

ITEM 5

**REGULAR MEETING #690
CAPISTRANO BAY DISTRICT BOARD OF DIRECTORS
MINUTES
Tuesday, December 6, 2022
REGULAR MEETING 6:30 PM
OPEN TO THE PUBLIC**

1. CALL TO ORDER

District Manager Russell called the Meeting to order at 6:50 PM

2. PLEDGE OF ALLEGIANCE

District Manager Russell led attendees in the Pledge of Allegiance

3. ROLL CALL

Directors Present:	McNulty, Lurner and Misher
Staff:	Manager Russell, Admin Assist. Morris
Absent:	Directors Wiersig and Jenkins
Agents:	None
Contractors Present:	None
Guest Speakers:	None

4. PUBLIC COMMENTS

There were no public comments

5. APPROVAL OF MINUTES

Meeting #689 of November 15, 2022

Motion was made by Director Misher, seconded by Director Lurner and voted 3-0-2 (two Directors absent) to approve Minutes #689 of November 15, 2022, as submitted.

6. SECURITY

a. Monthly Security Report – November 2022

PC Stabenow reported that the month was very quiet with the exception of a purse theft in the 500-block in the afternoon. It had been raining and maybe the thief thought no one would be out – garage door was left open and vehicle unlocked – this is yet another reminder to keep garage doors closed and cars locked. Manager Russell added that the Sheriff was able to get access to a surveillance video of the suspect using the credit cards at Dick's Sporting Goods and sent two facial images to Security for possible identification, however, the suspect was no one we recognized. Manager Russell reiterated the importance of keeping garage doors closed and vehicles locked, since almost all thefts in our community occur in unlocked/unsecured vehicles and doors – breaking and entering almost never happens.

7. This Item is Left Purposely Blank

8. FINANCE

a. Monthly Expense Report

The expense report through October, 2022 was received and filed, without comment.

b. Review/Approval of Draft Financial Audit for FYE2022

Director Wiersig requested an explanation of the information on page 25 of the audit where the accountant makes reference to a section of expenditures under the title 'other' and what this includes.

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Manager Russell stated that with this item being the only issue, it would be acceptable to approve the draft audit tonight pending a clarification of Director Wiersig's question, to which the Board agreed:

MOTION was made by Board President McNulty, seconded by Director Lurner and voted 3-0-2 (two Directors absent) to approve the FYE22 Annual Financial Statement, pending Director Wiersig's request for clarification of the term 'other categories' on page 25 of the draft audit.

c. Revision to Operating Budget for Police Service and Staff Christmas Bonuses

Manager Russell pointed out that with the approval by the Board at the November meeting to continue the District Police Program through the end of June 2023, the budget for the program would have to be increased by \$21,445.00. The Board took the following action:

MOTION was made by Director Misher, seconded by Director Lurner, and voted 3-0-2 to approve the transfer of \$21,445 from Reserves to the income section of the FY23 Budget under GL Code #4135 to cover the continuation of Police Services to the end of the FY23 Fiscal Year.

Director Misher turned to the discussion of Christmas Bonuses for Security Staff, pointing out the value of such bonuses as an incentive to retain staff and interrupt the regular 'revolving door' of seeing new faces every few months. After some discussion and questions, the Board agreed to the following:

MOTION was made by Director Misher, seconded by Director Lurner, and voted 3-0-2 to approve bonuses at \$500 for staff working less than six months, \$1000 for all other security and staff, \$1500 to the Security Supervisor and \$2500 to the District Manager, and to transfer \$10,500 from Reserves to the income section of the FY23 Budget under GL Code #4135 to cover the increase in Christmas Bonuses from \$2000 (already in the budget) to \$12,500.

9. OLD BUSINESS

a. Advisory Committee Report

Manager Russell briefly summarized Old Business as follows:

- District Authority to Collect Contributions from Property Owners

Legal Counsel provided a 14 page opinion that details the legal pathway and authority for the District to impose special taxes to generate revenue for purposes related to the preservation and protection of Beach Road, with the protection of Beach Road being the underlying goal of the Advisory Committee.

