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

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

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

   The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** John Harpootlian, Los Altos Hills Planning Commissioner and Chair of the Los Altos Hills Water Conservation Committee (WCC), was present. He said that he was addressing the Board as a Planning Commissioner regarding AB 1881 (water efficient landscaping ordinance).

   He said that the WCC had produced an ordinance that could save more water than AB 1881 requires. He explained that owners of new homes and certain extensive remodels will need to submit landscape plans to the Town which will show proposed water usage. A formula will then be used to determine the maximum amount of water that will be budgeted on a yearly basis. The Town will not audit the water use the first year but will audit the second year. The owner will be asked to sign a release so that the Town can request water usage from the District. If the usage is over what has been budgeted and the owner does not comply by the third year, a penalty will be assessed through the Town's landscaping deposit.

   Mr. Harpootlian noted that the water conservation factor recommended by the WCC to the Planning Commission is 0.7, or usage of a hypothetical 595 units per year based on a typical one-acre lot. He said that discussion regarding that section of the ordinance had been continued to the next Planning Commission meeting in June. (The water conservation factor is a component used in AB 1881 to determine water usage.)

   Mr. Harpootlian said he was requesting input from the Board to determine if the 0.7 factor was appropriate and, if not, what factor would the Board recommend. Depending on the factor, the owner could use from 595 units per year (445,060 gallons or 0.7 factor) up to 850 units per year (636,000 gallons or a factor of 1.0), for a typical lot in Los Altos Hills. He noted that California Water Service Company, which serves approximately one-third of the Town, will also be asked to supply a recommended factor.

   After discussion, the Board thanked Mr. Harpootlian for the information and indicated that a recommended water conservation factor would be submitted to the Town after further deliberation with Staff.
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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: Regular meeting of April 14, 2010
   B. Approval and Ratification of April 2010 Disbursements—$499,347.24
   C. Financial Reports for April 2010: Income and Capital Improvement Plan
      Revenues and Expenditures
      Balance Sheet
      Consumption and Billing
      Investments

4. **CONSIDERATION OF ALTERNATIVE RATE STRUCTURE:** At the May meeting, John O’Connell, District customer, had given a power point presentation regarding the District’s rate increase which had occurred the prior month. The Board now discussed whether there was any consideration for changing the rate structure that had been adopted in March. The Board determined that no changes would be made at this time.

5. **DISTRICT ELECTIONS:** The Board reviewed Resolution 2010-3, Request for and Consent to Consolidation of Elections, and the Specifications of the Election Order. Ms. Xavier noted that in 2008 the Board had passed a resolution whereby the candidate would pay 50 percent of the printing of a candidate’s statement and the District would pay the other 50 percent. She now asked if the Board wished to make any changes.

   After discussion, it was moved by Director Holtz that the statement be limited to 400 words and that the candidate pay the full cost of printing. The motion died for lack of a second. After further discussion, the Board determined that no changes be made—that is, the candidate will pay 50 percent of the cost of printing of his/her candidate’s statement and the District will pay 50 percent.

   It was then moved by Director Jordan, seconded by Director Waldeck, that Resolution 2010-3, attached hereto, requesting and consenting to consolidation of elections, be adopted. Motion carried—roll call vote.

   Ayes: Directors Anderson, Holtz, Jordan, and Waldeck
   Noes: None
   Absent: Director Solomon

6. **ENGINEER’S REPORT:**

   A. Zone 2.5 Project—Phase II The Engineer reviewed his memo of May 7, noting that the District’s contractor, Stoloski & Gonzalez (SG), had completed the water main installation on upper La Cresta Drive, excluding the connection to the water main built in Phase I. He noted that the contractor had installed 1,323 linear feet of 12-inch ductile iron pipe (DIP), four 12-inch gate valves, four fire hydrants, and miscellaneous appurtenances, including bends, tees, and reducers. The Engineer said that the installation of the 12-inch main was complete.
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The Engineer also reported that, due to previous incidents involving leaks at existing water main crossings, the new crossings had not been backfilled but plated with non-skid trench plates. These would be backfilled after the existing main is abandoned.

The Engineer said that SG was ahead of schedule and anticipated the completion of the project by the end of June 2010. He then reviewed Change Order No. 1.

(As of April 30, 2010, SG has completed 77% of the contractual work by installing a grand total of 4,218 linear feet of 12-inch DIP, 948 linear feet of 8-inch DIP, 897 linear feet of 6-inch DIP, nineteen 12-inch gate valves, three 8-inch gate valves, 14 fire hydrants, and various appurtenances.)

B. Zone 2.5 Project, Phase III The Engineer noted that, at the last meeting, the Board had authorized Staff to negotiate a change order with Stoloski & Gonzalez to add the construction of Phase III to the Phase II portion of the project. He then reviewed the Phase III plans which had been completed and signed.

