Purissima Hills Water District

MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS



NOVEMBER 14, 2007

1. <u>CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE</u>: Vice President Solomon called the regular meeting to order at 6:30 p.m. in the District office.

Directors Present: Vice President Ernest Solomon and Directors Robert N. Anderson, A.

Richard Jones, and Gary C. Waldeck. Director Daniel F. Seidel was

absent.

Staff Present: Patrick D. Walter, General Manager; Patrick T. Miyaki, Attorney; Joubin

Pakpour, Engineer; and Lucy E. Xavier, District Secretary.

The Pledge of Allegiance was recited.

2. **COMMENTS FROM THE PUBLIC**: Former District director, Maurice R. Johnson, said he had several comments on the District newsletter he had received regarding the increase in water rates and other charges. He noted that, although he supported the proposed new rates, he felt that the newsletter did not provide sufficient information to District customers. It was noted that a complete rate study was available in the office and on the District's website which gave detailed explanations that addressed all of Mr. Johnson's concerns (such as how the new rates were determined; expenditures and revenues for the past five years; proposed capital improvement plan; account balances; and projected future revenue requirements).

The Board thanked Mr. Johnson for his input and Staff noted that an additional newsletter would be going out in advance of the public hearing that would address the rate increase in more detail.

- 3. **CONSENT CALENDAR**: It was moved by Director Anderson, seconded by Director Jones, that the consent calendar be approved:
 - A. Approval and Ratification of October 2007 Disbursements—\$328,523.89

B. Approval of Minutes: Regular Meeting of October 10, 2007

C. Financial Reports: Income and Capital Improvement Plan

Revenues and Expenditures

Balance Sheet

Consumption and Billing

Investments

Motion carried—voice vote.

Ayes: Directors Anderson, Jones, and Solomon

Noes: None

Absent: Director Seidel

Abstain: Director Waldeck (Abstained because he had not signed disbursements

and was not at the October meeting.)

- 4. <u>SANTA CLARA VALLEY WATER DISTRICT—POTENTIAL PURCHASE OF ADDITIONAL WATER</u>: The Manager reported that he and Director Seidel had met with Patrick Kwok, a new board member of the Santa Clara Valley Water District (SCVWD). Mr. Kwok had been told of the District's wishes to purchase water from the SCVWD and the discussions that had taken place between the two agencies in that regard. Mr. Kwok said he would look into the matter and hoped to be at the District's January 2008 Board meeting with further information.
- 5. DRAFT PRESENTATION ON INCREASES IN DISTRICT RATES AND FEES, AND AMENDING DISTRICT RATE AND FEE SCHEDULE AND CHARGES—FOR PUBLIC HEARING ON DECEMBER 5, 2007: The Engineer noted that there had been a few minor corrections to the Water Rate Study and that the corrections page had been attached to the Study and posted on the District's website, as well. The Engineer then reviewed his draft presentation which will be given at the public hearing on December 5. The presentation consisted of a system overview of the District; an analysis of the proposed rate and fee increases; historical and projected revenues and expenditures; a capital improvement overview and description of goals; and a rate comparison with other water agencies. The presentation was open to public comment.

Mr. Kelly Porter, Stonebrook Court, was present and asked to address the Board with regard to the proposed water rate schedule and how it will affect him. He noted that he lives on one parcel of 7.5 acres and feels that the new schedule penalizes those customers who live on larger parcels. He said that the small amount of high users, under the new rates, could be motivated to conserve because the water would be very costly at the higher tiers. However, the middle users would not be motivated to conserve because increasing their usage, say 10 percent, would only cost an additional \$10-\$20 per month. He asked the Board to consider the use of water on a per acre basis. Director Solomon responded that there is no correlation between high usage and large parcels—it all depends on the customer's choice of landscaping.

Mrs. Gail Solomon agreed with Mr. Porter in that the District is disincentivizing the low to middle users to conserve. She also said she would prefer not to see the readiness-to-serve charge increased, noting that in the winter this charge can be more than half the cost of her water bill.

