1. **CALL TO ORDER AND ROLL CALL** President Jordan called the Special Meeting to order at 6:07 p.m. in the District office.

   Directors Present: President Jordan, Directors Peter Evans, Robert N. Anderson, and Ernie Solomon.

   Staff Present: Patrick Walter, General Manager; Phil Witt, General Foreman, and David Gehrig, Attorney, Hanson Bridgett

2. **CONFERENCE WITH REAL PROPERTY NEGOTIATOR** (GOVERNMENT CODE SECTION 54956.8)
   The Board authorized its real property negotiator, General Manager Patrick Walter, to initiate conversations with the Town of Los Altos Hills to renegotiate the terms of the La Cresta Tank Site Lease regarding price, terms of payment, and related issues as well as to renegotiate the terms of the Operations Center Lease regarding price, terms of payment, and related issues.

3. **CLOSED SESSION ADJOURNED AND OPENING OF THE REGULAR MEETING**

4. **CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE** President Jordan called the Regular Meeting to order at 6:30 p.m. in the District office.

   Directors Present: President Jordan, Directors Peter Evans, Robert N. Anderson, and Ernie Solomon.

   Staff Present: Patrick Walter, General Manager; Phil Witt, General Foreman, Joubin Pakpour, Engineer; Pakpour Engineering; David Gehrig, Attorney, Hanson Bridgett; and Ray Collins, Office Manager/District Secretary

   The Pledge of Allegiance was recited.

5. **COMMENTS FROM THE PUBLIC** Customer and Town of Los Altos Hills Councilmember Gary Waldeck distributed his letter addressed to the Board that discussed his reasons for supporting the ECC proposal to install an antenna on the top of La Cresta Tank 2. Customer Wa Li requested a variance to the Bill Adjustment Policy.

6. **CONSENT CALENDAR** It was moved by Director Solomon, seconded by Director Anderson, to approve the Consent Calendar. Motion approved unanimously—voice vote.

7. **LA CRESTA TANK SITE LEASE: TECHNICAL, SAFETY, AND OPERATIONS ISSUES**
   First to speak was David Gilmour, former Chair and Associate Member of the Town of Los Altos Hills Emergency Communications Committee, and representing the LAH Emergency Communications Group who proposes to mount an antenna on the top of La Cresta Tank 2. This group maintains an existing tower and antenna mounted to the side of the same tank. Mr. Gilmour said that after the Board approved the group’s proposal at their October 2017 meeting, he worked to resolve outstanding issues related to the installment, the Town’s lease of the site, and insurance. After he discussed those solutions with the District
GM and the City Manager, he believed they found solutions that would enable the project to be completed. Nevertheless, he learned that the Board had further questions. Mr. Gilmour offered his help to resolve them.

Director Jordan clarified that as he looked more closely at issues with the proposed antenna, he found problems regarding the existing tower and antenna as well as the proposed new antenna. These issues were summarized in three slides presented at the meeting entitled: 1) Selected Compliance Issues to be addressed with Emergency Operations Committee and the Town; 2) Key Safety Concerns; and 3) Difference Between 10/17 Presentation vs. Manufacturer Specifications. The slides are attached as Exhibits 1, 2, and 3 to these Minutes.

Director Jordan explained that the Town has not paid for its share of the installation. He stated that Town volunteers or contractors accessing the antenna tower should be certified or hold a contractor’s license, and should have notified the District before entering the site. In addition, the Town has not paid its rent of $1.00/year. Furthermore, the District’s radio antenna is located in a low position on the pole which causes gaps in coverage throughout the service area, though the District paid the entire cost of installation. Other concerns regarding the new antenna and pole raised by the Board and staff included: 1) safety concern from a potential lightning strike; 2) a finding in the Sanitary Survey audit report from the State Water Resources Control Board that the mounted tower and antennas may pose slip and fall hazards, and effect integrity of the tank and water quality; 3) the trip hazard of the cable crossing the tank; 4) potential effect of electrical field from the cable on water quality; and 5) paint damage from welding.

Director Jordan requested a professional opinion of the risk of damage from a lightning strike on the antenna, well as a report from a structural engineer on the safety of the antenna and pole on the tank.

Alternative locations for the Town’s antenna were discussed. ECC members stated that the Westwind Barn was not a suitable location because it lacks the advantage of a central location like La Cresta, and that the electrical interference from abundant solar panels around Westwind Barn and the Town Hall makes the site unusable.

Director Solomon said that the proposed antenna is a worthwhile project. He proposed moving ahead with it while ensuring that the Town shares the cost, installs safety features, and protects the tank and water quality. Director Jordan asked for a study of the risks. Director Solomon responded that there are risks, but they are not inordinate. The risks can be measured and mitigated, suggested Director Anderson. He added that the District does indeed want to support the Town. Director Evans said what he cares most about is the District staff’s opinion about the impact on operations and safety.

Director Evans recommended that the issues with the lease be resolved, and the staff provide a statement about their concerns at the next Board meeting to be held August 8, 2018.

8. BARTLE WELLS RATE STUDY SUPPORTING PROPOSED RATE INCREASE AND COST OF SERVICE FOR EACH TIER The GM said that a revised rate study will be presented to the Board at their August 8, 2018 meeting.

