

APRIL 11, 2007

1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE:** President Seidel called the regular meeting of the Board of Directors to order at 6:37 p.m. in the District office.

Directors Present: President Daniel F. Seidel, Vice President Ernest Solomon, and Directors Robert N. Anderson, A. Richard Jones, and Gary C. Waldeck.

Staff Present: Patrick D. Walter, General Manager; Patrick T. Miyaki, Attorney; Joubin Pakpour, Engineer; and Lucy E. Xavier, District Secretary.

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** Maurice R. Johnson, former Board member, was present. He said he was very glad that the District had a new Operations Center. Former Board member Janet M. Fenwick, was also in attendance.

3. **CONSENT CALENDAR:** Item C, Financial Reports, was removed. It was then approved unanimously, voice vote, that the remainder of the consent calendar be approved, specifically:

A. Approval of Minutes: Special Meeting of March 9, 2007
Regular Meeting of March 14, 2007

B. Approval and Ratification of Disbursements: March 2007—\$203,610.79

Item Removed:

Item C, Financial Reports The Board requested that only monthly financial reports be put on the Consent Calendar and that quarterly reports be reported on under Manager's Report.

4. **ENGINEER'S REPORT:**

A. **Permanent Generator at Deer Creek Pump Station** The Engineer reported that design was currently underway. A meeting had been held with the electrical engineer to discuss the automatic start logic of the generator and a first draft of the plans and specifications. He noted that the Engineer's Estimate would be available by the end of the month. The Board then reviewed a flow chart that showed startup conditions of the generator.

B. **Zone 2½ Phase I Project** The Engineer reviewed his memo of March 20TH, which showed a bid tabulation and analysis for this joint project with the Los Altos Hills County Fire District (LAHCFD). He noted that the low bidder, Bay Pacific Pipelines, had been awarded the contract by the LAHCFD Commission and that construction would begin the week of May 1ST. The Engineer said that notification had been sent out to all District customers affected by the project.

C. **Draft Five-Year Capital Improvement Program** The Engineer noted that a project had been added to the draft CIP—the Palo Alto Interconnect Project. He said that the exact location of the intertie would be determined after meetings with the City of Palo Alto.

The only other change to the CIP was to update unit cost for pipe based on the costs received for the Zone 2½ Phase I Project. Director Seidel also suggested that the four items associated with the Deer Creek Pump Station be rolled into one contract which would make coordination easier under one contractor. Board and Staff then discussed details associated with contracting with the City of Palo Alto to purchase water, and also discussed aspects of some of the CIP projects.

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Director Seidel reviewed the proposition that the District and other neighboring cities/utilities had been involved in to encourage the Santa Clara Valley Water District (SCVWD) to build a new pipeline. He said that some of the CIP projects could be delayed so that the District could revisit the possibility of a new pipeline that would connect the District's and other nearby water purveyors' systems to the SCVWD. The Board discussed the pros and cons of delaying certain projects.

It was then moved by Director Jones, seconded by Director Anderson, that the District's 2007 Five-Year Capital Improvement Program be approved in concept with the following provisos: that the four Deer Creek projects be consolidated into one project; that the Palo Alto intertie project be clarified; and that no action be taken on the LAHCFD Zone 2½ Phase II project until an agreement has been reached with the LAHCFD. Motion carried unanimously—voice vote.

D. The Engineer noted that he had attended a town hall meeting in Concord regarding "California's Water" sponsored by the Association of California Water Agencies and other water agencies.

5. **POWER POINT PRESENTATION ON RATES—DIRECTOR JONES:** Director Jones gave a power point presentation which showed a comparison of current rates with and without the readiness-to-serve charge. He also showed various graphs dealing with rate options and revenues with and without the readiness-to-serve charge.

6. **WATER SUPPLY ALTERNATIVES:**

A. Groundwater Project The Engineer noted that he had included in the Board packet a summary of what the District has done in order to try to supplement its water supply.

B. Potential Purchase of Additional Water from the Santa Clara Valley Water District/California Water Service Company The Engineer noted that Staff was working on a letter from the Board President to the Board of the SCVWD that would hopefully help move this project along. Director Seidel said he had attended a meeting of the SCVWD Board in order to talk with directors and staff to let them know that they would soon be receiving a letter from the District regarding the potential purchase of water. He also noted that the SCVWD would be raising its groundwater charges.

