

**MINUTES
REGULAR MEETING
OF THE BOARD OF DIRECTORS
February 22, 2006
6:00 p.m.**

A. Call to Order & Roll Call

A Regular Meeting of the Santa Rosa Community Services District was held at the Santa Rosa CSD Office commencing at 6:00 p.m. on February 22, 2006. Present at the meeting were the following Directors:

Director Bianchi
Director Boyer
Director Kelly
Director Rubin
Director Whittington

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

The flag salute was led by President Rubin.

B. Sheriff

The deputies were not present at the meeting, and their written report has not yet been received.

C. Presentation Of Commendations:

Neither former Directors Buescher, Demos, and Roy, nor former General Manager John Rogers were present to receive their commendations.

D. Public Expression

None.

E. Information Only

The Financial Statements and Statements of Reimbursement and Investment Policy were received by the Board.

F. Consent Calendar

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

The motion carried unanimously.

G. Discussion of Legal Matters

Assistant General Counsel Jackson discussed one city's recent actions regarding criticism of public officials.

H. Budget Workshops

Assistant Secretary Gipson presented proposed dates for the Budget workshops and hearing, and by consensus the Board approved the following dates:

May 10, 2006:	Workshop
May 24, 2006:	Review
June 28, 2006:	Adoption of Budget and Written Report

I. Resolution Setting Hearing on the Budget

The Board was presented with a resolution setting the hearing on the 2006-2007 Budget for June 28, 2006 at 6:00 p.m. at the District Office.

Motion was made by Boyer, seconded by Rubin to adopt Resolution No. 06-04:

Setting a Hearing upon and Directing the Publication of a Notice of Hearing upon the Budget of the District for the Fiscal Year 2006-2007

The motion carried unanimously.

J. Resolution Setting Hearing on the Written Report

The Board was presented with a resolution setting the hearing on the 2006-

2007 Written Report for June 28, 2006 at 6:00 p.m. at the District Office.

Motion was made by Boyer, seconded by Bianchi to adopt Resolution No. 06-05:

Setting a Hearing and Directing the Publication of a Notice of Hearing upon the Written Report of the Board of Directors Concerning Services to be Performed and the Passage of an Ordinance Prescribing Charges for these Services during the Fiscal Year 2006-2007

The motion carried unanimously.

K. Line of Credit at Mission Oaks National Bank

Assistant Secretary Gipson explained that the FEMA projects awaiting construction need to be prepaid with District funds, and are obligated by FEMA to be reimbursed upon completion. The requirement from FEMA that we advance funds for their projects has placed the District in a cash flow shortage that will not allow Staff to go ahead with planned budget work and rehabilitation projects. Therefore, dialogue has ensued with Mission Oaks National Bank regarding a line of credit to accomplish the FEMA project advances. The Bank has agreed to establish a \$500,000 secured line of credit upon the deposit of funds equal to the line. Our interest rate on the loan will be 5.05%, and our deposit will yield 4.13%.

Staff proposed that the following be pledged as collateral for the line of credit: \$325,000 from Zone I Special Paving Fund and \$175,000 from Zone V Special Paving Fund. This will leave sufficient monies in the Zone I Special Paving Fund at LAIF to construct the next project in line; Buena Loma. The Zone V Special Paving Funds are frozen until the vacation of Via Novillo is accomplished, which is projected in January 2007. It is anticipated that all the FEMA projects will be completed by August 2006, and the collateral for this loan will be redeposited into the appropriate LAIF accounts at that time.

Motion was made by Kelly, seconded by Whittington to approve opening a \$500,000 line of credit with Mission Oaks National Bank, secured by a CD funded with Zone I and Zone V Special Paving Funds, for the purpose of constructing FEMA reimbursable projects necessitated by the floods of January 2005. Additionally, Jill Gipson will be added to those authorized to make deposits and withdrawals on the account.

The motion carried unanimously.

L. Engineering Committee Report

Director Rubin reported that at the Engineering Committee meeting on February 15th, the Committee discussed the mailbox situation, Thyzel Court, signage at the bus stops, and project priorities.

M. General Manager's Report

Interim General Manager Holmes discussed projects in process and being planned, an update on the progress of the new DIF report, and his upcoming meeting with property owners on Rock Mountain Road.

N. Adjournment

There being no further business, President Rubin adjourned the meeting at 6:54 p.m.

Rob Holmes
Secretary, Board of Directors

ATTEST:

Steve Rubin
President, Board of Directors