

PURISSIMA HILLS WATER DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

6:30 P.M. WEDNESDAY, JUNE 8, 2016

26375 FREMONT ROAD, LOS ALTOS HILLS CA 94022

Teleconference: Steve Jordan
155 Shermans Point
Camden, Maine
650-949-3800

- 6:30 1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE**
- 6:35 2. COMMENTS FROM THE PUBLIC**
- 6:45 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 May 11, 2016**
- B. APPROVAL AND RATIFICATION OF MAY 2016 DISBURSEMENTS PAID IN JUNE 2016, IN ACCORDANCE WITH RESOLUTION 2013-9 (DISBURSEMENTS SIGNED BY DIRECTOR SOLOMON, PATRICK WALTER, AND RAYLENE COLLINS)**
- C. FINANCIAL REPORTS FOR: INCOME AND CAPITAL IMPROVEMENT PLAN MAY 2016 REVENUES AND EXPENDITURES, BALANCE SHEETS**
- 6:50 4. EMERGENCY WATER CONSERVATION REGULATION ADOPTED BY THE STATE WATER RESOURCES CONTROL BOARD DISCUSSION/ACTION**
- 7:00 5. CORRECTION OF SFPUC WHOLESALE RATE INCREASE PASS-THROUGH FROM \$.32 TO \$.31 PER UNIT DISCUSSION/ACTION**
- 7:20 6. CONSIDERATION OF DRAFT BUDGET FY 2016-2017 DISCUSSION/ACTION**
- 7:45 7. ENGINEER'S REPORT**
- A. CAPITAL IMPROVEMENT PROGRAM DISCUSSION**
- 8:20 8. CIP FINANCING ALTERNATIVES DISCUSSION**
- 8:30 9. MANAGER'S REPORT**
- A. FIELD REPORT UPDATE**
- B. CUSTOMER COMMUNICATIONS UPDATE**

PURISSIMA HILLS WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY, JUNE 8, 2016

- 8:40 10. DIRECTORS' REPORT DISCUSSION**
- A. BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA),
ACWA/JPIA, AND OTHER AGENCY ISSUES**
- B. DIRECTORS' COMMENTS**
- 8:50 11. AGENDA ITEMS FOR JULY 13, 2016 BOARD MEETING DISCUSSION**
- 9:00 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 MAY 11, 2016 v4

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

Directors Present: President Robert Anderson, Directors Brian Holtz, Steve Jordan, Ernest Solomon and Peter Evans.

Staff Present: Patrick Walter, General Manager; Joubin Pakpour, Engineer; David Gehrig, Attorney, Hanson Bridgett; and Ray Collins, Office Manager/District Secretary

The Pledge of Allegiance was recited.

- 2 **COMMENTS FROM THE PUBLIC** None

- 3 **CONSENT CALENDAR**

It was moved by Director Anderson, seconded by Director Solomon, to approve the Consent Calendar. Motion approved unanimously– voice vote.

4. **RESOLUTION 2016-04 REQUEST FOR AND CONSENT TO CONSOLIDATION OF ELECTIONS**

It was moved by Director Anderson, seconded by Director Jordan, to approve Resolution 2016-04 as amended

AYES: Directors Jordan, Anderson, Solomon, Holtz, Evans

NOES: None

ABSENT: None

5. **RESOLUTION 2016-XX AMENDING AND RESTATING RESTRICTIONS ON OUTDOOR IRRIGATION PURSUANT TO THE GOVERNOR'S EXECUTIVE ORDER MAKING WATER CONSERVATION A CALIFORNIA WAY OF LIFE.** This item will be discussed at the June 2016 Board Meeting

6. **RESOLUTION 2016-06 UTILITY COMMISSION RATE PASS THROUGH** On May 10, 2016, the San Francisco Public Utilities Commission (SFPUC) adopted the FY2016-17 wholesale water rate of \$4.10/ccf. The new rate represents a \$0.35/ccf increase or 9.3% increase from the current rate of \$3.75/ccf. The main reason for the increase was 17% decrease in projected wholesale water deliveries. The new wholesale rate is effective July 1, 2016.

At the District's Board meeting June 10, 2015, the Board adopted Resolution 2015-02 amending the District's Rate and Fee Schedule for all customers ("Amended Rate and Fee Schedule") that established water rate increases to go into effect on July 1 of 2015, 2016 and 2017. The Amended Rate and Fee Schedule was adopted in compliance with all substantive and procedural requirements of Proposition 218 and authorized the District to pass-through future increases in the wholesale water rate charged by the SFPUC for a period of five years from the adoption of the Amended Rate and Fee Schedule, subject to a vote of the Board to authorize any pass through.

