

**PURISSIMA HILLS WATER DISTRICT
MINUTES OF THE REGULAR MEETING
OF THE BOARD OF DIRECTORS**

JUNE 8, 2016 Minutes

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 Offices.
Directors Present: President Robert N. Anderson, Directors Ernest Solomon, Steve Jordan, Brian Holtz, Peter Evans
Staff Present: Patrick D. 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 Holtz, to approve items B. and C. of the Consent Calendar and item A. May 11, 2016 draft meeting minutes as revised. Motion approved unanimously – voice vote.
4. **EMERGENCY WATER CONSERVATION REGULATION ADOPTED BY THE STATE WATER RESOURCES CONTROL BOARD (SWRCB)** The Attorney explained that the emergency regulations have changed. Specifically the current regulation removes the restriction on outdoor irrigation of not more than two days a week, and no watering within 48 hours of measurable rainfall. The new requirements for non urban small water districts are: 1) to provide prompt notification to customers of leaks when the District is aware of it; 2) submit an annual water use report to the SWRCB comparing the District's water use in 2016 with water use in 2013; and 3) provide a summary of the District's water conservation efforts. The Attorney introduced Resolution 2016-07 Implementing SWRCB's Amended and Re-adopted Emergency Regulation for Statewide Urban Water Conservation that responds to those requirements. Director Evans explained that although the SWRCB regulation lifts the restriction on outdoor irrigation to two days a week and this restriction is no longer applicable to District customers, the District should recommend to its customers that a watering schedule of two days a week is a wise use of water.

It was moved by Director Evans, seconded by Director Holtz, to revise paragraph 8 of Resolution 2016-07 to explain that the District's amended water use regulations, including the one that removes the restriction of watering no more than two days a week are prompted by the SWRCB. Motion approved unanimously- roll call vote.

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

It was moved by Director Evans, seconded by Director Solomon, to remove the language that eliminates the restriction on outdoor watering two days a week but keep the restriction within 48 hours after measurable rainfall. The restriction within 48 hours of rainfall comply with the information sent to customers in the District's June 2016 newsletter. Motion approved – roll call vote.

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

It was moved by Director Anderson, seconded by Director Evans, to approve Resolution 2016-07 as amended. Motion approved unanimously; roll call vote.

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

- 5. CORRECTION OF SFPUC WHOLESALE RATE INCREASE PASS-THROUGH FROM \$.32 TO \$.31 PER UNIT** The Attorney introduced Resolution 2016-08 to correct the approved wholesale rate increase pass-through of \$.32 to \$.31. It was moved by Director Anderson, seconded by Director Holtz, to approve Resolution 2016-08. Motion approved unanimously - roll call vote.

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

- 6. CONSIDERATION OF DRAFT BUDGET FY 2016-2017** The GM explained the primary change he made to the draft budget in response to comments from the Board at their May 11, 2016 Board meeting is the lower projected annual water use of 620,000 units, down from 780,000 units. He also calculated revenue using actual 2016 usage. Net income from the revised inputs is approximately \$500,000 which is allocated to capital improvements. Director Holtz agreed with Director Jordan on the importance of keeping cash on hand; Director Evans questioned the sustainability of the forecasted net income and cash on hand, especially if the new normal is low usage. Director Evans stated that if 620,000 units of annual use is the new normal, and the income doesn't cover the District's costs, he would rather raise rates to cover costs than encourage customers to use more water. The GM commented that actual usage in August and September will provide an indication of total use by the end of the year. The Board approved the budget.

7. ENGINEER'S REPORT

A. CAPITAL IMPROVEMENT PROGRAM The Engineer provided location maps and a chart that listed 24 projects with an estimated cost of \$14M. Projects were prioritized with input from the GM and General Foreman; the top five included main replacements with ductile iron pipe on Elena and Taaffe Roads which complete the backbone of the transmission system. The Engineer explained the importance of completing upgrades to the transmission lines running north and south so that, in the case of an emergency such as earthquake or fire, water can be moved anywhere in the District service area.

- 8. CIP FINANCING ALTERNATIVES** GM explained the terms offered by Holman Capital. The cost for processing the loan is usually between \$5,000 to \$10,000 and interest rates range between 2.4 to 3.3 % depending on loan amount and term. Director Evans stated that if the high priority projects on the 2016 CIP must be built, then rates would likely be raised to pay off the loan debt. Directors Holtz and Jordan suggested watching the summer usage to forecast revenue and cash position to see if water usage rebounds from the recent drought.

9. MANAGER'S REPORT

A. FIELD REPORT

- A new 1-1/2" service and 2" backflow were installed at 26240 Fremont Rd by DACO Construction
- At Neary Tank #2 the PAX mixer and Power vent were installed and are running. Neary is back in service.
- At Elena Tank the PAX Power vent was installed and operational. Painting was completed. Water sample results expected next week.
- At Altamont Tank the PAX Power vent was installed and operational. Painting has started and is scheduled for completion the week of June 13.
- Lead and Copper testing is scheduled for the week of June 13
- Hungry Horse Tank is filling for water samples
- Main Leak: On May 13th, a leak occurred on the 10" CI just outside the Elena pump station on Vista del Valle. The leak was a pipe that pulled out of the bell joint. The repair was to remove the bell joint and install a straight piece of pipe about 4' long. There was no public or private property damage.
- Main Leak: On May 27th, a leak occurred on Elena and La Barranca. The leak was a full circle crack that caused the pipes to offset vertically. The water did damage to 13117 La Barranca by eroding their horse corral, washed dirt into their horse stalls and TAC room. The water also caused minor eroding to the

driveway of 26711 Elena as well as filled the garage with water. The homeowners removed the water and silt out of the garage and were able to save their garage from damage. Staff repaired the corral.

- Customer Communications relative to the leak on Elena at La Barranca. Main line work on Fremont Rd was required to be performed on a Saturday, May 28th instead of a weekday, because the shut down associated with this job would have interrupted service to Town Hall. The Town's City Manager did not want the Town Hall to be out of water during business hours. As of Friday, May 27, a leak on Vista del Valle was not fully back in service and due to leaking valves, resulting in a shutdown of the main on Elena Rd near the Elena Tank. When the leak occurred on Elena Rd near La Barranca, the shut down included Foothill Lane, the street between the two sets of closed valves. The water was subsequently turned on when the valves near Elena Tank were opened and the leaking valves were exercised.

B. CUSTOMER COMMUNICATIONS The District Secretary provided an update on Beacon meter installations, and a summary of the water saving results based on a sample of 100 customers. To date, 584 Beacon meters were installed; 264 customers signed up on-line to monitor their usage.

10. DIRECTORS' REPORT

A. BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA), ACWA/JPIA AND OTHER AGENCY ISSUES Director Anderson reported that BAWSCA is raising its rate by 5% . He reported on his attendance at the ACWA/JPIA Spring Conference May 3-6, 2016 in Monterey, Calif.

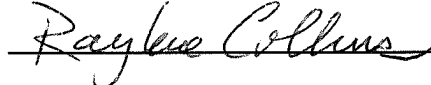
B. DIRECTORS' COMMENTS Director Jordan reported on his attendance at the BlueTech conference May 31to June 1, 2016 in Burlingame Calif.

11. AGENDA ITEMS FOR JULY 13, 2016 BOARD MEETING

- Appropriations limit

12. ADJOURNMENT It was moved by Director Holtz, seconded by Director Anderson to adjourn the meeting at 8:50 p.m. Motion approved unanimously – voice vote.

Respectfully submitted



Raylene Collins, District Secretary

Approved: 

Robert N. Anderson, President

