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

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

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

   The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** Dick Jones, former Board member, was present. He read from a prepared statement regarding his disappointment that discussions regarding the District's water rate strategy failed to address three issues he perceives as problems. After discussion, the Board thanked Mr. Jones and noted that his concerns will be addressed at the appropriate time during rate discussions.

   Nicole Sandkulla, Water Resources Planner for the Bay Area Water Supply and Conservation Agency, was also present to address questions and concerns regarding Item 4.

3. **CONSENT CALENDAR:** Director Jordan requested that Item A be removed from the Consent Calendar. It was then moved by Director Solomon, seconded by Director Kremen, that Items B, C, and D of the Consent Calendar be approved. Motion carried unanimously—voice vote.

   A. Approval of Minutes: Regular Meeting of January 12, 2011

   B. Approval and Ratification of January 2011 Disbursements—$350,594.16


   D. Adoption of Audit Report for Fiscal Year 2009-2010

   Director Jordan suggested two amendments to the minutes and Director Anderson noted one minor change. After discussion, it was moved by Director Jordan, seconded by Director Kremen, that the amended minutes of January 12 meeting be approved. Motion carried unanimously—voice vote.
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4. RESOLUTION 2011-2—APPROVING TIER 2 DROUGHT IMPLEMENTATION PLAN PURSUANT TO SECTION 3.11.C OF THE WATER SUPPLY AGREEMENT WITH SAN FRANCISCO: The Board discussed the provisions of the resolution and attached implementation plan (Exhibit A) with Ms. Sandkulla. The resolution approves the plan establishing an allocation formula that will determine how the available water will be allocated among wholesale customers who purchase water from San Francisco in system-wide shortages up to 20%.

After discussion, it was moved by Director Jordan, seconded by Director Anderson, that Resolution 2011-2, attached hereto, approving the Tier 2 Drought Implementation Plan, be adopted. Motion carried—roll call vote.

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

5. ENGINEER’S REPORT:

A. Zone 2.5 Project, Phase III  The Engineer reviewed his memo of February 4. He noted that this phase of the Zone 2.5 project had been tied in to the District’s distribution system on January 12 and is now fully operational. He said that the La Cresta ridge has now become the main trunk line for conveying Zone 3 water from the District’s Deer Creek pump station to the middle of the District.

The Engineer noted that the benefits of the project include: increased fire protection throughout the La Cresta ridge; reduced water age in Zone 3; reduced pumping electrical costs to move water from Zone 1 to Zone 3; and a more reliable transmission main due to the replacement of an aging asbestos cement main with a new ductile iron main in a high risk seismic area.

The Engineer noted that the District’s contractor, Stoloski & Gonzalez (SG), had completed the installation of various remaining appurtenances, including one 6-inch hydrant assembly; a pressure reducing vault; three fire hydrant retaining walls; various reconnections to the existing main; and the abandonment of the old water main appurtenances which included hydrants, air release valves, gate valves, and blow offs. He noted that only paving and slurry seal operations remain and that the entire project should be completed by the end of February, weather permitting.

As of January 28, 2011, SG has completed 94% of the contractual work.

B. Meeting with Los Altos Hills Engineer—Traffic Control  The Engineer noted that, at the last meeting, he had informed the Board that contract documents require District contractors to be responsible for site safety and traffic control and that the contractor is also required to adhere to Caltrans specifications for traffic control.

He reported that Staff had met with the Town Engineer and had been informed that the Town is in the process of updating its traffic control specifications. He said he will be coordinating with the Town Engineer so that District specifications match Town specifications.
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The Engineer also noted that there is a possibility that future District contract documents may specify that the contractor's traffic control plan be prepared by a registered traffic engineer, although it would add additional cost to the project. He noted that the Attorney would also review any changes made to the contract documents.

6. **WATER SUPPLY AUGMENTATION—QUARRY HILLS LAKE WATER:** (Director Anderson directed that this item be moved up on the Agenda.) The Manager reported that a meeting had been scheduled with John Vidovich, an owner of a property adjacent to Quarry Lake. Mr. Vidovich had been unable to attend but the Manager hoped to meet with him before the next Board meeting. The Engineer added that preliminary engineering had been completed and meeting with the owner was the next component of the project.

