

**MINUTES
REGULAR MEETING
OF THE BOARD OF DIRECTORS
JULY 25, 2007
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 July 25, 2007. Present at the meeting were the following Directors:

Director Bianchi
Director Boyer
Director Rubin
Director Thomas

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

President Rubin led the flag salute.

A moment of silence was observed in memory of Director Walt Kelly.

B. Sheriff

Deputy Ridley gave the Sheriff's Report for June 2007 and updated the Board on July activities. The written report has not yet been received by the District.

C. Office Relocation

Chuck Crandall from Bureau Veritas compared the District's current office lease with the assumed costs to purchase a comparable space within an industrial area of Murrieta while renting a yard within the District boundaries.

The Board directed Mr. Crandall to analyze the costs and benefits of purchasing a 5-acre useable parcel and building a 3000 square foot building with yard and garage space, and to compare that with the cost of purchasing a building in town.

Mr. Crandall plans to meet with the Ad-hoc Relocation Committee and will report the results of his study at the August Board Meeting.

D. Public Expression

None.

E. Information Only

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

F. Consent Calendar

Motion was made by Rubin, seconded by Thomas, to approve the Consent Calendar.

The motion carried unanimously.

G. Discussion of Legal Matters

General Counsel Jackson provided the Board with forms for the evaluation of the General Manager and discussed the process.

General Counsel Jackson discussed the Board vacancy left by the death of Walt Kelly. He explained that the timing of the vacancy relative to the next general election mandates that the seat will remain vacant until the election of Directors in November.

H. Approval of Plans and Specs: 2007 Slurry Seal Project

General Manager Holmes presented the Plans and Specifications for the District-wide 2007 Slurry Seal project. The Engineer's estimate is \$360,000 and the project will be funded with Roadway Rehabilitation funds from the appropriate zones.

Motion was made by Rubin, seconded by Thomas, to adopt Resolution No. 07-13:

Approving the Plans and Specifications for the 2007 Slurry Seal Project

The motion carried unanimously.

I. Approval of Plans and Specs: FEMA La Cruz, Terreno and Serreno Roads

General Manager Holmes presented the Plans and Specifications for three FEMA small projects on La Cruz, Terreno and Serreno Roads. The Engineer's estimate is \$150,000 and the project will be funded with Zone IV Roadway Rehabilitation funds with reimbursement anticipated from FEMA.

Motion was made by Thomas, seconded by Rubin, to adopt Resolution No. 07-14:

Approving the Plans and Specifications for the FEMA/OES Project #RIVSR-4 Repair to La Cruz Road Embankment and Roadway; FEMA/OES Project #RIVSR-17 Repair to Terreno Road Drainage and Roadway; FEMA/OES Project #RIVSR-21 Repair to Serreno Road Embankment and Roadway

The motion carried unanimously.

J. Award of Contract: FEMA La Cruz, Terreno and Serreno Roads

General Manager Holmes reported that there were seven approved bidders for this project, and three responsive bids were received. The low bidder was Peters Paving and Grading, Inc. in the amount of \$149,432. This project will be funded with Zone IV Roadway Rehabilitation Funds, with reimbursement anticipated from FEMA.

Motion was made by Thomas, seconded by Rubin, to adopt Resolution No. 07-15:

Awarding a Contract for the FEMA/OES Project #RIVSR-4 Repair to La Cruz Road Embankment and Roadway; FEMA/OES Project #RIVSR-17 Repair to Terreno Road Drainage and Roadway; FEMA/OES Project #RIVSR-21 Repair to Serreno Road Embankment and Roadway

The motion carried unanimously.

K. Designation of Signers on Bank Accounts

Assistant Secretary Gipson explained that the bank is requiring a new resolution, in the name of De Luz Community Services District, designating signers on the District accounts.

Motion was made by Thomas, seconded by Rubin, to adopt Resolution No. 07-16:

Designating Parties Authorized to Sign on District Bank Accounts and Designating Parties Authorized to Make Transfers between District Accounts

The motion carried unanimously.

L. Notice of Board Vacancy

This item was discussed previously under Agenda Item "G".

M. Finance Committee Report

Director Bianchi reported that the Committee discussed the calculations involved in setting the Sheriff's rates. General Manager Holmes was directed to invite a representative of the Sheriff's Department to the August Finance Committee meeting to discuss this further.

N. Engineering Committee Report

Director Rubin reported that the Committee discussed the current projects and tracts, as well as considering signs at the District boundaries designating the De Luz Community Services District area.

O. Ad-Hoc Office Relocation Committee Report

This item was discussed previously under Agenda Item "C".

P. Ad-Hoc Personnel Committee

Director Rubin stated that his report would be made later in Closed Session under Agenda Item "R".

Q. General Manager's Report

General Manager Holmes discussed the Majestic Group tract and reported that improvements to Via Santa Rosa have been on hold pending determination of that tract's future. He stated that the District will not hold off on our improvements indefinitely. He discussed the El Prado Road project, which will be done in thirds,

however, the entire project is being designed, and the engineering of the Primary portion is close to completion.

General Manager Holmes also reported that Bureau Veritas is working on the Prop 218 and DIF studies. The PMS system will be updated as a part of the 218 consulting process.

R. Closed Session

The Board met in closed session pursuant to Government Code Section 54957.6 to discuss labor negotiations.

The Board reconvened in open session.

In closed session, the Ad-Hoc Personnel Committee was directed to take appropriate action regarding negotiations with employees.

S. Memorandum of Understanding

This Agenda Item was not addressed.

T. Adjournment

There being no further business, President Rubin adjourned the meeting at 8:40 p.m.

Rob Holmes
Secretary, Board of Directors

Steve Rubin
President, Board of Directors