

# PURISSIMA HILLS WATER DISTRICT

## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS



JUNE 13, 2012

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

Directors Present: President Brian Holtz, Vice President Stephen A. Jordan, and Directors Robert N. Anderson and Ernest Solomon.

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

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** Public present were former Board members Daniel Seidel and Dick Jones, and Los Altos Hills Council Member, Gary Waldeck.

Mr. Seidel noted that he had attended a Peninsula Water Works Association meeting. (Director Anderson had also attended.) One of the speakers was a coordinator for the San Jose Water Company who gave a presentation on emergency response preparedness. Mr. Seidel said that one of the things he was never able to accomplish as a Board member was to have an emergency drill with the Board, Staff, and employees and he encouraged the Board to do so.

Dick Jones said he was disappointed that the Quarry Hills Lake Water project was delayed and encouraged the Board to continue the pursuit for the legal use of this water in an emergency.

3. **CONSENT CALENDAR:** It was moved by Director Anderson, seconded by Director Solomon, that Item A, approval of minutes of the regular meeting of May 9, be approved as amended. Motion carried unanimously—voice vote.

Items B and C of the Consent Calendar were approved unanimously.

- B. Approval and Ratification of May 2012 Disbursements—\$473,577.80
- C. Financial Reports for May 2012:
  - Income and Capital Improvement Plan
  - Revenues and Expenditures
  - Balance Sheet
  - Consumption and Billing
  - Investments

4. **TOWN OF LOS ALTOS HILLS AD HOC COMMITTEE TO REVIEW THE PURISSIMA HILLS WATER DISTRICT:** Council Member Gary Waldeck reported that the Town's ad hoc committee was inviting the District's General Manager and two Directors to be part of the committee to begin collaboration to understand how the District is run. Two members each from the Towns' Council and Finance Committee would also be included—for a total of seven members. He noted that the committee will be exploring the possibility of the Town absorbing the District, selling the District to the California Water Service Company, or to leave the District as is.

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Director Holtz noted that this might be a good opportunity for the Town and the public to learn more about the District. Director Solomon said that he does not know why it does not resonate with the Town or the public that the District's rates are less expensive than what Cal Water charges in its service areas that provide SFPUC water. Council Member Waldeck noted that the public is comparing District rates with those rates that Cal Water charges in Los Altos Hills, not in other Cal Water service areas.

After discussion, it was moved by Director Anderson, seconded by Director Holtz, that Directors Jordan and Solomon be appointed to the Town's ad hoc committee.

5. **ENGINEER'S REPORT:** The Engineer reported that he and the Manager had the quarterly meeting with the Town Engineer. The Town is repairing a slide on Elena Road, near Taaffe Road, which is beneficial to the District because of two water mains in that area.

A. **Resolution 2012-5—Accepting as Complete the McCann Pump Station Improvements Project** The Engineer reviewed his memo dated June 7, 2012, noting that the contractor, Lewis & Tibbitts Inc., had completed the project scope of work. A correction list had been generated and the contractor had completed the majority of the items except for two minor items which would be done on June 8, when work is completed. The Engineer noted that all work had been completed in accordance with contract documents and recommended acceptance of the project.

It was then moved by Director Jordan, seconded by Director Anderson, that Resolution 2012-5, accepting as complete the McCann Pump Station Improvements project and authorizing the recordation of a Notice of Completion, be adopted. Motion carried—roll call vote.

Ayes: Directors Anderson, Holtz, Jordan, and Solomon  
Noes: None  
Absent: Director Kremen

B. **Tank Structural Upgrades** The Engineer reported that a meeting had been held with the advisory committee and another meeting had been scheduled for the coming week. Recommendations would be finalized at that meeting and a summary spreadsheet would be submitted to the Board at the July meeting.

C. **Presentation and Approval of 2012 Capital Improvement Program (CIP)** The Engineer explained that there are some projects that have not yet been finalized that most likely would be part of the five-year CIP and requested that this item continued to the July meeting.

The Manager also noted that the interior paint of the La Cresta tank is failing under the roof. He will keep the Board apprised of the project cost based on consideration of repair alternatives.

6. **REVIEW DRAFT BUDGET FOR FISCAL YEAR 2012-2013:** The Manager reviewed the draft budget for fiscal year 2012-2013. After discussion, he requested that the Board further review and provide comments so that the budget can be approved at the July meeting.

