

DRAFT

ITEM 5

**REGULAR MEETING #628
CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS
MINUTES**

**Tuesday, January 24, 2017
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 Consulting Services, Inc.
Contractors Present: Securitas Branch Managers, Jorge Moreno & Kelly Becker
Guest Speaker: Mr. Lou Galuppo, attorney for Galuppo & Blake Law Firm

4. PUBLIC COMMENTS

There were no public comments.

5. APPROVAL OF MINUTES

a. Meeting #627 of December 8, 2016

Board President Masto summarized the December 8, 2016, #627 Meeting Minutes.

MOTION – A motion was made by Director Haack and seconded by Director Breeding to approve the Minutes of Meeting #627. The motion was passed by a vote of 5-0.

b. Renew Oath of Office for Directors Masto and Haack (terms expired in December '16)

Swearing In of Board Members - The terms of incumbent Directors Ambrose Masto and Mike Haack expired in December 2016. Both have indicated they are willing to stay on as Directors for a bit longer.

ACTION – District Manager Russell administered the Oath of Office to Directors Ambrose Masto and Mike Haack.

c. Election of New Board Officers

Each January, the Board votes to elect a new Board President and Vice President. Currently, Ambrose Masto presides and Mike Haack sits as second in line. The current officer standings do not have to change but the meeting cannot proceed without a presiding officer.

ACTION - Director Masto agreed to continue as Board President and Director Haack will continue as Board Vice President.

d. Reminder for Annual *Conflict of Interest* filing deadline of April 1, 2017

All elected or appointed public officials must file an annual Conflict of Interest Form 700 with the Orange County Registrar. The filing due date is April 1, 2017. Remember that the coverage year for which Directors are filing is January through December of 2016.

6. SECURITY

a. Monthly Securitas Report for December 2016

Security update presented by Securitas Branch Manager, Jorge Moreno. It was reported that all shifts are now fully staffed. Only two violations were reported in the month of December. The intermittent, non-functioning headlights on the Security Vehicle has been an ongoing issue. Mr. Moreno indicated the security vehicle will be taken immediately out of service while the headlights problem is repaired. A substitute vehicle will be provided during this time.

b. Review of complaint by homeowner Jeff Lurner

A complaint was issued by homeowner, Jeff Lurner, regarding his claim of inappropriate use of language and behavior by a Securitas officer on the night of New Year's Eve and the matter of the intermittent problems with the Securitas vehicle headlights. Mr. Lurner's complaint was submitted in writing to the District Manager earlier in the month. A discussion ensued by the Board and Securitas representative, Kelly Becker, and the Board will follow up with Securitas on these matters.

Board President Masto requested that Securitas provide a list of all emergency equipment on board the security vehicle and some type of certification that the vehicle is in good operating condition.

7. SHORELINE PROTECTION COMMITTEE

a. Shoreline Protection Committee

Lou Galuppo, from Galuppo & Blake Law Firm, made a presentation to the Board on behalf of the Shoreline Protection Committee. His presentation was comprehensive and gave an encouraging view on how the District, with the support of the community, could come together and generate a permitting process for shoreline protection for the homes and the beach. Mr. Galuppo is fairly confident, after researching Special District Law, that the District can create such a mechanism due to the powers granted to all Special Districts by the State. After having spent over a month researching the law at no cost to us, if the District can cover their expenses for the next 45 days, Galuppo feels his firm can complete Phase I and fully determine whether the District truly has a shot at a viable permit process.

MOTION – A motion was made by Director Clark and seconded by Director Breeding to authorize the law firm of Galuppo and Blake, to proceed with Phase 1, not to exceed \$21,500. The motion was passed by a vote of 5-0.

8. FINANCE

a. Report of Monthly Expenses through December 2016

Board President Masto reviewed the Financials through December 2016 and replied that all looked in order. There was a bit of concern that too much money was being spent on the Annual Audit, but after reviewing a 3-year cost comparison, the spending looked in order.

ACTION – Board President Masto is requesting District Manager Russell to research how much of the Beach Road homeowners' property taxes actually go to

the City of Dana Point. Manager Russell was also requested to provide a report to the Board regarding his vacation schedule and notification of daily activities.

9. OLD BUSINESS

a. Undergrounding of Utilities – Presentation of Options and Cost Estimates have been Delayed until February

At the previous meeting, the Board directed Utility Specialists Inc. to proceed with a revised Phase II of their proposal, Design Management and Coordination, to prepare actual working schematics of the entire underground project, with special attention given to ALL POSSIBLE transformer locations throughout the entire community. With the new direction and scope of work, Utility Specialists has not had enough time to complete their work product and with the Board meeting occurring a week earlier than the regular schedule, they will not be presenting any material at this meeting but will be prepared for the next meeting on Tuesday, February 28th.

b. Short Term Rentals

For review and consideration by the Board are expenses for operating the dwellingLIVE gate access program at the guard shack, a percentage of which is related to rental activity in our community. The District is charged a License fee of \$580/month for use of the software plus there is a material cost of \$.05 per printed pass. The District closely tracks vehicle counts and therefore has a fairly accurate count of renter-related vehicles entering the community each month, all of which require a pass. Over the past three years, renter-related vehicles account for about 24% of the total vehicle count each year, so if we use 24% to represent the impact by renter vehicles and renter-related service vehicles, the costs come out like this:

- Yearly license fee: $\$6960/\text{yr} \times .24 = \$1670.00/\text{yr}$ (attributable to rentals)
- Yearly pass count: $49,000/\text{yr} \times .24 = 11,760 \times .05 = \$588.00/\text{yr}$ (attributable to rentals)

10. NEW BUSINESS

There is no new business.

11. QUALITY OF LIFE DISCUSSION TOPICS

There are no items for this month.

12. WEBB MANAGEMENT / CBRA ITEM

The January management report was presented by Authorized Agent Morris.

- District Financial Statements for the month of November & December 2016 were previously provided to the Board.
- Draft Annual Audit is almost completed, awaiting confirmation from some of the District's Financial Institutions. Audit should be ready for review at February's Board Meeting.

No CBRA Report this month.

13. WRITTEN COMMUNICATIONS

- Complaint by homeowner, dated January 10, 2017/discussed under Security Item 6b.
- Letter from Board to Pacific Legal Foundation, dated December 22, 2016.
- Letter from Board to the Dana Point City Council, dated January 4, 2017.

14. BOARD AND STAFF COMMENTS

Director Clark questioned why the District does not enforce all new construction to utilize dark brown conduit lines going up the utility poles rather than the very obtrusive, white conduit that is

currently being utilized. Or the contractor should at least be asked to paint the conduit lines dark brown to match the utility poles. No action taken.

ADJOURNMENT

Board President Masto officially adjourned the Meeting at 9:45 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 #628, held on January 24, 2017.

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

January 31, 2017
DATE