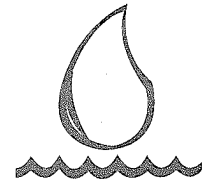


PURISSIMA HILLS WATER DISTRICT

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS



September 12, 2012 Minutes

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

Staff Present: Patrick D. Walter, General Manager; David S. Gehrig, Attorney; Joubin Pakpour, Engineer; and Ray Collins, Office Manager.

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC:** Public present were former Board member and Los Altos Hills Council Member Gary Waldeck, Santa Clara Valley Water District (SCVWD) Director Brian Schmidt, Peter Drekmeier, Bay Area Program Director of the Tuolumne River Trust, Former Board member Dick Jones, Anne Hayes and Georg Kramer of Koff and Associates.

3. **CONSENT CALENDAR:**

It was moved by Director Anderson, seconded by Director Kremen, that the Consent Calendar be approved.

Ayes: Directors Holtz, Jordan, Anderson, Kremen, and Solomon

Noes:

Absent:

4. **TUOLUMNE RIVER WATERSHED:**

A. Director Kremen introduced Peter Drekmeier, Bay Area Program Director of the Tuolumne River Trust who presented The Tuolumne River Watershed, a slide show of the history of the Hetch Hetchy water resource, its storage for urban and agricultural use, water diversion impact on fisheries, and current programs that offer alternative water sources.

5. **SANTA CLARA VALLEY WATER DISTRICT MEASURE B:**

A. Director Kremen introduced Brian Schmidt, SCVWD Board Member, who explained the purpose of the Santa Clara Valley Water District Measure B, an initiative on the November 6, 2012 ballot, asking voters to approve a reauthorization of an existing parcel tax set to expire in 2016 that funded the Clean Safe Creeks program. While the primary emphasis of project funded by the Clean Safe Creeks program in the past had been flood control, new funding will be directed to improvements in the pipeline system, overall water quality in the watershed, seismic upgrades to critical dams such as Anderson Dam, conservation and restoration of open space through grant partnerships, and flood control projects including restoring the levee system on the southern end of the

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San Francisco Bay. The Board discussed the direct benefits to PHWD from improved interoperability of SCVWD water service.

6. **TOTAL COMPENSATION STUDY:**

- A. Georg Krammer and Anne Hayes of Koff and Associates presented the elements and results of the Total Compensation Study. The most important element was identifying comparable agencies that had all positions similar to those at PHWD. Thirteen agencies participated in the survey. Results show that PHWD total compensation falls below the market median in salary for the majority of its positions, total amount contributed to medical insurance, and retirement benefits. The study provides a basis for considering how the District might realign compensation with the market.

7. **PENSION AND MEDICAL COST UPDATE:**

- A. The General Manager discussed the District's CalPERS pension fund and noted that the District has a surplus. The District also has a side fund which is an account created to account for the difference between the funded status of the risk pool and the status of our specific plan. However, the entire risk pool plan has unfunded liabilities of approximately 16%. He also provided a cost comparison of the District's current medical plan with plans provided by ACWA/JPIA.

8. **ENGINEER'S REPORT:**

- A. Quarry Hills Lake Water The Engineer reported that the committee was gathering information to evaluate the cost benefit ratio for the use of Quarry Hills Lake, for health and safety uses, in the case of a catastrophic loss of the Hetch Hetchy system.. He noted that an SFPUC study shows that in the event of an emergency, 70% of turnouts will potentially receive water (potable or non potable) within 24 hrs, and the rest (30%) of turnouts could be out of water for up to 30 days. The Committee is investigating and evaluating the District's risk for receiving water after a major earthquake from the SFPUC delivery scenarios, the reasonableness of the projected cost of water delivery from Quarry Lake, and other resources for firefighting.
- B. Neary Tank Utilization Project: The Attorney summarized a telephone discussion with Dan Siegel, attorney for the Los Altos Hills County Fire District (LAHCFD), regarding the cost sharing agreement between LAHCFD and the District for upgrading Neary Tank and constructing a pipe from Altamont Cr. to the Altamont Tank. It was agreed to continue discussions with Mr. Siegel in an effort to come to agreement on the terms of the cost sharing agreement.

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9. **MANAGER'S REPORT / COMMUNICATION ITEMS:**

- A. Field Report The Manager reported the following:
- Welding bids are being collected for La Cresta Tank
 - The water main for Homa Natoma on Palamino Pl. is being inspected.
 - Fire hydrant upgrades are continuing.
 - Main leaks on Josefa, Elena , and Fremont Rd. were repaired.
 - The General Manager will be the appointed representative for the District to work with BAWSCA on the potential bond issuance to repay capital debt owed to the SFPUC.
- B. Customer Communications There were no customer communications.
- C. Water Tank Sites: Plan and specs for sandblasting and painting are prepared.

10. **DIRECTOR'S REPORT**

A. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues: Director Anderson reported on BAWSCA issues. He noted that Art Jensen, a strong opponent of the proposal to remove Hetch Hetchy dam, is actively talking with water districts. Director Anderson attended the PWWA, and noted that the Calaveras Dam seismic improvements revealed the need for significant landslide mitigation and protection from naturally occurring asbestos.

- A. Director Advisory Committees-Updates
1. *Cost Reduction Strategies Committee (Cal Water) (Directors Jordan and Kremen):* Directors Jordan and Kremen reported they are in communications with Cal Water.
 2. *Town of Los Altos Hills Ad Hoc Committee to Review the Purissima Hills Water District (Directors Jordan and Solomon)* Director Jordan reviewed the notes from the Ad Hoc meeting held Monday August 13. The target is to present The Ad Hoc Committee findings at the Sept 20, 2012 City Council meeting.
 3. *State Water Project Tax Issues:* Issues related to the SCVWD intertie with the San Francisco Public Utilities commission (SFPUC) near Palo Alto and taxation were discussed.
- B. Directors comments. Director Kremen invited everyone to attend the Silicon Valley Watershed Summit, Saturday, Sept. 22 at Foothill College.
- C. Agenda Item Requests The Board identified no additional agenda items for the October, 2012 meeting.

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11. **ADJOURNMENT:** The meeting was adjourned at 9:30 p.m. to reconvene next at the regular meeting on October 10, 2012, at 6:30 p.m., at the District's office.

Recorded by:

Raylene Collins
Raylene Collins
Office Manager

Approved:

Brian Holtz
Brian Holtz, President