- Evaluation of Homes for Possible 'Test Cases' for Shoreline Armoring Permits

The legal team representing the Committee and the District is close to completing their research in selecting candidates as 'test cases' for opening the door to obtaining 'after the fact' coastal development permits for shoreline armoring. Given the variety of existing conditions of homes, it is expected that there would be several test cases to work with.

- Progress Report/Information Letter to Homeowners

The Committee agreed that there has been enough progress made that an informational letter to homeowners before Christmas is warranted.

b. Road Striping

Manager Russell estimated that the road striping would be completed by Christmas.

c. OC Parks Beach Reconstruction/CCC Hearing

During the CCC hearing on November 16th, the Coastal Commission approved a beach reconstruction pilot project for the eroding beach at the north end of the OC Parks Beach parking lot, where the

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volleyball courts used to be. The plan is to bury 1150 LF of existing cobble berm beach beneath an experimental vegetated sand dune structure. With a price tag of between \$8M and \$14M, the burden will be on the County to find the money to pay for the project.

d. Renter Recovery Fees

As was explained under Agenda item 9a above, the District's authority to tax also applies to the idea of assessing rental property owners for recovery of resources expended in managing issues arising from rental activity. The District gets impacted in having to deal with rental problems, an activity that is outside of the District's formation charter to provide municipal services. The District, however, is bound by law to follow the guidelines within the Government Code and California law, specifically that of Proposition 218, which requires a local agency to conduct a vote of its constituents before creating such a tax mechanism. In other words, the District can't just come up with what seems like a fair renter fee and start charging rental owners, there is a lawful process the District must comply with.

10. NEW BUSINESS

a. Boat/RV Storage on Beach Road

Manager Russell reminded the Board of District Ordinance No. 13-202 that specifically limits the parking of RV's to 72 hours – this includes boats/utility trailers/camping trailers/motorhomes. Homeowner Jeff Lurner brought up the point that the District overflow parking near the community entrance sits mostly empty with only a few cars parked at any given time, except of course on Fourth of July, and that it would be a nice benefit to property owners to be allowed to park their boats in this area on a permanent basis. The discussion progressed to the idea of the District possibly charging a fee to those choosing to park their boats in this area, which led to a concern for who would be permitted and who would not, given there are only about 45-50 actual spaces and how many should be allowed, which in turn led to a concern for what such a storage arrangement might look like, as in view quality, and would this only be for boats or would it include other types of RV's.

Manager Russell suggested that in the time between now and the next Board meeting (January 31st), research should be done to first find out from counsel if such a fee arrangement is allowed by special Districts, maybe conduct a poll of the community to see if there is support or strong opposition, possibly check with other HOA's for how they handle RV parking; should this be limited to just boats or maybe trailers and also should there be a size limit, etc. Staff was directed to prepare a report for the January meeting.

11. QUALITY OF LIFE - CBRA DISCUSSION ITEMS

a. Short Term Rentals/CCC Hearing

The Coastal Commission, at their hearing on November 16th, approved the City's CDP application for STR's within the City's coastal zone (Beach Road, part of the Lantern District, some of downtown DP and The Strands). The overall impact to Beach Road will be the potential for an additional 40-45 STR's going into business here, once the City lifts the current STR moratorium.

12. WRITTEN COMMUNICATIONS

Manager Russell presented a certificate, sent to the District from SDRMA, the District's Workers Comp. insurance provider, acknowledging the District for another five-year period of no work-related injuries, resulting in our Experience Modification factor (EMOD) being reduced to 81%, meaning a 19% deduct from the regular workers comp rates set by the State Insurance Commissioner.

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13. BOARD AND STAFF COMMENTS

Manager Russell suggested future revisions to the Trash Enclosure guidelines as follows:

- consider an increase in the minimum percentage of landscaping (currently at 20%)
- consider developing a list of acceptable vegetation allowed to be planted
- consider prohibiting the use of industrial looking roll up doors

There was consensus to have this item on the January meeting agenda for consideration

NEXT BOARD MEETING: Tuesday, January 31st, 2023, 6:30 PM

ADJOURNMENT Manager Russell adjourned the meeting at 8:40 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 #690, held on December 6th, 2022.

Donal S. Russell

DONAL S. RUSSELL, Manager
Capistrano Bay Community Services District

January 31, 2023

DATE