1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE:** President Solomon called the regular meeting to order at 6:30 p.m. in the District office.

   **Directors Present:** President Ernest Solomon, Vice President Gary C. Waldeck, and Directors Robert N. Anderson, Brian Holtz, and Stephen A. Jordan.

   **Staff Present:** Patrick D. Walter, General Manager; Patrick T. Miyaki, Attorney; Joubin Pakpour and Gary Ushiro, Engineers; and Lucy E. Xavier, District Secretary.

   The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** Dick Jones, former Board member, was present.

3. **CONSENT CALENDAR:** It was moved by Director Anderson, seconded by Director Holtz, that the Consent Calendar be approved. Motion carried unanimously—voice vote.

   - **A. Approval of Minutes:** Special Meeting of October 12, 2009
     Regular Meeting of October 14, 2009
   - **B. Approval and Ratification of October 2009 Disbursements—$406,619.64**
   - **C. Financial Reports for October 2009:** Income and Capital Improvement Plan
     Revenues and Expenditures
     Balance Sheet
     Consumption and Billing
     Investments

4. **ENGINEER'S REPORT:**

   - **A. Altamont Pump Station Upgrades** The Engineer reported that the site work had been completed and that he anticipated the arrival of the generator in mid-December.

   - **B. Zone 2.5 Project** The Engineer reported that Phase II of the project had begun and that Phase III is currently in design.

Mr. Jones said that he would like to give a report, as his property is affected by the project. He said that Brandon Laurie, the inspector, was very amiable, the contractor's equipment was very quiet, the street is left clean at the end of the day, and that, overall, the contractor is doing a very nice job. His only negative comment was that notices should not be taped on the front door and to use painters' tape which will not remove paint.
NOVEMBER 11, 2009

C. Standard Plans and Specifications. The Engineer noted that his firm was currently updating the District’s Standard Plans and Specs which is normally done every 12 to 18 months.

D. Draft Five-Year Capital Improvement Program. The Engineer reviewed a draft of the District’s Five-Year CIP for 2010-2015. He provided a spreadsheet ranking the 11 projects and their respective estimated construction costs depending on where they are in the five-year plan. The Engineer then gave a presentation on each of the proposed projects.

The Manager then described a leak which had occurred on a cross-country main on Rhus Ridge Road on October 17. Because of the condition of the main and the cost to repair—approximately $15,000—the decision had been made to abandon the main.

5. WATER SUPPLY AUGMENTATION:

A. Quarry Hills Lake Water. The Engineer noted that the agreement for Professional Services for Evaluation of Quarry Lake as an Emergency Water Source with Erler & Kalinowski, Inc. (EKI) had been executed and the notice to proceed had been issued. He said that a meeting with EKI had been held the prior week and that a draft of EKI’s report should be ready by January 2010.

B. Acquisition of Additional Supply Allocation. The Engineer reported that a follow-up meeting had been held with a City of Palo Alto representative in the utilities department. He noted that Palo Alto will not be issuing an RFP to sell its excess allocation under the SFPUC agreement. However, Palo Alto is willing to consider proposals from agencies who are interested in buying its excess allocation.

The Board then discussed cost and strategy. After discussion, the President formed an advisory committee comprised of Directors Jordan and Waldeck to help formulate a proposal for the purchase of excess SFPUC allocation from the City of Palo Alto.

6. PURCHASE AND DISTRIBUTION OF ELECTRICITY: Director Waldeck noted that he was interested in discussing the idea of the District becoming a more full service purveyor, which would include the selling of electricity. The Attorney noted that county water districts may generate electricity for their own use or sell it to another agency that is in the business of selling electricity. However, it is unlikely that county water districts can sell electricity at retail to their own customers.

After discussion, the Manager said he could talk to one of his contacts at another agency for more information about this subject.

