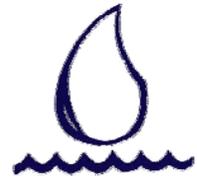


PURISSIMA HILLS WATER DISTRICT

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS



OCTOBER 10, 2007

1. **CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE:** President Seidel called the regular meeting to order at 6:02 p.m. in the District office.

Directors Present: President Daniel F. Seidel, Vice President Ernest Solomon, and Directors Robert N. Anderson and A. Richard Jones. Director Gary C. Waldeck was absent. Director Jones noted that he would need to leave the meeting at 8:00 p.m.

Staff Present: Patrick D. Walter, General Manager; Patrick T. Miyaki, Attorney; Joubin Pakpour, Engineer; and Lucy E. Xavier, District Secretary.

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** See Item 4.

3. **CONSENT CALENDAR:** The Board unanimously approved Item B on the consent calendar.

A. Approval and Ratification of September 2007 Disbursements—\$353,087.75

B. Approval of Minutes: Workshop/Special and Regular Meeting of September 12, 2007

Director Anderson requested that Item A, approval and ratification of the September 2007 disbursements, be taken off the consent calendar to discuss a reimbursement payment to the Town of Los Altos Hills in the amount of \$11,900.00.

The Manager explained that the Town had noticed water seepage on Dezahara Way and had asked the District to determine if it was a pipe leak. A leak detection company hired by the District did not find any leaks. Some damage to the street had occurred and the Town hired a contractor to excavate the street to determine the source of water and to install a french drain. The District was notified by the Town that the District would be responsible for these costs if the cause of the water was a pipe leak. Subsequently, the contractor discovered a pinhole leak on a service line that crossed the entire street which had been installed for a lot that was never developed. The Manager noted that the service line has since been capped and abandoned. The Manager felt that this payment was due to the Town and recommended it be paid.

After discussion, it was moved by Director Anderson, seconded by Director Solomon, that the payment in the amount of \$11,900.00 be made to the Town, and to approve and ratify the remainder of the September 2007 disbursements for the total amount of \$353,087.75. Motion carried unanimously—voice vote.

4. **COMMENTS FROM THE PUBLIC (CONTINUED):** Eric Clow, Planning Commissioner for the Town, was present to discuss recycled water. Mr. Clow said he had attended a Palo Alto meeting where he learned that 1% of Palo Alto's recycling plant water is used in East Palo Alto and for Cal Trans. He said that Palo Alto is now working on a project to bring 10% of its recycled water to the Stanford Industrial Park and other parts of the city within three years. Mr. Clow thought that it would be a good idea for the District to consider buying recycled water from Palo

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Alto. Director Seidel said that the Board had discussed bringing recycled water to the District but this type of project would be far too expensive for it to be feasible. After discussion, Mr. Clow said he would give further information about the Palo Alto recycling project to the Manager.

5. **APPROVE REVISIONS TO DISTRICT'S RATE AND FEE SCHEDULE FOR PRESENTATION AT PUBLIC HEARING ON DECEMBER 5, 2007:** The Engineer reviewed the draft water rate study which analyzes the proposed rate and fee increases; expenditures and revenues for the past five years; proposed capital improvement plan; account balances; and projected future revenue requirements.

After discussion, it was moved by Director Anderson, seconded by Director Solomon, to approve the revisions to the water rate study, to approve the rate schedules as described in Tables 8 and 9 of the rate study; and to approve proceeding with the proposed adjusted rates, fees and charges to be presented at the public hearing on December 5, 2007. Motion carried—voice vote.

Ayes:	Directors Anderson, Seidel and Solomon
Noes:	Director Jones
Absent:	Director Waldeck

Director Jones noted that he had voted no because the new rate schedule penalizes the low and high end users too much, does not extract enough revenue from the middle range users, and does not promote a sufficient amount of conservation.

The Engineer said he would have the final rate study and a presentation for the November meeting.

6. **AUDITOR'S ENGAGEMENT LETTER:** The Manager reviewed the auditor's engagement letter for audit services for fiscal year ending June 30, 2007. After discussion, it was moved by Director Anderson, seconded by Director Solomon, that the Auditor's engagement letter be accepted. Motion carried unanimously—voice vote.

