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, Stephen A. Jordan, and Ernest Solomon.

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:** No public was present.

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

   A. Approval of Minutes: Regular meeting of June 9, 2010
   
   B. Approval and Ratification of June 2010 Disbursements—$729,131.71
   

4. **APPROPRIATIONS LIMIT FOR FISCAL YEAR 2010-2011:** The Attorney reviewed the provisions of Resolution 2010-4, which establishes the appropriations limit for the District at $1,028,007 for fiscal year 2010-2011. It was then moved by Director Anderson, seconded by Director Solomon, that Resolution 2010 be adopted. After discussion, the motion was withdrawn as there appeared to be a calculation error in the Notice of Determination. The Attorney said he would have the Notice corrected and bring back the Resolution for adoption at the August meeting.

5. **ENGINEER'S REPORT:**

   A. **Zone 2.5 Project—Phase II** The Engineer reviewed his memo of July 8, noting that the District’s contractor, Stoloski & Gonzalez (SG), had completed the tie-in of the new 12-inch water main and had installed 58 out of 60 customer services and that the new fire hydrants along the La Cresta ridge were operational, as well. The Engineer noted that SG’s schedule indicates completion of work on Phase II by the end of July with final paving scheduled for early August.

   The Engineer reported that several calls from customers had been received regarding low flow after their services had been switched to the new main. The problem was traced to the pressure reducing valves and Staff is working with the manufacturer to remedy the situation.
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As of July 1, 2010, SG has completed 92% of the contractual work.

B. Zone 2.5 Project, Phase III The Engineer reviewed his memo of July 8, noting that the District's contractor, Stoloski & Gonzalez (SG), had installed a 6-inch water main on the driveway leading to two customer’s properties. This work was accelerated to reduce the impact on surrounding residents. Phase III is scheduled to begin in early August.

As of July 1, 2010, SG has completed 5% of the contractual work.

C. Tank Structural Upgrades The Engineer noted that, at the last meeting, the Seismic Vulnerability Assessment Update with Recommended Actions prepared by John Eidinger, G&E Engineering Systems, had been reviewed. Staff had indicated that further discussions would be held with Mr. Eidinger regarding the proposal and cost of the upgrades for the Neary and Page Mill tanks.

The Engineer said that Staff had not yet fully reviewed the proposal and hoped to have a formal proposal for the structural modifications for these two tanks by the next meeting.

6. WATER SUPPLY AUGMENTATION:

A. Quarry Hills Lake Water The Engineer noted that Staff had not been able to make contact with the owner of the lake to continue discussions regarding the use of the lake by the District for emergency purposes.

B. Status of Request to Purchase Supply Allocation The Manager noted that one of the two agencies contacted had rejected the District’s offer to purchase its supply allocation; the second agency had indicated that the offer would be presented to its board of directors.

7. APPROVE BUDGET FOR FISCAL YEAR 2010-2011: The Manager reviewed his revised preliminary budget and capital improvement plan. Directors Jordan and Waldeck requested that the Manager review and compare the District's health benefits plans to ensure that the District is not paying premiums which are too costly.

After discussion, it was moved by Director Anderson, seconded by Director Solomon, that the budget for fiscal year 2010-2011 be approved. Motion carried—voice vote.

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

8. CUSTOMERS’ WATER CONSERVATION PROPOSALS: The Attorney discussed the types of agreements that the District might have with Steve Schmidt in connection with the water conservation project he proposed. Mr. Schmidt is requesting a $10,000 grant from the District to be used for the development of a water analysis software program which would educate residents about their specific consumption.

After discussion, the Attorney stated that he now had sufficient information from the Board as to how to proceed with the agreement that Staff will present to Mr. Schmidt.
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Regarding the Ivester project, the Manager said that the Ivesters are not eligible to receive $2,000 from the District, such as may be given by the Santa Clara Valley Water District for turf removal, because replacing turf with a vineyard is not eligible under the conditions of the Santa Clara Valley Water District. The Manager suggested instead that the Ivesters receive a water conservation contribution of $1,000 from the District.

Regarding the Coughran rainwater collection and reclamation system project, the Manager suggested that they receive a water conservation contribution of $2,500. Both projects will be posted on the District’s website.

After discussion, the Board concurred with the Manager’s recommendations. The Attorney noted that agreements for the Ivester and Coughran projects will also be prepared.

9. MANAGER’S REPORT / COMMUNICATIONS ITEMS:
   A. Field Report The Manager reported the following:
      ➢ District crews had helped inspect the installation of new services for the Zone 2.5 project.
      ➢ The McCann pump station improvement project was continuing. The 12-inch main on Ascension Drive in front of the pump station had been tied in to the existing main. This will help with water distribution from the pump station through the system to the Elena tank.
   B. Customer Communications No customer communications had been received.
   C. CUSI—New Billing Software The Manager noted that the major problems had been worked out and minor problems were now being addressed. The Board then discussed recommendations for information to be put on the bill.

10. WATER CONSERVATION:
    A. Los Altos Hills / Purissima Hills Water District AB 1881 Compliance Efforts Director Waldeck reported that an ordinance establishing water efficient landscape regulations pursuant to the California Water Conservation in Landscaping Act was to go before the Town Council the next evening for adoption.

11. DIRECTORS’ REPORT:
    A. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues Director Anderson noted that the BAWSCA meeting would be held the next evening.
    B. Director Compensation for Required Education Classes Director Solomon asked the Board if there should be compensation to attend required classes that Directors must take, such as ethics and sexual harassment training. After discussion, the Board agreed to take no action on this item.
    C. Agenda Item Requests The Board identified agenda items for the August 11, 2010, meeting.
12. **CLOSED SESSION**: The Board went into closed session at 8:35 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 9:37 p.m. During the closed session, the Board heard a report from legal counsel and no action was taken.

13. **ADJOURNMENT**: The meeting was adjourned at 9:38 p.m. to reconvene next at the regular meeting on August 11, 2010, at 6:30 p.m., at the District's office.

   Respectfully submitted,

   Lucy E. Xavier, District Secretary

   Approved:

   Gary C. Waldeck, President

   Purissima Hills Water District
   Regular Meeting of the Board of Directors