction hours on Monday to no access until the last trash truck has left the community.

ACTION – District Manager Russell will draft an ordinance concerning the “No Parking” for legal counsel review but no action can be taken until there is assurance that CR&R can have their last collection truck out of the community by noon.

7. FINANCE

a. Report of Monthly Expenses through April 2016

Board President Masto reviewed the Financials through April 2016 and replied that all looked in order, but wanted to better understand Unrestricted Equity from page 1 of the Balance Sheet.

ACTION – Board President Masto directed Authorized Agent Morris to contact the District’s CPA and obtain clarification where the money sits, and in what bank account for the Unrestricted: Emergency Reserve \$250,000 and Unrestricted – Other \$573,775.64.

ACTION – Board President Masto directed District Manger Russell to speak with Dave Proodian, the X-Country Coach at San Clemente High School, to see if the team would be interested in volunteering to help pick up debris on the Beach.

b. Discussion/Review of Draft Budget for FYE 2017

Potential Budget Meeting set up for June 14th or 15th, 2016.

c. Short Term Rentals

The position of the Board still holds that the District is burdened with the lion’s share of the management of the short term renter activity while the City performs very little oversight of the activity here in the community, yet collects and retains ALL of the rent tax. The City’s budget and collections for short term rentals is as follows:

- Short term rental tax revenue city-wide each year - \$360,000 annually
- Collections just from Beach Road (Jan-Dec 2015) - \$244,000

The City expects these figures to not go down but to hold or even increase slightly over the next several years.

Board President Masto reviewed some known facts on how the Rental Permit Process works:

- \$150 Application Fee is required yearly
- STR permit is presented to Rental Owner
- Rental Owner is given an initial inspection by the Code Enforcement Officer (1x only)
- 10% TOT (Transient Occupancy Tax) is collected quarterly. (There are additional fees for filing late)

This is where the city involvement ceases. The District picks up the rest of the logistic and enforcement matters.

ACTION – Board President Masto is meeting with a lawyer to draft a letter and then will meet with the Board to review before submitting to the City.

8. OLD BUSINESS

a. FEMA Flood Insurance Rate Maps

FEMA is proposing an ominous revision to the Flood Insurance Rate Maps (FIRM) for our coastal zone. Their intent is to reclassify the coastal wave run up hazard zones. The net result would be that almost all private property in our community will be designated for the high-hazard zone.

The impact will be with limitations on development standards and an increase in flood insurance costs. The Dana Point Zoning Code has strict limits on the extent of remodeling that can be done on a home that sits in this flood zone, so this is going to strictly curtail home improvements and renovations. Building a new home on concrete caissons will continue to be allowed but we'll see new homes sitting much higher off the sand.

The nature of the District's comments will be to go on record as opposing the proposed revisions. While it cannot be denied that the world's climate change is resulting in sea level rise, it seems that FEMA is over-reacting with the extent of the proposed revisions. It is a bit premature to force new restrictions based on the prediction that the sea level will be 36" higher in 75 years.

The District is consulting with Dave Skelly, Coastal Engineer, to assist in the interpretations of the process. Skelly agrees that it would make more sense to adjust the flood zones based on the 30 year predicted change instead of to the end of the century since mortgages are based on 30 years. If we look at the predictions for sea level rise in 2050 (34 years away) the expected rise is more like 8" – this is a much more realistic model to operate from and base decisions on.

b. Proposed Relocation of Crosswalk at Community Entrance

The District's traffic engineer, Linscott Law & Greenspan Inc., was contacted and asked to consult with the District on the Board's proposal to relocate the crosswalk behind the guard shack to a new location about 100 feet south, adjacent to the new admin office.

In talking with LLG and the City's Engineering Department, the concern they pointed out is that the crosswalk was positioned in its current location for the good reason that entering

traffic is moving slowly as it passes through and clears the guard shack which maximizes the safety to pedestrians in the crosswalk. Moving it south, into a mid-block placement, where traffic is up to speed, creates a hazardous condition for pedestrians and the City is not likely to approve such a request.

The City's recommendation is to leave the crosswalk alone, especially since there have been no accidents or injuries with the crosswalk in its current location. The fact that guests and service vehicles have to make a sharp left then a sharp right to negotiate the planter behind the guard shack creates the desired speed reduction that is essential to pedestrian safety, which is borne out by the zero accident/injury history for the crosswalk in the several years since it was installed.

