

MINUTES
(AMENDED 03/21/10)
REGULAR MEETING
OF THE BOARD OF DIRECTORS
FEBRUARY 17, 2010
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 February 17, 2010. Present at the meeting were the following Directors:

Director Adams
Director Bianchi
Director Buescher
Director Egge
Director Rubin

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 January 2010 and updated the Board on February activities. The written report is on file with the District.

C. Public Expression

None.

D. Information Only

The Board received the Statement of Investment Policy.

E. Consent Calendar

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

The motion carried unanimously.

F. Discussion of Legal Matters

General Counsel Jackson updated the Board on a 2009 Court of Appeals ruling on a Prop 218 matter.

G. Webb Associates Payment

Director Bianchi explained that the Finance Committee met with Paul Thompson of Webb Associates to discuss the remaining payment due them for Prop 218 services. In addition to their regular scope of work, which was not completed, they incurred expenses for extra services performed at the Board's direction. Director Bianchi briefed the full Board about the details, and stated that it was the recommendation of the Finance Committee that a final payment of \$11,328.00 be made to Webb Associates.

Discussion followed, and motion was made by Adams, seconded by Bianchi, to make a final payment of \$11,328.00 to Webb Associates.

The motion carried unanimously.

H. District CD and Line of Credit

Director Bianchi stated that in 2006 the District opened a line of credit with Mission Oaks National Bank in the amount of \$500,000 for the purpose of pre-funding the projects approved for the FEMA-1577-DR disaster. The line was secured by a Certificate of Deposit funded with \$325,000 from Zone I Special Paving Fund and \$175,000 from Zone V Special Paving Fund. The Zone V Special Paving Fund was subsequently closed and the balance transferred to Zone V Roadway Rehabilitation. The CD matures 2/23/10, and although FEMA has not yet approved and released the final reimbursements, the projects have long been completed and paid. Therefore, the Finance Committee recommended that the CD be withdrawn at maturity and the funds, plus interest earned, be redeposited into the appropriate accounts, thus also closing the line of credit with Mission Oaks National Bank.

Motion was made by Bianchi, seconded by Egge, to withdraw the Mission Oaks National Bank CD and close the line of credit, and to redeposit the funds into the Zone I Special Paving and Zone V Roadway Rehabilitation accounts.

The motion carried unanimously.

I. Finance Committee Report

Finance Committee business has been discussed earlier in the agenda.

J. Engineering Committee Report

Director Buescher reported that at their recent meeting, the Engineering Committee finalized the newsletter and that it will be mailed next week. They also discussed upcoming projects, progress of the crack seal, and storm cleanup.

K. General Manager's Report

General Manager Holmes presented his written report which is on file with the District Office. He also discussed a recent water main break on Via Santa Rosa and the Los Gatos paving project.

L. Adjournment

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

Rob Holmes
Secretary, Board of Directors

ATTEST:

Steve Rubin

MINUTES
FEBRUARY 17, 2010
PAGE 4

President, Board of Directors