5. **ENGINEER'S REPORT (CONTINUED):**

   C. **Presentation on District's Capital Improvement Program** The Engineer gave an overview of the District and a presentation on recently completed and current projects on the District's capital improvement program. The Board discussed the possibility of presenting a condensed version of this presentation to the Los Altos Hills Town Council.

7. **WATER RATES—DOCUMENT ON FREQUENTLY ASKED QUESTIONS:** The Engineer noted that a draft of the frequently asked questions had been prepared which included comments from the Board. After discussion, it was suggested that the document be edited so that a layperson reading it can easily understand it.

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

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

   - A storm drain that had been damaged during the repair of a main break on Liddicoat Drive in November was repaired this month.
   - Valves are being raised throughout the District.
   - A leaking valve on the corner of Arastradero Road and Liddicoat Drive had been excavated for replacement.
   - A 3-valve set had been installed at the corner of Elena Road and Foothill Lane.
   - A service, meter, and backflow had been installed on Crescent Lane.
   - An above-ground air release cage had been built at the Deer Creek pump station.

The Manager also noted that the Department of Public Health had renewed the District's operating permit which goes through 2031.

   B. **Conservation Program Update** Alexis Shields, Conservation Specialist, submitted an update on each of the three customer projects which had been approved for District funding. Ms. Shields then went on to describe the Santa Clara Valley Water District's rebate program in which the District participates. She also recapped the District's conservation efforts which include: customer service requests regarding leak detection and landscaping recommendations, monthly newsletters, hosting of landscape classes for the Bay Area Water Supply and Conservation Agency, participation in Earth Day and the Town picnic, and working with the Town's Water Conservation Committee.
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9. DIRECTORS’ REPORT:

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

B. Emergency Planning

1) Town Emergency Drill, January 29, 2011—Director Anderson reported that he had participated in the Town of Los Altos Hills Level 7 earthquake drill. One hundred CERT (Civilian Emergency Response Team) volunteers had been dispersed throughout Los Altos Hills during the drill. Director Anderson said that these volunteers can also help the District in spotting leaks during a real earthquake. He requested that the Manager give a talk at the next CERT meeting to explain how to recognize a main break versus a customer line break.

2) District Emergency Planning—The Manager said he would be scheduling a tabletop emergency drill for District Staff in the near future.

C. Advisory Committee Meetings  Director Jordan noted that the Cost Analysis Advisory Committee had met (Directors Jordan and Kremen). He said he would keep the Board apprised as they move forward with obtaining information regarding the equivalent rate base of the District.

Director Jordan also noted that the Advisory Committee on Additional Supply had met (Directors Jordan and Solomon) and he reported on that meeting.

D. Director Reimbursement Matter  The Attorney reported that a reimbursement request had come to the attention of the Manager after the agenda had been posted. Director Jordan was requesting reimbursement to attend one day (February 17) of the three-day Water Tech Seminar in San Jose. The Attorney said that the Board could authorize the addition of this reimbursement matter to the agenda pursuant to Government Code Section 54954.2(b)(2) which provides for the exception of items that need immediate action and come to the attention of the Board after the posting of the agenda.

After discussion, it was moved by Director Anderson, seconded by Director Holtz, to add this item to the agenda because there is an immediate need to take action regarding the reimbursement of the expense to attend one day of the Water Tech Seminar. Motion carried—voice vote.

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

It was then moved by Director Solomon, seconded by Director Kremen, that Director Jordan be reimbursed only the cost of attending one day of the Water Tech Seminar in the amount of approximately $200. Motion carried—voice vote.

Ayes: Directors Anderson, Holtz, Kremen, and Solomon
Noes: None
Absent: None
Abstain: Director Jordan
E. **Agenda Item Requests** The Board identified agenda items for the March 9, 2011, meeting.

13. **ADJOURNMENT:** The meeting was adjourned at 9:07 p.m. to reconvene next at the regular meeting on March 9, 2011, at 6:30 p.m., at the District’s office.

Respectfully submitted

[Signature]

Lucy E. Xavier, District Secretary

Approved: [Signature]

Robert N. Anderson, President