

PURISSIMA HILLS WATER DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

6:30 P.M. WEDNESDAY AUGUST 8, 2018

Steve Jordan (Teleconference)
7539 Tullymore Drive
Dublin, OH 43016
650-949-3800

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 JULY 11, 2018**
 - B. APPROVAL AND RATIFICATION OF JULY 2018 DISBURSEMENTS PAID IN AUGUST 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 JULY 2018 REVENUES AND EXPENDITURES, BALANCE SHEETS**
- 6:45 4. UPDATE REGARDING PROPOSED RATE INCREASE – BARTLE WELLS**
DISCUSSION/ACTION
- 7:15 5. CONSIDER SETTING PUBLIC HEARING AND ISSUING PROPOSITION 218 NOTICE FOR PROPOSED RATE INCREASE**
DISCUSSION/ACTION
- 7:45 6. DISCUSS POTENTIAL RESOLUTION FOR PHWD SPENDING ON ITEMS REQUESTED BY OTHER AGENCIES**
DISCUSSION/ACTION
- 8:00 7. RESOLUTION 2018-04 ESTABLISHING THE APPROPRIATIONS LIMIT APPLICABLE TO THE DISTRICT DURING FY2018/2019**
DISCUSSION/ACTION
- 8:05 8. RESOLUTION 2018-05 AUTHORIZING BAY AREA WATER SUPPLY AND CONSERVATION AGENCY TO NEGOTIATE WITH THE CITY AND COUNTY OF SAN FRANCISCO TO AMEND THE WATER SUPPLY AGREEMENT**
DISCUSSION/ACTION
- 8:10 9. APPROVE PAKPOUR CONSULTING GROUP DESIGN PROPOSAL FOR THE TAAFFE AND ELENA RD. WATER MAIN REPLACEMENT PROJECT**
DISCUSSION/ACTION

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- 8:15 10. APPROVAL FOR CONSTRUCTION OF A 12" DIP MAIN ON PURISSIMA RD. FROM RHODA DR. TO ELENA RD. NOT TO EXCEED \$130,000. CONSIDER AN EXTENSION TO VISCAINO RD. DISCUSSION/ACTION**
- 8:30 11. ENGINEER'S REPORT UPDATE**
- 8:50 12. ATTORNEY'S REPORT UPDATE**
- 9:00 13. MANAGER'S REPORT UPDATE/DISCUSSION**
- A. FIELD REPORT**
- B. CUSTOMER COMMUNICATIONS**
- 9:15 14. DIRECTORS' REPORT UPDATE/DISSION**
- A. MEETING UPDATE PHWD AND LOS ALTOS HILLS COUNTY FIRE DISTRICT COMMITTEES**
- B. UPDATE LOS ALTOS HILLS EMERGENCY COMMUNICATION COMMITTEE (ECC) ANTENNA ON LA CRESTA TANK**
- C. BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA) RESOLUTIONS AND SAN FRANCISCO PUBLIC UTILITY COMMISSION (SFPUC) WATER AVAILABILITY**
- D. BAWSCA, ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUES**
- E. DIRECTORS' COMMENTS**
- 9:30 15. AGENDA ITEMS FOR SEPTEMBER 12, 2018 BOARD MEETING DISCUSSION**
- 9:35 16. 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>.

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

CLOSED SESSION

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 the 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/JPIA, 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

RESOLUTION NO. 2018-04

**ESTABLISHING THE APPROPRIATIONS LIMIT
APPLICABLE TO THE DISTRICT
DURING FISCAL YEAR 2018-2019**

PURISSIMA HILLS WATER DISTRICT

WHEREAS, Article XIII B of the California Constitution requires that each local agency subject thereto establish an appropriations limit primarily applicable to expenditure of proceeds of property taxes, and to adjust that appropriations limit annually based on changes in the cost of living and population; and

WHEREAS, the Board of Directors of the Purissima Hills Water District established the appropriations limit applicable to the District during the Fiscal Year 2017-2018 as \$1,434,488; and

WHEREAS, the District is now required to establish by resolution the applicable appropriations limit during Fiscal Year 2018-2019 by applying to the limit for Fiscal Year 2017-2018 the factors, as issued by the California Department of Finance, reflecting changes in the California per capita personal income and in population; and

WHEREAS, the calculations showing the applications of those factors have been forwarded to the Board of Directors for review and have been made available for public inspection at least fifteen days prior to the date hereof; and

WHEREAS, the applicable factors are as follows: (1) the change in the California per capita personal income was 3.67%; and (2) the applicable change in population from January 2017 to January 2018 was 0.99%.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of Purissima Hills Water District that the appropriations limit for Fiscal Year 2018-2019 is established as \$1,501,856.

Passed and adopted this 8th day of August, 2018, by the following vote of the Board.

AYES:

NOES:

ABSENT:

President, Board of Directors
Purissima Hills Water District

ATTEST:

Secretary of the District

RESOLUTION NO. 2018-05

OF THE BOARD OF DIRECTORS OF PURISSIMA HILLS WATER DISTRICT AUTHORIZING
THE BAY AREA WATER SUPPLY AND CONSERVATION AGENCY TO NEGOTIATE
WITH THE CITY AND COUNTY OF SAN FRANCISCO
TO AMEND THE WATER SUPPLY AGREEMENT

WHEREAS, in April 2003, the Purissima Hills Water District (District) and other water suppliers in Alameda, San Mateo and Santa Clara counties established the Bay Area Water Supply and Conservation Agency (BAWSCA), as authorized by Water Code Section 81300 *et seq.* pursuant to State legislation enacted in 2002 (AB 2058); and

WHEREAS, the District is represented on the BAWSCA Board of Directors; and

WHEREAS, the District's Board of Directors has previously approved the Water Supply Agreement between the City and County of San Francisco and Wholesale Customers in Alameda County, San Mateo County, and Santa Clara County (Agreement); and

WHEREAS, BAWSCA has proposed to serve as the representative of its members in discussions and negotiations with San Francisco leading toward the resolution of a number of discrete, but important amendments to address substantive issues that have arisen during implementation of the Agreement; and

WHEREAS, BAWSCA has the capabilities required to serve in this capacity by virtue of Agency staff and consultants in relevant disciplines including civil engineering, water supply planning, finance, economics, accounting, and law; and

WHEREAS, BAWSCA's CEO/General Manager has met with the District's representatives to update them on the matters at issue in this negotiation.

NOW THEREFORE BE IT RESOLVED:

1. The District appoints BAWSCA as its authorized representative in discussions and negotiations with San Francisco to amend the Agreement to address issues arising from implementation of the Agreement.
2. BAWSCA, through its CEO/General Manager, shall confer with and keep the District informed on the status of these discussions and negotiations.
3. This appointment shall continue unless and until revoked by the District's Board of Directors.
4. This resolution confers no authority on BAWSCA to enter into a contract with San Francisco or to make any commitments legally binding on the District. The authority to enter into any contracts is expressly reserved to the District's Board of Directors.

PASSED AND ADOPTED THIS 8th day of August 2018, by the following votes:

Ayes:

Noes:

Absent:

[NAME]
[TITLE]

ATTEST:

APPROVED:

[NAME]
[TITLE]

[NAME]
Attorney