PURISSIMA HILLS WATER DISTRICT
MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
SEPTEMBER 8, 2010

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

Directors Present: President Gary Waldeck, Vice President Robert N. Anderson, and Director Brian Holtz. Director Stephen A. Jordan participated in the meeting by teleconference from Camden, Maine, pursuant to Government Code Section 54953. The procedural requirements of Code Section 54953 had been satisfied and no members of the public were present with Director Jordan. Director Ernest Solomon 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: Director Elect Gary Kremen was present, as well as Beth Perrell, Nancy Couperis, and George Clifford.

Ms. Perrell, Ms. Couperis, and Mr. Clifford were present to advise the Board that Heifer International plans to construct a “Global Village” visitor center at Hidden Villa on Moody Road. Heifer estimates up to 11,000 visitors per year during the first five years, but other Heifer global villages in the U.S. host up to 250,000 visitors per year. Ms. Perrell, Ms. Couperis, and Mr. Clifford were concerned how water use at this facility will impact the water supply of the District.

The Board directed Staff to gather information as to the amount of water the Global Village might use and what impact this will have on the District.

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

A. Approval of Minutes: Regular Meeting of August 11, 2010

B. Approval and Ratification of August 2010 Disbursements—$740,143.64

C. Financial Reports for August 2010: Income and Capital Improvement Plan Revenues and Expenditures Balance Sheet Consumption and Billing Investments
SEPTEMBER 8, 2010

4. **CONFLICT OF INTEREST CODE:** The Attorney reported that the District must review its Conflict of Interest Code every two years. He noted that there were no substantive changes to be made this year but that the Santa Clara Office of the County Counsel had requested that the District make several non-substantive revisions and formatting changes to ease facilitation of the County's electronic Form 700 filing system. It was then moved by Director Anderson, seconded by Director Holtz, that Resolution 2010-5, attached hereto, amending the District's Conflict of Interest Code, be adopted. Motion carried—roll call vote.

   Ayes: Directors Anderson, Holtz, Jordan, and Waldeck
   Noes: None
   Absent: Director Solomon

5. **WATER RATE SETTING STRATEGY:** Director Waldeck noted that he wanted to discuss this item with regard to what is driving the District's water costs, as he has encountered many customers who are unhappy with the current rates.

   The Engineer gave a presentation, noting that District rates for usages of 1 to 50 units are comparable with other neighboring agencies. He said that he would also have additional information regarding capital improvement programs of these agencies. Discussion ensued as to the best way to disseminate rate information to District customers. Director Waldeck directed that this item be continued to the next meeting.

6. **ENGINEER'S REPORT:**

   A. **Zone 2.5 Project—Phase II** The Engineer reviewed his memo of September 3, noting that the District's contractor, Stoloski & Gonzalez (SG), had completed miscellaneous items and that the District and SG had begun coordinating various punch list items.

   The Engineer noted that during the weeks of August 9 and 16, SG had completed the paving operation along Viscaino Road, Anacapa Court, and upper La Cresta Drive. He also reviewed Change Order No. 6.

   As of August 27, 2010, SG has completed 97% of the contractual work.

   B. **Zone 2.5 Project, Phase III** The Engineer reviewed his memo of September 3, noting that the District's contractor, Stoloski & Gonzalez (SG), had completed the installation of the 12-inch main within the cross-country area between La Cresta Drive and Roble Ladera Road. Work also included the installation of 1,108 ft of 12-inch main, three 12-inch gate valves, and miscellaneous appurtenances along Roble Ladera and Purissima Roads.

   The Engineer reviewed Change Order No. 1 and pictures attached to the memo.

   As of August 27, 2010, SG has completed 34% of the contractual work.

