

PURISSIMA HILLS WATER DISTRICT

REGULAR MEETING OF THE BOARD OF DIRECTORS

6:30 P.M. WEDNESDAY NOVEMBER 13, 2019

Kathy Knopoff (Teleconference)
Hilton Bangalore Embassy GolfLinks,
Intermediate Ring Rd,
Embassy Golf Links Business Park, Challaghatta, Bengaluru,
Karnataka 560071, India

Agenda

- 6:30 1. CALL TO ORDER, ROLL CALL**
- 6:35 2. COMMENTS FROM THE PUBLIC**
- 6:40 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: SPECIAL MEETING OF THE BOARD OCTOBER 15, 2019**
 - B. APPROVAL AND RATIFICATION OF OCTOBER 2019 DISBURSEMENTS PAID IN NOVEMBER IN ACCORDANCE WITH RESOLUTION 2013-9 (DISBURSEMENTS SIGNED BY DIRECTOR JORDAN, PATRICK WALTER, AND RAYLENE COLLINS)**
 - C. FINANCIAL REPORTS FOR: REVENUES, EXPENDITURES, AND CAPITAL IMPROVEMENT PROJECTS FOR OCTOBER 2019.**
 - D. STANDING FINANCE COMMITTEE DISSOLVED; NEW AD HOC COMMITTEE FORMED FOR FINANCING AGREEMENTS FOR TAAFFE/ELENA/MOODY MAIN REPLACEMENT.**
- 6:45 4. FINAL AUDIT REPORT AND PRESENTATION OF FY 2018-2019 (DAVID BECKER)**
DISCUSSION/ACTION
- 7:10 5. VARIANCE TO BILL ADJUSTMENT POLICY FOR 12630 VISCAINO COURT**
DISCUSSION/ACTION
- 7:20 6. TAAFFE/ELENA/MOODY MAIN REPLACEMENT FINANCING PLAN AGREEMENTS;**
CONSIDER TOTAL AMOUNT OF FINANCING
UPDATE/ACTION
- 7:40 7. CONSIDER AND APPROVE DIRECTOR STEVE JORDAN TO SERVE AS A DISTRICT REPRESENTATIVE ON THE ENVIRONMENTAL AND WATER RESOURCE COMMITTEE AND WATER STORAGE SUBCOMMITTEE OF VALLEY WATER AND RECEIVE COMPENSATION FOR MEETINGS AND EXPENSES.**
DISCUSSION/ACTION

PURISSIMA HILLS WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
WEDNESDAY NOVEMBER 13, 2019

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| 7:50 | 8. | APPROVE RESCHEDULING REGULAR BOARD MEETING ON JANUARY 8, 2020 TO JANUARY 15, 2020. | DISCUSSION/ACTION |
| 8:00 | 9. | ENGINEER'S REPORT | DISCUSSION/ACTION |
| 8:05 | 10. | ATTORNEY'S REPORT | UPDATE |
| 8:10 | 11. | MANAGER'S REPORT | UPDATE |
| | | A. FIELD REPORT | |
| | | B. CUSTOMER COMMUNICATIONS | |
| 8:30 | 12. | DIRECTORS' REPORT | UPDATE |
| | | A. BAWSCA, ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUE | |
| | | B. DIRECTORS' COMMENTS | |
| 8:40 | 13. | AGENDA ITEMS FOR DECEMBER 11, 2019 BOARD MEETING | DISCUSSION |
| 8:45 | 14. | CLOSED SESSION | DISCUSSION/ACTION |
| | | CONFERENCE WITH LABOR NEGOTIATOR | |
| | | Government Code section 54957.6 | |
| | | Agency designated representative: Directors Brian Holtz and Kathleen Knopoff | |
| | | Unrepresented Employee: Assistant General Manager | |
| 9:00 | 15. | RECONVENE TO OPEN SESSION | DISCUSSION/ACTION |
| 9:05 | 16. | CONSIDER AND APPROVE APPOINTMENT OF GENERAL MANAGER AND EMPLOYMENT CONTRACT | UPDATE/ACTION |
| 9:15 | 17. | 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 OCTOBER 15, 2019 v3

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

Directors Present: President Evans, Directors Ernie Solomon, Brian Holtz, Kathy Knopoff, and Steve Jordan (teleconference).

