

**MINUTES
REGULAR MEETING
OF THE BOARD OF DIRECTORS
OCTOBER 24, 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 October 24, 2007. Present at the meeting were the following Directors:

Director Bianchi
Director Rubin
Director Thomas

Director Boyer was absent.

General Manager Holmes and Assistant Secretary Gipson were also present.

General Counsel Jackson was absent.

President Rubin led the flag salute.

B. Sheriff

Deputy Ridley gave the Sheriff's Report for September 2007 and updated the Board on October activities. The written report is on file with the District. He reported on the recent accident on Los Gatos involving two big rigs.

C. Public Expression

Property Owner Mike Massone discussed Knox Box security which allows emergency personnel access to keys for entry gates, residences, etc. He requested that the District inform its residents about this method of security.

The Board directed that the Knox Box issue be addressed in a District newsletter as soon as possible.

D. Information Only

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

E. Consent Calendar

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

The motion carried unanimously.

F. Discussion of Legal Matters

None.

G. Approve Contract: Terreno Drive and Granado Place

General Manager Holmes presented the plans and scope of work for the Rehabilitation of a Portion of Terreno Drive and Repairs to Granado Place. This project will be funded by Zone IV Roadway Rehabilitation Funds.

Motion was made by Thomas, seconded by Rubin, to adopt Resolution No. 07-22:

Approving the Plans and Scope of Work for the Rehabilitation of a Portion of Terreno Drive and Repairs to Granado Place Project

The motion carried unanimously.

H. FEMA Correspondence

General Manager Holmes reviewed correspondence received recently from FEMA regarding additional funding for the completed 2005 flood projects.

I. "Letter of Intent" to Purchase Property

Director Bianchi presented the draft "Letter of Intent". He explained that the Finance Committee discussed the letter, and recommended that the purchase amount be excluded. Discussion followed, and it was the consensus of the Board that the letter be sent with no amount stated.

The Board also discussed the potential donation of a parcel of land within Walker Basin. Director Bianchi stated that the parcel is not in an ideal location for the District's purposes, but that we could hold it for two years and then sell it. Discussion followed regarding the property and its use for a fire department. Director Thomas stated that the District has no control over the location of a fire department, but that it would be a decision of the Board of Supervisors. He added that the only requirements for the donation are that it be tax deductible for the donor, that the District hold it for 2 years, and that the District provide an appraisal of the land greater than \$800,000. The location of the parcel is not in an appropriate place for a District Office, however, Director Bianchi stated that after 2 years the District could sell the parcel. General Manager Holmes was directed to receive Counsel's opinion regarding the deductibility of the parcel for the benefit of the donor. Upon approval of Counsel, Staff was given authorization to order an appraisal of the property.

J. Finance Committee Report

All Finance Committee issues were covered under Agenda Item "I".

K. Engineering Committee Report

Director Rubin reported that in addition to projects, the Committee discussed the timing of approval of plans and specs with regard to the bidding and award. General Manager Holmes was given approval to have specs approved and the project awarded at the same time for those projects that are included in the budget.

L. Ad-Hoc Office Relocation Committee Report

Director Bianchi reported that the Committee met with Property Owner Fred Hayes and inspected steel buildings which the Committee felt could be erected and finished to be aesthetically pleasing. He discussed paying for the project over a period of one or two years by a special assessment to be voted on by the residents.

Director Boyer entered the meeting at 7:00 p.m.

M. General Manager's Report

General Manager Holmes reported on the projects in process, and discussed the preliminary responses to his refuse franchise proposal request.

N. Adjournment

There being no further business, President Rubin adjourned the meeting at 7:30 p.m.

MINUTES
OCTOBER 24, 2007
PAGE 4

Rob Holmes
Secretary, Board of Directors

Steve Rubin
President, Board of Directors