   C. **Engineering Services for Seismic Upgrades—Neary and Page Mill Tanks** The Engineer reported that the scope and contract items had been worked out and that G&E Engineering Systems had begun the preliminary design to determine whether seismic upgrades are needed for the Neary and Page Mill tanks.
7. **WATER SUPPLY AUGMENTATION:**

   A. **Quarry Hills Lake Water** The Engineer noted that the District's consultant, Erler and Kalinowski, Inc. (EKI), had prepared a draft report for the implementation of a non-potable portable facility for emergency purposes at the Quarry Hills lake and that it would be presented to the Board after review by the Quarry Hills Lake Advisory Committee (Directors Holtz and Solomon). The Engineer gave a presentation showing where the facilities will be located. He also noted that the water quality report would soon be finalized.

8. **MANAGER’S REPORT / COMMUNICATIONS ITEMS:**

   A. **Security Policy** The Attorney noted that a draft confidential security policy, requested by Director Waldeck, had been distributed to the Board and could be discussed in depth in closed session if the Board so desired. Director Waldeck said that he had reviewed the policy, was satisfied with the contents, and that no further discussion was necessary.

   B. **Field Report** The Manager reported the following:

   - The McCann pump station improvement project was continuing.
   - District crews had continued assisting the LAHCFD with shutdowns and inspection in replacing fire hydrants as part of the Zone 2.5 project.
   - A one-inch service and two-inch backflow had been installed on Moody Road.
   - Five main leaks had occurred during the month:
     - Split on Anacapa Drive
     - Full circle crack on Altadena Drive
     - Full circle crack on Fremont Road
     - Full circle crack on Old Trace Lane
     - Split on Elena Road

   C. **Customer Communications** The Manager noted that customer calls continued regarding water bills—either for leaks or concerns regarding the cost of the water.

   D. **CUSI Billing Statement** An Advisory Committee will be formed in the future to evaluate and propose information options that will be on customers' water bills.

   E. **Miscellaneous** The Manager noted that the Auditor had finished the field work for the fiscal year and was told that the District's financials appeared to be in good order.

Directors Waldeck and Anderson said that they would be meeting with the Manager for his annual review.

9. **WATER CONSERVATION:**

   A. **Los Altos Hills / Purissima Hills Water District AB 1881 Compliance Efforts** There was no discussion on this item and Director Waldeck directed that this item be taken off future agendas.
10. **DIRECTORS' REPORT:**

   A. **Bay Area Water Supply and Conservation Agency (BAWSCA) Issues.** The Manager noted that, at the last meeting, it had been reported that the San Francisco Public Utilities Commission (SFPUC) would be establishing interim supply allocations (ISAs) for each member agency of BAWSCA (the District is a member).

   He now reported that a draft report had been issued by the SFPUC establishing preliminary ISAs. The Board then discussed this issue and the environmental surcharge that will also be imposed by the SFPUC. Director Anderson reported that the Manager of BAWSCA will be holding individual meetings with member agencies to discuss these preliminary ISAs.

   B. **Agenda Item Requests.** The Board identified agenda items for the October 13, 2010, meeting.

11. **CLOSED SESSION:** The Board went into closed session at 8:45 p.m. to confer with legal counsel on the following matter:

   - **Anticipated Litigation**
   - Pursuant to California Government Code Section 54956.9(b)
   - Significant Exposure to Litigation: One Case

   The Attorney noted that the closed session is due to an incident which occurred that might result in litigation against the District which involved the Zone 2.5 Project where the District’s contractor saw cut into a PG&E gas line buried 4.5 inches. A USPS mail truck drove through the coned off area, stopped on top of the gas line and the mail truck caught fire and was destroyed.

   The Board came out of closed session at 9:28 p.m. During the closed session, the Board heard a report from legal counsel and no action was taken.

12. **ADJOURNMENT:** The meeting was adjourned at 9:30 p.m. to reconvene next at the regular meeting on October 13, 2010, at 6:30 p.m., at the District’s office.

   Respectfully submitted
   
   Lucy E. Xavier, District Secretary

   Approved: Gary C. Waldeck, President