Staff Present: Patrick Walter, General Manager; Phil Witt, Assistant General Manager; Brandon Laurie, Engineer, Pakpour Consulting Group; Dave 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 Holtz, seconded by Director Solomon, to approve the Consent Calendar. Motion approved unanimously– voice vote.
4. **WULFF, HANSEN & CO. LOAN APPLICATION** The District is seeking a financing plan to fund the construction of the Taaffe/Elena/Moody Roads Water Main Replacement. This project is the top priority of the Capital Improvement Plan and has an estimated cost of \$4.3 million. Ben Levine, Public Finance Advisor with Wulff, Hanson & Co explained the roles of the three advisory agents needed for the funding: 1) Wulff, Hanson & Co. will be a Municipal Advisor to assist in developing a financing plan; 2) Brandis Tallman LLC will provide underwriting services to collect and analyze bids from banks; and 3) Quint and Thimmig LLC will perform services of bond counsel. The District Attorney will review the agreements.
5. **RESOLUTION 2019-08 AUTHORIZING AGREEMENTS AND ACTIONS TO COMMENCE LOAN APPLICATION PROCESS FOR WATER SYSTEM IMPROVEMENTS FINANCING** It was moved by Director Jordan, seconded by Director Holtz, to approve Resolution 2019-08. Motion approved unanimously – voice vote. A standing Finance Committee composed of Directors Evans and Jordan was formed to oversee the process.
6. **AUTHORIZE PAKPOUR CONSULTING GROUP TO ADVERTISE FOR BIDS FOR THE CONSTRUCTION OF TAAFFE ELENA MAIN REPLACEMENT PROJECT.** The Engineer reported the pre-bid meeting will be held November 20, 2019, the bid opening will occur December 18, 2019, with award at the January board meeting. It was moved by Director Jordan, seconded by Director Knopoff, to authorize Pakpour Consulting Group to approve the advertisement for bids, but exercise discretion when setting the advertisement date in relation to the timing of available funds for construction. Motion approved unanimously – voice vote.
7. **RESOLUTION 2019-09 ADOPTING A MITIGATED NEGATIVE DECLARATION FOR THE TAAFFE/ELENA/MOODY ROADS WATER MAIN REPLACEMENT.** It was moved by Director Knopoff, seconded by Director Solomon, to approve Resolution 2019-09. Motion approved unanimously – voice vote.
8. **CONSIDER APPROVING PURCHASE OF THREE PAX MIXERS FROM UGSI SOLUTIONS TO BE INSTALLED IN LA CRESTA T2, MCCANN T2 AND ALTAMONT T2 FOR AN AMOUNT NOT TO EXCEED \$66,500.** The GM explained that the mixers are needed to avoid stratification in the tanks. It was moved by Director Jordan, seconded by Director Knopoff, to approve the purchase and to waive the Procurement Policy because the PAX mixers are the best product on the market and the price from UGSI Solutions is discounted. Motion approved unanimously – voice vote.

