

MARCH 12, 2008

WORKSHOP/SPECIAL MEETING:

1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE:** President Seidel called the workshop/special meeting to order at 5:05 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; Lucy E. Xavier, District Secretary; and Alexis Shields, Conservation Specialist. Joubin Pakpour and Gary Ushiro, Engineers, arrived at 6:30 p.m. for the regular meeting.

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** No public was present.

3. **DISCUSSION OF WATER EMERGENCY CONTINGENCY PLAN:** The Manager noted that a draft water emergency contingency plan was before the Board as had been requested at the February meeting. He reviewed the plan's four stages of a water shortage emergency which could be due to a drought or cutoff from the San Francisco water supply in the event of a major earthquake. Ms. Shields noted that only those steps that applied specifically to the District had been taken from the contingency plan of guidelines of the California Urban Water Conservation Council.

Director Seidel said that a water shortage contingency plan was only one part of emergency planning and preferred that Board and Staff discuss emergency planning as a whole. The Manager said that the District has an Emergency Operations Plan (EOP) which is updated periodically and that District Staff has already performed table top emergency drills which take Staff through different emergency scenarios. The Manager also noted that District crews experience emergency situations on a frequent basis every time they respond to a main break and, occasionally, several mains breaks at one time.

Director Seidel said that emergency scenarios should take into consideration those areas or facilities that are potential weak spots that would have a greater impact on more customers or damage more property. Director Anderson said that he thought the District was in good shape to respond to emergencies. However, emergency communications between the District, the Town, and other agencies could be improved. Director Seidel said that District crews should perform emergency drills based on the EOP and suggested a target date of September or October of this year.

After discussion, the Board directed that the Manager make copies of the EOP for review and comment and that this matter be discussed again at a workshop/special meeting at 5:00 p.m. before the next regular meeting scheduled for April 9.

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REGULAR MEETING (6:30 p.m.):

1. **COMMENTS FROM THE PUBLIC:** No public was present.
2. **CONSENT CALENDAR:** It was moved by Director Anderson, seconded by Director Jones, that the consent calendar be approved:
 - A. Approval and Ratification of February 2008 Disbursements—\$305,865.57
 - B. Approval of Minutes: Regular Meeting of February 13, 2008
 - C. Financial Reports: Income and Capital Improvement Plan
Revenues and Expenditures
Balance Sheet
Consumption and Billing
Investments

3. **DRAFT PRESENTATION ON AMENDING DISTRICT RATES FOR INSTITUTIONAL CUSTOMERS—FOR PUBLIC HEARING ON APRIL 9, 2008:** Mr. Pakpour reviewed a draft presentation on amending District rates for institutional customers which will be given at the public hearing on April 9. The presentation consisted of a system overview of the District; an analysis of the proposed rate increase; historical and projected revenues and expenditures; a capital improvement overview and description of goals; the adopted water rates for residential customers; and the proposed water rates for institutional customers. The Board suggested changes and the Engineer said these would be incorporated into the final presentation.

The Attorney then reviewed draft resolution 2008-1, amending rate and fee schedule to increase water unit rate for institutional customers. The Board suggested changes and the Attorney said these would be incorporated into the resolution that will be considered on April 9.

4. **PROPOSALS FOR AUDITING SERVICES:** The Manager reported that he had received three proposals from accounting firms to perform the District's yearly audit. The Board discussed how best to evaluate the proposals and then determined that an advisory committee consisting of Directors Jones and Waldeck be formed to review, evaluate, and recommend to the Board the accounting firm best suited to perform the District's yearly audit based on the criteria set forth in the RFP. The Board also asked that David Thomas, the previous District auditor, and the General Manager assist with the selection.

5. **ENGINEER'S REPORT:**

A. **Deer Creek Improvement Project** Mr. Pakpour noted that piers for the generator pad had been drilled and concrete would be poured the next day. He said that the generator would be fully operational with an automatic transfer switch by August 1.

B. **Emergency Intertie Project (with City of Palo Alto and California Water Service Company)** Mr. Pakpour reviewed the plans for the intertie project with Palo Alto which were 90% complete and said that this project would be coming before the Board in April for authorization to go out to bid.

He then reported that the design for the intertie project with Cal Water was complete. The Attorney noted that Cal Water had made changes to the District's draft intertie agreement and that these changes had been incorporated and the agreement returned to Cal Water.

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After review of the agreement, it was moved by Director Anderson, seconded by Director Jones, that the agreement be approved, provided that there are no substantial changes by Cal Water to the last version. Motion carried unanimously—voice vote.

C. Purchase Pax Mixer for Neary Tank At the February meeting, the Engineer had reviewed the problems associated with the lack of water circulation of Neary tank #2 and had reported that PAX Water Technologies had developed a mixer for this type of situation.

Mr. Pakpour now noted that he had contacted David Kraska with Carollo Engineers which had collaborated with PAX for testing of the product. Mr. Kraska informed Mr. Pakpour that he would recommend the PAX mixer to his clients without any hesitation. Mr. Pakpour also said that he had contacted four water agencies who had installed the PAX mixer and had received very good feedback regarding installation, implementation, results, and service. He said he had contacted other agencies, as well, and was waiting for return calls.

