

PURISSIMA HILLS WATER DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

6:30 P.M. WEDNESDAY OCTOBER 10, 2018

Agenda

- 6:30 1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE
- 6:35 2. COMMENTS FROM THE PUBLIC
- 7:00 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 SEPTEMBER 12, 2018
- B. APPROVAL AND RATIFICATION OF SEPTEMBER 2018 DISBURSEMENTS PAID IN OCTOBER 2018 IN ACCORDANCE WITH RESOLUTION 2013-9 (DISBURSEMENTS SIGNED BY DIRECTOR HOLTZ, PATRICK WALTER, AND RAYLENE COLLINS)
- C. FINANCIAL REPORTS FOR: INCOME AND CAPITAL IMPROVEMENT PLANS SEPTEMBER 2018 REVENUES AND EXPENDITURES, BALANCE SHEETS
- 7:05 4. PROPOSAL TO AMEND DISTRICT'S RATE AND FEE SCHEDULE TO ADJUST RATES FOR ALL CUSTOMERS DISCUSSION/ACTION
- A. OPEN PUBLIC HEARING PURSUANT TO PROPOSITION 218
- B. PRESENTATION OF WATER RATE STUDY BY BARTLE WELLS
- C. CLOSE PUBLIC HEARING
- D. CONSIDERATION OF RESOLUTION 2018-07 AMENDING RATE AND FEE SCHEDULE TO ADJUST RATES FOR ALL CUSTOMERS
- 8:30 5. AUTHORIZATION FOR ECHO LOGICS LEAK DETECTION AND GRANT PROPOSAL TO SANTA CLARA COUNTY VALLEY WATER DISTRICT TO FUND UP TO 50% OR \$200,000. DISCUSSION/ACTION
- 8:40 6. APPROVAL FOR PAKPOUR CONSULTING GROUP:
- A. DESIGN PROPOSAL FOR SHARED PROJECTS WITH LOS ALTOS HILLS COUNTY FIRE DISTRICT DISCUSSION/ACTION
- B. INITIATE DESIGN ON THE MOODY RD. MAIN REPLACEMENT PROJECT BETWEEN RHUS RIDGE AND FRANCÉMONT FOR A FEE NOT TO EXCEED \$35,000. DISCUSSION/ACTION

PURISSIMA HILLS WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY OCTOBER 10, 2018

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| 8:50 | 7. | ENGINEER'S REPORT | UPDATE |
| 8:55 | 8. | ATTORNEY'S REPORT | UPDATE |
| 9:00 | 9. | MANAGER'S REPORT | UPDATE/DISCUSSION |
| | | A. UPDATE ON PURISSIMA RD. MAIN REPLACEMENT PROJECT | |
| | | B. UPDATE ON THE TOWN'S REIMBURSEMENT OF CONSTRUCTION COSTS ETC. AND STATUS OF PROPOSED ANTENNA | |
| | | C. FIELD REPORT | |
| | | D. CUSTOMER COMMUNICATIONS | |
| 9:20 | 10. | DIRECTORS' REPORT | UPDATE/DISCUSSION |
| | | A. BAWSCA, ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUES | |
| | | B. DIRECTORS' COMMENTS | |
| 9:30 | 11. | AGENDA ITEMS FOR NOVEMBER 14, 2018 BOARD MEETING | DISCUSSION |
| 9:35 | 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 SEPTEMBER 2018 V3

1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE** Vice President Evans called the regular meeting to order at 6:30 p.m. in the District office.

Directors Present: Directors Peter Evans, Robert N. Anderson, Ernie Solomon, and Steve Jordan (teleconference)

