



De Luz Community Services District

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BOARD OF DIRECTORS
MICHAEL ADAMS
GENE BIANCHI
BRYAN BUESCHER
SUSAN EGGE
STEVE RUBIN

GENERAL MANAGER
ROB HOLMES

MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS OCTOBER 19, 2011 6:00 P.M.

A. Call to Order & Roll Call

A Regular Meeting of the De Luz Community Services District was held at the De Luz Community Services District Office commencing at 6:00 p.m. on October 19, 2011. Present at the meeting were the following Directors:

Director Adams
Director Bianchi
Director Buescher
Director Egge
Director Rubin

General Manager Holmes, Assistant Secretary Ruzek, and General Counsel Jackson were also present.

President Rubin led the flag salute.

B. Sheriff

Deputy Donoho gave the Sheriff's Report for September 2011 and updated the Board on October activities. The written report is on file with the District. He reported on a house burglary on Via Vaquero; vandalism and theft of items in three parked cars on Camino Potro, and a fatal collision on Rancho California Road and Camino Seco, neither of which are District maintained roads. He also stated that District residents are making a conscientious effort to be aware of their surroundings and are reporting any suspicious activities.

C. Public Comment

Carole Bell, Reserve Manager for the Santa Rosa Plateau Ecological Reserve and Department of Fish & Game stated that the aforementioned agencies own a few

parcels off Camino Potro. She informed the Board that the Nature Conservancy is encouraging the Department of Fish & Game to consider closing off the foot trail on Camino Porto in order to discourage illegal activities.

D. Information Only

The Board received the September Financial Reports, Statement of Investment Policy, Certified Audit for FY 2010-2011, and CSDA Memorandum for 2012 Committee & Expert Team Participation.

E. Consent Calendar

Motion was made by Bianchi, seconded by Buescher, to approve the Consent Calendar.

The motion carried unanimously.

F. Discussion of Legal Matters

General Counsel Jackson reported that Governor Brown did not veto SB 293 (*Padilla*) as hoped and signed it into law on October 7, 2011. The Bill, which now limits a public entity's right to withhold a maximum of 5% from a contractor's progress payment, will go into effect on January 1, 2012 for a term of four years.

General Counsel Jackson also reported on two follow-up items from last month. With regard to fencing off a District road, he reported that the Government Code does allow a CSD certain enumerated powers to provide for the security of public safety and that fences fall within the De Luz CSD's scope of services as outlined in the District's Ordinance Code. However, he advised the Board to proceed with caution and recommended that the individual parcel owners be contacted for their input and cooperation.

As to the matter of the lighting at District mailboxes, he reported that lighting is not within the scope of services of De Luz CSD, that the District's Charter and Ordinance Code would have to be amended requiring Board action, and therefore recommended the item be placed on next months agenda for further discussion.

At this time, the Board proceeded to Agenda Item K.

K. Approval of Request for Contribution to Santa Margarita River Watershed Cleanup

Carole Bell, Reserve Manager for the Santa Rosa Plateau Ecological Reserve and Department of Fish & Game addressed the Board regarding the history of the watershed cleanup, District involvement, and requested that the District continue to financially support this project.

Motion was made by Buescher, seconded by Bianchi, to contribute \$750.00 to the Nature Conservancy to be used to offset expenses of the Santa Margarita Watershed Cleanup.

The motion carried unanimously.

Director Buescher suggested coordinating the District's Bulky Item Drop off with the Santa Margarita Watershed Cleanup in the future.

At this time, the Board returned to Item G.

G. Acceptance of Project: FEMA Project #DCSD-09, Erosion Repair to Sandia Creek Drive

General Manager Holmes reported that this project was for storm related repairs to Sandia Creek Drive. The work was performed by Sean Malek Engineering & Construction for a total cost of \$24,000.00, funded by Primary Zone Roadway Rehabilitation Funds with reimbursement from FEMA/CalEMA. He recommended that the Board approve the Final Inspection Notice and accept the project as complete in accordance with District Standards and Specifications.