7. **ENGINEER'S REPORT:**

A. **Zone 2½ Phase I Project (Los Altos Hills County Fire District Project)** The Engineer reported that the contractor was now 11 days into liquidated damages. He noted, however, that all major construction had been completed and the project would be finished by next week. A punch list will be submitted to the contractor at that time.

B. **Authorization to Bid Deer Creek Pump Station Building Improvements Project** The Engineer reported that plans and specifications for the Deer Creek pump station building improvements project were now complete. The bid package includes: an emergency generator and all electrical work; modifications to bring the pump station up to current seismic code; cutting an opening in the pump station roof to accommodate the new pump; piping work within the building; installation of three vents; and the installation of louvered doors. The engineer's cost estimate for the project is \$430,000

The Engineer requested authorization to bid and noted that acceptance of the bid would occur at the December 12th Board meeting. After discussion, it was moved by Director Solomon, seconded by Director Anderson, that the Engineer be authorized to advertise the plans and specifications and call for bids for the Deer Creek Pump Station Building Improvements Project. Motion carried unanimously—voice vote.

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C. Deer Creek Pump Station Fire Suppression Upgrades The Engineer noted that he did not have anything to report and would have more information at upcoming Board meetings.

8. **AMEND POLICY ON COMPENSATION AND EXPENSE REIMBURSEMENT FOR BOARD MEMBERS:** The Attorney reminded the Board that, after Assembly Bill 1234 was enacted which imposed new requirements for payment of per diem compensation and reimbursement of expenses, the Board had adopted a policy which complied with the requirements of AB 1234. However, since the implementation of the Board's policy, certain issues had arisen and Staff recommended that the policy be clarified to address those issues.

The Attorney noted that he had revised the policy to clarify several provisions and reviewed the suggested changes. Two additional issues were then discussed—compensation for attendance at Town Council and Planning Commission meetings and for signing disbursements. After discussion, it was moved by Director Anderson, seconded by Director Solomon, that the Board accept the suggested changes to the policy on compensation and expense reimbursement for Board members and to continue the discussion to the next meeting with regard to the two additional issues. Motion carried unanimously—voice vote.

9. **FIRST AMENDMENT TO ANTENNA LEASE WITH TOWN OF LOS ALTOS HILLS AT THE LA CREST TANK SITE:** The Manager reported that a draft first amendment to the antenna lease had been prepared because the District and Town intend to share a newly constructed antenna and the District wishes to establish the rights and responsibilities for this shared use. The amendment also addresses the changed location of the Town's antenna for emergency communications.

Director Anderson requested that this matter be continued to the next meeting in order to invite Ray Egan, a member of the Town's Emergency Communications Committee, to the next Board meeting. Mr. Egan has been working with the District on the new antenna.

10. **RESOLUTION 2007-8—AMEND POLICIES AND PROCEDURES FOR AWARD OF CONTRACTS AND FOR BIDDING REQUIREMENTS:** The Manager explained that these policies and procedures should be updated in light of a situation that had recently come up regarding the disposal of old filing cabinets that were no longer needed. He said that the matter of disposal of surplus equipment and scrap items had been addressed in the updates and that other suggested changes had been made, as well. After discussion, it was moved by Director Anderson, seconded by Director Solomon, that Resolution 2007-8, adopting policies and procedures for award of contracts and bidding requirements, attached hereto, be adopted with the updates as described. Motion carried—roll call vote.

Ayes: Directors Anderson, Seidel and Solomon
Noes: None
Absent: Directors Jones and Waldeck

11. **WATER SUPPLY ALTERNATIVES:**

A. Potential Purchase of Additional Water from the Santa Clara Valley Water District Director Seidel noted that he had invited the newly appointed director of the Santa Clara Valley Water District, Patrick Kwok, to the November Board meeting.

B. Intertie Project with the California Water Service Company The Engineer reported that a draft contract had been submitted to Cal Water. He said that design was 65% complete and would bring plans to the next meeting.

