What is contained in a director’s workbook?

Everything you will need for every scene in the movie. Will contain a shooting script (lined script), a shot list, storyboards, blocking sheets, character notes, and any tear sheets.

What does it mean to "line the shooting script?"

These are vertical lines down the page which map out each shot. The master might go from beginning to end while the medium shot is only half of the scene. The purpose is to begin to gauge how long the shots are.

What is the most important thing for a director to do before shooting has even started? What makes it vital to the process?

Make a shot list to identify any shooting issues that might come up and make a roadmap for the shoot.