



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 16, 2013 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 at 6:00 p.m. on October 16, 2013. Present at the meeting were the following Directors:

Director Adams
Director Bianchi
Director Buescher
Director Egge
Director Rubin

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

President Rubin led the flag salute.

B. Sheriff

Deputy Simmons gave the Sheriff's Report for September 2013 and updated the Board on October activities. He reported on the removal of marijuana plants from a residence on Sandia Creek Drive; an individual was cited and the case will go before the District Attorney; speed monitoring continues on Sandia Creek Drive. He also stated that he has contacted the California Highway Patrol for assistance in patrolling Sandia Creek Drive.

C. Public Comment

Residents Michelle Jones, Terry Thomas, and Cheryl and Doug Warren

addressed the Board regarding road conditions and the construction schedule for Avenida Del Oro.

President Rubin informed the residents that the rehabilitation of Avenida Del Oro has been made a priority for the 2013-2014 budget year; however, due to funding levels in Zone IV the project will be done in various phases. President Rubin also informed the residents that the Engineering Committee meeting is where the planning phase for construction takes place and encouraged them to attend.

Leslie Fredett, resident and Realtor, addressed the Board regarding the Districts sign Ordinance, in particular, real estate advertising signs. She requested that the Board consider allowing more than one sign per property.

Kaylee Delsindico and Shelly Weier, both residents and Realtors, spoke in favor of the District's existing sign Ordinance which allows one sign per property.

Jim Fredett, resident, asked the Board for clarification regarding signs in the right-of-way versus on private property. General Manager Holmes explained the various widths of a roads right-of-way; however if signs are placed outside the District's jurisdiction, they would be subject to (if one exists) any Property Owner's Association regulation.

D. Public Hearing on the Resolution of Intention to Establish Proposed Community Facilities District No. 2014-1 (Services) and Authorizing the Levy of a Special Tax

President Rubin opened the Public Hearing to Establish Community Facilities District No. 2014-1 (Services) and to Authorize the Levy of a Special Tax. He stated that the Notice of Public Hearing was published in the Press Enterprise on September 26, 2013.

Paul Thompson from Webb Associates stated this is the second step in the formation process of the proposed Community Facilities District No. 2014-1 (CFD No. 2014-1) after the adoption fo the Resolution of Intent on August 21, 2013, and also reviewed Engineer's Report. The Report containing a description of the services being financed within and for the Community Facilities District and an estimate of the cost of providing such services, was prepared pursuant to Section 53321.5 of the California Government Code.

Mr. Thompson stated that the CFD is being proposed to address a coming shortfall in funding under the District existing single-tier benefit fee structure which has not changed in approximately 35 years and cannot be increased above its current

levels. He also stated that the special election called for is a special tax which will replace the existing benefit fee structure with a special tax that will allow for the possibility of very modest increases of not more than 2% annually.

President Rubin opened the Hearing to public comment.

Questions and comments were received from residents Michelle Jones, George Wilkinson, Jim Fredett, Harold Rouse, and William Uncapher. President Rubin informed the audience that informational meetings will be held in the upcoming months prior to the election.

President Rubin asked the Board Secretary if any written protests were received. General Manager Holmes stated there were none.

President Rubin stated if more than fifty percent (50%) of registered voters (at least 6), or if the owners of more than 50% of the land area contained within the proposed CFD protest, then the District shall not proceed with the formation of CFD No. 2014-1, and shall refrain from pursuing formation for at least one year thereafter. If more than fifty percent (50%) of registered voters protest only against specific facilities, services, or the levy of the special tax, only those items protested shall not proceed, and shall be suspended for at least one year thereafter.

President Rubin asked the Board Secretary whether there are any person registered to vote in the territory of the District. General Manager Holmes stated that there are more than 12 registered voters; therefore, this will be a registered voter election. It was determined that the special election will be on February 13, 2014.

There being no further comments, President Rubin closed the Public Hearing.

E. Resolution Establishing Community Facilities District No. 2014-1 (Services)

Motion was made by Bianchi, seconded by Adams, to adopt Resolution No. 2013-15:

Establishing Community Facilities District No. 2014-1 (Services) for the De Luz Community Services District, County of Riverside, State of California, and the Boundaries Thereof

The motion carried unanimously.

F. Resolution Calling a Special Election and Submitting to the Voters of the Community Facilities District No. 2014-1 Proposition with Respect to the Annual Levy of Special Taxes Pay the Costs of Certain Services to Be Provided and Establishing an Appropriations Limit

Motion was made by Buescher, seconded by Bianchi, to adopt Resolution No. 2013-16:

Calling a Special Election and Submitting to the Voters of the Community Facilities District No. 2014-1 of the De Luz Community Services District a Proposition with Respect to the Annual Levy of Special Taxes Within Said CFD to Pay the Costs of Certain Services to Be Provided and Establishing an Appropriations Limit for Said CFD.

The motion carried unanimously.

G. Information Only

The Board received the September Financial Report, the Statement of Investment Policy, and Certified Audit for FY 2012-2013.

H. Consent Calendar

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

The motion carried unanimously.

I. Discussion of Legal Matters

General Counsel Jackson reported on the recent meeting with Riverside County Board Supervisor Kevin Jeffries. Also attending were General Manager Holmes and Director Rubin. The attendees discussed the District's Parking Ordinance as well as various other District related topics.

J. Acceptance of Project: Rehabilitation of a portion of via Vaquero Road - Phase II-A and a Portion of el Prado Road - Phase VI

General Manager Holmes reported that this project was for the rehabilitation of Via Vaquero Road and the final phase of El Prado Road. The work was performed by Peters Paving & Grading, Inc., for a total of \$333,678.88 funded by Primary Roadway

Rehabilitation (\$201,117.68) and Zone IV Funds (\$132,561.00). He explained that the variance in cost was due to an additional culvert and actual field measured quantities. 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 Rehabilitation of a Portion of Via Vaquero Road - Phase II-A, and a Portion of El Prado Road - Phase VI Project as complete.

The motion carried unanimously.

K. Finance Committee Report

Director Egge reported that at their recent meeting, the Finance Committee reviewed the District claims and the District audit. She stated the Committee is continuing to explore options regarding the Sheriff's funding levels and is waiting on additional information from the Sheriff's Department before presenting a recommendation to the Board.

L. Engineering Committee Report

Director Rubin reported that their recent meeting, the Engineering Committee discussed future project and defined Zone IV "Project A" as a portion of Avenida Del Oro.

M. Ad-Hoc Walker Basin Committee

Director Rubin reported that at their recent meeting, the Ad-Hoc Committee met with the new owners of Walker Basin to discuss various options of the development including the possibility of annexation. He stated that the County has currently received two Tentative Tract Maps (TPM) for review and comment and the Committee's concern is that the maps are being submitted individually absent the rest of the Walker Basin project. The Committee will continue to monitor the process so that the project is not done in "pieces", but all maps are to be considered as a whole development.

N. General Manager's Report

General Manager Holmes presented his written report which is on file with the District Office. He stated that the 2013 Carancho Road Slurry Seal project will begin in November.

O. Executive Session

The Board met in closed session pursuant to the provisions of Government Code §54956.9(d)(2): potential litigation against the District (one case).

The Board reconvened in open session.

The Board took no action in closed session.

P. Adjournment

There being no further business, President Rubin adjourned the meeting at 7:45 p.m.



Rob Holmes
Secretary, Board of Directors

ATTEST:



Steve Rubin
President, Board of Directors