

**MINUTES
SPECIAL MEETING
OF THE BOARD OF DIRECTORS
NOVEMBER 7, 2007
4:00 P.M.**

A. Call to Order & Roll Call

A Special Meeting of the De Luz Community Services District was held at the De Luz CSD Office commencing at 4:00 p.m. on November 7, 2007. Present at the meeting were the following Directors:

Director Bianchi
Director Boyer
Director Rubin
Director Thomas

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

President Rubin led the flag salute.

B. Public Expression

Property Owner Cliff Hewlett stated that Bill Johnson has a large delinquency in his state taxes, and cautioned the Board about becoming involved in a business transaction with him.

Property Owner Nassef Francis expressed concern about utilizing the Terreno and De Luz Road property for a District facility. He urged the Board to spend their money on improving roads.

Property Owner Mark Diamond, a resident on Terreno Road, stated that he does not want a commercial building on the Johnson property.

Property Owner Paul Mayne of Terreno Drive stated that he does not want the District Office on Terreno and suggested that the District Office remain at its present location.

C. Discussion of Property Acquisition

The Board reviewed correspondence between Mr. Don Alexander and General Manager Holmes.

Director Thomas stated that he had spoken with Mr. Alexander, and that he would be happy to give the District the subject property if the District would get an opinion of Counsel, and an appraisal of at least \$800,000. The District must also hold the property for a minimum of two years, and release to him the fruit that is currently on the trees.

Property Owner Bill Herder disagreed, and stated that Mr. Alexander had an additional restriction that the property, or the proceeds from it, must be used for safety of the community, such as a fire station. He also addressed the Board about his ability to have a fire station erected and staffed at no cost to the District. He suggested that the Board accept the property and acquire an equity loan on it to purchase a parcel in a more desirable location. He stated that the criteria for a fire station is based both on the number of homes and the value of the properties. His opinion is that the cost of the homes within the District will permit a station to be staffed.

Director Thomas stated that an old study produced by the fire department showed that the best location for a fire station was at Carancho and De Luz Roads, and told the audience that the District cannot campaign for a fire station, that it would have to come from the public. Mr. Hewlett reminded the Board that the study mentioned was predicated on Walker Basin being developed with high density housing.

The Board discussed additional concerns, such as the maintenance of the property for the two year holding period, the upkeep of the groves, and liability to the District.

Director Bianchi stated that road funds would not be utilized to build a building, but that it would go to a vote of the public for a special assessment to fund the project.

Property Owner Harold Rouse suggested that Mr. Alexander should present a proposal to the District listing all his conditions for the donation of the parcel.

The Board concurred with Mr. Rouse's suggestion, and directed General Manager Holmes to draft a letter to Mr. Alexander asking for his conditions for the donation of the parcel to the District, as well as five year's records regarding the cost of maintaining the existing grove.

D. Change of Board Meeting

The Board discussed the date of the regular November Board Meeting, which this year falls the day before Thanksgiving.

Motion was made by Rubin, seconded by Bianchi, to change the date of the November 2007 Regular Meeting of the Board of Directors to Wednesday, November 28, 2007 at 6:00 p.m. at the District Office.

The motion carried unanimously.

E. Adjournment

There being no further business, President Rubin adjourned the meeting at 5:00 p.m.

Rob Holmes
General Manager, Board of Directors

Steve Rubin
President, Board of Directors