

PURISSIMA HILLS WATER DISTRICT
REGULAR MEETING OF THE BOARD OF DIRECTORS
6:30 P.M. WEDNESDAY SEPTEMBER 11, 2019

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: REGULAR MEETING OF THE BOARD JULY 10, 2019
- B. APPROVAL AND RATIFICATION OF JULY 2019 DISBURSEMENTS PAID IN AUGUST 2019 AND AUGUST 2019 DISBURSEMENTS PAID IN SEPTEMBER IN ACCORDANCE WITH RESOLUTION 2013-9 (DISBURSEMENTS SIGNED BY DIRECTORS HOLTZ AND JORDAN, PATRICK WALTER, AND RAYLENE COLLINS)
- C. FINANCIAL REPORTS FOR: INCOME AND CAPITAL IMPROVEMENT PLANS JULY AND AUGUST 2019 REVENUES AND EXPENDITURES, BALANCE SHEETS.
- 6:45 4. TAAFFE ELENA CAPITAL PROJECT DISCUSSION/UPDATE
- A. LOS ALTOS HILLS COUNTY FIRE DISTRICT AGREEMENT STATUS
- 7:15 5. HOLMAN CAPITAL LOAN APPLICATION DISCUSSION DISCUSSION/ACTION
- 7:45 6. CONSIDER AND ADOPT RESOLUTION 2019-07 AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT AND ALL ASSOCIATED DOCUMENTS WITH HOLMAN CAPITAL CORPORATION FOR \$4,000,000 FOR THE ELENA-TAAFFE WATER MAIN REPLACEMENT PROJECT DISCUSSION/ACTION
- 7:50 7. ENGINEER'S REPORT DISCUSSION/ACTION
- A. ADOPT CAPITAL IMPROVEMENT PLAN
- 8:30 8. ATTORNEY'S REPORT UPDATE

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| 8:40 | 9. | CONSIDER AND ADOPT RESOLUTION 2019-07 ADOPTING SALARY SCHEDULE FOR FY 2019-2020 | DISCUSSION/ACTION |
| 8:50 | 10. | MANAGER’S REPORT | DISCUSSION/ACTION |
| | | A. FIELD REPORT | |
| | | B. CUSTOMER COMMUNICATIONS | |
| 9:10 | 11. | DIRECTORS’ REPORT | UPDATE |
| | | A. BAWSCA, ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUES | |
| | | B. DIRECTORS’ COMMENTS | |
| 9:20 | 12. | AGENDA ITEMS FOR OCTOBER 9, 2019 BOARD MEETING | DISCUSSION |
| 9:25 | 13. | CLOSED SESSION
PUBLIC EMPLOYMENT
Government Code section 54957
Title: General Manager | DISCUSSION/ACTION |
| 10:00 | 14. | RECONVENE TO OPEN SESSION | DISCUSSION/ACTION |
| 10:05 | 15. | 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 JULY 10, 2019 V3

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

Directors Present: President Evans, Directors Ernie Solomon, Brian Holtz, and Steve Jordon

Staff Present: Patrick Walter, General Manager; Phil Witt, Assistant General Manager; Joubin Pakpour, Engineer, Pakpour Consulting Group; Catherine Groves, 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 Jordon, seconded by Director Holtz, to approve the Consent Calendar. Motion approved unanimously (4-0) – voice vote.
4. **CONSIDER AND ADOPT DRAFT FY 2019-20 OPERATIONS AND CIP BUDGET** The GM explained revisions to the draft budget: He increased the total usage from 766,000 ccf to 770,000 ccf and decreased average selling price for the residential tiered rate. Director Evans discussed the impact of loans for capital improvements and loan repayment on the total debt balance. Director Jordan provided a 15-year pro forma projection that showed loans and loan repayment, and the amount of rate increases that are necessary to achieve the District's capital improvement plan. His 15-year projection is an informative document only and not attached to the proposed budget; it may be submitted with a federal loan application. It was moved by Director Jordan, seconded by Director Holtz, to approve the 2019-20 Operations and CIP Budget. Motion approved unanimously (4-0) – voice vote.
5. **CONSIDER \$4 MILLION LOAN APPLICATION TO HOLMAN CAPITAL** The GM explained that a \$4M loan will fund the Taaffe Elena Main Replacement Project, the top priority of the District's Capital Improvement Plan. The project cost may be shared with the Los Altos Hills County Fire District. It was moved by Director Jordan, seconded by Director Holtz, to authorize the GM to apply for a loan for up to \$4 million. Motion approved unanimously (4-0) - voice vote.
6. **CONSIDER AND ADOPT RESOLUTION 2019-04 REVISING PROCEDURES FOR THE INVESTMENT OF PURISSIMA HILLS WATER DISTRICT MONIES IN THE LOCAL AGENCY INVESTMENT FUND (LAIF)** The GM explained that the resolution adds the authorization for the Assistant General Manager and the Billing Specialist/Accountant to move funds between the LAIF and the District's checking account as needed. Director Evans requested that those fund transfers are shown on the monthly financials. It was moved by Director Jordan, seconded by Director Solomon, to approve Resolution 2019-04. Motion approved unanimously (4-0) – voice vote
7. **CONSIDER AND ADOPT RESOLUTION 2019-05 AUTHORIZING THE FILING OF AN APPLICATION WITH SANTA CLARA VALLEY WATER DISTRICT FOR SAFE, CLEAN WATER AND NATURAL FLOOD PROTECTION PROGRAM 2012 FUNDS** It was moved by Director Jordan, seconded by Director Solomon, to approve Resolution 2019-05. Motion approved unanimously (4-0) – voice vote.
8. **ENGINEER'S REPORT**

