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 Waldeck, Vice President Robert N. Anderson, and Directors Brian Holtz, Stephen A. Jordan, and Ernest Solomon.

   **Staff Present:** Patrick D. Walter, General Manager; David S. Gehrig, Attorney; Joubin Pakpour, Engineer; and Lucy E. Xavier, District Secretary.

   The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** Dick Jones, former Board member, and Jill Newburn, Heifer International representative (see Item 4, below).

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

   A. Approval of Minutes: Regular Meeting of September 8, 2010

   B. Approval and Ratification of September 2010 Disbursements—$582,100.53

   C. Financial Reports for September 2010: Income and Capital Improvement Plan
      - Revenues and Expenditures
      - Balance Sheet
      - Consumption and Billing
      - Investments

4. **HEIFER INTERNATIONAL GLOBAL VILLAGE, HIDDEN VILLA PROPERTY (MOODY ROAD):** The Engineer reported that, at the last meeting, the Board had asked that Staff gather data on the potential water use of the proposed project for Heifer International. He stated that Staff had completed an analysis based on fire flow information for the service and meter size and had obtained draft water use data from the design engineer. Staff had concluded that summer water use for the project, which would include landscaping, would be approximately 72 units (or 53,856 gallons) for the first three years until the landscaping is established, and approximately 43 units (or 32,164 gallons) thereafter. The Engineer said that the design engineer will provide final water use data once the County approves the project. Ms. Newburn then described the project and, after discussion, the Board thanked Ms. Newburn for the information she provided.

5. **WATER RATE SETTING STRATEGY:** The Engineer continued his presentation from last month, comparing the District’s water rates with other agencies’ rates. Discussion ensued regarding source augmentation and capital improvements. The Engineer noted that the District’s capital budget for the current year is 21% of total budget. He said that, for the next meeting, he would have additional CIP information from other agencies. The Engineer then reviewed the District’s CIP for 2010 through 2015 with regard to setting rates.
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After discussion, the Board directed Staff to assemble data which could be provided to customers that would compare rates and CIP budgets with other agencies, along with a narrative of the principles regarding the District’s rate setting.

6. **ENGINEER’S REPORT:**

   A. **Zone 2.5 Project—Phase II** The Engineer reviewed his memo of October 7. The District’s contractor, Stoloski & Gonzalez (SG), had completed the majority of the punch list items during the month of September, along with paving along Anacapa Drive. In the coming month, SG will be completing the punch list items and slurry seal upper La Cresta Drive, La Cresta Court, and Viscaiano Road.

   The Engineer noted that the Los Altos Hills County Fire District (LAHCFD) had been invoiced $203,959.90 for the installation of new fire hydrants as part of the project. He then reviewed the Change Order Analysis for the project.

   As of October 1, 2010, SG has completed 98% of the contractual work.

   B. **Zone 2.5 Project, Phase III** The Engineer reviewed his memo of October 7. The District’s contractor, Stoloski & Gonzalez (SG), had completed the installation of the 12-inch main along Roble Ladera and Purissima Roads. SG had also replaced two fire hydrants on Roble Ladera Road and Palo Hills Drive for the LAHCFD, the cost of which will be reimbursed by the LAHCFD.

   The Engineer reviewed Change Order No. 2 and pictures attached to the memo.

   As of October 1, 2010, SG has completed 39% of the contractual work.

7. **WATER SUPPLY AUGMENTATION:**

   A. **Quarry Hills Lake Water** The Engineer reported that the Advisory Committee (Directors Holtz and Solomon) had met last week to review the draft report prepared by the District’s consultant, Erler and Kalinowski, Inc. (EKI) for the implementation of a non-potable portable facility for emergency purposes at the Quarry Hills lake. The next step will be for the Advisory Committee to meet with the owner of the lake.

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

   A. **Field Report** The Manager reported the following:

      - The McCann pump station improvement project was continuing.
      - Preparation is being done for the abandonment of a cross-country main from Wild Flower Lane to Golden Hill Court.
      - Three backflow prevention devices had been installed.
      - A three-valve set had been installed on Fremont Road at Palo Hills Drive.
      - A leak had occurred on Elena Road.

   B. **San Francisco Public Utilities Commission—Interim Supply Allocation** At the last meeting, the Manager had reported that the San Francisco Public Utilities Commission (SFPUC) had established draft interim supply allocations (ISAs) for each member agency of
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the Bay Area Water Supply and Conservation Agency (BAWSCA) of which the District is a member and noted that environmental surcharges would also be imposed on these agencies by the SFPUC. He said that a second draft regarding ISAs had been prepared and that a meeting of BAWSCA agencies had been scheduled for October 19.

C. Customer Communications—Post Director Contact Information on District Website The Manager said that an email contact form had been posted on the District's website. However, Director Waldeck had proposed that Director contact information be posted, as well, so that customers could contact the Directors directly and not have to go through the District Secretary.

After discussion, the Manager was directed as to how to proceed with Director contact information on the District's website.

9. DIRECTORS' REPORT:

A. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues Director Anderson reported on BAWSCA issues.

Director Anderson noted that he would be attending a meeting of the National Association of Corrosion Engineers. Directors of water municipalities had been invited to discuss water issues. He requested reimbursement for the registration cost only. After discussion, it was moved by Director Solomon, seconded by Director Holtz, that Director Anderson be reimbursed the registration cost of $450. Motion carried unanimously, with Director Anderson abstaining.

The Board discussed the possibility of having a HAM radio at the District office. The Manager said that it would be appropriate.

B. Agenda Item Requests The Board identified agenda items for the November 10, 2010, meeting.

10. CLOSED SESSION: The meeting was convened to closed session at 8:30 p.m., pursuant to Government Code Section 54957, for the performance evaluation of the General Manager.

11. OPEN SESSION: The meeting was reconvened to open session at 9:55 p.m. No action was taken by the Board in closed session.

12. ADJOURNMENT: The meeting was adjourned at 9:56 p.m. to reconvene next at the regular meeting on November 10, 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