Janet Fenwick, former District director, said that she also wished that the Board would take acreage into consideration when addressing rate changes.

The Board took a short recess, after which Board and Staff continued discussion regarding the public's comments and also discussed the proposed new rates for institutional accounts, particularly as to how they relate to Foothill College.

The Attorney then reviewed a draft resolution which will be considered at the close of the public hearing on December 5. This resolution amends the rate and fee schedule to adjust rates, fees, and charges to all customers. He then reviewed the proposed outline for the public hearing procedure.

6. **ENGINEER'S REPORT**:

- A. Zone 2½ Phase I Project (Los Altos Hills County Fire District Project) The Engineer reported that a punch list had been developed and noted that there were no items that the contractor would dispute. He said that all items should be completed by the next Friday and that the project was tracking at approximately 3% change order.
- B. <u>Berry Hill Lane Main Replacement Project</u> The Engineer reported that a leak had occurred on a 6-inch ductile iron main on Berry Hill Lane. During the repair, crews discovered

that the cast iron main running beneath Page Mill Road was very corroded with pin hole leaks. Two days later, another leak occurred on the same ductile iron main approximately 5-6 feet further down the pipe. A total of three leaks were repaired in the same area.

The Engineer noted that the cast iron main is in an area of Page Mill Road that could be catastrophic if a break occurred because Page Mill Road is a single access road to most of Los Altos Hills. He noted that Staff had determined that this main should be fixed now rather than placing the project on the capital improvement program.

The Engineer noted that three informal bids had been solicited for the installation of 100 linear feet of 8-inch ductile iron main from Page Mill Road to the intersection of Berry Hill Lane. He said that the District was using a contractor instead of District crews because of the hazardous traffic control situation in that area. The Engineer's estimate was \$42,800 and the lowest bid had come in at \$40,310 from West Valley Construction, Inc.

After discussion, it was moved by Director Anderson, seconded by Director Waldeck, to authorize the award of contract to West Valley Construction, Inc. for the Berry Hill Lane Main Replacement Project in the amount of \$40,310. Motion carried unanimously—voice vote.

7. **ANTENNA TOWER AT THE LA CRESTA TANK SITE**: The Manager noted that the Town's antenna tower is not suitable to hold all the Town and District antennas at the height required for optimal transmission and, therefore, a decision had been made to sell the tower and purchase a more suitable one. The installer of the new tower will determine what type is needed.

Director Anderson then discussed the issue of emergency communications and the use of the SCADA system during an emergency. This matter was brought up due to an earthquake that had occurred a few days before. The Board discussed how and when the Board and the Town's Emergency Communications Committee should be notified when an earthquake or other emergency situation occurs in the area that affects the District. Director Anderson asked that emergency communications be on the December 12 meeting agenda and Director Waldeck suggested that Staff submit an emergency plan to show the steps that would be taken after an emergency situation occurs.

8. <u>AMEND POLICY ON COMPENSATION AND EXPENSE REIMBURSEMENT FOR BOARD MEMBERS</u>: At the last meeting, the Board had briefly discussed two issues with regard to the policy on compensation and expense reimbursement for Board members. The matter had been continued to the next meeting when all Directors would be present.

The Board now discussed whether compensation should be given for signing disbursements and three Directors thought it should be compensated. As to whether compensation should be given for attending Town meetings, the Attorney noted that the current policy allows for compensation for attendance at any meeting at the direction of the Board.

After discussion, Director Anderson suggested that this matter again be continued to the next regular Board meeting.

9. WATER SUPPLY ALTERNATIVES:

A. <u>Intertie Project with the City of Palo Alto</u> The Engineer reported that a formal request for an intertie had been sent to the City of Palo Alto, which included a draft agreement and schematic of the proposed intertie.