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7. **MANAGER'S REPORT / COMMUNICATION ITEMS:** Ms. Ray Collins, Town of Los Altos Hills Planning Commissioner and former member of the Town's Water Conservation Committee, will be hired to replace Lucy Xavier.

Four years of payroll, benefits, and director reimbursement information, as well as financial documents, had been sent to a news organization as requested.

The 2011 Water Quality Report will be mailed to all customers by the end of the month.

The auditor completed two days of field work for the 2011-2012 audit.

- A. Field Report The Manager reported the following:
- An inspector from the Department of Public Health was onsite for two days. A report of recommendations will be submitted to the District.
  - Installation of the gate at the La Cresta tank site is complete. The keypad will be programmed by next month.
  - Seismic upgrade and drain work is continuing at the McCann pump station.
  - A Cla-Val technician had rebuilt two pump control valves at the Matadero pump station.
  - A backflow prevention device had been installed at a residence on La Paloma Road.
  - A 12-inch valve had been repaired on Rhoda Drive and Purissima Road.
  - A 6-inch water main installation and paving had been completed on Palo Hills Drive due to two leaks which had occurred.
  - Two services had been abandoned on Arastradero Road that were on the District's 10-inch transmission line. These were hit by contractors doing work for the City of Palo Alto; another contractor hit a buried air release valve while boring on Hillview Avenue.
  - A main leak on an 8-inch line below the Elena tank had occurred on Memorial weekend. Lewis & Tibbitts had been called out to repair the leak.
  - The subdivision on Purissima Road has been completed and all fees have been paid.

B. Customer Communications There were no customer communications.

C. Water Tank Sites—La Cresta Tank See Item 5.C.

D. Survey of Water Districts and Cities Regarding Subsidizing Low Income Water Users The Manager submitted a spreadsheet prepared by Alexis Shields which showed which cities and water agencies subsidize low income water users. The Board requested that this item be continued to the July meeting when Director Kremen will be in attendance.

E. Consideration of Alternative Retirement Plans Director Holtz noted that he was concerned about the District's pension plan, CalPERS, and unfunded liabilities. He thought that it might be possible to have another type of pension plan for new hires. However, the District's contract with CalPERS precludes the District from doing this. Director Holtz also noted that the District's plan is the lowest cost plan that CalPERS offers. No changes will be made at this time.

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8. DIRECTORS' REPORT:

A. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues Director Anderson reported on BAWSCA issues. The Manager also reported on a meeting he would be attending that involved BAWSCA water supply projects funded by BAWSCA members, such as the District.

B. Director Advisory Committees—Updates

- 1) *Los Altos Hills County Fire District (LAHCFD) (Directors Jordan and Kremen):* Director Jordan reported on a meeting that had been held with representatives of the LAHCFD. A request had been made to submit a prioritized list of District capital projects which the LAHCFD could help fund. The Board then reviewed the list and exhibits which would be presented to the LAHCFD Commission.
- 2) *Santa Clara Valley Water District (SCVWD) and State Water Project (Directors Jordan and Kremen):* The Attorney left the room during discussion of this item. Director Jordan reported that investigation of this matter is on hold until the City of Palo Alto joins the other agencies. The Manager then reported on the SCVWD W-1 bond and its tax implications.

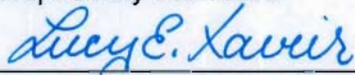
C. Directors' Comments Director Solomon commended District Staff, Alexis Shields and Jose Olivera, for a job well done at the Town picnic. He also noted that Alexis had graduated from San Jose State University and suggested that the Board send a letter of congratulations. The Board agreed. Director Jordan also noted that Jose had set up an excellent exhibit showing an example of piping on the customer's side of the meter.

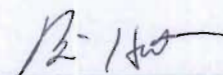
Director Anderson said that he and Alexis had met with the water conservation representative for Cal Water and a representative from Toro. Cal Water is funding a rebate program to distribute Toro sprinkler heads to Cal Water customers.

D. Agenda Item Requests The Board identified agenda items for the July 11, 2012, meeting.

9. ADJOURNMENT: The meeting was adjourned at 9:15 p.m. to reconvene next at the regular meeting on July 11, 2012, at 6:30 p.m., at the District's office.

Respectfully submitted

  
Lucy E. Xavier, District Secretary

Approved:   
Brian Holtz, President