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

FEBRUARY 14, 2018 Minutes

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

   Directors Present: President Jordan, Directors Peter Evans, Ernie Solomon, Brian Holtz, and Robert N. Anderson (teleconference)

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

4. APPROVAL OF JAMES MARTA & COMPANY LLP PROPOSAL FOR AUDITING SERVICES
   The GM explained that James Marta & Company has extensive experience in auditing services of special districts, and is recommended by several public nonprofits including a similar size water district. Their proposed fee for the first fiscal year is $26,900 which is comparable to the current auditor. A three year agreement will start in May 2018 for the audit year FY 2017/2018. It was moved by Director Solomon, seconded by Director Holtz, to approve James Marta LLP for a 3 year contract to provide auditing services. Motion approved unanimously – voice vote.

5. AUTHORIZE DIRECTOR JORDAN TO ATTEND THE WATERNOW ALLIANCE ANNUAL SUMMIT MARCH 28-29, 2018, SALT LAKE CITY, UT AND REIMBURSEMENT FOR ACTUAL AND NECESSARY EXPENSES NOT REIMBURSED BY WATEROW PER THE DISTRICT’S REIMBURSEMENT POLICY Director Jordan explained that WaterNow Alliance will pay for his airfare and lodging. It was moved by Director Holtz, seconded by Director Evans, to approve necessary expenses not to include airfare and lodging. Motion approved (4-0) – voice vote. Director Jordan abstained.

6. ENGINEER’S REPORT

   CAPITAL IMPROVEMENTS AND PIPELINE RENEWAL RATES The Engineer provided a general analysis of the age and types of main pipes, replacement costs, and the schedule for replacing 1% of the pipeline each year (100 year renewal rate)

   He mentioned that the goal of 1% per year is an industry recommendation and that few agencies are able to reach this benchmark. The annual replacement cost of 1% per year is estimated to be $5.6M. The GM explained that most leaks occur on cast iron pipes. Director Jordan recommended moving forward with replacement of high risk pipes, and to pay for those projects by raising rates in 2018 and / or acquiring loans or issuing bonds.
7. ATTORNEY’S REPORT

PROPOSED RESTRUCTURING AND INCREASE IN HANSON AND BRIGDETT RATE
The Attorney requested that the Board approve a rate increase for legal services for the first time since 2011. The Attorney proposed to bring rates charged to PHWD in line with the rates charged to other small water districts served by Hanson Bridgett. It was moved by Director Jordan, seconded by Director Evans, to approve the proposed rate increase as requested, with the following additional terms included: 1) advance notice and GM approval before higher-rate litigation or employee benefits work is commenced; 2) on request, providing an estimate of legal fees for a particular project; and 3) on request, tracking of legal time spent on a particular project.
Motion approved unanimously – voice vote.

8. MANAGER’S REPORT

A. FIELD REPORT

➢ Chloramine Boost Station. The initial set-up was completed and the Santa Clara County Department of Environmental Health permit was approved for the chemicals at Neary. Staff is in the process of acquiring Ammonium Sulfate and Chlorine Startup, connecting and displaying all of the alarms on SCADA, and completing calibration and training.
➢ McCann Tank 2 Drain. Work continues for a new drain for the newly installed flush clean out.
➢ Toyon Yard. On January 20, McClennahan cleaned out the brush and blockages in the creek adjacent to Toyon Yard. Because it was a sensitive creek, the GM hired a biological monitor to supervise the trimming. Last year, the yard flooded due to debris blocking the creek’s flow. The drive way entrance was re-paved and staff will remove the mud that accumulated from last year’s storm.
➢ Matadero Pump Station. McClennahan removed a dead tree and a large branch that fell across the creek at the Matadero Pump Station.
➢ Pinewood School Lead Testing. Four lead tests were taken throughout the school. Lab results are expected later this month.
➢ Elena Pump Station. Shelton Roofing removed the old wood shingle roof, installed plywood sheeting, and a new composition 30 year roof.

B. CUSTOMER COMMUNICATIONS None.

C. SCVWD GRANT STATUS The GM explained that the SCVWD will not fund another AMI project through conservation grants.

9. REVISIONS TO THE BILL ADJUSTMENT POLICY The District Secretary summarized her proposed changes to the Bill Adjustment Policy. The Board considered 3 primary updates; 1) leak adjustments may be granted every seven years to the same customer instead of once per customer; 2) lost water because of malfunctioning irrigation controllers qualify as leaks after the customer purchases a new smart controller that is approved by the SCVWD; and 3) customers with Beacon AMI devices must enroll for an online Eye on Water account before receiving the adjustment. Director Evans suggested adding a statement from the Water Wasting Ordinance. The District Secretary will bring the revisions to the Board meeting March 14, 2018.
10. DIRECTORS’ REPORT

A. BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA), ACWA/IPA, SCVWD, AND OTHER AGENCY ISSUES
Director Jordan explained the reasons Gary Kremen, Board member of the SCVWD, was unable to attend the Board meeting, and that Mr. Kremen’s intent was to request that the District and SCVWD cooperate to support the State Water Project (SWP). Director Jordan explained the possibility of the District getting back the property taxes that are levied on its customers to fund the SWP. Because District customers do not receive water from the SWP, those funds could be returned to be used explicitly for conservation projects. Based on the District’s current assessed value, the District could receive approximately $317,000 a year. This amount could double if a major state project called the California Water Fix is approved. Director Jordan suggested that, in addition to AMI installations, the District begin to build in more conservation programs into facility improvements, such as integrated leak sensing mains. (AMI devices attach to meters, read hourly usage, and send leak alerts to customers who access the data on a user friendly website.) Director Evans discussed ways of obtaining recycled water.

The District Secretary reported that she attended the BAWSCA Director’s meeting held January 18, 2018.

B. DIRECTORS’ COMMENTS
Director Holtz reported that he attended the SCVWD Retailers’ Meeting January 17, 2018. Director Jordan reported that he attended the SCVWD Environmental and Water Resource Committee January 22, 2018.

11. AGENDA ITEMS FOR MARCH 14, 2018 BOARD MEETING
Consider May and June meeting date changes by one week.

Holman Capital presentation

12. CLOSED SESSION
Pursuant to California Government Code Section 54957 Public Employee Performance Evaluation Title: General Manager
The meeting went into closed session at 8:45 p.m.

13. OPEN SESSION
Public Employee Performance Evaluation
Title: General Manager
Amendment to General Manager’s Employment Agreement
The meeting returned to open session at 9:15 p.m. The Board approved the GM salary increase of 4% and a $10,000 retention bonus to be paid at the time of his retirement in December 2019.

14. ADJOURNMENT
The meeting adjourned at 9:25 p.m.

Respectfully submitted

Raylene Collins, District Secretary

Approved: Steve Jordan, President