9. **CONSIDER APPROVING PURCHASE OF GUTERMANN AQUASCAN 610 LEAK CORRELATOR FOR AN AMOUNT NOT TO EXCEED \$25,000** The GM explained that the correlator is so sensitive that it can accurately locate a pinhole leak over a long distance between two valves. Small leaks are often extremely hard to locate and can result in costly repairs. It was moved Director Knopoff, seconded by Director Solomon, to approve the purchase of Gutermann Aquascan 610 leak correlator for an amount not to exceed \$25,000 and waive the applicable Procurement Policy because the District crew is already trained to use the Gutermann product. Motion approved unanimously – voice vote.
10. **ENGINEER’S REPORT**
- A. CAPITAL IMPROVEMENT PLAN PRIORITIZATION** The Assistant GM explained his reasons for prioritizing the list of CIP projects to be constructed after the Taaffe/Elena/Moody Road Water Main Replacement. The top three are 1) Concepcion Road Main replacement with an estimated cost of \$2.8M; 2) Seton Main Replacement with an estimated cost of \$1M; and 3) Duval Way Improvements with an estimated cost of \$230,000.
11. **ATTORNEY’S REPORT** Nothing to Report
12. **CONSIDER AND APPROVE PHWD PUBLIC AGENCY TANK SITE ACCESS POLICY** Director Jordan explained that the Town of Los Altos Hills Emergency Communications Committee (ECC) and the Los Altos Hills County Fire District (LAHCFD) are requesting access to tank sites for the installation and maintenance of communication equipment. He said that the agencies’ access to the tank sites causes a public safety concern when it interrupts the District’s use of the sites. He asked the Board to consider a policy that manages the public use of the tank sites and therefore protects public safety. A policy had not yet been drafted to consider, however. Director Evans suggested that rather than adopting a policy, public safety around the tanks can be managed by individual agreements with each agency. Director Evans also suggested that a Board subcommittee member or District staff meet with LAHCFD officials to clarify the purpose of their request for access to tank sites. The GM and Assistant GM will discuss the Board’s position with the ECC and LAHCFD and work toward agreements regarding site access and the funding of equipment installation. They will present their findings to the Board at their November 13, 2019 regular meeting.
13. **AUTHORIZE PHWD TO ENTER INTO NEGOTIATIONS WITH TOWN OF LOS ALTOS HILLS FOR OPERATIONS CENTER GROUND LEASE SUBJECT TO SITE ACCESS POLICY AND AUTHORIZE PHWD TO ENTER INTO NEGOTIATIONS WITH LOS ALTOS HILLS COUNTY FIRE DISTRICT ON LEAK SENSOR AND LA CRESTA SITE ACCESS AGREEMENT SUBJECT TO SITE ACCESS POLICY.** No Action Taken
14. **MANAGER’S REPORT**
- A. FIELD REPORT**
- Update on Taelmans: ACOE, Calfish & Wildlife, RWQCB, CEQA are the agencies that are being coordinated. All are close to having approved permits. MIG is working on the coordination of onsite monitors (inspectors) who will represent each agency during the creek bank build back. The expected construction time frame is approximately a month.
 - TLAH Microwave dish proposal: The Assistant GM met with the District’s radio contractor about the possibility of adding more antennas to the District’s current tower. It was suggested that we do not add more antennas to our current tower and find an alternative. The contractor has 30 years’ experience with radio towers including new installations and retrofits. He suggested that the tower would be overloaded beyond his comfort level.

- Meter & Backflow upgrades:
 - La Loma- 2”service & meter with a 2” backflow installed
 - Jullietta Ln.- 1” meter upgrade with 2” backflow installed
 - Central- 1”service & meter with a 2” backflow installed
 - Orchard Hill- 1”meter upgrade with a 2” backflow installed
- Mandoli and Arastradero leaks were paved by DACO Construction.
- The 2019 Lead and Copper Rule will be completed this week.

B. CUSTOMER COMMUNICATIONS The District Secretary reported on a variance to the Leak Adjustment Policy

15. DIRECTORS’ REPORT

A. BAWSCA, ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUE Nothing to Report

B. DIRECTORS’ COMMENTS Director Evans reported on a trip to Hetch Hetchy Reservoir

16. AGENDA ITEMS FOR NOVEMBER 13, 2019 BOARD MEETING

FY 2018/19 Audit
 Taaffe Elena Main Replacement Financing
 Moving January meeting from January 8 to the 15th

17. CLOSED SESSION

A. PUBLIC EMPLOYMENT

Government Code section 54957
 Title: General Manager
 The meeting went into closed session at 9:20 p.m.

