

PURISSIMA HILLS WATER DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

6:30 P.M. WEDNESDAY, MARCH 14, 2018

26375 FREMONT ROAD, LOS ALTOS HILLS CA 94022

Teleconference:

Robert N. Anderson
27820 Saddle Court.
Los Altos Hills, Ca
650-949-1109

Agenda

- 6:30 1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**
- 6:35 2. COMMENTS FROM THE PUBLIC**
- 6:40 3. CONSENT CALENDAR**
Items appearing on the Consent Calendar are considered routine and will be adopted in one motion, except for any item removed for separate consideration elsewhere on the agenda. The President will ask the Board and the audience for requests to remove these items.
- A. APPROVAL OF MINUTES: REGULAR MEETING OF THE BOARD FEBRUARY 14, 2018**
- B. APPROVAL AND RATIFICATION OF FEBRUARY 2018 DISBURSEMENTS PAID IN MARCH 2018 IN ACCORDANCE WITH RESOLUTION 2013-9 (DISBURSEMENTS SIGNED BY DIRECTOR EVANS, PATRICK WALTER, AND RAYLENE COLLINS)**
- C. FINANCIAL REPORTS FOR: INCOME AND CAPITAL IMPROVEMENT PLANS FEBRUARY 2018 REVENUES AND EXPENDITURES, BALANCE SHEETS**
- 6:50 4. APPROVING PURISSIMA HILLS WATER DISTRICT'S GRANT APPLICATION TO SANTA CLARA VALLEY WATER DISTRICT SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM FOR THE RESIDENTIAL ADVANCED METERING PROJECT AND AUTHORIZING THE GENERAL MANAGER TO ACCEPT GRANT FUNDS**
DISCUSSION/ACTION
- 6:55 5. HOLMAN CAPITAL- HELPING PUBLIC AGENCIES ADDRESS UNFUNDED INFRASTRUCTURE**
PRESENTATION /DISCUSSION/ /ACTION
- 7:15 6. ENGINEER'S REPORT** **UPDATE**
- 7:20 7. ATTORNEY'S REPORT**
- A. THIRD AMENDMENT TO LEASE AUTHORIZING TOWN OF LOS ALTOS HILLS TO USE LA CRESTA TANK SITE FOR EMERGENCY COMMUNICATION EQUIPMENT**
DISCUSSION/ACTION

PURISSIMA HILLS WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, MARCH 14, 2018

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| 7:30 | 8. MANAGER'S REPORT | UPDATE/DISCUSSION |
| | A. FIELD REPORT | |
| | B. CUSTOMER COMMUNICATIONS | |
| 7:45 | 9. REVISIONS TO THE BILL ADJUSTMENT POLICY (Collins) | UPDATE/ACTION |
| 7:50 | 10. DIRECTORS' REPORT | DISCUSSION |
| | A. BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA),
ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUES | |
| | B. DIRECTORS' COMMENTS | |
| 8:00 | 11. AGENDA ITEMS FOR APRIL 11, 2018 BOARD MEETING | DISCUSSION |
| 8:05 | 12. ADJOURNMENT | |

ASSISTANCE FOR PERSONS WITH DISABILITIES

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in this meeting, please contact the District Secretary at 650-948-1217. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

Copies of all agenda reports and supporting data are available for inspection at the District office , 26375 Fremont Road, Los Altos Hills, Ca. A complete agenda and minutes can also be found on the District's website: <http://www.purissimawater.org>.

PHWD MINUTES FEBRUARY 14, 2018 v3

1. **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, Ernie Solomon, Brian Holtz, and Robert N. Anderson (teleconference)

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

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC** None

3. **CONSENT CALENDAR** It was moved by Director Solomon, seconded by Director Evan, to approve the Consent Calendar. Motion approved unanimously– voice vote.

4. **APPROVAL OF JAMES MARTA & COMPANY LLP PROPOSAL FOR AUDITING SERVICES**
The GM explained that James Marta & Company has extensive experience in auditing services of special districts, and is recommended by several public nonprofits including a similar size water district. Their proposed fee for the first fiscal year is \$26,900 which is comparable to the current auditor. A three year agreement will start in May 2018 for the audit year FY 2017/2018. It was moved by Director Solomon, seconded by Director Holtz, to approve James Marta LLP for a 3 year contract to provide auditing services. Motion approved unanimously – voice vote.

5. **AUTHORIZE DIRECTOR JORDAN TO ATTEND THE WATERNOW ALLIANCE ANNUAL SUMMIT MARCH 28-29, 2018, SALT LAKE CITY, UT AND REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES PER THE DISTRICT'S REIMBURSEMENT POLICY**
Director Jordan explained that WaterNow Alliance will pay for his airfare and lodging. It was moved by Director Holtz, seconded by Director Evans, to approve necessary expenses not to include airfare and lodging. Motion approved unanimously – voice vote

6. **ENGINEER'S REPORT**

CAPITAL IMPROVEMENTS AND PIPELINE RENEWAL RATES The Engineer provided a general analysis of the age and types of main pipes, replacement costs, and the schedule for replacing 1% of the pipeline each year (100 year renewal rate)

He mentioned that the goal of 1% per year is an industry recommendation and that few agencies are able to reach this benchmark. The annual replacement cost of 1% per year is estimated to be \$5.6M. The GM explained that most leaks occur on cast iron pipes. Director Jordan recommended moving forward with replacement of high risk pipes, and to pay for those projects by raising rates in 2018 and / or acquiring loans or issuing bonds.

