

PURISSIMA HILLS WATER DISTRICT

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS



SEPTEMBER 10, 2008

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

Directors Present: President Daniel F. Seidel, Vice President Ernest Solomon, and Directors Robert N. Anderson, A. Richard Jones, and Gary C. Waldeck.

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

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** No public was present.

3. **CONSENT CALENDAR:** It was moved by Director Anderson, seconded by Director Jones, that the regular minutes of August 13, 2008, be removed from the Consent Calendar, and that the remaining items be approved. Motion carried unanimously—voice vote.

- A.. Approval of Minutes: Special Meeting of July 29, 2008
- B. Approval and Ratification of August, 2008, Disbursements—\$708,760.86
- C. Financial Reports: Income and Capital Improvement Plan
Revenues and Expenditures
Balance Sheet
Consumption and Billing
Investments

Approval of Minutes of the Regular Meeting of August 13, 2008 This item was approved by roll call vote.

Ayes: Directors Anderson, Jones, Seidel, and Solomon
Noes: None
Absent: None
Abstain: Director Waldeck (Abstained because he was not at the August 13 meeting.)

4. **EMERGENCY PREPAREDNESS:** The Manager reported that he and the District's consultant, Elizabeth Drayer, were in the process of preparing an Emergency Operations Plan drill for District staff and hoped to have the drill in October. Director Waldeck suggested talking to Steve Garcia, the Town's Safety Officer, and request that he either observe or give advice to help set up the drill.

The Manager then talked about the District's SCADA system in terms of emergencies.

5. ENGINEER'S REPORT:

A. Deer Creek Pump Station Improvement Project The Engineer reviewed his memo of September 5, noting that the contractor, JMB Construction, had completed over 84% of the work, which included the priming and painting of the structural steel; completing the installation of the electrical items, such as cable raceways; and making modifications to the existing switchgear and Kirk Key Lock.

The Engineer also reported on an incident that had occurred on August 20 during the shutdown of the pump station to connect the new electrical work. When the contractor attempted to turn the power back on, a short occurred on one of the newly installed cables, causing damage to the breaker as it was protecting the circuit. A new breaker was installed on August 27. The shutdown of the pump station did not affect the overall operation of the District, as the work occurred over a cooler temperature period.

The Engineer concluded his report by noting that the generator and automatic transfer switch logic will undergo start up and logic testing within the next few weeks and that the District's electrical inspector and a representative from Kohler, manufacturer of the generator, will be onsite during this operation.

B. Emergency Intertie Project (with City of Palo Alto and California Water Service Company) The Engineer reviewed his memo of September 5:

Cal Water Portion of Project: The 12-inch water main on Robleda Road had been pressure tested, disinfected, sampled, and connected to the District's distribution system. Four new services and two new fire hydrants had been connected.

Palo Alto Portion of Project: During pot-holing of the 18-inch main on Arastradero Road, it was found that the District's 18-inch main was 5-feet from the top of grade instead of 10-feet as shown on the plans. This location will eliminate the need for a vertical tie-in as shown on the plans.

A field meeting with District and Palo Alto staff was held to discuss a temporary shutdown of Palo Alto's 14-inch AC main. Because a shutdown would greatly impact research facilities and businesses in the area, Palo Alto decided to use a tapping sleeve for the connection tie-in instead of a cut-in tee. This decision will cause a four week lead time to order the specified tapping sleeve and an adjustment will be needed to extend the contractual time of completion.

The Engineer then reviewed pictures of the project.

C. Potential Tank Site in the Vicinity of the District's Deer Creek Pump Station Board and Staff continued discussions regarding the feasibility of constructing an underground water storage tank in the vicinity of the District's Deer Creek pump station. The Board continued this discussion to the next meeting.

6. WATER SUPPLY ALTERNATIVES:

A. Potential Purchase of Additional Water from the Santa Clara Valley Water District (SCVWD) The Manager reported that he and the Engineer had had a conference call with two representatives from the SCVWD to continue discussions with regard to the buy-in charge and costs for the purchase of 300 acre feet of water per year. The Board also discussed Director Jones' email of August 17, in which he gave his views regarding the buy-in charge.

