

**MINUTES  
REGULAR MEETING  
OF THE BOARD OF DIRECTORS  
SEPTEMBER 24, 2008  
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 24, 2008. Present at the meeting were the following Directors:

Director Adams  
Director Boyer  
Director Buescher  
Director Rubin

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 Donoho gave the Sheriff's Report for August 2008 and updated the Board on September activities. The written report is on file with the District.

**C. PMS Presentation**

Chuck Crandall from Bureau Veritas introduced James Crandall who worked on this project, and reviewed the final Pavement Management System update report. He discussed the current Overall Condition Index for each zone, as well as what specific levies would produce in future OCI's. The Board asked Mr. Crandall to calculate the funds needed to establish an average of 65 OCI in all zones within 5 years, for discussion at the next Finance Committee Meeting.

**D. Public Expression**

Property Owner Bob Crane requested status for paving of Rancho Fallbrook Rd.

Property Owner John Rogers discussed his desire for the following:

- that Staff take a more aggressive approach toward removing illegal signs
- that a chain link fence be installed at Carancho Road west of Tortuga to restrict trash dumping
- that the District make a cash contribution and provide a dumpster to the Santa Margarita River Watershed Cleanup to help defray expenses
- that the District consider participating in the cost of paving Little Sky Way to connect Skyrocket to La Cruz Drive, in order to alleviate secondary access issues on a parcel map being prepared by CLE Engineering

**E. Information Only**

The Board received the Statements of Reimbursement and Investment Policy.

**F. Consent Calendar**

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

The motion carried unanimously.

**G. Discussion of Legal Matters**

General Counsel Jackson, in response to an inquiry for transfer of funds as a result of two parcels being assigned to a new zone, stated that, based on his research, the District is unable to move the funds. The Government Code sections pertaining to community services district boundary and zone creation and adjustments have no provision for removal of money to accompany a zone adjustment. Further, Government Code §61111 relating to budget amendments and transfers of funds, allows the Board of Directors to authorize transfer of funds between budget categories, but exempts transfers designated for capital outlay or contingencies. At the end of any budget year, surpluses are transferred into the Roadway Rehabilitation Fund, which is a designated fund for capital improvement. Based on that fact, and the provisions of the Government Code, General Counsel Jackson opined that these funds cannot be moved.

**H. Property/Liability Insurance**

Assistant Secretary Gipson presented correspondence from the District's insurance agent regarding recent developments with AIG. She reported that, due to the recent Federal Reserve action, Alliant will not pursue remarketing at this time, but they will research other carriers for Districts who wish to take that direction. The Board took no action on this matter.

**I. Finance Committee Report**

Director Boyer reported that at their meeting, the Finance Committee reviewed proposals for Prop. 218 consulting from three firms. The Committee will interview the prospective consultants on October 1st.

**J. Engineering Committee Report**

Director Rubin reported that at their recent meeting, the Engineering Committee reviewed the draft PMS report with Bureau Veritas. They also discussed a parcel map on Via Fuerte.

**K. General Manager's Report**

General Manager Holmes presented his written report which is on file with the District Office. He answered questions from the Board and reported on the status of various projects.

**L. Executive Session**

The Board met in closed session pursuant to Government Code §54659.6(b) to discuss existing litigation (one case).

*The Board reconvened in open session.*

General Counsel Jackson reported that no action was taken in closed session.

**M. Adjournment**

There being no further business, President Rubin adjourned the meeting at 7:40 p.m.

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Rob Holmes  
Secretary, Board of Directors

ATTEST:

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Steve Rubin  
President, Board of Directors