The Engineer noted that there is a potential problem with the location of the Town's storm drain on Robleda Road, between Dori Lane and Alta Tierra, where the proposed Cal Water tie-in would be installed. He said that the Town has been unable to determine the exact location of this 18-inch storm drain and he will be meeting the Town's interim City Engineer to discuss this issue.

C. Intertie Project with the City of Palo Alto The Engineer reported that a formal request had been sent to the City of Palo Alto, which included a draft agreement and schematic of the proposed intertie.

D. Monitoring Well on Town Hall Property The Engineer reported that the contractor would be out at the end of the next week to pump and test the District's monitoring well for water quality.

Director Solomon noted that the District might be able to obtain a groundwater grant offered by the Association of California Water Agencies. Director Anderson said he would look into this and report back at the next meeting.

E. Quarry Hill Lake Water Quality The Engineer reported that there was nothing to report at this time and hoped to have information for the next meeting.

12. **AUTHORIZATION FOR PURCHASE OF EMERGENCY POTABLE WATER HOSE AND TRAILER:** The Manager noted that he would like to purchase a trailer to carry potable water approved fire hose. This hose would be used for emergencies, such as a main break, to enable the District to continue to provide water service to customers while a repair is taking place. The hose can be reeled and stored on the trailer inside the corporation yard garage for protection. Director Seidel noted that ramps should be purchased, as well, to protect the hose when stretched across a street, as well as to alert drivers as they come upon it.

After discussion, it was moved by Director Anderson, seconded by Director Solomon, that the Manager be authorized to purchase a portable water hose trailer in the amount of \$21,000. Motion carried unanimously—voice vote.

13. **MANAGER'S REPORT / COMMUNICATIONS ITEMS:**

Field Report

- Two leaks had occurred—one on Dezahara Way and one on Fremont Road.
- Two services had been installed—one on Manuella Lane and one on Westwind Way.
- Crews were helping to inspect the Zone 2½ Phase I project; Elena and Robleda Roads had been tied in.
- The Lupine Road main is not yet in service pending bacteriological testing.
- The second round of lead and copper sampling had been completed.
- The contractor installing a sewer tie-in on Gerth Lane had hit two customers' lines.

Financial Reports The Manager reviewed the quarterly reports (July-September 2007) for the income and capital plan; revenues and expenditures; balance sheet; consumption and billing; and investments.

Customer Communications: There were no customer communications.

14. **DIRECTORS' REPORT:**

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A. BAWSCA Issues The Manager noted that the District had sent a comment letter to the San Francisco Public Utilities Commission on the draft Programmatic Environmental Impact Report for projects related to rebuilding San Francisco's regional water system. He also said that the comment period had been extended 60 days due to the request of the Modesto and Turlock Irrigation Districts, who requested additional information regarding water from the Tuolumne River.

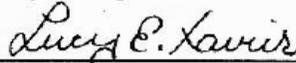
B. Miscellaneous Director Solomon reported that he had attended a Town Planning Commission meeting where discussions were continued regarding the installation of additional water meters for irrigation. He also noted that he would be giving information to the District's Conservation Specialist regarding a device to measure evapotranspiration to control irrigation usage which he had learned about at an earlier Planning Commission meeting.

C. Invitation to Participate in Computer Based Geo Work for Emergency Response The Board discussed an email they had received from Mr. Rick Ellinger inviting Board and Staff to participate in new developments which he would consider useful for general operations as well as for emergency management. Director Anderson said he would be meeting with Mr. Ellinger on a separate issue and would request further information.

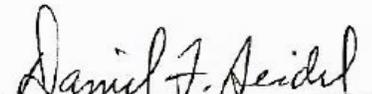
D. Agenda Item Requests The Board identified agenda items for the November 2007 meeting.

15. **ADJOURNMENT:** The meeting was adjourned at 9:25 p.m. to reconvene at the next regular meeting on November 14, 2007, at 6:30 p.m. in the District office.

Respectfully submitted



Lucy E. Xavier, District Secretary

Approved: 
Daniel F. Seidel, President