The Manager noted that Staff would work on a reimbursement agreement for the legal work that will be done by the District's Attorney for the preparation of a draft contract between the District and the SCVWD for the purchase of water.

B. Quarry Hills Lake The Manager reported that the advisory committee, comprised of Directors Jones and Solomon, the Engineer, and he had met to examine the results of the draft analysis report of the Quarry Hills lake. The committee had some questions, and changes were given to the consultant who said he would incorporate them in the final report.

7. MANAGER'S REPORT / COMMUNICATIONS ITEMS:

A. Field Report The Manager reported the following:

- A contractor hit a main on Altamont Road that had been incorrectly marked.
- District crews inspected the Emergency Intertie and Deer Creek Pump Station Improvement projects. Pump 4 had been installed at Deer Creek.
- Backflow prevention devices had been installed on Priscilla and Gerth Lanes.
- Yearly backflow testing had begun.

B. Customer Communications There were no customer communications.

C. Antenna Tower at the La Cresta Tank Site The Manager noted that he had spoken to Steve Garcia who said that the Town was still waiting for the tower support kit that had been backordered.

D. Electronic Customer Payment System At the last meeting, the Board decided that no action would be taken at this time to offer electronic payment, since approximately one-fourth of customers use on-line banking to pay their water bill.

Director Jones now requested that the Board re-consider offering electronic payment to customers. He noted that appropriate safeguards could be incorporated so that there is no chance that a customer's bank accounts could be depleted in the case of a very large leak.

It was then moved by Director Jones, seconded by Director Waldeck, that the Manager establish an electronic payment system, with safeguards, to debit a customer's bank account, if the customer so wishes. Discussion ensued on the pros and cons of this type of payment system. The motion was then withdrawn and direction was given to the Manager to investigate if this type of payment system can be set up so that customers' bank accounts are protected in the case of a very large leak and to report back at the next meeting.

SEPTEMBER 10, 2008

8. DIRECTORS' REPORT:

A. Appoint Representatives to the Bay Area Water Supply and Conservation Agency and to the Bay Area Regional Financing Authority Director Seidel noted that, since he did not run for re-election to the District Board, he would also be resigning as Board member of these two agencies. Therefore, new appointments would need to be made. The Attorney explained that, after Director Seidel formally resigns from these two agencies, the District Board can then appoint new representatives by resolution.

B. Appoint Representative to Negotiate SFPUC Contract Director Seidel explained the duties of the representative and Director Waldeck said he would be interested in this appointment. The Attorney said he would look into BAWSCA legislation that addresses the designation of the District representative for purposes of contract negotiations and report back at the next meeting.

C. Town of Los Altos Hills Water Conservation Subcommittee Director Waldeck explained that the Town's Planning Commission has an ad hoc water conservation subcommittee that he wishes to attend as a formal representative of the District. He noted that this subcommittee can influence the Planning Commission on rules regarding water conservation.

After discussion, it was determined that more information on this committee be obtained and that a decision to appoint Director Waldeck as a representative be made at the October meeting.

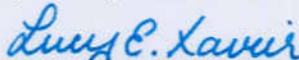
D. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues Director Seidel reported on BAWSCA issues.

E. Agenda Item Requests The Board identified agenda items for the October 8, 2008, meeting.

An advisory committee consisting of Directors Seidel and Waldeck was formed for the annual performance review of the General Manager.

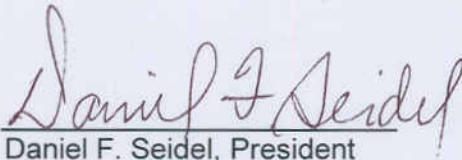
9. ADJOURNMENT: The meeting was adjourned at 8:50 p.m. to reconvene at the next regular meeting on October 8, 2008, at 6:30 p.m., at the District's office.

Respectfully submitted



Lucy E. Xavier, District Secretary

Approved:


Daniel F. Seidel, President