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

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC** Customer Kjell Karlsson attended.
3. **CONSENT CALENDAR** It was moved by Director Anderson, seconded by Director Solomon, to approve the Consent Calendar. Motion approved (4–0) roll-call vote.
4. **DISCUSS PROPOSAL TO LOS ALTOS HILLS COUNTY FIRE DISTRICT (LAHCFD) TO INITIATE DESIGN PHASE OF SHARED PROJECTS** Director Jordan reported on the expected design and construction timeframes of shared projects. He asked staff to prepare a definitive proposal to the LAHCFD Commission that describes the proposed cost sharing of LAHCFD priority projects, and includes the proposal to design the Page Mill and Altamont projects, and present that proposal to the Commission for consideration at its Oct.16, 2018 Commission meeting. Director Jordan said that prior to completing a formal cost sharing agreement, a resolution from LAHCFD indicating its intent to fund the its share of the design phase of the LAHCFD priority projects should allow the District to approve a contract to Pakpour Engineering to initiate design that will enable construction in early 2020. The LAHCFD resolution should address the cost sharing and approve the PCG proposal.
5. **APPROVE BALANCE OF \$209,235 FOR PAKPOUR CONSULTING GROUP DESIGN PROPOSAL FOR THE TAAFFE AND ELENA RD. MAIN REPLACEMENT PROJECT** The GM explained that the Board approved funding of \$65,000 for Phase I at its August 8, 2018 meeting and that this request is to approve the balance of \$209,235. The total design cost is \$274,235. The Engineer said the topographic survey is underway and that the original proposal is unchanged. It was moved by Director Anderson, seconded by Director Solomon, to approve funding of \$209,235. Motion approved (4-0) roll-call vote.
6. **RESOLUTION 2018-06 DECLARING OFFICAL INTENT TO REIMBURSE CERTAIN EXPENDITURES FROM THE PROCEEDS OF DEBT** The GM explained that the purpose of the resolution is to declare its official intent to reimburse the costs expenditures of the Purissima Road Mains Project with proceed of debt in compliance with the Treasury Regulations section 1.150-2 The GM explained that this resolution was a cautionary measure and he didn't expect to borrow funds for the project. It was moved by Director Anderson, seconded by Director Solomon, to approve Resolution 2018-06.
Motion approved (4-0) roll-call vote
7. **ENGINEER'S REPORT** Nothing to Report
8. **ATTORNEY'S REPORT** The Attorney discussed the process of appointing a new member of the board when Director Anderson retires and vacates his position on the Board in December 2018. The District may publish a notice requesting applications for the position when the vacancy becomes official at the date of the general election November 6, 2018.

9. MANAGER'S REPORT

A. UPDATE PURISSIMA RD. MAIN REPLACEMENT PROJECT

The GM reported on the project:

- Phase 1: Complete, except for paving, and in service from Rhoda to Deer Creek Ln. There were two change orders; there was concrete treated base for the entire length of the 500 feet due to Highway 280. A three valve set was installed at Rhoda to add a valve and to replace defective Mueller valves installed on the 1995 Mains Project.
- Phase 2: Approximately 900 linear feet of the 12" DIP has been installed.
- Phase 3: Complete, except for paving, and is in service on Viscaino Rd from Canario Way to Roble Ladera. There was a change order for extra pipe to connect and install a three valve set on the 8" AC Roble Ladera crossing as well as relocating a hydrant about 40 feet closer to the Roble Ladera tee.

B. FIELD REPORT

- Crew replaced the Town's 1 ½" RP at the corner of Stonebrook and El Monte that was hit by a car.

Main Breaks

- ANACAPA DR. On August 10th there was a leak on Anacapa/Ascension. An 8 foot section of 8" CI main blew out. Crew replaced the pipe with 25' of new DIP. There was some landscape damage to the house below and significant damage to a newly installed path.
- PURISSIMA RD. On August 17th a full circle crack occurred on the 6" CI main on Purissima Road near the baseball fields. The leak was fixed with a leak clamp. There was no damage to public or private property.
- TAAFFE RD. On August 22nd a leak occurred on the 8" AC main on Taaffe Rd at the lower DeZahara Way intersection. The leak was a full circle crack and was repaired with a clamp. No property damage.
- FREMONT RD. On August 24th a leak occurred on an 8" CI main on Fremont Road in front of Town of Los Altos Hills parking lot. The leak was a full circle crack and was repaired with a leak clamp. No Property damage
- MOODY RD. On August 26th a leak occurred on an 8" CI main on Moody Road between Moody Springs Ct. and Old Snakey. The leak was caused by a 5 foot long corrosion hole and a split. The main leak did considerable damage to the road and the property below the road due to the pressure and failure mode. Crew installed 14' of DIP and a 45 degree fitting and additional 7' of DIP. In the past, 5-6 leaks occurred on this same stretch of main, mostly full circle cracks. The lower property had significant erosion with mud and water in the front yard and into the crawl space. The water also created a significant scar on the Adobe Creek bank behind the property. We are working with JPIA and environmental agencies to repair the damage.
- ALTAMONT RD. On August 28th a small leak on Altamont Road near Natoma Road was found to be an old flushing valve that was buried three feet deep in Altamont Road. The fix was to remove the valve and install 4 feet of DIP..

