

# PURISSIMA HILLS WATER DISTRICT

## MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS



**JANUARY 9, 2008**

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

Directors Present: President Daniel F. Seidel, Vice President Ernest Solomon, and Directors Robert N. Anderson, A. Richard Jones, and Gary C. Waldeck.

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:** No public was present.

3. **ELECTION OF BOARD PRESIDENT AND VICE PRESIDENT:** After discussion, it was moved by Director Anderson, seconded by Director Waldeck, that the Board keep the current slate of officers—Daniel Seidel as President and Ernest Solomon as Vice President. Motion carried unanimously—voice vote.

4. **CONSENT CALENDAR:** The Board approved Item A unanimously, Approval and Ratification of December 2007 Disbursements, and agreed that Item B, Approval of Minutes, be removed from the consent calendar.

A. Approval and Ratification of November 2007 Disbursements—\$388,758.84

B. Approval of Minutes: Special Meeting of December 5, 2007  
Regular Meeting of December 12, 2007

Minutes of December 5, 2007 After discussion, It was moved by Director Anderson, seconded by Director Solomon, that the minutes of the December 5 meeting be approved as amended. Motion carried—roll call vote.

Ayes: Directors Anderson, Seidel, Solomon, and Waldeck  
Noes: None  
Absent: None  
Abstain Director Jones (Abstained due to his absence at this meeting.)

Minutes of December 12, 2007 After discussion, It was moved by Director Solomon, seconded by Director Waldeck, that the minutes of the December 12 meeting be approved as amended. Motion carried—roll call vote.

Ayes: Directors Anderson, Jones, Solomon, and Waldeck  
Noes: None  
Absent: None  
Abstain Director Seidel (Abstained due to his absence at this meeting.)

5. **ENGINEER'S REPORT:**

A. **Palo Alto Recycled Water Project** The Engineer said he had nothing new to report on this item. He noted that, at the November Board meeting, he had reported on a meeting he and the Manager had attended in Palo Alto. At that meeting, information on the location of the District's highest users had been submitted. He noted again that this project is very preliminary but had requested that Palo Alto give the District the opportunity to stay apprised of their progress, especially if Palo Alto is in discussions with commercial customers close to the District's boundary.

B. **Deer Creek Improvement Project** The Engineer reported that the contract with JMB Construction had been signed and that construction would begin the first week in February. He noted that the piping work inside and outside the pump station will be done first due to the low volume of water used at this time of year.

6. **DISCUSSION TO AMEND THE WATER RATE TO INSTITUTIONAL CUSTOMERS:** At the last Board meeting, the Board had directed Staff to evaluate whether to continue with a flat rate for institutional customers based on the average residential rate.

The Manager now noted that his recommendation for a new institutional rate would be a revenue neutral flat rate of \$3.75, based on projected residential revenues of \$3.59M and usage of 961,000 ccf. Discussion ensued regarding revenue requirement based on this rate and if institutional customers would conserve under a flat rate. The Manager reminded the Board that Foothill College had brought down its usage substantially from previous years and the Board felt that most institutional customers would conserve under the new rate.

The Attorney reviewed the substantive and procedural requirements of Proposition 218, noting that these requirements will apply to this rate increase, as well. However, only those customers affected—in this case, the institutional customers—would need to be notified. He then reviewed the San Marcos case and subsequent legislation in response to a question by Director Jones.

It was then moved by Director Solomon, seconded by Director Anderson, that Staff be directed to prepare an analysis of the proposed rate increase for institutional customers and to submit the report to the Board before the February 13<sup>th</sup> meeting. Motion carried unanimously—voice vote.

7. **PATRICK KWOK—DIRECTOR, SANTA CLARA VALLEY WATER DISTRICT—DISCUSSION OF POTENTIAL PURCHASE OF ADDITIONAL WATER:** Patrick Kwok, newly appointed director of the Santa Clara Valley Water District (SCVWD), had been invited to address the Board regarding the possibility of the District purchasing additional water from the SCVWD.

Director Seidel gave Mr. Kwok a brief history of the District's request, along with five of its neighboring water districts and cities, asking the SCVWD to initiate a study on extending the West Pipeline to provide retail water supply to the service areas. After several meetings, the SCVWD gave this project very low priority because of the high cost, possible infrastructure failures, and operational constraints.

Director Seidel said that the District had then looked at another option for obtaining additional source from the SCVWD—by wheeling water through the California Water Service Company. He said this might be the only option, since the pipeline from the SCVWD's Rinconanda plant is at capacity and is in need of major repair.

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Mr. Kwok gave an overview of some of the problems the SCVWD is facing—such as dealing with the State regarding the Delta smelt; and with its groundwater recharging efforts, noting that the SCVWD does not pump any groundwater. He also described the joint project with the City of San Jose for the building of a water recycling plant.