B. CONFERENCE WITH LABOR NEGOTIATOR

Government Code section 54957.6
 Agency designated representative: Directors Brian Holtz and Kathleen Knopoff
 Unrepresented Employee: Assistant General Manager

18. RECONVENE TO OPEN SESSION The meeting reconvened to open session at 10:30 p.m.

19. ADJOURNMENT It was moved by Director Knopoff, seconded by Director Solomon, to adjourn the meeting at 10:32 p.m. Motion approved unanimously – voice vote.

Valley Water Committees

Satna Clara Valley Water District, known as Valley Water, is responsible County Wide functions:

1. Groundwater management: this primarily impacts our customers with wells
2. Surface water and flood control
3. Water Conservation programs: PHWD has been granted 3 to date

Valley Water supplies most of the county with treated water, excluding PHWD, Stanford, and Palo Alto.

PHWD has a major challenge: Our sole supplier, SFPUC, has warned us that in the second year of major drought, its Hetch Hetchy supply could be reduced by 58%. PHWD could find its supply cut by 58% or more due to daily per capita use, if this situation arose.

Director Jordan is involved with two Valley Water Committees which have direct benefit to PHWD:

Committee	Purpose	Frequency	Benefit to PHWD
<p>Environmental and Water Resources Committee (EWRC)</p> <p>These are citizen advisors appointed by the Board</p> <p>Dir. Jordan appointed by Dir. Kremen</p>	<p>Advise the board on policies and issues pertaining to water supply, flood protection and environmental stewardship</p>	<p>4x per year</p> <p>Need to attend >=3</p> <p>Scheduled 6 months in advance</p> <p>Attended by senior management and 3 board members</p>	<p>Discussions underway for backup water supply and conveyance in a major drought.</p> <p>Valley Water is committed to provide backup supply to the entire county in a drought.</p> <p>The decision makers for conservation grants attend this meeting. PHWD has \$110,000 in approved grants.</p> <p>Met treasurer who provided Dir. Jordan with muni bond yields and advised us to use financial advisors for financings rather than using the sole source lender recommended by management. This is likely to save PHWD ratepayers \$500,000 over life of loan.</p>
<p>Water Storage Exploratory Committee</p> <p>Subcommittee of the Board</p>	<p>Review plans for dams and reservoirs. Usually contains 1-2 other water districts</p>	<p>Varies, 2-3x per year.</p> <p>Attended by senior management and 3 board members</p>	<p>New storage projects will require new conveyance means.</p> <p>In order to obtain backup supply in a drought, PHWD will need Valley Water to support a new conveyance means.</p>

Valley Water Committee Details

<https://www.valleywater.org/how-we-operate/committees/board-advisory-committees>

Valley Water has at least 10 committees of citizen advisors. Director Jordan was appointed by Director Kremen of Valley Water to one committee, the [EWRC](#). The EWRC has 11 subcommittees; Steve has volunteered for EWRC's water storage subcommittee.

Valley Water has a board subcommittee, the [Water Storage Exploratory Committee](#)

Other advisory boards

Agricultural Water Advisory Committee

Environmental and Water Resources Committee

Joint Recycled Water Advisory Committee (City of Palo Alto/Valley Water)

Joint Recycled Water Committee (City of Sunnyvale/Valley Water)

Joint Recycled Water Policy Advisory Committee (City of San Jose/Valley Water/City of Santa Clara -)

Joint Water Resources Committee (City of Gilroy, City of Morgan Hill, and Valley Water)

San Felipe Division Reach One Committee

Santa Clara Valley Water Commission

Santa Clara Valley Water District Youth Commission

Water Conservation and Demand Management Committee (formerly known as Water Conservation Ad Hoc Committee)