

REGULAR MEETING #637
CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS
MINUTES
Tuesday, December 5, 2017
CLOSED SESSION 5:45 PM
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 6:55 PM

2. PLEDGE OF ALLEGIANCE

Board President Masto led attendees in the Pledge of Allegiance.

3. ROLL CALL

Directors Present:	Clark, Breeding, Masto, Muller and Haack
Staff:	District Manager Russell,
Absent:	Security PC Robert Stabenow, Karen Morris (City Council meet.)
Agents:	Authorized Agent Jim Parsons, Webb Community Management, Inc.
Contractors Present:	Securitas Branch Manager, Jorge Moreno
Guest Speakers:	Mr. Lou Galuppo, attorney for Galuppo & Blake Law Firm Chris Brown, Shoreline Committee Member

CLOSED SESSION DISCLOSURE

The Board advised members that the following issues were discussed in Closed Session prior to the Regular Session Meeting. There was no action taken:

- Shoreline Protection Legal Matters
Guest Attendees: Lou Galuppo and Chris Brown

4. PUBLIC COMMENTS

Homeowner Steve Schwartz asked questions regarding Shoreline Committee expenses. Approximately \$59,000 paid to date in fees towards the Shoreline Protection matter.

5. APPROVAL OF MINUTES

a. Meeting #636 of October 31, 2017

Board President Masto summarized the October 31, #636 Meeting Minutes.

MOTION – A motion was made by Director Clark and seconded by Director Breeding to approve the Minutes of Meeting #636. The motion was passed by a vote of 5-0.

6. SECURITY

a. Monthly Securitas Report for November 2017:

Security update presented by Securitas Post Commander Jorge Moreno. The Board was advised of the protocol for allowing Amazon or similar delivery companies to enter the front gate. Drivers must present a valid drivers license and some proof of employment with Amazon, etc. or the contract delivery company.

Manager Russell will review the need for additional protocol due to the increasing deliveries generated by online purchases and report back to the Board of Directors.

Securitas Branch Manager Moreno advised the Board that Security is fully staffed with one (1) officer going on maternity leave December 11, 2017. No action was required by the Board.

Director Breeding requested Securitas do more to enforce parking on the RR side where vehicles are extending out into the roadway where a driver could easily hit the trailer hitch or back of the vehicle when driving down Beach Road. The Board advised that citations may be needed to assist with this hazardous situation.

7. SHORELINE PROTECTION COMMITTEE

Chris Brown attended and reported an informational flyer regarding the status of the shoreline protection process had been presented to the Board for review and revision. A revised flyer will be modified and sent to members as soon as possible. No additional action was needed by the Board.

Attorney Lou Galuppo from the District's Legal Team was present to answer questions during Regular Session. The Board updated attendees on the current progress of the Committee:

- **Legal Activity Status:**

- A hold has been placed on legal expenses pending a submittal of step by step plans by Attorney Lou Galuppo for moving forward with any legal action. The Board will continue to approve services on a step by step basis.

It was noted again that several owners are not impacted by shoreline issues because they already have caissons, boulders, and/or seawalls. However, there are still many owners who have the need for shoreline protection. Therefore, the Board is reviewing options and will determine the need and feasibility of the ongoing Shoreline Committee efforts.

8. FINANCE

a. Report of Monthly Expenses through October 2017:

Board President Masto reviewed the Financials through October 2017. It was reported all looked in order year to date. There were several landscape proposal approvals but nothing that negatively impacted the budget. The Board also discussed approximately \$25,000 in road repairs completed without Board knowledge. It was explained that these repairs were in the budget but expenses had gone over budget by about \$12,000, but did not exceed the amount on deposit in the road maintenance fund. No action was taken by the Board.

Current Assets:	\$1,455,561.11
Current Liabilities:	\$ 51,203.98
Total Equity:	\$3,239,793.44

9. OLD BUSINESS

a. Undergrounding of Utilities –Options and Cost Estimates:

The Board has been advised the District's depository with Farmers & Merchants Bank cannot make an uncollateralized loan to the District for undergrounding of utilities. Likewise, the Local Agency Investment Fund (LAIF) is not in the business of making loans for non revenue-generating capital projects. Staff was directed to pursue a possible funding option through an agency called LAFCO Financial.

There has been a delay with moving forward with the project which is related to the issue of where to place the transformers along the road south of the turnaround. It was recommended the Board develop a plan that can be presented to homeowners in the south half of the community where the transformers have to be placed. This would involve obtaining agreement from nine property owners to consent to having a transformer in their front yard.

Mr. Galuppo recommended bringing in a consultant to assist in creating a convincing presentation and to accompany a District representative when meeting with owners to discuss the benefits of the project.

Manager Russell pointed out that the current relationship with OCTA is such that there might be the possibility of making a deal with OCTA for an allowance to place transformers on RR property in the south half of the road. The Board was open to this suggestion by Manager Russell and directed him to pursue this scenario.

b. Board Vacancies

Board President Masto will be stepping down from the Board. There are several owners who have volunteered to fill the position on the Board. Due to the timing and the noticing requirement to the community, the Board of Directors will be scheduling interviews with the volunteers and making an appointment at the next meeting on January 30, 2018. Director Breeding asked if all the volunteers can be notified that the vacancy is for the position of Board President.

10. NEW BUSINESS

- a. New concepts for Beach Road:** Outgoing President Masto indicated he intends to remain active in the community with the newsletter that he will now have more time to work on.
- b. Speed bump issue:** Director Haack asked if the temporary speed limit signs in the 600-block could be taken out of service and there is damage to the concrete speed bump at 691 that is in need of repairs.

11. QUALITY OF LIFE DISCUSSION TOPICS

a. Short-Term Rentals

Manager Russell reported that the City of Dana Point has hired a 3rd Party Company *Host Compliance* to monitor and report on all short-term rental activity including rental units are in compliance with all City Ordinances. Karen Morris was attending the City Council Meeting and will be reporting back to the Board on this issue at the January Board meeting. *Host Compliance* will be managing the following STR activity:

1. Trend Monitoring
2. Address Identification
3. 24/7 Hotline
4. Compliance Monitoring
5. Tax Collection Support

b. Landscape Committee Recommendations:

The landscape has improved and is still in the process of being upgraded both by improved irrigation and plantings. No action was required by the Board at this time.

c. Palm Tree Lighting:

Homeowners recommended decorating/wrapping all the palm trees with lights next year. Manager Russell will work out a new cost item for approval in next year's budget.

d. Construction Vehicle Parking: The Board discussed the issue with the impact of construction parking on Beach Road. There are three (3) homes currently in the process of construction, all next door to each other, which will impact the traffic on Beach Road. Manager Russell will check with the City on the permit process and options available to the District to reduce the impact on the community. The use of golf carts was suggested for the construction crews to eliminate multiple vehicles in the construction zones.

12. WRITTEN COMMUNICATIONS

The Board acknowledged the appreciation letter from the Pacific Legal Foundation for the District’s contribution of \$10,000.00. No action was required by the Board.

13. BOARD AND STAFF COMMENTS

The next regular meeting will be January 30, 2018 at 6:30 P.M.

ADJOURNMENT

Board President Masto officially adjourned the Meeting at 8:55 P.M.

ATTEST:

State of California)
County of Orange)
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 #637, held on December 5, 2017.

Donal S. Russell
DONAL S. RUSSELL, Manager

December 27, 2017
DATE