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.

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** Dick Jones, former Board member, was present for Item 6.

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

   A. Approval of Minutes: Regular Meeting of February 9, 2011
   
   B. Approval and Ratification of February 2011 Disbursements—$315,152.93
   
   C. Financial Reports for February 2011:
      - Income and Capital Improvement Plan
      - Revenues and Expenditures
      - Balance Sheet
      - Consumption and Billing
      - Investments

4. **ENGINEER’S REPORT:**

   A. **Zone 2.5 Project, Phase III** The Engineer reviewed his memo of March 4. He said that the District’s contractor, Stoloski & Gonzalez (SG), had completed paving for the project and noted that 600 linear feet of six-inch asbestos concrete main, which went through four properties, had been abandoned in place with the tie-in to a new service connection on Leander Drive. Weather conditions in February had delayed the project but completion was anticipated by the end of March, weather permitting. The Engineer noted that SG is scheduled to complete miscellaneous paving and clean up in the next several weeks and slurry seal will be completed when the weather is warmer. He then reviewed the preliminary balancing change order.

As of February 25, 2011, SG has completed 98% of the contractual work.

   B. **Presentation on District’s Capital Improvement Program** The Engineer gave a draft presentation on the District’s capital improvement program which the Board hopes to present to the Los Altos Hills Town Council at a future date. The Board asked that the draft presentation be given again incorporating the suggested changes.
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5. WATER SUPPLY AUGMENTATION—QUARRY HILLS LAKE WATER: The Engineer reported that Staff and the Advisory Committee (Directors Holtz and Solomon) had met with John Vidovich. Discussions included engineering matters, ownership of the water rights, monthly standby charges the District would pay in order to maintain facilities at the lake, and refilling the lake once it is used in an emergency.

6. WATER RATES—DOCUMENT ON FREQUENTLY ASKED QUESTIONS: Dick Jones explained that, with his significant training and experience in editing, he had decided to edit the District’s FAQ document for a general audience. After discussing his edits, Board and Staff indicated that they were very happy with the suggested changes and thanked Mr. Jones for spending his time helping the District. The Manager also noted that the Attorney had reviewed the document for legal accuracy. Director Anderson requested that the edited document be brought back for final approval at the next meeting after further review by the Board and Staff.

7. REQUEST FOR PURCHASE OF ELEMENTS ASSET & WORK MANAGEMENT SOFTWARE: The Manager requested authorization to purchase Elements Software which will provide a comprehensive set of GIS-based asset work management tools in a single standalone application. He went on to review his memo which outlined the features important to the District. After discussion, it was moved by Director Kremen, seconded by Director Solomon, that the Manager be authorized to purchase the Elements Asset & Work Management Software at a cost of $25,500. Motion carried unanimously—voice vote.

8. REQUEST FOR SPONSORSHIP—LOS ALTOS HISTORY MUSEUM: The Manager noted that the Los Altos History Museum was requesting that the District consider supporting a new, original exhibit which will educate the Los Altos/Los Altos Hills communities about the history of water in the Santa Clara Valley—how it is used today and how it will shape our future. He suggested a sponsorship amount of approximately $3,000. He noted that the District’s name would be on the exhibit and that Alexis Shields, the District’s Conservation Specialist, would donate her time to help develop content. After discussion, it was moved by Director Solomon, seconded by Director Anderson, that the District sponsor the Los Altos History Museum water exhibit in the amount of $3,000. Motion failed three to two—voice vote.

The Attorney addressed Board members’ concerns regarding the gift of public funds. After discussion, Director Anderson requested that a representative from the Museum attend the next Board meeting to explain how the exhibit will benefit the District and its customers.

9. MANAGER’S REPORT / COMMUNICATIONS ITEMS:

A. Field Report The Manager reported the following:

- A 3-valve set and fire hydrant had been installed at the corner of Arastradero Road and Liddicoat Drive.
- Orion meter installation had been completed, except for the installation on the larger (8-inch) meters.
- Crews backfilled the area of a leak on Altamont Road that had occurred last month.
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B. Wireless Meter Reading Accuracy The Manager explained how the District’s “Orion” meter operates, noting that the meter, itself, is not electronic but mechanical. The “Orion” part of the meter only transmits data electronically and is synchronized with the mechanical dial.

10. DIRECTORS’ REPORT:

A. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues There was no report on BAWSCA issues.

Board and Staff discussed a letter from the San Francisco Public Utilities Commission (SFPUC) dated February 23, 2011. The letter indicated that the SFPUC had reviewed and analyzed Environmental Enhancement Surcharge structure alternatives and is recommending a tiered surcharge beginning in fiscal year 2011-2012. The letter detailed the proposed structure based on interim supply allocations through 2018 and the estimated financial impact and timing for both wholesale and retail customers.

B. Attendance at League of Women Voters “Meet Your Elected Officials” Event Director Kremen noted that he would represent the District at this event on Sunday, March 20, 2011.

C. Appoint Director Anderson to Town of Los Altos Hills Water Conservation Committee Director Holtz noted that he would no longer be the District’s representative on the Town’s Water Conservation Committee. Former Board member Gary Waldeck had also resigned from the Committee. After discussion, It was moved by Director Solomon, seconded by Director Holtz, that Directors Anderson and Kremen join the Town’s Water Conservation Committee as representatives of the District, if accepted to the Committee by the Town, and to receive compensation for attendance pursuant to the District’s compensation policy. Motion carried—voice vote.

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

D. Investor Owned Utility Advisory Committee (Cost Analysis Advisory Committee) The Manager noted that Director Jordan had requested that the name of the Investor Owned Utility Advisory Committee (Directors Jordan and Kremen) be changed to the Cost Analysis Advisory Committee. It was moved by Director Anderson, seconded by Director Solomon, that the name of the Committee be changed. Motion carried unanimously—voice vote. Director Jordan noted that there was no report this month for the Committee.

E. Miscellaneous Director Jordan reported on the Advanced Technologies Day portion of the Water Tech Conference he had attended on February 17.

Director Kremen invited Board and Staff to the Imagine H2O event in San Francisco on March 16.
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F. Agenda Item Requests  The Board identified agenda items for the April 13, 2011, meeting.

11. ADJOURNMENT: The meeting was adjourned at 9:00 p.m. to reconvene next at the regular meeting on April 13, 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