After discussion, it was moved by Director Anderson, seconded by Director Waldeck, to authorize Staff to purchase the PAX mixer with the following conditions: that the District obtain baseline stratification data, that the mixer have low water level protection, and that the mixer have a performance guarantee. Motion carried unanimously—voice vote.

D. Proposition 50 Mr. Pakpour reported that he had attended a Prop 50 workshop the month prior which dealt with grant money for water use efficiency projects. Projects eligible which might pertain to the District are installation of ET controllers, meter upgrades for remote reading, leak detection or audits, and demonstration gardens. He noted that the challenging aspect with respect to obtaining these types of grants is quantifying the amount of water that would be saved by implementing a qualifying project. Director Seidel suggested that Staff select a project and determine if the District might be eligible for grant money.

The Attorney noted that he had recently attended a conference that dealt with water conservation, water recycling, and desalinization. He said that the consensus at the conference was that the least expensive and most effective way to save water is through conservation. He also noted that the Irvine Ranch Water District has developed an allocation-based rate structure. The Board asked the Attorney to obtain a copy of the presentation.

Director Jones said he was very concerned that the District has five percent unaccounted-for water. Mr. Pakpour noted that a 5-10% loss is the industry standard. The Manager said that, when Orions are installed on all District meters, the monthly phasing with San Francisco will be significantly decreased because meters will be read in one day, instead of five days.

6. **WATER SUPPLY ALTERNATIVES:**

A. Monitoring Well on Town Hall Property Mr. Pakpour noted that he had not yet updated the analysis summary spreadsheet but hoped to have it for the next meeting.

B. Quarry Hills Lake At the last meeting, Mr. Pakpour had reported that two proposals to test the lake water had been received, both at approximately \$20,000. He said that, after reviewing both proposals, Staff recommended awarding the contract to ARC (Armand Ruby Consulting) at a cost of \$19,000, most of which is the estimated lab cost. After discussion, it was moved by Director Jones, seconded by Director Anderson, that a contract be signed with Armand Ruby Consulting. Motion carried unanimously—voice vote.

7. **LEGAL MATTERS—BROWN ACT REQUIREMENTS FOR STANDING AND ADVISORY COMMITTEES:**

The Attorney reviewed the two different types of committees that a public agency can form—standing and advisory. He noted that a standing committee is subject to the requirements of the Brown Act and, as such, must post an agenda and be open to the public. An advisory committee is exempt from Brown Act requirements and must be made up of less than a quorum of the Board. The Attorney went on to describe additional details of these two types of committees.

8. **AMEND 2007/08 BUDGET FOR PURCHASE OF DISTRICT TRUCKS:** The Manager submitted a spreadsheet which amended the 2007/08 budget, as requested by the Board, in order to purchase two additional utility trucks. After discussion, it was moved by Director Solomon, seconded by Director Anderson, to accept the amendment to the budget for the purchase of two trucks. Motion carried unanimously—voice vote.

9. **MANAGER’S REPORT / COMMUNICATIONS ITEMS:**

A. **Review District Holiday Schedule** At the February meeting, the Board had asked the Manager to submit the list of District holidays for review. It was noted that the District’s Personnel Manual had not been updated since 1998. After discussion, the Board directed that an advisory committee be formed consisting of Directors Solomon and Waldeck to review the portions of the District’s Personnel Manual dealing with the holiday and vacation policy and to report back at the next meeting with recommendations.

B. **Field Report**

- Two main leaks had occurred: one on a two-inch PVC line between Menalto Drive and Westridge Court; the other on Page Mill Road near Lupine Road due to a split on an eight-inch cast iron main.
- District crews had installed a blow-off on the 18-inch transmission line into the Deer Creek pump station.
- A two-inch service and backflow prevention device had been installed for a customer on Lupine Road.
- Crews repaired a service line which had been hit by a contractor installing a sewer line.

C. **Customer Communications:** There were no customer communications.

D. **Antenna Tower at the La Cresta Tank Site** The Manager noted that the engineering for the connection of the antenna tower to the tank was complete and the Town currently had portions of the project out to bid.

E. **Review Information Added to Customers’ Billing Statements** The Manager submitted additional draft billing statement messages to be put on customers’ bills based on comments at the last meeting. The Board approved the messages and directed that they be printed beginning with the March billing statements.

10. **DIRECTORS’ REPORT:**

A. **Bay Area Water Supply and Conservation Agency (BAWSCA) Issues** Director Seidel noted that there would be a Technical Advisory Committee meeting the following week and asked that a member of Staff attend and report back next month. He reported that he had written a letter to Assembly Member Ira Ruskin in support of AB 2437, regarding continuing

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State oversight of San Francisco's program to rebuild the Hetch Hetchy system. He then reported on the Suburban Advisory Group meeting that he had attended and on other BAWSCA issues.

B. Miscellaneous Director Solomon reported that he had attended the Town's Planning Commission meeting where AB 1881 had been discussed and asked the Attorney to give an overview of the bill at the next meeting. Director Waldeck said he would be attending the Town Council meeting the next evening.

C. Agenda Item Requests The Board identified agenda items for the April 9, 2008, meeting.

11. **ADJOURNMENT**: The meeting was adjourned at 9:15 p.m. to reconvene at the next workshop/special meeting on April 9, 2008, at 5:00 p.m. in the District office.

Respectfully submitted

Lucy E. Xavier, District Secretary

Approved: _____
Daniel F. Seidel, President