9. FINAL BUDGET FY 18/19 The GM presented the Budget based on 792,831 units of purchased water. It was moved by Director Evans, seconded by Director Solomon, to approve the revised Budget for Fiscal Year 2018-2019 which includes increased expenditures for capital improvements and one more field employee. Motion approved unanimously – voice vote.

10. RESOLUTION 2018-03 REQUEST FOR AND CONSENT TO CONSOLIDATION OF ELECTIONS The District Secretary explained that Resolution 2018-03 corrects a typo in Resolution 2018-02 that was approved by the Board at its April 12, 2018 meeting. It was moved by Director Jordan, seconded by Director Anderson, to approve Resolution 2018-03. Motion approved unanimously – voice vote.
11. **ENGINEER’S REPORT** The Engineer said that he found a competent surveyor who may start the design phase of the Taaffe Road Water Main and Intertie projects. The Engineer will present the proposal to the Board at their August 8, 2018 meeting.

12. **ATTORNEY’S REPORT** The Attorney reported that BAWSCA was successful in its litigation defending the Restore Hetch Hetchy (RHH) lawsuit. The California Court of Appeals issued its decision affirming the judgment against RHH on grounds that the claims are preempted by the Raker Act, federal legislation granting certain rights-of-way to San Francisco.

13. **MANAGER’S REPORT**

   **A. FIELD REPORT**
   ▶ Chloramine Boost Station. The chlorine generation equipment is being installed. Startup is scheduled for Thursday, July 12, 2018.
   ▶ Altamont Electrical. Triad and Holmes Surveyors are developing necessary documents for new easements.
   ▶ Matadero Pump Station. DACO is installing the steel bracing for the pipes.
   ▶ State Water Resources Control Board – Division of Drinking Water sent a letter with the Sanitary Survey Findings. Staff is addressing the recommendations and writing the response letter.
   ▶ Toyon Yard. Crewmen and DACO continued work on repairing flood damage and the rehabilitation which includes cleaning out piles of dirt from various construction projects. The yard needs to be protected from overflows from the adjacent creek as well as paving to improve functionality during the winter.
   ▶ Altamont Generator. Start/stop and exercise is now controlled by SCADA.

   **MAIN LEAKS**
   ▶ Priscilla Ln. On July 1, 2018, a leak occurred in an 8” DIP main due to a corrosion hole. The main was repaired with a clamp and there was no property damage.
   ▶ Arastradero Rd. On July 2, 2018 a leak occurred on the 8” CI main on Arastradero between La Cresta Dr. and Mandoli Dr. The leak was caused by a corrosion hole that subsequently split. The stick of pipe was replaced with 12 feet of ductile iron pipe.
   ▶ Purissima Rd. at Ginny Ln. and Altamont Rd at Natoma Rd. On July 9, 2018, two small leaks were discovered. The Purissima leak is not fixed yet; it appears to be a failed service saddle. The Altamont leak is being repaired by DACO.
   ▶ Purissima Rd at Deer Creek Ln. On July 10, 2018 at 3:30 a.m. a leak occurred on an 8” CI main. The leak was caused by a 2” corrosion hole. Crewmen were able to isolate this leak and leave it off because no properties are served between the two shutoff valves.

   **B. CUSTOMER COMMUNICATIONS** None to report.

14. **DIRECTORS’ REPORT**

   **A. MEETING UPDATE OF THE PHWD COMMITTEE AND LOS ALTOS HILLS COUNTY FIRE DISTRICT (LAHCFD) COMMITTEE** The Committee members agreed to draft a one page informational Memorandum of Understanding (MOU) to be considered by the LAHCFD Commission at their July 31, 2018 meeting. The GM and Engineer will give a presentation at that meeting.

   **B. BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA) RESOLUTIONS AND SAN FRANCISCO PUBLIC UTILITY COMMISSION (SFPUC) WATER AVAILABILITY.** The GM received BAWSCA’s annual letter that requests the District’s delegation of authority to BAWSCA to negotiate amendments to the Water Supply Agreement (WSA) between SFPUC and the Wholesale Customers. While it wasn’t stated in the letter, the agreement allows the District to receive additional water when it becomes available from new sources.
C. BAWSCA, ACWA/IPIA, SCVWD, AND OTHER AGENCY ISSUES Director Anderson provided a copy of the opinion of the Court of Appeals regarding the RHH case. He also brought an article from the Wall Street Journal dated June 29, 2018, Where Water Bills Drain Bank Accounts which compared average monthly water bills from select west and east coast cities.

D. DIRECTORS’ COMMENTS The GM reported on the financial results for fiscal year 2017-18. District revenue after expenses and capital improvements was $971K. The District was able to increase savings to $1.5M. He recommended approving a reserve policy.

15. AGENDA ITEMS FOR AUGUST 8, 2018 BOARD MEETING

Consider approving a reserve policy.

Internal memo on staff opinion of the safety and operational impact of the proposed antenna

MOU from the LAHCFD

Rate Study

Approval of Surveyor’s proposal

16. ADJOURNMENT The meeting adjourned at 9:35

Respectfully submitted

Raylene Collins, District Secretary

Approved: Peter Evans

Peter Evans, Vice President