

**CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS
MINUTES**

Tuesday, June 27, 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 6:40 p.m.

2. PLEDGE OF ALLEGIANCE

Board President Masto led attendees in the Pledge of Allegiance.

3. ROLL CALL

Directors Present: Breeding, Clark, Haack and Masto
Directors Absent: Muller
Staff: District Manager Russell
Agents: Authorized Agents Sascha Camargo & Jim Parsons, Webb Mgmt.
Contractors Present: Securitas Branch Mgr. Jorge Moreno & PC Brandin Oberlies
Guest Speakers: Mr. Lou Galuppo, attorney for Galuppo & Blake Law Firm

CLOSED SESSION REPORT OF ACTION

The Board advised members that the following issues were discussed in Closed Session prior to the Regular Session Meeting:

- Webb Management Contract Review
- Shoreline Protection Legal Matters

4. PUBLIC COMMENTS

There were no public comments.

5. APPROVAL OF MINUTES

a. Meeting #632 of May 30, 2017

Board President Masto summarized the May 30, 2017, #632 Meeting Minutes.

MOTION – A motion was made by Director Haack and seconded by Director Clark to approve the Minutes of Meeting #632. The motion was passed by a vote of 4-0-1 (Director Muller absent).

6. SECURITY

a. Monthly Securitas Report for June 27, 2017:

Security update presented by Securitas Post Commander Brandin Oberlies. There were 11 incidents and a report has been provided to management. Brandin discussed the upcoming July 4th security procedures that will be in place. No major events or problems to report.

7. SHORELINE PROTECTION COMMITTEE

a. Shoreline Protection Committee:

Chris Brown updated members on the Committee's progress. The Committee has concerns regarding AB1129 and the State's continuing efforts to try and pass a bill that may impact the District's efforts to protect the shoreline. Mr. Brown recommended the Board continue its efforts and move forward with the Committee's plan and the multiple phases needed to attain the protection along the beachfront.

Attorney Lou Galuppo from the District's Legal Team was present to provide a progress report.

The Shoreline Protection Phase Two is still in Process:

Phase 2, consisting of updating the Governing Documents, is currently in process and upon completion will be voted on by members. Mr. Galuppo advised that an estimate of Committee expenses for this new fiscal year will be presented at the next meeting.

At this point, homeowner Steve Schwartz began asking questions regarding the District's Policy for replacing outgoing Directors whose terms are expiring.

8. FINANCE

a. Report of Monthly Expenses through May 2017:

Board President Masto reviewed the Financials through May 2017. It was reported all looked in order, except that Landscape and Legal were over budget at this time.

b. FY18 Budget Discussion and Possible Approval:

District Manager Russell pointed out that several line items in the budget are not yet resolved, pending both the annual manager's performance review and cost estimates for the Shoreline Protection Committee expenses. The budgeted revenue for FY18 is completed and this figure needs to be approved prior to July 1, 2017 so the District can continue operating.

MOTION – A motion was made by Director Clark and seconded by Director Haack to approve the FY18 District Budgeted revenue in the amount of \$1,165,324.00. The motion was passed by a vote of 4-0-1 (Director Muller absent).

9. OLD BUSINESS

a. Undergrounding of Utilities – Options and Cost Estimates:

Board President Masto discussed the difficulty of obtaining adequate clearance for the transformer installations in the community south of the turnaround. District Manager Russell indicated he would seek an independent verification of SDG&E's policy of not placing transformers in underground vaults.

The Board discussed the option of obtaining a loan for funding the project as an alternative to creating an assessment district but an unofficial polling of the community would have to be conducted first to determine the level of support for this project by homeowners.

b. Landscape Improvements / Recommendations:

Homeowner Phyllis Masto has been appointed as the Landscape Committee Chairperson. A request for additional volunteers was requested in the open meeting. The Board had approved expenses to improve the entrance landscaping including planting, irrigation and accent lighting. The lighting and irrigation systems have been repaired and/or adjusted to better irrigate the existing plants. New plants are scheduled for planting in the next few weeks to upgrade the appearance of the community entrance.

10. NEW BUSINESS

a. City Council Actions – Flood Zone Changes:

The City Council passed a resolution at their May 16, 2017 meeting that proposes to move the High Hazard Flood Zone landward to the roadway, which would effectively encompass all homes on Beach Road. Currently, there are many areas of the community that sit outside the flood zone and are permitted to perform more extensive improvements than homes within the flood zone. The concern is that the City effectively amended their Zoning Code without going through the required public approval process of mailing notices and providing public hearings.

b. City Efforts to Terminate Quiet Zone at the Beach Road Railroad Crossing:

It was discovered recently that the City of Dana Point was considering a cancellation of their Railroad Protective Liability Insurance policy. This policy allows the trains at the Beach Road rail crossing to NOT blow their horns when approaching the area. A cancellation of the policy would result in eliminating the Quiet Zone and back to the noise of regular train horns once again. Fortunately for Beach Road, the Council meeting was inundated with the public voicing strong opposition. The Council voted to retain the insurance and preserve the Quiet Zone.

11. QUALITY OF LIFE DISCUSSION TOPICS

a. Short-Term Rentals

District Manager Russell discussed staff's concern with the various vacation rentals on Beach Road that are operating without Short-Term Rental permits. The Board feels strongly that it is not the District's job to be policing rentals when the responsibility lies with the City. Staff was directed to continue with monitoring rental activity but to hold off reporting unpermitted rentals to code enforcement.

12. WEBB MANAGEMENT / CBRA ITEMS

a. Webb Management will make the requested revisions to the Contract and will forward to Manager Russell for a final review.

b. No CBRA Report this month.

13. WRITTEN COMMUNICATIONS

None

14. BOARD AND STAFF COMMENTS

Board President Masto expressed his concern with recent drone activity in the community. The Board discussed needed safety awareness regarding drones. The Security Team will be advised to report on these occurrences to the District Manager and to speak with the owners or renters about these safety violations including invasion of privacy issues.

ADJOURNMENT

Board President Masto officially adjourned the Meeting at 8:10 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 #633, held on June 27, 2017.

Donal S. Russell
DONAL S. RUSSELL, Manager
CAPISTRANO BAY COMMUNITY SERVICES DISTRICT

July 20, 2017
Date