The Engineer told Mr. Kwok that over a year ago, a formal request had been sent by the District to the SCVWD for the purchase of water that might be wheeled through the California Water Service Company. The Engineer noted that SCVWD staff had assured District Staff that this proposal would be considered, although the SCVWD had never written a contract of this type before. However, the District had never heard back from the SCVWD. Mr. Kwok said that he would be happy to bring that proposal before the SCVWD Board and, if approved, the District's request will be sent to SCVWD Staff for implementation. The Board thanked Mr. Kwok for his visit and offer to help the District obtain an additional source from the SCVWD.

The Board then directed Staff to bring the letter, requesting that the SCVWD sell water to the District, to the next meeting for final review before submitting it to Mr. Kwok.

8. **AMEND POLICY ON COMPENSATION AND EXPENSE REIMBURSEMENT FOR BOARD MEMBERS:** The Board discussed whether Directors should be compensated for signing disbursements on a monthly rotating basis. The Board then determined that no reimbursement or compensation should be given to sign disbursements and, therefore, no action should be taken to amend the policy.

9. **WATER SUPPLY ALTERNATIVES:**

A. **Intertie Projects with the City of Palo Alto and California Water Service Company**  
The Engineer noted that, at the April 2008 Board meeting, he will be requesting authorization to go out to bid, noting that the two interties will be bid as a single project and that construction would begin in early June. Design is complete for the California Water intertie portion of the project; the surveys had just been completed for the Palo Alto intertie portion of the project and Staff had been working with Palo Alto in marking out its facilities. The Engineer noted that California Water had not yet signed the agreement.

B. **Monitoring Well on Town Hall Property** The Engineer said that he would have the analysis summary spreadsheet ready for the next meeting.

C. **Quarry Hills Lake** The Engineer reported that six companies had been contacted to sample the water in the Quarry Hills lake. Only one of those companies, located in Carmel, has the facilities to go out onto the lake to take the samples. He said he would be meeting with the consultant next week to discuss the details of the project.

10. **MANAGER'S REPORT / COMMUNICATIONS ITEMS:**

**Field Report**

- Four backflows had been replaced and one had been repaired.
- Installation of Orion meters was continuing. Approximately 50% of the District now has Orion meters.
- A leak due to a full circle crack had occurred on the main from the Elena pump station which travels cross country to Elena Road.

**Financial Reports** The Manager reviewed reports for the income and capital plan; revenues and expenditures; balance sheet; consumption and billing; and investments.

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Customer Communications: The Manager noted that the District Secretary had received an email protesting the increase in water rates which had been forwarded to the Directors.

Antenna Tower at the La Cresta Tank Site The Manager reported that a proposal had been sent to the structural engineer and he hoped to hear back from him before the next meeting.

11. **DIRECTORS' REPORT:**

A. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues There was no report on BAWSCA issues. Director Seidel noted, however, that he would be attending a meeting the next day on SFPUC contract negotiations. He also said that that the Manager of the SFPUC had been asked to step down by the Mayor of San Francisco.

B. Miscellaneous Director Seidel said that, at the ACWA Conference, he had attended a session on "Sexual Harassment Prevention for Board Members and Managers." He submitted a summary memo of the session and for the ACWA conference. Director Solomon submitted a summary memo, as well, for the ACWA/JPIA Board of Directors meeting he had attended.

Director Jones gave the Board and Staff information on how to view a streaming video by George Denise, General Manager of Cushman & Wakefield. The video, *Managing Office Buildings for the 21<sup>st</sup> Century*, deals with all aspects of conservation, including landscaping, for significant water savings.

Director Seidel reported on a Water Reuse meeting he had attended on October 29<sup>th</sup> in San Francisco sponsored by the Water Reuse organization, BACWA, the Bay Area Water Forum, and BAWSCA. The meeting dealt with the need for regional action to achieve meaningful levels of water reuse (recycling).

Director Solomon reported that he would be receiving a draft of the Land Use Element portion of the General Plan the next day from the Town Planning Commission.

In response to Directors' inquiries, the Attorney said he would be reviewing several items of legislation with the Board next month that will affect the District beginning this year.

Director Seidel noted that the District does not have a drought contingency plan. The California Urban Water Conservation Council has found that most agencies do not have plans that are realistic or even able to be implemented. He asked Staff to start working on this matter. The District Secretary said that Alexis Shields, the District's Conservation Specialist, would take the lead on this project.

C. Invitation to Participate in Computer Based Geo Work for Emergency Response  
The Board continued this issue to the February 2008 Board meeting.

D. Agenda Item Requests The Board identified agenda items for the February 13, 2008, meeting.

12. **CLOSED SESSION:** The meeting was convened to closed session at 9:28 p.m. to confer with legal counsel for anticipated litigation, pursuant to California Government Code 54956.9(b), significant exposure to litigation—one case,. The meeting was reconvened to open session at 10:20 p.m. In open session, the Attorney reported that direction was given to Staff to prepare a letter for the President's signature to be sent out.

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13. **ADJOURNMENT**: The meeting was adjourned at 10:20 p.m. to reconvene at the next regular meeting on February 13, 2008, at 6:30 p.m. in the District office.

Respectfully submitted

*Lucy E. Xavier*

Lucy E. Xavier, District Secretary

Approved: *Daniel F. Seidel*  
Daniel F. Seidel, President