The General Manager recommended that the District approve the pass-through of the amount of the SFPUC wholesale increase above the projected wholesale rate on the date the District adopted Resolution No. 2015-02 (\$3.78), or \$.32, to District customers to become effective July 1, 2016 thus with the District's August bills. This pass through is added to each tier.

It was moved by Director Holtz, seconded by Director Jordan, to approve Resolution 2016-06 as amended.

AYES: Directors Jordan, Anderson, Solomon, Holtz, Evans
NOES: None
ABSENT: None

7. **CONSIDERATION OF DRAFT BUDGET FY 2016-2017** The GM explained his draft budget and goals for funding capital improvements based on annual usage of 780,000 ccf. The GM will provide an updated Draft Budget for the June 8, 2016 Board meeting.

8. **INFRASTRUCTURE INVESTMENT AND FINANCING ALTERNATIVE** Director Jordan suggested that the Board consider funding urgent capital improvements with debt financing while interest rates are relatively low. He provided an example of a similar water district which is considering passage of a bond to fund a portion of their CIP because primarily because the interest rate is less than expected inflation on construction costs. The Engineer commented that he has provided a list of needed construction projects but without a funding plan; unfunded amount is approximately \$14M. Director Evans commented that there does not appear to be an urgent need for debt financing. This item will be further discussed at the Board meeting June 8, 2016.

9. **CONSULTING PROJECT: CONSIDERATION OF MEMORANDUM OF UNDERSTANDING (MOU) WITH WATER NOW ALLIANCE.** Director Jordan explained that the mission of Water Now Alliance, a nonprofit network of water leaders in the Bay Area, is to work directly with local utilities on projects that advance sustainable water solutions at the community level. WaterNow Alliance is inviting the District to form a partnership to analyze savings from leak detection at no cost to the District. The MOU will be approved and managed administratively by the GM.

10. **ENGINEER'S REPORT**

A.PAGE MILL TANK RETROFIT. The Engineer reported that the tank passed all the necessary tests and was put in service April 15, 2016; deemed completed on April 18, 2016. He recommended the Board accept the project and approve Resolution 2016-05.

11. **RESOLUTION 2016-05 ACCEPTING THE PAGE MILL TANK RETROFIT PROJECT AND AUTHORIZING THE RECORDATION OF A NOTICE OF COMPLETION FOR THIS PROJECT**

It was moved by Director Solomon , seconded by Director Holtz , to approve Resolution 2016-04.

AYES: Directors Jordan, Anderson, Solomon, Holtz, Evans
NOES: None
ABSENT: None

12. **MANAGER'S REPORT**

A. FIELD REPORT

- The District passed the Santa Clara county Annual HAZMAT inspection.
- Daco installed 1-1/2" service and 2" backflow at 27391 Altamont Rd
- All weeds were cut at Hungry Horse and Elena Tank properties, as required by Fire Code
- Completed abandonment on Foothill Ln to Vogue Ct cross-country. Installed end of line flushing valve.
- Painted corroded inlet/outlet pipe in Neary Tank

- Electrical work continues at Page Mill Tank
- Seismic improvements to Elena and Altamont Tanks: These projects are complete, except for mounting water sample boxes, minor electrical improvements and paint touch-up.
- Contractors finished installation of shut off valves at Hungry Horse Tank. The vent cover was installed.
- Main leaks: On 4/19, a main leak occurred on the 6” cast iron main on Christopher Ln. around 1:30PM. The leak was a 2” hole on the bottom of the pipe with a foot long crack. The main was temporarily repaired by installing 3’ piece of ductile iron pipe. The corroded pipe was subsequently permanently repaired with 30 feet of new pipe. There was no significant damage to public or private property.

B. CUSTOMER COMMUNICATIONS The District Secretary reported that the new Conservation Specialist is contacting customers who have the new Beacon meters and encouraging them to create an on-line account to watch for potential leaks. She provided a sample brochure to be sent to these customers.

13. DIRECTORS’ REPORT

A. BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA), ACWA/JPIA, AND OTHER AGENCY ISSUES. Director Anderson reported on the workshops he attended at the JPIA/ACWA Spring Conference held in Monterey, CA, May 1-6, 2016.

B. DIRECTORS’ COMMENTS Director Evans acknowledged staff members Jose Olivera and Ray Collins for their educational outreach at the Town of Los Altos Hills Earth Day Event April 17, 2016.

14. AGENDA ITEMS FOR JUNE 8, 2016 BOARD MEETING

- CIP
- Budget
- Infrastructure and Financing alternatives

15. ADJOURNMENT It was moved by Director Anderson, seconded by Director Holtz, to adjourn the meeting at 8:35