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


Staff Present: Patrick Walter, General Manager; Phil Witt, General Foreman; David Gehrig, 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 Anderson, seconded by Director Solomon, to approve the Consent Calendar. Motion approved unanimously – voice vote.

4. APPOINTMENT OF BOARD OF DIRECTORS PRESIDENT AND VICE PRESIDENT 2018 It was moved by Director Anderson, Seconded by Director Holtz, to appoint Director Jordan for President and Director Evans for Vice President of the Board of Directors 2018.

5. FINAL AUDIT REPORT AND PRESENTATION FY 2016-2017 FEDAK AND BROWN Chris Brown, Engagement Partner, presented the District’s Final Audit and Financial Highlights. The Audit Financials FY2016-2017 can be found on the District’s website. It was moved by Director Holtz, seconded by Director Evans, to accept the Final Audit and Management Report. Motion approved unanimously - voice vote.

6. ENGINEER’S REPORT

Water Rate Comparison: The Engineer provided the charts: Comparison of Water Bills using Other Agencies’ Rates in the Area. Director Evans remarked that the charts illustrate that PHWD lowest tier rate (usage up to 10 CCF) is likely below the District’s cost. He also mentioned that the District’s income from cell tower rental on tank sites, and property tax income helps to keep the base rate so low. There seems to be no immediate need to increase rates. Nevertheless, compared to other water retailers’ readiness-to-serve fees, the District’s fees are low and could be raised. The GM said that the SFPUC wholesale rate is projected to be flat for the next year at $4.10/unit. The Board then discussed potential infrastructure improvements and options for funding without a rate increase.

7. ATTORNEY’S REPORT The Attorney reported on a new statutory development, pertaining to construction, that confirms extension of the rule for a 5% cap on a contractor’s retention amount. The rule is extended through 2023.
8. MANAGER'S REPORT

FIELD REPORT

➤ **Chloramine Boost Station:** The Hazardous Material permit process continues for the chemicals at Neary. The Santa Clara County Department of Environmental Health has provided approval pending final inspection.

➤ **McCann Tank 1 Hatch:** The tank was taken out of service to install a new stainless steel hatch. The hatch was completed in January.

➤ **Zone 4 Calibration:** Flow tests were performed on 7 hydrants throughout Zone 4 to calibrate the hydraulic model. When the flows were correlated with the model, some discrepancies were discovered. Additional flow tests are scheduled for January 18.

➤ **Page Mill Tank:** A diver for CSI, the District’s painting inspector, performed the two year inspection for the interior paint as part of the seismic improvement project. Minor defects were repaired. Their formal report is forthcoming.

➤ **Backflow Testing:** Jose Olivera tested over 500 backflows in 2017.

➤ **McCann Tank 2 Drain:** Work started for a new drain for the newly install flush clean out.

➤ **Toyon Yard:** McClennahan is scheduled to clean out the brush and blockages in the creek adjacent to Toyon Yard. Last year the yard flooded due to the creek debris. Staff is planning to regrade the yard to prevent the mud hole that normally occurs during the rainy season.

➤ **Foothill College Meter Resolution Error** An error was made while programming the register resolution for the 6” meters at Foothill College. While the computer program specified a 6” compound meter, Foothill has two turbo meters that require a different resolution than the normal compound meter. The error was discovered when staff was alerted of a leak at Foothill that was reported as 100 times more water than the actual leak. Badger provided a correction factor that was used to correct the meter reads for each account resulting in a $26,937.85 reimbursement to Foothill College.

➤ **Main Break Page Mill Road:** On December 14th, a leak occurred on the 8” cast iron main on Page Mill Rd. The leak was a full circle crack and was repaired with a full circle clamp. No public or private property damage.

A. **CUSTOMER COMMUNICATIONS** The District Secretary suggested that the Board review the Bill Adjustment Policy and consider amendments or updates that reflect current practices. Some customers complained that the rule of a onetime adjustment per customer is too stringent.

9. DIRECTORS’ REPORT

A. **BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA), ACWA/JPIA, SCVWD, AND OTHER AGENCY ISSUES.** Director Anderson reported on the BAWSCA Directors meeting held on November 16, 2017.

B. **DIRECTORS’ COMMENTS** Director Jordan reported on SCVWD groundwater recharge and reductions in recharge fees to well owners, including those in Los Altos Hills.

10. AGENDA ITEMS FOR FEBRUARY 14, 2018 BOARD MEETING

Potential reschedule the May 9, 2018 Board Meeting.

Approval for Director Jordan to attend the WaterNow Alliance Annual Summit March 28-29, 2018.
11. CLOSED SESSION
Pursuant to California Government Code Section 54957 Public Employee
Performance Evaluation Title: General Manager
The meeting went into closed session at 8:00 pm.

12. OPEN SESSION
Public Employee Performance Evaluation
Title: General Manager
Amendment to General Manager’s Employment Agreement
The meeting returned to Open Session at 8:30 pm. No action was taken.

13. ADJOURNMENT It was moved by Director Holtz, seconded by Director Solomon, to adjourn the meeting
at 8:30 pm. Motion approved unanimously – voice vote.

Respectfully submitted

Raylene Collins, District Secretary

Approved: [Signature]
Steve Jordan, President