

**SPECIAL MEETING #544  
CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS  
MINUTES**

**December 18, 2008  
OPEN MEETING – 9:30 AM**

**Capistrano Bay District Office  
35000 Beach Road, Capistrano Beach, CA 92624**

**A. CALL TO ORDER**

President Bancroft called the meeting to order at 9:32 AM.

**B. PLEDGE OF ALLEGIANCE**

**C. ROLL CALL**

Directors Present: Bancroft, Laster, Southwick, Martinez,

Directors Absent: Bell

Staff Present: Manager Russell

Public Present: Jerry Levinson

**D. PUBLIC COMMENTS**

There were no comments.

**E. APPROVAL OF MINUTES**

Motion was made by Vice President Laster, seconded by Director Southwick and passed 4-0 (Bell absent) to approve the minutes of meeting #543 of December 2, 2008. Director Southwick asked staff if the approved minutes each month could be mass emailed to the community in addition to having them posted on the District's website so homeowners could have them available a bit sooner. Manager Russell explained that any current set of draft minutes cannot go out to the public for a full month until approved at the next Board meeting although he has been posting the monthly "current draft copy" on the website ahead of official approval so homeowners wouldn't have to wait a full month to find out what took place at the meeting. President Bancroft voiced concern with providing public access to unapproved minutes by posting them on the website and recommended this practice be discontinued. Manager Russell will eliminate the "current draft minutes" from the website and begin emailing the "draft" minutes out to those homeowners who express a desire to see a copy ahead of the normal month long approval process.

**F. SECURITY ACTIVITY REPORT**

The security activity report was presented for review. There were no comments.

**G. MONTHLY FINANCIAL REPORT**

Special Meeting Minutes  
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Director-elect Jerry Levinson presented his findings regarding a study he conducted of the financial condition of the banks that WFB had placed CD's with. The three institutions are small community banks and were all rated for liquidity, % of equity in bad loans, net losses, etc. and none were rated high for the listed criteria. Additionally, given the condition of the economy right now, the importance of capital preservation far outweighs any effort to maximize on earned interest. He therefore recommended that the District consider placing all reserve funds into Treasury Bills to preserve the available cash. The Directors agreed with Dr. Levinson's findings and recommendation and took the following action: Two Motions were made by President Bancroft and Vice President Laster respectively, both seconded by Director Martinez and passed 4-0 and 3-0 (Director Southwick had left the meeting) to instruct Wells Fargo Bank to roll all CD's after maturity into Treasury Bills as follows: the \$235K CD at First Republic Bank coming due on December 22 shall be converted, along with the \$265,000 from the December Property Tax allocations (the directive of the second motion), into a 60-day \$500K Treasury Bill, the \$235K CD at Union Federal Savings Bank coming due on December 23 shall be converted into a 90-day \$235K Treasury Bill and the \$235K CD at Southern Community Bank & Trust coming due on January 20 shall be converted also into a 90-day \$235K Treasury Bill thus pacing out the general maturity dates of the T Bills at roughly one-month intervals.

**H. ADJOURNMENT**

Having no further business the meeting was officially adjourned at 10:28 AM.

**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 an *APPROVED* copy of the Minutes of the Special Meeting dated December 18, 2008.

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DONAL S. RUSSELL, MANAGER  
CAPISTRANO BAY COMMUNITY SERVICES DISTRICT

\_\_\_\_\_  
DATE