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

Directors Present: 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; Gary Ushiro, Engineer; and Lucy E. Xavier, District Secretary.

The Pledge of Allegiance was recited.

2. **ADMINISTER OATHS OF OFFICE:** The District Secretary administered the oaths of office to Robert Anderson and Gary Kremen.

3. **COMMENTS FROM THE PUBLIC:** Gary Waldeck and Dick Jones, former Board members, were present.

Mr. Waldeck commented that he had a wonderful four years as a Board member.

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

   A. Approval of Minutes: Regular Meeting of November 10, 2010

   B. Approval and Ratification of November 2010 Disbursements—$564,558.70

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

   D. Rotation of Officers Pursuant to Resolution No. 2009-11:
      President Anderson
      Vice President Holtz

5. **WATER RATE SETTING STRATEGY:** The Engineer presented to the Board for its review a FAQ list with answers which might be posted on the District's website informing customers about District rates and showing a rate comparison with surrounding agencies.

Mr. Jones commented on the District's rate setting strategy. Board and Staff discussed Mr. Jones' comments. The Manager noted he was not in favor of a type of rate setting whereby District's rates would be recalculated according to expenditures resulting in month-to-month rate changes.
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6. ENGINEER'S REPORT:

A. Zone 2.5 Project, Phase III The Engineer reviewed his memo of December 3. The District's contractor, Stoloski & Gonzalez (SG), had completed the installation of the 12-inch main along La Barranca Road and the 6-inch main along La Barranca Court. Work had included the installation of seven 12-inch gate valves, three air releases, three 4-inch blowoffs, and three fire hydrant assemblies, as well as miscellaneous fittings, tees, and bends. SG had also installed erosion control measures and had conducted three successful 2-hour pressure tests.

As of November 9, 2010, SG has completed 88% of the contractual work.

7. WATER SUPPLY AUGMENTATION—QUARRY HILLS LAKE WATER: The Manager reported that a planned meeting with the owner had been cancelled.

8. MANAGER'S REPORT / COMMUNICATIONS ITEMS:

A. Field Report The Manager reported the following:

- Yearly backflow testing was almost complete.
- District crews had assisted the District's contractor on the Zone 2.5 project.
- District crews were exposing and raising gate valves due to the Town's paving project.
- A service had been abandoned on Natoma Road that had been damaged during a sewer project on La Vida Real.
- A main break had occurred on Liddicoat Drive.
- A half circle crack main break had occurred in the driveway of the District's Elena tank site.
- A full circle crack main break had occurred on Ascension Drive at St. Francis Drive.

B. San Francisco Public Utilities Commission—Interim Supply Allocation The Manager and Attorney reviewed the matter of interim supply allocations. The Manager then went on to review the 3rd and 4th drafts of proposed ISA alternatives for each member agency of the Bay Area Water Supply and Conservation Agency, as prepared by the San Francisco Public Utilities Commission.

C. The Manager reported that the Billing Advisory Committee had met to discuss information which could be printed on water bills. Also discussed was a company that could assist the District in printing bill stuffers and water bills with pertinent information designed for each individual customer.

9. DIRECTORS' REPORT:

A. Miscellaneous Reports Director Solomon reported that he had attended the fall meeting of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA) and that he would send his written report to the District Secretary for distribution to Board members. The District is a member of ACWA/JPIA and Director Solomon is the District's current representative.
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Director Solomon also noted that he wished to resign as Director of the ACWA/JPIA in the Fall of 2011. Director Anderson said they would discuss a replacement at that time.

Director Jordan reported that the Billing Advisory Committee had also discussed the possibility of e-billing and e-payment for District customers and had reviewed customer water bills from other agencies.

Director Anderson reported on the meeting he had attended of the National Association of Corrosion Engineers.

B. Appoint Director to District's Additional Supply Advisory Committee  Director Solomon was appointed committee member to replace Gary Waldeck.

C. Appoint Director to Town of Los Altos Hills Water Conservation Committee  Director Kremen said he would join the Town's Water Conservation Committee if accepted by the Town.

D. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues  Director Anderson reported that BAWSCA will be hiring staff to explore possible new sources of water.

E. Agenda Item Requests  The Board identified agenda items for the January 12, 2011, meeting.

10. ADJOURNMENT:  The meeting was adjourned at 8:20 p.m. to reconvene next at the regular meeting on January 12, 2011, at 6:30 p.m., at the District's office.

Respectfully submitted

Lucy E. Xavier
Lucy E. Xavier, District Secretary

Approved:  Robert N. Anderson
Robert N. Anderson, President