C. CUSTOMER COMMUNICATIONS

None

10. DIRECTORS' REPORT

- A. UPDATE LOS ALTOS HILLS EMERGENCY COMMUNICATION COMMITTEE (ECC) ANTENNA ON LA CRESTA TANK** Director Jordan reported that he and the GM met with Town of Los Altos Hills Councilman Gary Waldeck and City Manager Carl Cahill to discuss the proposed antenna on La Cresta Tank. They discussed issues relating to the design and construction of the antenna tower installed from 2007 to 2009. They agreed that the District would submit invoices to the Town for the work , and that the Town had issued or will issue the necessary permits.
- B. BAWSCA, ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUES** Director Anderson reported on topics related to BAWSCA.
- C. DIRECTORS' COMMENTS** Director Jordan reported that SCCVWD may fund certain conservation projects, such as main leak detection equipment, from property taxes collected for the State Water Fix.

11. AGENDA ITEMS FOR OCTOBER 10, 2018 BOARD MEETING

Rate Hearing

Resolution authorizing Pakpour design for shared projects contingent on LAHCFD formal approval.

ECC Antenna proposal

12. ADJOURNMENT The meeting adjourned at 8:10 pm

RESOLUTION NO. 2018-07

**AMENDING RATE AND FEE SCHEDULE
TO ADJUST RATES FOR ALL CUSTOMERS**

PURISSIMA HILLS WATER DISTRICT

WHEREAS, the District's Rate and Fee Schedule establishes the fees and charges for water and a variety of services provided by the District; and

WHEREAS, the District desires to increase certain rates to be collected by the District for the purpose of meeting expenses, debts, and expenditures as they become due; and

WHEREAS, California Water Code Section 31007 authorizes the District to establish rates and charges to yield an amount sufficient to pay operating expenses, to provide for repairs and depreciation of works owned and operated by the District, to pay interest on bonded debt, and to provide a fund to pay principal on bonded debt; and

WHEREAS, the District has determined that its water rates must be increased in order to carry out capital improvements necessary to preserve and improve the reliability of the water system, fund District operations and maintenance activities, and provide for adequate reserves; and

WHEREAS, on August 13, 2018, the Board of Directors held a special meeting which was noticed, agendized and open to the public, to evaluate the proposed modifications to the District's Rate and Fee Schedule and to hear comments from the public, and at which the Board set a public hearing to consider the proposed modified Rate and Fee Schedule for October 10, 2018; and

WHEREAS, the proposed rate increase was also agendized and discussed at the District's Board meetings on June 14, 2018, July 11, 2018, and August 8, 2018, each of which were open to members of the public; and

WHEREAS, the District's financial rate consultant, Bartle Wells Associates, prepared a Water Rate Study Update, which includes financial and rate recommendations to support the District's operating and capital funding needs for the next three years, keeps the rates aligned

with the cost of providing service, and confirms compliance with the requirements of Article 13D Section 6 of the California Constitution (hereafter "Proposition 218"). The Water Rate Study Update supplements and incorporates the 2015 Water Rate Study, which included a cost-based derivation of the District's tiered residential rates; and

WHEREAS, the Water Rate Study Update recommends the implementation of a pass-through of increases in wholesale water costs to District customers as authorized pursuant to Government Code section 53756; and

WHEREAS, pursuant to the requirements of Proposition 218, the District mailed a written notice with the date, time, and location for the public hearing regarding the proposed rate increase to all property owners and customers of the District at least 45 days prior to the public hearing; and also provided information regarding the procedures for submitting a written protest; and