7. MULTI-JURISDICTIONAL LOCAL HAZARDOUS MITIGATION PLAN: The Engineer submitted a spreadsheet which detailed mitigation strategies to be used by local jurisdictions to prepare for catastrophic emergencies. The mitigation strategies spreadsheet was posted on the District’s website in October for public comment and the District was ready to discuss the public comments during the Board Meeting. There were no comments from the public. The Engineer noted that local jurisdictions which participate in the Multi-Jurisdictional Local Hazard Mitigation Plan will be eligible for 100% reimbursement of the cost of damages, such as for a ruptured water tank, in Federal and State declared emergencies. The Engineer noted that no action was necessary by the Board at this time and that this form has been submitted to Association of Bay Area Governments for review by the Federal Emergency Management Agency and California Emergency Management Agency.
8. **PRELIMINARY DISCUSSIONS REGARDING POSSIBLE RATE INCREASE:** The Manager gave a presentation which compared various rate schedules and expected income from each, as well as residential revenue requirements and customer bill comparisons. He also reviewed a draft operations budget for 2009-2010.

After discussion, the Manager said he would give the Board additional data at the next meeting so that a public hearing for a rate increase can be scheduled.

(John Harpootlian, Chair of the Los Altos Hills Water Conservation Committee, arrived for discussion of Item 10.D.1.)

9. **MANAGER’S REPORT / COMMUNICATIONS ITEMS:**

   A. **Field Report** The Manager reported the following:
      
      ➢ Two leaks had occurred—one on Julietta Lane and the other on Rhus Ridge Road.
      ➢ Orion meters continued to be installed.

   B. **Customer Communications** There were no customer communications.

10. **DIRECTORS’ REPORT:**

    A. **Procedure to Elect Board Officers** The Attorney explained that, at the last meeting, the Board had entertained the idea of adopting a policy that would rotate the positions of president and vice president on a yearly basis instead of conducting elections. The Attorney then reviewed a draft resolution adopting a policy regarding the annual election of a president and vice president on a rotating basis based upon seniority on the Board.

    After discussion, it was moved by Director Anderson, seconded by Director Holtz, that Resolution 2009-11 be adopted. After further discussion, the motion was withdrawn due to some items in the resolution that required clarification. The Attorney noted that he would bring back a revised draft resolution for the Board’s review at the December meeting.

    B. **Proxy for Association of California Water Agencies (ACWA) Elections** The Secretary noted that a proxy would be required if anyone would be attending the General Session of the ACWA conference and voting on behalf of the District. No Directors or District Staff members will be attending this meeting.

    C. **Bay Area Water Supply and Conservation Agency (BAWSCA) Issues** Director Anderson noted that Alexis Shields, the District’s Conservation Specialist, had been hired part-time by BAWSCA and that the staff was very happy to have her. He also reported on a matter with regard to the Federal Energy Regulatory Commission and the Tuolumne River.

    D. **Town of Los Altos Hills Water Conservation Committee (WCC) Issues** Director Holtz, who is on the Town’s Water Conservation Committee, noted that he wanted to discuss AB 1881. He noted that, although this law requires the Town to adopt a model water efficient landscaping ordinance by January 1, 2010, the District may be able to make recommendations to the WCC regarding the ordinance.
NOVEMBER 11, 2009

Discussion ensued, with Mr. Harpootlian participating, regarding whether a simple water-budgeting framework is better than hard-to-enforce irrigation regulations; what would be a good formula for a Water Budget Allowance; and the possibility of the Town requiring its two purveyors (the District and California Water Service) to enforce such a water budgeting ordinance.

The Board recognized that there are different approaches to complying with AB 1881. The Board informed Mr. Hartpootlian that the District appreciates the Town’s efforts to address water conservation from a land use planning perspective and fully endorses a Town approach that would require project applicants to submit landscape plans to accurately calculate their future water use.

Mr. Harpootlian noted that, after the Water Conservation Subcommittee has discussed the many possibilities regarding the model ordinance, he will bring a recommendation before the Town Council.

E. Agenda Item Requests  The Board identified agenda items for the December 9, 2009, meeting.

11. ADJOURNMENT:  The meeting was adjourned at 11:10 p.m. to reconvene at the next regular meeting on December 9, 2009, at 6:30 p.m., at the District’s office.

Respectfully submitted

Lucy E. Xávier, District Secretary

Approved:

Ernest Solomon, President