



De Luz Community Services District

BOARD OF DIRECTORS

Michael Adams Gene Bianchi Bryan Buescher Robert D'Alessandri Rami Mina

GENERAL MANAGER

Rob Holmes

MINUTES REGULAR MEETING OF THE BOARD OF DIRECTORS JUNE 21, 2017 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 CSD office commencing at 6:00 p.m. on June 21, 2017. Present at the meeting were the following Directors:

Director Adams
Director Bianchi
Director Buescher
Director D'Alessandri
Director Mina

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

President Bianchi led the flag salute.

B. Sheriff

Deputy Deputy Garcia gave the Sheriff's Report for May 2017 and updated the Board on June activities. He reported on recent burglaries, a fraud investigation, an incident at a rehab house, and a death by suicide. The written report is on file with the District.

C. Approval of Sheriff's Contract

Assistant Secretary Ruzek explained that the Contract being considered for renewal is identical in form to the last years' Sheriff's contract and is for one contract Deputy.

Motion was made by Buescher, seconded by Adams, to approve renewal of the Contract for one full-time Deputy from Riverside County for Fiscal Year 2017-2018.

The motion carried unanimously.

D. Public Comment

None.

E. Public Hearing on the Written Report of the Directors

President Bianchi opened the Public Hearing on the Written Report of the Directors for Fiscal Year 2017-2018.

General Manager Holmes explained that the Written Report contains the scope of work to be done and the zones benefitted by that work.

The Written Report and the Affidavit of the Notice of Publication of the Hearing on the Written Report were received into evidence and made a part of the Hearing.

President Bianchi opened the Hearing to public comment.

There being no public comment, the Hearing was closed by President Bianchi.

F. Ordinance Adopting the Written Report of the Directors

Director Buescher pointed out a typographical error in the Ordinance.

Motion was made by Buescher, seconded by D'Alessandri, to adopt Ordinance No. 2017-01 subject to the correction of the typo:

Adopting the Written Report of the Directors, Establishing the Zones of Benefit for Services Provided, the Scope of Services to be Performed, and the Charges to be Rendered for Road Maintenance and Police Services Provided to Property Owners in the District during Fiscal Year 2017-2018

The motion carried unanimously.

G. Public Hearing on the Budget

President Bianchi opened the Public Hearing to consider the adoption of the District Budget for Fiscal Year 2017-2018.

General Manager Holmes explained the method of calculating the budget and the zone benefit fees.

The Budget and Affidavit of the Notice of Publication of the Hearing on the Budget were received into evidence and made a part of the Hearing.

President Bianchi opened the Hearing to public comment.

There being no public comment, the Hearing was closed by President Bianchi.

H. Resolution Adopting the Budget

Motion was made by D'Alessandri, seconded by Mina, to adopt Resolution No. 2017-09:

Determining and Adopting the Budget for Fiscal Year 2017-2018

The motion carried unanimously.

I. Consideration of Notice of Exemption

General Counsel Jackson explained that the Notice of Exemption, which is filed with the Riverside County Clerk, states that the Budget is an exempt act under CEQA. It is not a project under the Public Resources Code of the State and is categorically exempt under that Code. He asked that the Board make the finding of "no project" and approve the Notice of Exemption.

Motion was made by Buescher, seconded by Adams, to make a finding of "no project" and to approve the Notice of Exemption for Establishment of Rates and Charges for Services Performed in Fiscal Year 2017-2018.

The motion carried unanimously.

J. Resolution Electing to Have All Charges Collected on the Tax Roll

Motion was made by Buescher, seconded by D'Alessandri, to adopt Resolution No. 2017-10:

Electing to Have All Charges for Services Provided in the District during Fiscal Year 2017-2018 Collected on the Tax Roll of the County of Riverside

The motion carried unanimously.

K. Information Only

The Board received the May Financial Report and Statement of Investment Policy.

L. Consent Calendar

Motion was made by Buescher, seconded by D'Alessandri, to approve the Consent Calendar.

1. Minutes of the May 10, 2017 Special Board Meeting (Budget Workshop)
2. Minutes of the May 17, 2017 Regular Board Meeting
3. General Fund Claims (for ratification): \$94,060.57
4. Sheriff's Fund Claims (for ratification): \$6,791.80

The motion carried unanimously.

M. Discussion of Legal Matters

1. Request for adjustment to legal retainer.

General Counsel Jackson requested an increase in the firm's legal retainer from \$2,000 to \$2,500 per month for the coming fiscal year. He stated that the rate has not been increased during the last seven (7) years. He further explained that documentation was previously submitted prior to the preparation of the budget that substantiates the increase in level of services; that a substantial amount of attorney time and firm resources have been utilized as a result of a number of different District initiatives, of which many are still ongoing.

