PURISIMA HILLS WATER DISTRICT
MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS

MAY 13, 2009

WORKSHOP/SPECIAL MEETING:

1. CALL TO ORDER, ROLL CALL, AND PLEDGE OF ALLEGIANCE: President Solomon called the workshop/special meeting to order at 5:40 p.m. in the District office.

Directors Present: President Ernest Solomon, Vice President Gary C. Waldeck, and Directors Robert N. Anderson, and Stephen A. Jordan. Director Brian Holtz arrived at 6:00 p.m.

Staff Present: Patrick D. Walter, General Manager; Patrick T. Miyaki, Attorney; and Lucy E. Xavier, District Secretary. Joubin Pakpour, Engineer, arrived at 5:45 p.m.

The Pledge of Allegiance was recited.

2. COMMENTS FROM THE PUBLIC: Janet Fenwick and Dick Jones, former Board members, were present.

3. ART JENSEN, MANAGER OF THE BAY AREA WATER SUPPLY AND CONSERVATION AGENCY: Mr. Jensen had been invited to give a presentation to the Board regarding the new Water Supply Agreement Between the City and County of San Francisco and the Wholesale Customers in Alameda, Santa Clara and San Mateo Counties.

Mr. Jensen’s power point presentation included the following facts and topics:

- The purpose of the Agreement is to provide the customers of the Purissima Hills Water District with a reliable supply of high quality water at a fair price.

- Each member (27 members) of the Bay Area Water Supply and Conservation Agency (BAWSCA) has two contracts with San Francisco (S.F.):

  1) Water Supply Agreement: Contains provisions common to all wholesale customers; cites services San Francisco is to provide; and allocates eligible costs between San Francisco’s retail and wholesale Customers.

  2) Individual Water Sales Contract: Specifies water delivery locations; identifies local water agency area; and contains unique conditions of service.

- BAWSCA’s member agencies are parties to the existing “Master Contract.” BAWSCA members serve 1.7 million people and 30,000 businesses.

- All BAWSCA members authorized BAWSCA to negotiate the new Water Supply Agreement. Purissima Hills Water District gave authorization on August 9, 2008.
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- The major provisions of the Agreement are to articulate services to be provided, protect financial interests, and to have a term of 25 years.

- The original agreement objectives which are met in the new Agreement are:
  1) A reliable source of water—
     a) Complete the Water System Improvement Program by 2015.
     b) Maintain the regional water system to utility standards.
     c) Deliver water equitably in the event of a major system disruption.
     d) Operate with water supply to have priority over hydro power.
     e) Ability for BAWSCA agencies to transfer entitlements.
     f) Ability for BAWSCA agencies to “wheel” water during droughts.
  2) High quality water—
     a) Water to meet Safe Drinking Water Act.
     b) Prompt notice of potential or actual violations must be provided.
  3) Charge a fair price
     a) Retain basic architecture of the 1984 Contract.
     b) Provide greater flexibility to prevent sharp rate fluctuations.

- Additional water supply provisions are:
  1) Continue the perpetual Supply Assurance.
  2) Allocate drought shortages between S.F.’s retail and wholesale customers.
  3) S.F.’s self-imposed water supply limitation applies to both wholesale and retail customers.
  4) S.F. recognizes BAWSCA’s role to implement regional water supply and conservation projects.
  5) Require S.F. to use best efforts to identify and establish additional sources of dry year water supply.
  6) If S.F. develops new supplies to increase the Supply Assurance, it will do so jointly with BAWSCA.
  7) If S.F. develops substitute supplies to meet the existing Supply Assurance, it will inform and collaborate with BAWSCA and wholesale customers.

- Repayment of S.F.’s capital investments in the regional water system will change—wholesale customers will pay proportionate share of debt and revenue funded projects.

The Board then had a question and answer session. Mr. Jensen requested that the Board consider adoption of three resolutions at its June 2009 meeting: adopting findings for purposes of CEQA; approving the Water Supply Agreement with the City and County of San Francisco; and approving individual Water Sales Contract with the City and County of San Francisco.

The Board thanked Mr. Jensen for taking time to come to this meeting and for his informative presentation.
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REGULAR MEETING (7:15 P.M.)

1. **COMMENTS FROM THE PUBLIC**: Dick Jones requested an opportunity to address the Board to explain his idea for an alternate rate structure. The Board said he would be heard at the August meeting.

2. **CONSENT CALENDAR**: It was moved by Director Anderson, seconded by Director Waldeck, that the Consent Calendar be approved. Motion carried unanimously—voice vote.

   A. Approval of Minutes: Regular Meeting of April 7, 2009

   B. Approval and Ratification of March 2009 Disbursements—$206,713.82
      Approval and Ratification of April 2009 Disbursements—$370,123.91

   C. Financial Reports for March and April 2009:
      Income and Capital Improvement Plan
      Revenues and Expenditures
      Balance Sheet
      Consumption and Billing
      Investments

3. **APPOINTMENT TO BOARDS OF THE BAY AREA WATER SUPPLY AND CONSERVATION AGENCY AND TO THE BAY AREA REGIONAL WATER SYSTEM FINANCING AUTHORITY**: Director Solomon asked Director Anderson if he would like to continue his position on these boards. Director Anderson answered yes. Director Solomon then asked the Board if there were any objections to Director Anderson’s re-appointments. There were none.

   It was moved by Director Waldeck, seconded by Director Jordan, that Director Anderson be re-appointed as director on the Board of the Bay Area Water Supply and Conservation Agency. Motion carried unanimously—voice vote.

   It was moved by Director Jordan, seconded by Director Waldeck, that Director Anderson be re-appointed as director on the Board of the Bay Area Regional Water System Financing Authority. Motion carried unanimously—voice vote.