WHEREAS, the District held the public hearing at the October 10, 2018, Board meeting and accepted comments and protests before and at the public hearing, and up through the conclusion of the public hearing; and

WHEREAS, the Board considered all comments and protests received; and

WHEREAS, the Board finds that the amendments to the Rate and Fee Schedule do not exceed the amount of the estimated costs required to provide the services for which the rates are levied, and do not exceed the proportional cost of service to each parcel; and

WHEREAS, the Board further finds that the amendments to the Rate and Fee Schedule are reasonable and required for the proper operation of the District, and are exempt from the requirements of the California Environmental Quality Act, pursuant to Section 21080(b)(8) of the Public Resources Code because it is for the purposes of (1) meeting operating expenses; (2) purchasing or leasing supplies; (3) meeting financial reserve requirements; and (4) obtaining funds for capital projects necessary to maintain services within existing service areas; and

WHEREAS, the rate study prepared by the financial rate consultant, including the cost of service analysis, is hereby incorporated into this Resolution.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Purissima Hills Water District as follows:

A. Residential Water Consumption Charges. For all residential customers, the amount of the water consumption charges will be as follows (one unit is equal to 100 cubic feet of water, or approximately 748 gallons):

<u>Tier</u>	<u>Units of Water Consumed Per Month</u>	<u>Current Rates</u>	<u>Rates as of November 1, 2018</u>	<u>Rates as of July 1, 2019</u>	<u>Rates as of July 1, 2020</u>
1	1-10	\$ 5.01 per unit	\$5.21	\$5.42	\$5.64
2	11-30	\$ 6.52 per unit	\$6.78	\$7.05	\$7.33
3	31-60	\$ 8.46 per unit	\$8.80	\$9.15	\$9.52
4	61-100	\$ 10.39 per unit	\$10.81	\$11.24	\$11.69
5	over 100	\$ 12.33 per unit	\$12.82	\$13.33	\$13.86

B. Institutional Water Consumption Charges. For all institutional customers, the amount of water consumption charges will be as follows (one unit is equal to 100 cubic feet of water, or approximately 748 gallons):

<u>Current Rate</u>	<u>Rate as of November 1, 2018</u>	<u>Rate as of July 1, 2019</u>	<u>Rate as of July 1, 2020</u>
\$7.56 per unit	\$7.86	\$8.17	\$8.50

C. Monthly Readiness to Serve Charges. The following fixed monthly charges, billed based on meter sizes, will be as follows:

<u>Meter Size</u>	<u>Current Rates</u>	<u>Rates as of November 1, 2018</u>	<u>Rates as of July 1, 2019</u>	<u>Rates as of July 1, 2020</u>
3/4"	\$15.00	\$17.50	\$20.00	\$22.50
1"	\$24.50	\$28.60	\$32.70	\$36.80
1-1/2"	\$34.00	\$39.70	\$45.30	\$51.00
2"	\$49.00	\$57.20	\$65.30	\$73.50
3"	\$60.50	\$70.60	\$80.70	\$90.80
4"	\$112.00	\$130.70	\$149.30	\$168.00

D. Pass-Through Rate Increases. Pursuant to Government Code section 53756, the District will consider implementing annual rate increases for the next five years by passing through any increases in the wholesale cost of water, based on the following methodology:

1. Wholesale Water Rate Increase. For every tier of water consumption (both residential and commercial), the District will pass through to District customers the exact amount of any increase in the wholesale rate imposed on the District by the SFPUC in cents per unit (100 cubic feet).

2. Notice. The District will conduct a vote of the Board to authorize any pass through of SFPUC wholesale rate increases, after which the District will provide customers with written notice of any pass-through rate increase at least 30 days before the effective date of the adjustment.

E. Effective Date. The foregoing amendments to the Rate and Fee Schedule are effective upon enactment of this resolution and shall be reflected in bills issued to District customers after November 1, 2018.

F. Notice of Exemption. The General Manager is authorized to file a Notice of Exemption with the Santa Clara County Clerk's Office.

PASSED AND ADOPTED this 10th day of October, 2018, by the following vote:

AYES:

NOES:

ABSENT:

President of the Board of Directors
Purissima Hills Water District

ATTEST:

Secretary of the Board