

January 19, 2011  
Fremont, California

The special meeting of the Board of Directors of ALAMEDA COUNTY WATER DISTRICT was held on January 19, 2011 at the hour of 3:00 P.M. in the Training Room of the District Office Building, 43885 South Grimmer Boulevard, Fremont, California.

Present: Directors Weed, Gunther, Koller, Sethy, and Huang

Staff members present: General Manager Walt Wadlow, Assistant General Manager-Engineering Robert Shaver, Manager of Finance Shelley Burgett, Manager of Operations Steve Peterson, Manager of Administrative Services Altarine Vernon, Financial Services Manager Michael Yee, Senior Water Resources Engineer Thomas Niesar, Water Conservation Specialist Stephanie Penn, Development Services Manager Ed Stevenson, Information Technology Manager Ariz Naqvi, Attorney Patrick Miyaki, and District Secretary Gina Markou.

President Judy Huang presided.

2 - PUBLIC COMMENTS - None

### 3 - SCHEDULED ITEMS

#### 3.1 CONSERVATION RATES STUDY WORKSHOP

Mr. Wadlow briefly outlined the goals of the workshop and the intent that it be a very interactive meeting. Mr. Niesar provided background information about water demand and how it has fallen significantly in the last few years. The District currently meets the requirements of SBx7-7. It appears that method 2 of SBx7-7 is the preferred alternative for computing ACWD's required per capita conservation since it provides the highest target. This is based on efficient water use.

Mr. Niesar introduced Sanjay Gaur of Raftelis Financial Consultants (RFC) who specializes in rate setting and water budget analysis. Mr. Gaur gave a presentation to the Board which discussed the objectives and common requirements of the study. The goal of the presentation was to gather consensus on these objectives and to prioritize them. This will help guide the Board's future decision making process in determining the appropriate rate structure to implement.

It was agreed that in this phase of the study, RFC would examine the customer classes of single family, multi-family, irrigation and schools for conservation rate structures. Commercial, institutional and industrial customer classes will be examined in the next phase of the study. In the interim, the District will continue to develop and implement the appropriate conservation programs that focus on these sectors.

Minutes – January 19, 2011

The Board expressed a desire to address affordability for essential use, while still complying with Proposition 218. They noted that given the economy, family members are moving in together and conservation rate structures need to account for this in the tier widths associated with indoor usage.

Discussion ensued and the consultant and staff responded to inquiries from the Board.

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There being no further business to come before the Board, the meeting adjourned at 5:50 P.M.

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Gina Markou, District Secretary

Attest:

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Judy C. Huang, President