- A. CAPITAL IMPROVEMENT PROGRAM UPDATE** The Engineer updated the list of capital improvements to include five new projects that replace cast iron mains in Fremont Rd., Concepcion Rd., Sherlock Rd., and a cross country main on the Seton property. The total of twenty three projects have an estimated cost of \$31.6 million. He then presented the project maps and explained necessary improvements. He will provide the final CIP at the August 14th, 2019 Board meeting.
- B. TAAFFE/ELENA CAPITAL PROJECT** The Engineer reported that the design is on schedule.
- 9. ATTORNEY'S REPORT** The Attorney reported that the FY 2019-2020 salary schedule will be presented for adoption at the August 14th, 2019 Board meeting.
- 10. MANAGER'S REPORT**
- A. FIELD REPORT**
- Neary Tank 2 Pax fan motor is being replaced because of the motor failure.
 - Foothill College hired Bay Area Backflow to install a 4" backflow preventer at the observatory fire connection.
 - The Assistant GM met with Nichol Bowersox on June 25th regarding the force sewer mains in the right of way. It was agreed that the District will give to the Town the project's scope of work and in turn the Town will contact the homeowner and ensure the line is marked.
 - The Assistant GM sent in a Letter of Intent to the EPA WIFIA loan program.
 - Crew repaired a small service leak on Vista Del Valle. Service was very shallow and not located in the road. The repair was 8 ft. of copper.
- B. CUSTOMER COMMUNICATIONS** Nothing to Report
- C. LOS ALTOS HILLS COUNTY FIRE DISTRICT (LAHCFD)** The GM reported that the cost sharing agreement on the Elena Taaffe Main Replacement is delayed until a formal Engineers Estimate can be provided to the LAHCFD
- 11. DIRECTORS' REPORT**
- A. BAWSCA, ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUES** Director Jordan reported that he met with Roger Spreen, Mayor of Town of Los Altos Hills, about the District's Operation Center Lease Agreement at the Town Hall site. At that meeting, he provided a comparison of local government leases in the Los Altos area and requested a guaranteed renewable agreement with the Town. Director Jordan also requested that the Town comply with the Underground Service Alert law to locate and mark regular and force flow sewer lines where the District is excavating. Director Jordan reported that he met with BAWSCA officials regarding supplemental supply.
- B. DIRECTORS' COMMENTS** Nothing to Report
- 12. AGENDA ITEMS FOR AUGUST 14, 2019 BOARD MEETING**
Review and adopt CIP
Loan application
Adoption of Salary Schedule for FY 2019-2020

13. **CLOSED SESSION** Continued to the August 14, 2019 Board meeting.
PUBLIC EMPLOYMENT
Government Code section 54957
Title: General Manager
14. **RECONVENE TO OPEN SESSION**
15. **ADJOURNMENT** It was moved by Director Jordan, seconded by Director Holtz, to adjourn the meeting at 9:35 p.m. Motion approved unanimously (4-0) – voice vote.

RESOLUTION NO. 2019 - 07

AUTHORIZING THE EXECUTION OF A LOAN AGREEMENT AND ALL ASSOCIATED DOCUMENTS WITH HOLMAN CAPITAL CORPORATION FOR \$4,000,000 FOR THE ELENA-TAAFFE WATER MAIN REPLACEMENT PROJECT

PURISSIMA HILLS WATER DISTRICT

WHEREAS, Purissima Hills Water District (District), a county water district, which is a political subdivision of the State of California, is authorized by the laws of the State of California to purchase, acquire, and finance personal property for the benefit of the District and those it provides services to and to enter into contracts with respect thereto; and

WHEREAS, the District desires to obtain financing to be used in connection with the District's Elena-Taaffe Water Main Replacement Project, in an amount not-to-exceed \$4,000,000 (Project); and

WHEREAS, staff has investigated financing options and has determined that it is in the best interest of the District to obtain a loan from Holman Capital Corporation (Holman) for \$4,000,000 pursuant to a ten (10) year installment purchase financing agreement at a 3.60% per annum interest rate; and

