

**MINUTES
REGULAR MEETING
OF THE BOARD OF DIRECTORS
MAY 20, 2009
6:00 P.M.**

A. Call to Order & Roll Call

A meeting of the De Luz Community Services District was held at the De Luz CSD Office commencing at 6:00 p.m. on May 20, 2009. Present at the meeting were the following Directors:

Director Adams
Director Bianchi
Director Boyer
Director Buescher
Director Rubin

General Manager Holmes and General Counsel Jackson were also present.

President Rubin led the flag salute.

B. Sheriff

Deputy Folia gave the Sheriff's Report for April 2009 and updated the Board on May activities. The written report is on file with the District.

C. Annexation

General Manager Holmes gave a brief history of the City of Temecula's request to LAFCO to annex land that includes a small portion of Zone V. A City representative distributed copies of the proposed agreement between the City and De Luz CSD that memorializes that all parcels currently in the De Luz CSD would remain within the DLCSO.

Motion was made by Buescher, seconded by Adams to approve the Memorandum of Understanding between the De Luz Community Services District and the Temecula Community Services District Detailing the Administrative and Operational Relationships of each Agency with Respect to Certain Parcels Common to each District within the Proposed Santa Margarita Annexation Area.

The motion carried unanimously.

D. Refuse Franchise

General Manager Holmes reported that Waste Management would not be requesting an increase in service fees this year. He also noted that the District does not currently charge a franchise fee. Counsel noted that a public hearing would be required to impose the fee.

E. Public Expression

None.

F. Information Only

The Board received the Statement of Investment Policy.

G. Consent Calendar

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

The motion carried unanimously.

H. Discussion of Legal Matters

General Counsel Jackson updated the Board on State government responses and reactions to the defeat of Propositions 1A through 1E.

I. Review of the District Budget

The Board reviewed the 2009-2010 proposed District budget.

General Manager Holmes was asked to research alternative office locations and lease/purchase options. General Counsel Jackson was asked to provide documentation for consideration of his retainer increase.

J. General District Election Notice and Candidates' Statement

The Registrar of Voters requires the approval of this Notice in conjunction with the election of Directors to be held on November 3, 2009. The Resolution being presented for adoption directs that the payment of the cost of a candidates' statement be borne by that candidate, and that the statement be limited to 200 words.

Motion was made by Buescher, seconded by Adams, to approve the Notice of General District Election and to adopt Resolution No. 09-05:

Directing that the Payment of the Cost of Statement of Qualifications Filed by a Candidate for Election as a Director of the District shall be Paid by the Candidate and Limiting the Statement to 200 Words

The motion carried unanimously

K. Nomination of Candidate for SDRMA Board of Directors

The Board took no action on this item.

L. Finance Committee Report

Director Adams reported that no Finance Committee meeting was held in May.

M. Engineering Committee Report

Director Buescher reported that at their recent meeting the Engineering Committee reviewed upcoming projects.

N. General Manager's Report

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

O. Executive Session

The Board met in closed session pursuant to the provisions of Government Code Section 54957 to review the performance of a public employee (General Manager).

The Board reconvened in open session.

P. General Manager's Contract

The Board discussed that the CPI for the past year did not increase, and that the economy was in recession.

In light of his favorable appraisal amid tough economic times, motion was made by Adams, seconded by Buescher to approve a 1% salary increase for General Manager Holmes.

The motion failed by the following roll-call vote: Adams, aye; Bianchi, noe; Boyer, noe; Buescher, aye; Rubin, noe.

Q. Adjournment

There being no further business, President Rubin adjourned the meeting at 7:33 p.m.

Rob Holmes
Secretary, Board of Directors

ATTEST:

Steve Rubin
President, Board of Directors