He said that Palo Alto had approved the draft agreement with minor modifications and the Attorney then reviewed the key provisions of the agreement. He said he was satisfied with the terms and that he supported Staff's recommendation that the Board authorize the execution of the agreement. The Engineer noted that this item was on the Palo Alto City Council's agenda for the next Tuesday.

It was then moved by Director Jones, seconded by Director Anderson, that the General Manager be authorized to execute the agreement between the City of Palo Alto and the District. Motion carried unanimously—voice vote.

The Engineer noted that construction should start in April 2008.

- B. <u>Intertie Project with the California Water Service Company</u> The Engineer noted that he had nothing to report at this time.
- C. <u>Monitoring Well on Town Hall Property</u> The Engineer reported that four samples had been taken out of the District's monitoring well—two at 250 feet and two at 320 feet. The Engineer said he would report to the Board when the test results were completed.
- D. <u>Quarry Hills Lake Water Quality</u> The Engineer reported that he had requested a proposal from the same contractor who performed the sampling from the District's monitoring well. He said that the contractor would be taking ten samples at different areas and depths of the lake but had not yet submitted a proposal because of the difficulty in finding a device that can reach a depth of 100 feet.

10. MANAGER'S REPORT / COMMUNICATIONS ITEMS:

Field Report

- An employee was injured when two pieces of pipe came together on his ankle while he was removing pipe from a bin. The employee was out for one week and had no lasting medical issues.
- ➤ The State Department of Health Services had inspected the District's tanks and had reviewed the backflow prevention program.
- Annual backflow testing was continuing.
- ➤ The second round of lead and copper sampling had been completed and all samples had passed.
- A leak had occurred on Taaffe Road near Dezahara Way due to a full circle crack.
- Inspection of the Blue Oaks Subdivision had continued.

<u>Customer Communications</u>: The Manager noted that the District had received letters protesting the increase in water rates.

11. <u>DIRECTORS' REPORT</u>:

- A. <u>Bay Area Water Supply and Conservation Agency (BAWSCA) Issues</u> There was no report on BAWSCA issues due to Director Seidel's absence.
- B. <u>Invitation to Participate in Computer Based Geo Work for Emergency Response</u> Director Anderson said that Rick Ellinger had been invited to address the Board on this issue but was out of town and that perhaps he could come to a future Board meeting.

- C. <u>Groundwater Grants</u> Director Anderson reported that he had found many grants for watershed protection but only one for groundwater. He noted, however, the District was not eligible and that he would continue looking.
- D. <u>Palo Alto Recycled Water Project</u> The Engineer said that he and the Manager had attended a meeting in Palo Alto this day. He noted that this project is very preliminary and consists of three phases spread out over the next 5-10 years. The closest main to the District would be at Hillview and Arastradero Roads.
- E. <u>Appoint Voting Delegate for Officer Elections at Association of California Water Agencies Conference (ACWA) on November 28, 2007</u> It was moved by Director Anderson, seconded by Director Waldeck, that Director Seidel be authorized to vote at the ACWA Conference. Motion carried unanimously—voice vote.
- F. <u>Vote for National Water Resources Association (NWRA) California Caucus</u> It was moved by Director Anderson, seconded by Director Jones, that the Manager be authorized to vote on behalf of the Board for the NWRA California Caucus. Motion carried unanimously—voice vote.
- G. <u>Agenda Item Requests</u> The Board identified agenda items for the December 12, 2007 meeting.
- 12. <u>CLOSED SESSION—GENERAL MANAGER PERFORMANCE EVALUATION</u>: It was moved by Director Anderson, seconded by Director Jones, that this item be continued to the December 12 Board meeting and that the General Manager's compensation is open and uncertain effective as of November 14, 2007. Motion carried unanimously—voice vote.
- 13. **ADJOURNMENT**: The meeting was adjourned at 10:10 p.m. to reconvene at a special meeting on December 5, 2007, at 7:00 p.m. in the District office.

Respectfully submitted

Lucy E. Xaver District Secretary

Approved:

Ernest Solomon, Vice President