Motion was made by Bianchi, seconded by Buescher, to accept the FEMA Project #DCSD-09, Erosion Repair to Sandia Creek Drive as complete.

The motion carried unanimously

H. Award of Contract: Improvements to Vuelta Grande & Vuelta Chica; Drainage & Roadway Improvements to Calle Capistrano (n/o Via De Larga Vida), and Carancho Road Slump Repair (at Arch Culvert #2)

General Manager Holmes reported that there were six valid bids received for this project. The Engineer's Estimate was \$310,000.00 and the low bidder was Peters Paving & Grading, Inc., in the amount of \$280,579.90. Funding for this project will be

Roadway Rehabilitation Funds as follows: \$57,440.40 (Primary Zone); \$201,674.50 (Zone I); \$3,965.00 (Zone IV), and \$17,500.00 (Zone IV Budget Item #1).

Motion was made by Buescher, seconded by Egge, to adopt Resolution No. 11-27:

Awarding a Contract for Improvements to Vuelta Grande & Vuelta Chica; Drainage & Roadway Improvements to Calle Capistrano (n/o Via De Larga Vida), and Carancho Road Slump Repair (at Arch Culvert #2)

The motion carried unanimously

I. Amendment to Nationwide Retirement Solutions Deferred Compensation Plan: Adding Participant Loan Program and Roth IRA

Assistant Secretary Ruzek explained that recently issued proposed regulations under Internal Revenue Code Section 457 provide that eligible governmental 457(b) plans may permit loans to Participants, and the Small Business Jobs Act of 2010 permits same plan to adopt provisions to establish Roth elective deferral accounts and accept after-tax contributions. She stated adding the Loan Program and Roth IRA elective does not incur any additional costs to the District.

Motion was made by Bianchi, seconded by Buescher, to approve Amending the District's 457 Deferred Compensation Plan Documents to add Participant Loan Program and Roth IRA elective.

The motion carried unanimously

J. Approval of Partial Refund of Deposits: Tract 29851

General Manager Holmes explained that the Developer of Tract 29851 had a Development Agreement with the District for drainage improvements in Via Santa Rosa for which a \$200,000 cash deposit was placed in lieu of bond. However, the Developer defaulted on the agreement and construction stalled. In order to finish the improvements, the District required the property owners to enter into an Agreement with the District to complete the balance of the improvements. Seven of the ten lots have deposits on file with the District. At this time, Property Owner and Developer deposits exceed final construction costs. Therefore, he recommended a partial refund back to the appropriate property owner and stated the remaining three lots will be required to make tiered deposits which will be used to complete the reimbursements.

Motion was made by Buescher, seconded by Bianchi, to approve partial refund of deposits to the appropriate property owners of Tract 29851.

The motion carried unanimously.

L. Finance Committee Report

Director Bianchi reported that at their recent meeting, the Finance Committee discussed the method for reimbursing property owners of Tract 29851, amending the District's 457 Deferred Compensation Program, and more formatting options for the Roadway Rehabilitation spreadsheet. He also reported that future DIF distributions would be made quarterly to each zone.

M. Engineering Committee Report

Director Buescher reported that at their recent meeting, the Engineering Committee reviewed the Roadway Rehabilitation spreadsheet and made recommendations as to its format. The Committee also reviewed recently completed projects, and the current crack and slurry project. He stated that the General Manager has not yet been able to connect with the new SCE contact person regarding the Sycamore Mesa project. General Manager Holmes will investigate a wash-out on El Calamar Road that was reported by a property owner.

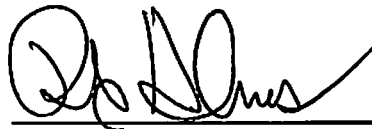
The Committee also commended General Manager Holmes for the progress accomplished on construction projects.

N. General Manager's Report

General Manager Holmes presented his written report which is on file with the District Office.

N. Adjournment

There being no further business, President Rubin adjourned the meeting at 7:09 p.m.



Rob Holmes
Secretary, Board of Directors

ATTEST:



Steve Rubin
President, Board of Directors