7. ATTORNEY'S REPORT

PROPOSED RESTRUCTURING AND INCREASE IN HANSON AND BRIGDETT RATE

The Attorney requested that the Board approve a rate increase for legal services for the first time since 2011. The Attorney proposed to bring rates charged to PHWD in line with the rates charged to other small water districts served by Hanson Bridgett. It was moved by Director Jordan, seconded by Director Evans, to approve the proposed rate increase as requested, with the following additional terms included: 1) advance notice and GM approval before higher-rate litigation or employee benefits work is commenced; 2) on request, providing an estimate of legal fees for a particular project; and 3) on request, tracking of legal time spent on a particular project.

Motion approved unanimously – voice vote.

8. MANAGER'S REPORT

A. FIELD REPORT

- **Chloramine Boost Station.** The initial set-up was completed and the Santa Clara County Department of Environmental Health permit was approved for the chemicals at Neary. Staff is in the process of acquiring Ammonium Sulfate and Chlorine Startup, connecting and displaying all of the alarms on SCADA, and completing calibration and training.
- **McCann Tank 2 Drain.** Work continues for a new drain for the newly installed flush clean out.
- **Toyon Yard.** On January 20, McClenahan cleaned out the brush and blockages in the creek adjacent to Toyon Yard. Because it was a sensitive creek, the GM hired a biological monitor to supervise the trimming. Last year, the yard flooded due to debris blocking the creek's flow. The drive way entrance was re-paved and staff will remove the mud that accumulated from last year's storm.
- **Matadero Pump Station.** McClenahan removed a dead tree and a large branch that fell across the creek at the Matadero Pump Station.
- **Pinewood School Lead Testing.** Four lead tests were taken throughout the school. Lab results are expected later this month.
- **Elena Pump Station.** Shelton Roofing removed the old wood shingle roof, installed plywood sheeting, and a new composition 30 year roof.

B. **CUSTOMER COMMUNICATIONS** None.

C. **SCVWD GRANT STATUS** The GM explained that the SCVWD will not fund another AMI project through conservation grants.

9. **REVISIONS TO THE BILL ADJUSTMENT POLICY** The District Secretary summarized her proposed changes to the Bill Adjustment Policy. The Board considered 3 primary updates; 1) leak adjustments may be granted every seven years to the same customer instead of once per customer; 2) lost water because of malfunctioning irrigation controllers qualify as leaks after the customer purchases a new smart controller that is approved by the SCVWD; and 3) customers with Beacon AMI devices must enroll for an online Eye on Water account before receiving the adjustment. Director Evans suggested adding a statement from the Water Wasting Ordinance. The District Secretary will bring the revisions to the Board meeting March 14, 2018.

10. DIRECTORS' REPORT

**A. BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA),
ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUES**

Director Jordan explained the reasons Gary Kremen, Board member of the SCVWD, was unable to attend the Board meeting, and that Mr. Kremen's intent was to request that the District and SCVWD cooperate to support the State Water Project (SWP). Director Jordan explained the possibility of the District getting back the property taxes that are levied on its customers to fund the SWP. Because District customers do not receive water from the SWP, those funds could be returned to be used explicitly for conservation projects. Based on the District's current assessed value, the District could receive approximately \$317,000 a year. This amount could double if a major state project called the California Water Fix is approved. Director Jordan suggested that, in addition to AMI installations, the District begin to build in more conservation programs into facility improvements, such as integrated leak sensing mains. (AMI devices attach to meters, read hourly usage, and send leak alerts to customers who access the data on a user friendly website.) Director Evans discussed ways of obtaining recycled water.

The District Secretary reported that she attended the BAWSCA Director's meeting held January 18, 2018.

B. DIRECTORS' COMMENTS

Director Holtz reported that he attended the SCVWD Retailers' Meeting January 17, 2018.
Director Jordan reported that he attended the SCVWD Environmental and Water Resource Committee January 22, 2018.

11. AGENDA ITEMS FOR MARCH 14, 2018 BOARD MEETING

Consider May and June meeting date changes by one week.

Holman Capital presentation

12. CLOSED SESSION

**Pursuant to California Government Code Section 54957 Public Employee
Performance Evaluation Title: General Manager**

The meeting went into closed session at 8:45p.m.

13. OPEN SESSION

**Public Employee Performance Evaluation
Title: General Manager**

Amendment to General Manager's Employment Agreement

The meeting returned to open session at 9:15 p.m. The Board approved the GM salary increase of 4% and a \$10,000 bonus to be paid at the time of his retirement in December 2019.