WHEREAS, in order to obtain the necessary financing for the Project, staff recommends that the District Board of Directors (Board) authorize the District's Board President, Peter Evans, and the General Manager, or his designee, to enter into a Master Installment Purchase Agreement and related Payment Schedule No. 1 (jointly, the "Agreement") with Holman in an amount not-to-exceed \$4,000,000 pursuant to a ten (10) year installment purchase financing agreement at a 3.60% per annum interest rate and a related Escrow Agreement (together the Disbursement/Payment Request Form and Acceptance Certificate, the "Escrow Agreement" and the Agreement, Escrow Agreement and all related documents are referred to herein as the "Transaction Documents") with Holman.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Purissima Hills Water District as follows:

Section 1. Approval of Documents. The Board of the District hereby authorizes the District's Board President, Peter Evans, and General Manager, or his designee, (Designated Officers), to execute on the District's behalf the Transaction Documents with Holman Capital Corporation, and any related Certificate, Exhibits or other documents, with such changes, modification, negotiations, insertions, revisions, corrections, or amendments as shall be approved by the officer executing them, in conformance with the terms specified in the above recitals. The execution of the foregoing by a Designated Officer shall constitute conclusive evidence of such officer's and the Board's approval of any such changes, insertions, revisions, corrections, negotiations, or amendments to the respective forms of agreements presented to this meeting.

Section 2. Other Actions Authorized. The officers and employees of the District shall take all action necessary or reasonably required by the parties to the Transaction Documents to carry out, give effect to, and consummate the transactions contemplated thereby (including the execution and delivery of Certificates of Acceptance and Disbursement/Payment Requests, Notice and Acknowledgements of Assignments, and any tax certificate and agreement, each with respect to and as contemplated in the Agreement and/or Escrow Agreement) and to take all action necessary in conformity therewith, including, without limitation, the execution and delivery of any closing and other documents required to be delivered

in connection with the Transaction Documents. The Designated Officers and all other officers and employees of the District are hereby directed and authorized to take and shall take all action necessary or reasonably required in order to select, purchase, and take delivery of the Project. All actions heretofore taken by officers, employees, and agents of the District that are in conformity with the purposes and intent of this resolution are hereby approved, confirmed, and ratified.

Section 3. No General Liability. Nothing contained in this Resolution, the Transaction Documents, nor any other instrument shall be construed with respect to the District as incurring a pecuniary liability or charge upon the general credit of the District or against its taxing power, nor shall the breach of any agreement contained in this Resolution, the Transaction Documents, or any other instrument or document executed in connection therewith impose any pecuniary liability upon the District or any charge upon its general credit or against its taxing power, except to the extent that the installment sale payments payable under the Transaction Documents are special limited obligations of the District as provided therein.

Section 4. Appointment of Authorized District Representatives. The Designated Officers are each hereby designated to act as authorized representatives of the District for purposes of the Transaction Documents until such time as the Board shall designate any other or different authorized representative for purposes of the Transaction Documents.

Section 5. Severability. If any section, paragraph, clause, or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision shall not affect any of the remaining provisions of this Resolution.

Section 6. Repealer. All bylaws, orders, and resolutions or parts thereof, inconsistent herewith, are hereby repealed to the extent only of such inconsistency. This repealer shall not be construed as reviving any bylaw, order, resolution, or ordinance or part thereof.

Section 7. Effective Date. This Resolution shall be effective immediately upon its approval and adoption.

Passed and adopted this 11th day of September, 2019, by the following votes:

AYES:

NOES:

ABSENT:

ATTEST:

President, Board of Directors
Purissima Hills Water District

Secretary of the District

RESOLUTION NO. 2019 - 08
ADOPTING SALARY SCHEDULE FOR FISCAL YEAR 2019-2020
PURISSIMA HILLS WATER DISTRICT

WHEREAS, the Purissima Hills Water District (District) contracts as a public agency with the Board of Administration of the California Public Employees' Retirement System (CalPERS), to provide retirement benefits to District employees; and

WHEREAS, under CalPERS' regulations, the Board of Directors (Board) must approve and adopt and make publicly available a pay schedule that lists each position title; the pay rate for each position, either as a single amount or as multiple amounts within a range; the time base; and the effective date of the pay schedule and any revisions thereto, in order to confirm employees' compensation for purposes of determining retirement benefits; and

WHEREAS, the District documents each employee's position title and annual pay rate pursuant to Government Compensation in California Reports made annually to the State Controller's Office as required for special districts under Government Code sections 53891 and 53892; and

WHEREAS, the attached Salary Schedule for Fiscal Year 2019-2020 lists each of the District's current employee positions and minimum and maximum annual salary amounts for each position;

WHEREAS, Staff recommends that the Board approve and adopt the attached Salary Schedule for Fiscal Year 2019-20, and that the Salary Schedule be made publicly available in accordance with CalPERS' regulations.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Purissima Hills Water District approves and adopts the attached Salary Schedule for Fiscal Year 2019-2020.

Passed and adopted this 11th day of September, 2019, by the following votes:

AYES:

NOES:

ABSENT:

ATTEST:

President, Board of Directors
Purissima Hills Water District

Secretary of the District