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

Field Report

- District crews have continued the inspection of the 12-inch main in La Paloma Road to Wildcrest Lane (Evershine). Bacteriological testing had passed but pressure testing had uncovered several leaks. The main will be turned on after the leaks have been repaired.
- Approximately 790 Orion heads (for remote radio reading) on meters have been installed on the District's busier streets and for the District's 100 highest water users.
- Backflow prevention devices had been installed.
- District crews had built a rack for the computer at the Corporation yard.
- An employee had been bitten on the hand by a dog at a customer's residence. Although not serious, the employee had been seen by a doctor and a worker's compensation claim had been submitted. The employee did not miss any work time.
- A main break had occurred on the 10-inch cast iron main in Fremont Road, between the Town's Heritage House and St. Francis Drive. The main had a hole with a 7-foot split.

Customer Communications There were no customer communications.

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Financial Reports The Manager reviewed the quarterly reports (January-March 2007) for billing and consumption, income and expense, and investments.

Status of District Tower and Town of Los Altos Hills Emergency Communications Antennas The Manager noted that the Town's emergency communications antenna lease at the District's La Cresta tank site was entered into concurrently with the District's office lease with the Town. He said that when the leases were drawn up, Staff had envisioned that the Town would have its own tower which would be located outside the tank site gate with a separate electrical service. As it turned out, the proposed location of the Town's tower was not feasible and so it was agreed that the Town could place its antenna on the District's existing tower. However, another tower had to be purchased because the existing one could not sustain the load of the additional antennas.

He noted that he was no longer dealing with the HAM operations group but was talking directly with the Town which he felt was more appropriate. He said that the Town will now be going up to 62 feet on an existing 40 foot tower and will be installing two antennas and a lightening rod.

Director Solomon asked if there were any soil condition problems having a larger tower so close to the tank. Director Waldeck assured the Board that the tower was pre-engineered by the manufacturer and that there would be no impact on the tank. The Engineer agreed that the tower should be able to handle the load but would check the foundation for any potential problems. Director Solomon said that he would prefer that the District perform a soils test.

The Attorney said that the next step is for the District and Town to amend the lease to address these changed conditions.

8. DIRECTORS' REPORT:

BAWSCA Issues Director Seidel reported on the Bay Area Water Supply and Conservation Agency meeting he had attended on March 15.

Town of Los Altos Hills General Plan with Regard to Water Conservation Director Solomon noted that there was nothing to report on the Town's progress with regard to water conservation and the General Plan.

Miscellaneous The Manager said he would work on getting past usage information on the monthly billing statements.

Authorize Attendance at ACWA Spring Conference Director Anderson requested authorization to attend the Association of California Water Agencies Spring Conference in Sacramento May 8-11. It was moved by Director Solomon, seconded by Director Jones, that Director Anderson be authorized to attend the ACWA conference. Motion carried unanimously—voice vote.

Authorize Attendance at Workshop of the Local Government Commission and Bay Area Water Forum Director Seidel said that he did not think this workshop would be of interest to the District, but that perhaps someone from the Town might want to attend. He asked Ms. Xavier to pass on the information.

Change Date of Regular Board Meeting Due to Board members attending the Hetchy Hetchy tour on the date of the regular Board meeting scheduled for July 11, it was moved by Director Anderson, seconded by Director Waldeck, that the meeting be changed to July 17th. Motion carried unanimously—voice vote.

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District's Written History The Board requested that the Manager hire a student intern to write a history of the District. The Manager said he would do so.

District's Open House for New Operations Building The Board agreed that the District's Open House be scheduled for May 24th, from 4 p.m. to 6 p.m. The Board dinner for retired directors, Maurice Johnson and Alex Vayntrub, would follow at 7:00 p.m.

Miscellaneous Director Jones noted that Mr. George Denise, General Manager of Cushman and Wakefield, a property management company, would be talking with Mr. Walter regarding a presentation to the Town Council about water conservation.

Agenda Item Requests The Board identified agenda items for the May 2007 meeting.

9. **ADJOURNMENT**: The meeting was adjourned at 9:45 p.m. to reconvene at a workshop meeting on May 9, 2007, at 5:00 p.m. to be followed by the regular Board meeting at 6:30 p.m. in the District office.

Respectfully submitted

s/ _____
Lucy E. Xavier, District Secretary

Approved: s/ _____
Daniel F. Seidel, President