Motion was made by Buescher, seconded by Adams, to increase the legal retainer to the Law Offices of Scott & Jackson to \$2,500 per month.

Director Mina stated that, and as he had mentioned during the budget hearing on May 10, 2017, felt it was premature to move forward with an increase to the legal retainer. He further stated that he believed there was going to be a discussion on District Counsel in Closed Session regarding the performance of legal Counsel and to address any grievances the Board may have. He also stated President Bianchi had informed him that the discussion would be postponed due to the District's full calendar.

Motion was made by Mina, seconded by D'Alessandri, to table the item until the District's calendar permits time to address the issue.

General Counsel Jackson advised the Board on the procedure to proceed with the motions presented.

The second motion carried by the following roll call vote: Mina, aye; D'Alessandri, aye; Bianchi, aye; Adams, noe; Buescher, noe.

The motion to table the item superceded the first motion.

N. General District Election Notice and Candidates' Statement

Assistant Secretary Ruzek explained that the Registrar of Voters requires the approval of this Notice in conjunction with the election of Directors to be held November 7, 2017. 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 adopt Resolution No. 2017-11:

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.

O. Ad-hoc Marketing Outreach Committee Report

Director D'Alessandri reported that the Committee is continuing to move forward with outreach strategies with Sentium Strategic Communications as outlined in the proposed timeline.

P. Finance Committee Report

Director Mina reported that at their recent meeting, the Finance Committee discussed the CHP contract proposal. He stated that the CHP will no longer provide services on a monthly basis, and that the program now requires a minimum of a two-year contract.

Q. Approval of California Highway Patrol Contract

A two-year contract beginning July 1, 2017 thru June 30, 2019 in the amount of \$78,349.44 was presented to the Board for consideration.

Motion was made by Mina, seconded by D'Alessandri, to approve a two-year contract for CHP services in the amount of \$78,349.44.

Director Buescher stated there was no termination clause in the contract. Discussion followed and Staff was directed to inquire about a termination clause.

Motion was made by Buescher, seconded by Mina, to table the item until a termination clause is determined.

The motion carried unanimously.

The motion to table the item supercedes the first motion.

R. Engineering Committee Report

Director Buescher reported that at their recent meeting, the Engineering Committee reviewed and discussed the PMS report from Dynatest; FEMA progress in which Staff is awaiting site inspections, and cautionary signs on El Prado Road. He also reported that Field Staff has indicated that roadside mowing is complete.

S. Sandia Creek Drive/Riverside County Service Agreement

Director Mina recused himself and left the room in light of the fact that his residence is located adjacent to the matter under discussion.

Property Owner, Guy Kinsman, expressed his concerns regarding traffic on Sandia Creek Drive.

Director Buescher reported that he and General Manager Holmes met with representatives of the County of Riverside regarding the County taking over maintenance and responsibility of Sandia Creek Drive from Rancho California Road, which will include a portion of Avenida Del Oro, to the San Diego County line. Discussion followed.

Motion was made by Buescher, seconded by Adams, to move forward and continue discussions with the County of Riverside regarding the possibility of taking on the maintenance and responsibility of Sandia Creek Drive.

The motion carried unanimously.

Director Mina re-entered the meeting.

T. General Manager's Report

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

The Board adjourned to Closed Session.

Closed Session

U. The Board met in closed session pursuant to the provisions of Government Code Section §54955.9(d)(2): Superior Court of California, County of San Diego Case #37-2017-00013557-CU-PA-NC; Melissa Forster v. De Luz Community Services District.

V. The Board met in closed session pursuant to Government Code Section §54956.9(d)(4): Conference with Legal Counsel Concerning Potential Litigation - one case

W. The Board met in closed session pursuant to the provisions of Government Code §54957: Review the performance of a public employee (General Manager).

X. The Board met in closed session pursuant to the provisions of Government Code §54957(b): Consideration of appointment or employment of public employee.

The Board reconvened in open session.

General Counsel Jackson reported that the Board took no action regarding Agenda Items U and V;

With regard to Agenda Item W, the Board reviewed the performance of the General Manager;

With regard to Agenda Item X, the Board directed the Committee to take appropriate action.

Y. Adjournment

There being no further business, President Bianchi adjourned the meeting at 8:50 p.m.



Rob Holmes, Secretary
Board of Directors

ATTEST:



Gene Bianchi, President
Board of Directors

*Byron Broschton, Vice President
for Gene Bianchi*