7. WATER SUPPLY AUGMENTATION:

A. Quarry Hills Lake Water The Engineer reported that he, the Manager, and the advisory committee (consisting of Directors Holtz and Solomon) had met and reviewed the final report on the use of Quarry Hills lake water prepared by the District’s consultant, Erler and Kalinowski, Inc. (EKI).

He now reviewed the four alternatives that had been proposed by EKI for using the lake water as an emergency supply. He noted that Alternatives 3 and 4 (portable and on-site treatment plants) would produce potable water but were cost prohibitive, coming in at $2.6 and $3.6 million respectively.

The Engineer then assessed the advantages and disadvantages of Alternative 1—permanent equipment which would produce untreated chlorinated water; and Alternative 2—mobile equipment which would produce untreated chlorinated water.

After discussion, Staff recommended 1) that the Board consider Alternative 2, for use in an emergency during the summer months, and to talk with the owner of the Quarry Lake regarding the conditions for using the lake water; and 2) have a structural engineer conduct a seismic evaluation of the District’s Neary tank and consider using this tank for emergency storage during the winter months. The Board agreed that Staff should move forward with these recommendations.

B. Authorization to Purchase Supply Allocation Director Jordan noted that the advisory committee had met to discuss the possible purchase of a portion of Palo Alto’s excess individual supply guarantee from the San Francisco Public Utilities Commission (SFPUC). He reported on the committee’s recommended offer to Palo Alto.

After discussion, it was moved by Director Anderson, seconded by Director Holtz, to enter into negotiations with certain agencies for the purchase of excess supply allocation of 500 acre feet of water for a cost of up to $1 million. Motion carried unanimously—voice vote.
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8. MANAGER'S REPORT / COMMUNICATIONS ITEMS:

A. Field Report The Manager reported the following:
   ➢ Gardening and general clean-up had been done at the Hungry Horse, La Cresta, and Altamont pump stations.
   ➢ An 1 ½ meter and service, with backflow, had been installed on Robleda Court.
   ➢ Eight backflow replacements and three backflow installations had been done.
   ➢ The McCann pump station improvement project had begun.

B. Customer Communications No customer communications had been received.

C. CUSI—New Billing Software The Manager noted that the new billing software had been installed and was now running parallel with the old software.

9. WATER CONSERVATION:

A. Los Altos Hills / Purissima Hills Water District AB 1881 Compliance Efforts

Director Waldeck reported that the Town's Water Conservation Committee (WCC) had made a presentation to the Town Planning Commission. He noted that, on two of the power point slides, reference had been made to the District's allocation from the SFPUC which ties the District to the Town's proposed AB 1881 ordinance. Director Waldeck said he did not know if this presentation would ever be made again but, if it were, he proposed that the wording of the two references to the District be changed. He also noted that the California Water Service Company had not been referenced on the presentation and it serves a portion of the Town, as well.

The Attorney reviewed the proposed changes that he and the Manager had prepared. After discussion, the Board agreed that the WCC should be contacted to request that the two changes be made to the WCC's power point presentation where the District is referenced using Staff's proposed changes.

Discussion then ensued on the matter that Mr. Harpootlian had brought before the Board (under Comments from the Public). Director Waldeck said he was hesitant to recommend to the WCC a water usage factor less than 1.0 because a 1.0 factor was at least as effective as AB 1881 and that setting water budgets was new to the Town and a conservative approach should be taken. The factor could be monitored and modified at a later time. Other reasoning for a 1.0 factor was that conservation is already working in the District given the price structure and outreach and it has been a wet winter and there are no water restrictions.

After discussion, it was moved by Director Anderson, seconded by Director Holtz, that a letter be sent to the Planning Commission recommending that the Town use a water conservation factor of 1.0 and to give the rationale behind the District's recommendation. Motion carried unanimously—voice vote.

10. DIRECTORS' REPORT:

A. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues There was no BAWSCA report.
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Director Anderson noted that the *Slow the Flow* water wise landscape conference at Foothill College had been a huge success and that he had given a short talk. He then gave a report on the Association of California Water Agencies conference in Monterey that he had attended and noted that he had brought back material to leave in the District office.

Director Waldeck said that he and Director Anderson had manned the District booth at the Town’s Pathways Run.

B. Agenda Item Requests. The Board identified agenda items for the June 9, 2010, meeting.

11. **CLOSED SESSION:** The Board went into closed session at 10:12 p.m. to confer with legal counsel on the following matter:

   Anticipated Litigation  
   Pursuant to California Government Code Section 54956.9(b)  
   Significant Exposure to Litigation: One Case

The Board came out of closed session at 10:52 p.m. The Board received a report from legal counsel and no action was taken.

12. **ADJOURNMENT:** The meeting was adjourned at 10:53 p.m. to reconvene next at the regular meeting on June 9, 2010, at 6:30 p.m., at the District’s office.

Respectfully submitted,

[Signature]
Lucy E. Xavier, District Secretary

Approved: [Signature]  
Gary C. Waldeck, President