

**MINUTES  
REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
AUGUST 22, 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 August 22, 2007. Present at the meeting were the following Directors:

Director Boyer  
Director Rubin  
Director Thomas

Director Bianchi was absent.

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

President Rubin led the flag salute.

**B. Sheriff**

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

**C. Office Relocation**

Chuck Crandall from Bureau Veritas presented his analysis of the costs and benefits of purchasing a 5-acre useable parcel and building a 3000 square foot building with yard and garage space within the District, versus continuing to lease space at our current location. Discussion followed regarding the assumptions used in the comparisons and calculations.

**D. Public Expression**

Property Owner John Rogers discussed the upcoming Santa Margarita River Watershed Cleanup and requested that the Board make a \$500 cash contribution toward their expenses. He also asked that the free roll-off provided once per year to the District by Waste Management be used for this purpose. These requests will be added to the September Board Meeting agenda. He also asked for suggested locations for the cleanup. Additionally, he asked that District Staff remove illegal signs as soon as they are spotted.

**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.

General Manager Holmes was asked to analyze the cost of adding a new employee versus continuing to utilize a temporary worker.

**G. Discussion of Legal Matters**

General Counsel Jackson informed the Board that if the Memorandum of Understanding with the Employees' Association is approved tonight under Agenda Item "S", an item will need to be added to the Agenda as "S-1" to consider a resolution with Special District Risk Management Authority for provision of health insurance.

Motion was made by Rubin, seconded by Thomas, to add Item S-1 to the Agenda for consideration of a health insurance resolution.

The motion carried unanimously.

General Counsel Jackson also reported that there are changes in the discovery rules of civil procedure at the Federal court level. He will update the Board at future meetings as to how this may affect the District.

**H. Award of Contract: 2007 Slurry Seal Project**

General Manager Holmes reported that there were six approved bidders for this project, and six bids were received. The low bidder was Wheeler Paving, Inc. in the amount of \$220,100. This project will be funded with Roadway Rehabilitation funds from the various zones.

Motion was made by Thomas, seconded by Rubin, to adopt Resolution No. 07-17:

Awarding a Contract for the 2007 Slurry Seal Project

The motion carried unanimously.

**I. SDRMA Board of Directors**

Assistant Secretary Gipson presented the nominees for the three available seats on the Special District Risk Management Authority Board of Directors. The Board discussed the candidates' qualifications, and agreed to cast their votes for Vincent C. Ferrante, Antonio Sedano, and William R. Miller.

Motion was made by Rubin, seconded by Thomas, to adopt Resolution No. 07-18:

Electing Directors to the Special District Risk Management Authority Board of Directors

The motion carried unanimously.

**J. CSDA Board of Directors**

Assistant Secretary Gipson presented the nominees for the one available seat on the California Special District Association Board of Directors. The Board discussed the candidates' qualifications, and agreed to cast their vote for Jim Doud.

Motion was made by Boyer, seconded by Thomas, to cast the District's ballot for Seat B, Region 6 of CSDA Board of Directors for Jim Doud.

The motion carried unanimously.

**K. Reimbursement Agreement**

General Manager Holmes explained that the draft agreement being presented is in regard to the Majestic Group Via Tornado tract. Two banks have taken back the properties, one property was sold at auction, and another closed escrow recently. In addition to the \$200,000 cash deposit from Majestic Group, this agreement is to insure the balance of funding for the road improvements to be made as a condition of the tract approval are received. General Manager Holmes intends to have a meeting with all the principals now involved in the project in order to come to terms regarding the funding.

Motion was made by Boyer, seconded by Thomas, to approve the form of the reimbursement agreement for the Majestic Group properties.

The motion carried unanimously.

**L. Finance Committee Report**

Director Boyer reported that the Committee met with representatives from the Sheriff's Department to discuss the calculations involved in setting the Sheriff's rates.

**M. Engineering Committee Report**

Director Rubin reported that the Committee discussed the current projects and tracts. The General Manager was directed to install a project schedule board in the Conference Room.

**N. Ad-Hoc Office Relocation Committee Report**

Director Thomas reported that he and Director Bianchi would like to continue to look at property and talk with the Fire Department regarding the desired location for a station within the District.

**O. Ad-Hoc Personnel Committee**

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

**P. General Manager's Report**

General Manager Holmes reported on the projects in process. He also discussed the upcoming RFP for the refuse franchise.

**Q. Closed Session**

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

**R. Closed Session**

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

*The Board reconvened in open session.*

**S. Memorandum of Understanding**

Motion was made by Rubin, seconded by Thomas, to adopt Resolution No. 07-19:

Approving a Memorandum of Understanding with District Employees for Fiscal Years 2007-2008 thru 2011-2012

The motion carried unanimously.

**S-1. Medical Benefits**

Motion was made by Rubin, seconded by Boyer, to adopt Resolution No. 07-20:

Approving the Form of and Authorizing the Execution of a Memorandum of Understanding and Authorizing Participation in the Special District Risk Management Authority's Medical Benefits Program

The motion carried unanimously.

**T. General Manager's Contract**

Motion was made by Rubin, seconded by Thomas, to direct Counsel to prepare a 5-year contract for General Manager Holmes. The terms will include a 7% salary increase retroactive to July 1, 2007, a provision for annual reviews, and the same CPI adjustments and benefit terms provided to employees under the Employees' Association's Memorandum of Understanding.

The motion carried unanimously.

**U. Adjournment**

There being no further business, President Rubin adjourned the meeting at 8:45 p.m.

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Rob Holmes  
Secretary, Board of Directors

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Steve Rubin  
President, Board of Directors