Purissima Hills Water District
MINUTES OF THE REGULAR MEETING
OF THE
BOARD OF DIRECTORS
MAY 11, 2011

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 office.

Directors Present: President Robert N. Anderson, Vice President Brian Holtz, and Directors Stephen A. Jordan, Gary Kremen, and Ernest Solomon.

Staff Present: Patrick D. Walter, General Manager; David S. Gehrig, Attorney; Gary Ushiro, Engineer; and Lucy E. Xavier, District Secretary.

The Pledge of Allegiance was recited.

2. COMMENTS FROM THE PUBLIC: No public was present.

3. CONSENT CALENDAR: After amendments were made to the April minutes, the Consent Calendar was approved unanimously—voice vote.

   A. Approval of Minutes: Regular Meeting of April 13, 2011
   B. Approval and Ratification of April 2011 Disbursements—$420,479.43
   C. Financial Reports for April 2011: Income and Capital Improvement Plan, Revenues and Expenditures, Balance Sheet, Consumption and Billing, Investments

4. ENGINEER’S REPORT:

   A. Zone 2.5 Project, Phase III The Engineer reviewed his memo of May 6. He noted that the District’s contractor, Stoloski & Gonzalez (SG), had completed the majority of the punch list items during the month of April and all that remained was the slurry seal and striping, installation of blue reflectors for the fire hydrants, and painting of the hydrant valves. Two minor issues regarding residents’ landscaping had been resolved.

As of April 29, 2011, SG has completed 98% of the contractual work.

5. PRESENTATION ON DISTRICT’S CAPITAL IMPROVEMENT PROGRAM: After discussing the upcoming rate increase from the San Francisco Public Utilities Commission and the likely rate increase by the District, it was agreed that the presentation on the District’s CIP to the Town Council should be delayed.

6. WATER SUPPLY AUGMENTATION:

   A. Quarry Hills Lake Water The Manager noted that he had yet to receive information regarding ownership of the water rights and standby charges that the District would pay in order to maintain facilities at the lake.
7. **MANAGER'S REPORT / COMMUNICATIONS ITEMS:**

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

- Yearly maintenance had been performed on the District's cathodic protection system.
- An 1½-inch service had been installed on Mulberry Lane.
- A cross-country main had been abandoned—from Altamont Road to Central Drive.
- A three-valve set had been installed on Red Rock Road.
- A 2-inch backflow had been installed on Beaver Lane.
- A 2-inch service had been repaired on Stonebrook Drive and El Monte Road which had been damaged by a contractor.

B. **Customer Communications** There were no customer communications.

8. **DIRECTORS' REPORT:**

A. **Bay Area Water Supply and Conservation Agency (BAWSCA) Issues** Director Anderson noted that there would be a tour of the water system improvement program for BAWSCA directors and invited District Directors to attend.

B. **New Appointment to the Board of Directors of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA)** Director Solomon noted that he had been a director of the ACWA/JPIA for a number of years and that it was time for another District Director to take on this role. Director Anderson suggested that, once the term of the District Board President is completed, that person should then spend the next year as the JPIA Board member. The Board agreed and Director Anderson said that, because he is the alternate JPIA Board member, he would volunteer to be the JPIA Board member this year and Director Holtz would become the alternate.

C. **Discussion of District Donations to Outside Organizations** Director Kremen noted that, as a result of the District donation to the Los Altos History Museum, he thought that the District should have a policy in place in the event another organization should request a donation.

After discussion, the Attorney was requested to prepare a document for the Board which describes the constitutional prohibitions of gifts of public funds as it applies to public water agencies and which would provide the Manager guidance in the event of future donation requests.

D. **Discussion of Low Income Funding for Customer Water Bills** Director Kremen requested that the Board discuss the possibility of funding for customers who are unable to pay their water bills.

The Attorney noted that, in the case of many cities or other types of utilities, funds to subsidize low income users can be taken from other departments or from donations, etc. This type of funding will not trigger a Proposition 218 review. However, in the case of the District subsidizing a lower rate that is less than the proportional cost to serve a property, the District would need to make up the difference from the higher tier user who would then be paying more than their proportional cost to serve their property. This would be illegal under Proposition 218.
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Director Jordan noted that the District’s lowest rate tier, units 1 through 10, is based on the District’s purchase cost from the SFPUC and, while not a low income cost, it is an indoor usage rate. Director Holtz said that if the District had low income funding, he would be very hesitant auditing a customer’s income to determine if that person qualified.

After discussion, the Attorney was requested to bring back additional information as to how other county water districts handle low income funding.

E. Miscellaneous  Director Jordan reported on the Advisory Committee meeting on benefits review.

The Manager noted that he was working with a consultant on emergency preparedness and would soon have a date for a table top emergency drill.

F. Agenda Item Requests  The Board identified agenda items for the June 8, 2011, meeting.

9. ADJOURNMENT: The meeting was adjourned at 7:35 p.m. to reconvene next at the regular meeting on June 8, 2011, at 6:30 p.m., at the District’s office.

Respectfully submitted

Lucy E. Xavier, District Secretary

Approved:  Robert N. Anderson, President

Robert N. Anderson, President