

**MINUTES  
REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
SEPTEMBER 26, 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 September 26, 2007. Present at the meeting were the following Directors:

Director Bianchi  
Director Boyer  
Director Rubin  
Director Thomas

General Manager Holmes and General Counsel Jackson were also present.

President Rubin led the flag salute.

**B. Sheriff**

Deputy Ridley gave the Sheriff's Report for August 2007 and updated the Board on September activities. The written report is on file with the District.

As a result of conversation about emergency evacuations, General Manager Holmes was directed to research telephone automatic dialing systems.

**C. Public Expression**

None.

**D. Information Only**

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

**E. Consent Calendar**

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

The motion carried unanimously.

**F. Discussion of Legal Matters**

None.

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

General Manager Holmes reported that award of this contract was made in August to Wheeler Paving, Inc. in the amount of \$220,100. Subsequent to award, the contractor submitted documentation that an error had been made in their computation, and asked that they be allowed to withdraw their bid.

Discussion followed regarding the award to the next low bidder, Penn Woods Corporation, in the amount of \$290,531.00.

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

Awarding a Contract for the 2007 Slurry Seal Project

The motion carried unanimously.

**H. Santa Margarita Watershed Cleanup Contribution**

Director Bianchi reported that the Finance Committee had considered the contribution requested by John Rogers on behalf of the Santa Margarita Watershed Cleanup. In past years, the District made contributions toward expenses of the cleanup, a part of which takes place within District boundaries, and the Finance Committee recommended that the Board consider again making the contribution. Additionally, there has been a request that the large roll-off bin provided to the District once per year by Waste Management, be used for this purpose.

Motion was made by Boyer, seconded by Thomas, to approve the one-time contribution of \$750, plus the District's allotment of a large roll-off bin from Waste Management, for the Santa Margarita Watershed Cleanup.

The motion carried unanimously.

**I. Finance Committee Report**

Director Bianchi reported that, in addition to the Cleanup contribution previously considered, the Committee discussed the FEMA secured line of credit with Mission Oaks National Bank.

Discussion followed, and it was the consensus of the Board that if the funds are no longer needed to advance construction funds for FEMA projects, the line of credit be closed and the appropriate zones be reimbursed.

**J. Engineering Committee Report**

Director Rubin reported that the Committee discussed the Majestic tract and meetings that have been held with the owners of the parcels regarding deposits toward improvements necessary for release of the properties through the County.

The General Manager presented the new project schedule board in the Conference Room. He will add the amount budgeted for each project to the board.

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

Director Bianchi reported that Bureau Veritas has revised their estimate for the building to \$1.5 million, and that he considered their new estimate to be high. He stated that he has looked at office property within the city limits, and obtained costs for a 3000 square foot, bare-shell condo office at \$750,000 to \$900,000. His realtor anticipated another \$100,000 in improvements to make the building usable for us.

Director Bianchi also reported on a property his committee has located within Walker Basin that they feel would be desirable for our purposes. The property is for sale for \$500,000, but the tract map has not yet been completed. He asked that the Board issue a non-binding letter of intent to the seller, Bill Johnson, stating that the District is interested in purchasing the property.

Discussion followed by the Board and audience regarding the property, the potential of a fire station, the current real estate market, and funding sources for the building.

Motion was made by Bianchi, seconded by Thomas, to direct Counsel to draft a non-binding letter of intent that will be reviewed in October by the Finance and Office Relocation Committees.

The motion carried by the following roll call vote: Bianchi, aye; Boyer, aye; Rubin, noe; Thomas, aye.

Property Owner/Engineer John Rogers discussed some of the permitting and environmental issues the District will face with regard to developing the property.

**L. General Manager's Report**

General Manager Holmes reported on the projects in process, discussed the project board, and updated the Board on the effects of the recent fire.

**M. Adjournment**

There being no further business, President Rubin adjourned the meeting at 8:15 p.m.

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Rob Holmes  
Secretary, Board of Directors

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Steve Rubin  
President, Board of Directors