   The District Secretary administered the Oaths of Office.

4. **ENGINEER’S REPORT**:

   A. **Deer Creek Pump Station Improvement Project**: The Engineer reviewed his memo of May 7, 2009. He noted that the pump station was back in service as of April 21 for Zone 2 and on April 23 for Zone 3 and that there had been no complications. As of May 1, the contractor had completed approximately 70% of the punch list items and anticipated completing remaining work by May 14. This included painting the new pipe, installing the grating over the pipe vault, installing the new handrail, and completing the punch list items.

   B. **Zone 2.5 Phase II Project**: The Engineer reported that the design portion is on schedule and construction is scheduled for late Fall.
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C. **Altamont Pump Station Project** The Engineer reported that the retaining wall was in redesign which will significantly reduce construction costs.

D. **Quarry Hills Lake Water Quality** The Engineer reported that on April 22 the consultant had taken the first of three additional tests of the Quarry Hills Lake water. Preliminary analysis had found that the quality had not changed significantly. Discussion ensued regarding under what conditions the District might use the water, CEQA requirements if the water is used, and the hiring of a consultant to advise on these matters.

5. **PRESENTATION BY ENGINEER** The Engineer gave a presentation on the District’s Capital Improvement Plan. He discussed the goals and reasons for capital projects and also submitted an *Evaluation of Deficient Mains* and the criteria used to evaluate and rank all mains in the District.

6. **AUTHORIZATION TO PURCHASE NEW BILLING SOFTWARE FROM CUSI** The Manager continued his discussion from the April meeting regarding the need to purchase new billing software, possibly from CUSI. He noted that this year the current billing software, Springbrook, would need to be upgraded to a new platform and that this, coupled with deficiencies in the software, indicated that it might be time to investigate an alternative software because the upgrade could be expensive. He noted that CUSI is dedicated only to utility billing and is currently being used by other water utilities in the area. He said he did not have exact costs for Springbrook upgrades, as they had not had been able to give him a quote before this meeting.

After discussion, the Manager said he would request authorization at a later date to purchase new software or to upgrade the existing software after he receives a quote from Springbrook. He will also have a spreadsheet prepared comparing the two for Board review.

7. **APPROVE AMENDED DISTRICT PERSONNEL MANUAL** The Manager noted that the amended personnel manual was ready to be approved by the Board. After discussion, it was moved by Director Anderson, seconded by Director Waldeck, that the District’s personnel manual be approved as amended. Motion carried unanimously—voice vote.

8. **DRAFT BUDGET FOR FY 2009-2010** The Manager reviewed a draft budget summary and capital improvement plan for fiscal year 2009-2010. After discussion, he noted that the budget will be on the June agenda for adoption after final review by the Board.

9. **MANAGER’S REPORT / COMMUNICATIONS ITEMS**

A. **Term of Office for Director Appointed to Fill Vacancy** The Attorney reported that, when the Board appointed Director Jordan, his two-year term had been determined by the District according to Government Code section 1780. However, when informed of Director Jordan’s appointment, the County Counsel for the Santa Clara County Board of Supervisors determined that Director Jordan should serve a four-year term because the vacancy was filled according to Elections Code 10515. After discussion, the Board and Director Jordan decided to accept the County Counsel’s determination.
B. Report on Emergency Training in San Luis Obispo (California Specialized Training Institute) The Manager gave a report on the week’s emergency training he had received through the California Specialized Training Institute in San Luis Obispo. He said that the participants were given roles to play in a fictional city which had just experienced a major earthquake and that the hands-on training was excellent. He noted that this is a training exercise in SEMS (Standardized Emergency Management System) which involves support or management functions which must be followed in a very structured way in order to obtain federal funding.

The Manager noted that one of the instructors who lives in the Bay Area develops emergency operations plans and that he had asked this instructor to review the District’s current emergency plan.

The Manager also noted that he would be participating in a Town emergency table top drill with the Sheriff and fire department on May 29.

C. Process to Activate District’s Emergency Operations Center The District Secretary gave an overview of how to activate the District’s emergency operations center and Directors Anderson and Waldeck gave an overview of a Town earthquake emergency drill in which they had participated.

D. Field Report The Manager reported the following:

- A contractor, Lewis and Tibbitts, had abandoned a six-inch main that had been out of service for several months.
- Crews were continuing the installation of Orion meters.
- Pump 2 at Matadero pump station had been pulled so it can be rebuilt.
- Crews had performed pump station clean up.
- Four backflows and two services had been installed.

E. Customer Communications There were no customer communications.

10. DIRECTORS’ REPORT:

A. Bay Area Water Supply and Conservation Agency (BAWSCA) Issues Director Anderson reported on BAWSCA issues.

Director Anderson noted that the Peninsula Water Works Association would have a meeting on June 3. He also reported on a tour of the JIFCO pipe facility that he had taken.

B. Coverage of Duties in the Event of a Pandemic Flu Director Anderson said that the District should have a procedure in place for coverage of District duties in the event of a pandemic flu and perhaps have a drill sometime in the future.

C. Town Picnic Director Solomon noted that the Town picnic would be on June 7 and encouraged the Directors to stop by and help staff the booth with Ms. Shields, the District’s Conservation Specialist.
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D. **Agenda Item Requests**  The Board identified agenda items for the June 10, 2009, meeting.

11. **ADJOURNMENT**: The meeting was adjourned at 9:30 p.m. to reconvene at the next regular meeting on June 10, 2009, at 6:30 p.m., at the District’s office.

Respectfully submitted

[Signature]
Lucy E. Xavier, District Secretary

Approved: [Signature]
Ernest Solomon, President