After reviewing the findings, the Board has decided to abandon the proposed plan and leave the crosswalk undisturbed in its present location directly behind the guard building.

c. Undergrounding of Utilities – What's next

It was agreed at the April meeting that in order to provide the community with factual and accurate information on the cost of the program that the District would have to complete Phase 2 of the proposal by the consultant. Directors Masto and Muller met with the consultant for Utility Specialists, Duane Strooboscher (pronounced 'stroh-bsher'), and discussed the next phase in the process:

Phase 2 DESIGN MANAGEMENT AND COORDINATION - \$29,600

- An assessment of the underground work order and its relation to the existing overhead system. We want to make sure SDGE is not duly reinforcing their own system.
- Complete a cost opinion utilizing our own costing database providing District representatives a better understanding of 'real market' costs associated with the proposed improvements.
- Strategy recommendations to District representatives for implementation.

Mr. Strooboscher indicated this phase could take up to seven months to complete, given their current work load and the time involved in contacting and meeting with the various utilities that currently occupy space on the power poles.

The issue of transformer location was thoroughly discussed. In the northern half of the community, to the turnaround at 35535 where the road is 30 feet wide, there is enough space over on the inland side of the road to accommodate the placement of transformers. This, however, is not the case for homes located south of the turnaround. In this area, with the roadway only 20 feet in width, there is simply no space on the inland side of the road to place transformers. On the seaward side, most homes are sitting within a few feet of the pavement and with the clearance requirements for ground-mounted transformers there is no room on that side either.

A possible solution to this might be to place the transformers on decorative hollow steel poles. Utility Specialists indicated this has never been done in a residential setting and while it sounds like a possibility, they would have to explore this with SDGE.

Also being explored is the possibility of financing the entire project through a big capital improvement loan where property owners are either not assessed at all or are minimally

assessed. Again, there won't be a lot to report on over the next several months but any progress will be made available to the community.

d. Maintenance Items

- District Document Storage Moving to Maintenance Yard

Alternate storage for District documents and miscellaneous small property (tools, instruments, etc.) has now been installed in the Northgate Maintenance Yard in the way of three galvanized steel sheds. By the end of June, documents and equipment will be removed from the rental storage facility over on Victoria Avenue and into the storage sheds in the Northgate area.

- Relocation/Maintenance of Five Sets of Speed Cushions (rubber speed bumps)

The Speed Cushions are scheduled to be moved on June 7th/8th.

e. Shoreline Protection

This discussion happened earlier in the meeting during Public Comments with Chris Brown.

9. New Business

a. Board Members Terms Expiring in December

In December of this year, the terms of Directors Ambrose Masto and Stephen Muller will expire. The three remaining Directors are on board until 2018. This discussion will be to find out if the two outgoing members are interested in remaining to serve the community or if the Board needs to campaign for replacement Directors. Board President Masto expressed a desire to remain on the Board, but would like to step down as President. Director Muller was not present to comment.

This is also an opportunity for other property owners to voice their interest in serving on the District Board. Terms are for four years with meetings held on the last Tuesday of each month. The exceptions are during Thanksgiving and Christmas. For these two special times, the District combines the November and December meetings into one meeting held in early December, soon after Thanksgiving, to avoid the conflicts with personal family time over the holidays.

ACTION – District Manager Russell will be sending out an email blast to the community concerning the openings on the Board and to generate possible interest in someone stepping up to volunteer as the next CBD President.

b. Notice of Removal of Pedestrian Bridge Over PCH

The County will be closing PCH on Thursday, June 2, 2016, for the entire day to demolish the old concrete bridge structure that flies over PCH just to the north of the Beach Road intersection. In speaking with the County, they explained that engineers have deemed the bridge to be in such bad condition as to be considered an emergency. With that, the County obtained an Emergency Coastal Development Permit and now has a limited time to get the job complete, otherwise why would anyone attempt such a project in the busy summer months.

10. QUALITY OF LIFE DISCUSSION TOPICS

a. Policy for Dealing with Loose Dogs

The Board would like to add additional verbiage to the existing Dog Ordinance concerning not allowing Dogs in Short Term Rentals.

ACTION – District Manager Russell will be drafting additional wording to Capistrano Bay Districts’ original Dog Ordinance.

11. WEBB MANAGEMENT / CBRA ITEM

a. The following information was previously provided to the Board
District Financial Statements for the month of April 2016.

b. CBRA Board Co-President, Carole Wunderly, announced the Annual Summer Party
The date for the party will be on August 27, 2016. All Board Members and their families are cordially invited to attend.

12. WRITTEN COMMUNICATIONS

Copy of reply letter from Capistrano Shores Mobile Home Park regarding the recent PLF case involving the CCC’s denial for shoreline protection of private property. A copy of the letter may be available at the District Office.

13. BOARD AND STAFF COMMENTS

No Comments.

ADJOURNMENT

Board President Mastro officially adjourned the Meeting at 8:50 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 #622, held on May 31, 2016.

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

June 9, 2016
DATE