

**REGULAR MEETING #651**  
**CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS**  
**MINUTES**  
**Tuesday, April 2, 2019 (Regular March Meeting)**  
**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**

President Schwartz called the Meeting to order at 6:33 p.m.

**2. PLEDGE OF ALLEGIANCE**

President Schwartz led attendees in the Pledge of Allegiance.

**3. ROLL CALL**

Directors Present:	Board Pres. Schwartz, Haack, Muller, McNulty, Irani,
Staff:	District Manager Russell, Assistant Karen Morris
Absent:	
Agents:	Authorized Agent Kellyann Phillips, Compass PMC
Contractors Present:	Securitas Post Commander Robert Stabenow
Guest Speakers:	Dave Gutierrez (for Underground Utilities – item 9a))

**CLOSED SESSION REPORT OF ACTION**

No closed session this month

**4. PUBLIC COMMENTS**

President Schwartz explained that going forward members of the public wishing to speak should complete a *Request to Speak* form, wait their turn to be recognized, state their name for the audio record, and be limited to three minutes for comments during either the Public Comments portion or any particular agenda item they wish to address.

**5. APPROVAL OF MINUTES**

**Meeting #650 of February 26, 2019**

*MOTION* – A Motion was made by Director Muller, seconded by Director Haack and voted 5-0 to approve the Minutes of Meeting #650 as presented.

**6. SECURITY**

**a. Monthly Securitas Report for February 2019**

Securitas Post Commander Robert Stabenow noted that one patrol officer has submitted his two-week notice but for now staff turnover has tapered off. The discussion turned to speed control and Director Muller suggested implementing a fine after repeat offenses. Staff was directed to review the District Ordinances related to speeding and report at the next meeting, with the intent being to see if there is an existing mechanism for a way to issue a fine on repeat speeders.

PC Stabenow reported that Seabreeze remains a problem with continued misinformation about STR's. Data and critical guest information is still being improperly entered into the computer system. The Board discussed banning Seabreeze completely from conducting business in the community.

The District's liaison with the City for STR's, Jeff Lurner, reported that during his recent meetings with the City and District Counsel it was learned that Seabreeze Vacation Rentals may not have the proper licensing to operate their vacation rental business. It also appears that Seabreeze may not be properly posting their online rental ads. Counsel is investigating both issues and will report at the next board meeting. Mr. Lurner further pointed out that in discussions with security, it is apparent that Seabreeze is continuing to make errors with renter data being entered into the gate computer system, causing problems with processing vehicles through the gate.

**Motion** - A motion was made by Director Muller, seconded by Director Haack, and voted 5-0 to approve assigning Counsel to investigate the legal grounds to ban Seabreeze operations.

**b. Review of Security Proposals**

Staff was directed to solicit at least one additional security service proposal and be prepared to present all proposals at the next Board meeting.

**7. ANNUAL CONFLICT OF INTEREST FILING**

Manager Russell reported that all Directors and staff have completed the required Conflict of Interest Form 700 filing and that one Director, Patrick McNulty still needs to complete the online *Ethics Training for Elected Officials*. Director McNulty reported that he has started the program and will have it completed before the next Board meeting.

**8. FINANCE**

**a. Report of Monthly Expenses through thru February 2019**

Director Muller questioned the unrestricted amount showing on page 3 (Equity Unrestricted-Other \$689,495.09). Karen Morris will research why we are calling it Unrestricted and what this was established for. President Schwartz recommended transferring more of our reserves and savings into Farmers & Merchants Bank as per the following motion:

**Motion** - A motion was made by President Schwartz, seconded by Director McNulty, and voted 5-0 to approve transferring the total in the Wells Fargo Public Funds account, plus the total in the Sunwest Reserve account xxx3291, plus \$580K from Sunwest Checking account xxx2066, for a total of approx. \$1.05M, over to the District's main depository at Farmers & Merchants Bank.

**b. Revisions to the Annual Audit/Financial Statement**

Manager Russell reported that Director Muller and District staff completed a teleconference with Counsel and the District's Auditor where details regarding District reserves for next year's financial reporting will be more adequately addressed and explained.

**9. OLD BUSINESS**

**a. Undergrounding Utilities – Progress Report**

Dave Gutierrez reported that he has made good progress with mapping the existing community infrastructure with an almost-completed overlay map showing the preferred locations of transformers and street light poles. He went on to report that in a site meeting with SDGE, the representative pointed out that our existing overhead utility infrastructure is some of the most deteriorated and aged system he has ever seen.

**b. Beach Cleanup – Storm Drain Problem – Sidewalk Repairs**

- Beach cleanup was completed on March 4<sup>th</sup> but since then more debris has been washed onto our beach. This is due to the practice of the County in not cleaning their beach at the County Beach Park. The Board authorized a second cleanup effort, citing the extreme public safety hazard from all the logs and large tree limbs everywhere on the beach.
  
- Storm Drain Problem at 35595 is being worked on but progress is very slow due to the difficulty in

accessing the obstruction which is about 22 ft from the beach end. The obstruction consists of beach rocks, sand, gravel and a large mass of concrete. Manager Russell indicated it might be necessary to open the wood patio deck that's been built over the drain pipe to gain access to replace that section of the drain pipe.

- Sidewalk repairs at the community entrance is currently being bid. A selection of contractors will be made and the work commenced as soon as possible. The cost range is approx. \$6-7K.

**10. NEW BUSINESS**

**a. County Request for Temporary Detour of Public Bike Path**

The Board asked for a representative from the County to be in attendance at the next meeting to discuss the County's request to make temporary use of the District's maintenance yard as a detour of the public bike path while they shore up the embankment supporting the pathway. Manager Russell reported that District Counsel is currently reviewing a draft of the Temporary License Agreement that was submitted by the County.

**11. QUALITY OF LIFE DISCUSSION TOPICS**

**a. Lurner Report on Short Term Rental Control/City of Dana Point**

This item ended up being discussed under item 6a - Security

**12. WRITTEN COMMUNICATIONS**

President Schwartz directed Legal Counsel to respond in writing to the two letters from Alex Schwada, Attorney at Law, regarding shoreline protection.

**13. BOARD AND STAFF COMMENTS**

Next Board meeting on April 30, 2019

**14. ADJOURNMENT**

Adjourned the meeting at 9:05 PM.

**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 #651, held on April 2, 2019.

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

April 30, 2019  
DATE