14. ADJOURNMENT The meeting adjourned at 9:25 p.m.

RESOLUTION NO. 2018-01

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APPROVING PURISSIMA HILLS WATER DISTRICT'S GRANT APPLICATION TO SANTA CLARA VALLEY WATER DISTRICT SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM FOR THE RESIDENTIAL ADVANCED METERING PROJECT AND AUTHORIZING THE GENERAL MANAGER TO ACCEPT GRANT FUNDS

PURISSIMA HILLS WATER DISTRICT

WHEREAS, in November 2012, the voters of Santa Clara County overwhelmingly supported Measure B, the Safe, Clean Water and Natural Flood Protection Program (Measure B);

WHEREAS, the Santa Clara Valley Water District (SCVWD) created the 2018 Safe, Clean Water Priority A Grant Program (Program) to provide Measure B funds for testing new and innovative water conservation programs and technologies;

WHEREAS, SCVWD's Water Conservation Unit has been delegated the responsibility for the administration of the Program, setting up necessary procedures;

WHEREAS, said procedures established by SCVWD require Purissima Hills Water District's (District) Board of Directors to certify by resolution the approval of the District to apply for and accept grant program funds for the District's residential advanced metering project (Project); and

WHEREAS, the District will enter into an agreement with SCVWD in the form provided by SCVWD (Agreement).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Purissima Hills Water District hereby:

1. Approves the submission of an application to the Santa Clara Valley Water District for local assistance funds from the Priority A Grant Program under the Safe, Clean Water and Natural Flood Protection Program of 2012 to complete the residential advanced metering project;
2. Approves the acceptance of grant funds from the Program upon approval of grant funding for the Project by SCVWD's Chief Executive Officer;
3. Certifies that the District has or will have sufficient funds to operate and maintain the Project;
4. Certifies that the District will review and agree to the Miscellaneous Provisions, General Provisions and Financial Provisions contained in the Agreement; and

5. Appoints the District's General Manager, or his designee, as agent to conduct all negotiations, execute and submit all documents including, but not limited to applications, agreements, payment requests and so on, which may be necessary for the completion of the Project.

REGULARLY passed and adopted this 14th day of March 2018 by the follow vote:

AYES:

NOES:

ABSENT:

President of the Board of Directors
Purissima Hills Water District

ATTEST:

Secretary of the Board

Purissima Hills Water District

Bill Adjustment Policy

2018

Billing adjustments may be made for water lost as a result of a leak on the customer's side of the meter and/or a malfunctioning irrigation controller. Water lost from leaking irrigation systems, service lines, and toilets, or from a malfunctioning irrigation controller will qualify for a billing credit upon determination by District personnel that the customer had no control over the circumstances of the lost water.

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Qualifications:

1. Leak adjustments are granted for no more than a two month period.
2. Leak adjustments are granted not more than every 7 years per customer.
3. Customers with a Beacon AMI device installed must be registered for an Eye on Water account before receiving an adjustment.
4. Leak adjustments are granted for malfunctioning controllers after the customer provides proof of purchase of a new climate-sensitive controller to replace the malfunctioning one. The new one must be on the list approved by the SCVWD controller rebate program.
5. No leak adjustment is granted when customer fails to take corrective action in a timely manner or contributes in any way to the leak problem. It is the customer's responsibility to maintain the line and equipment on the customer's property in a reasonable condition such that leaks do not occur.
6. No leak adjustment is granted to customers who have been notified in violation of Ordinance 2014-01 Prohibiting Wasteful Water. Prohibitions include delay in repairing leaks; over irrigating or use of water that causes flooding, runoff, or pooling in the street; washing vehicles with a hose without a shut off nozzle; and use of non-recirculating decorative fountains.
7. No leak adjustments are granted for pressure related issues. It is the customer's responsibility to maintain a pressure regulator valve (PRV) on their side of meter, as needed. (Locations with over 70 psi measured at the meter should have a PRV installed).
8. No leak adjustments are granted for customers who refuse installation of the Beacon AMI, a device that enables customers to monitor hourly usage on-line, and receive leak notifications.

Procedures:

1. The request for billing adjustment must be submitted on the form provided by the District. The customer should be prepared to provide necessary information if the District personnel require additional information about the cause of the above normal water use.
2. To qualify for the water leak credit, the customer must provide sufficient information to enable the District to make the requisite determination that the customer had no control over the circumstances of the leak and responded in a timely reasonable manner upon notice of the problem. This will include evidence of having repaired the leak in a timely manner. Such evidence may consist of a plumber's repair bill or verification by district field personnel. Customers who are negligent or tardy in repairing a leak do not qualify for a leak credit.
3. To arrive at the corrected bill amount which reflects the leak credit, the District will read the customer's usage data using Beacon AMI on-line reporting, or take an Orion meter reading to determine the units leaked. Leaked units are then billed at the wholesale rate. The charge for leaked water plus the charge for normal usage is a revised billing amount. The leak credit is the difference between the revised billing amount and the original bill.