



PHWD Kicks Off \$18M Upgrade Program

PLANNED CAPITAL IMPROVEMENTS TARGET REPLACEMENT OF AGING INFRASTRUCTURE

Update from Steve Jordan, Director, PHWD



I wrote to our customers in June and September of 2018 outlining a major new objective for PHWD: to proactively replace 20 miles of 1960s vintage pipelines. I am pleased to tell you that the District will begin its planned upgrade program this Spring. You may

remember that from 2016 to 2019 we replaced about two miles of aging pipelines in response to failures, including pipelines on Moody Road, Purissima Road, and a portion of Viscaino Road. In those projects, our contractor hit two, pressurized sewer laterals in the right-of-way (ROW) operated by the Town of Los Altos Hills that were not marked as required by state law. It is more cost effective and less disruptive to proactively replace older pipelines before they fail. The process to proactively replace pipelines is lengthy: **1. Assess the highest priority pipelines needing replacement;** **2. Design the precise layout and placement** including surveying, marking of all underground utilities by their operators, analyzing hydrodynamics, and developing cost estimates; **3. Obtain bids;** and **4. Raise funds via a rate increase and borrowing.**

During 2018, District management updated the priority of required replacements and identified an estimated \$18 million program to replace the most critical of the 20 miles of pipelines over the next 10 years, which will fund less than half of the 20 miles targeted. In response, PHWD approved a rate increase schedule in late 2018 that is projected to add \$5

million of funds over three years. A decision was also made to borrow additional funds because the three years of emergency projects had consumed all of our reserves. Management initially proposed a 4%, 15-year, \$4 million loan to complement the rate increase, but in September, your Board directed management to obtain competitive bids. We received twelve very competitive proposals in December, and in our January, 2020, meeting, we accepted a proposal for a 15-year, \$8 million loan at 2.16% interest rate. To address the remaining half of the aging pipelines, we could use future rate increases, borrowing, or both.

You can read a separate article in this newsletter by PHWD's new General Manager, Phil Witt, describing the first proactive project. The second proactive pipeline upgrade is planned to replace approximately 4,600 LF

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BECOME A BOARD MEMBER

Serve your community by becoming a Board Member of the Purissima Hills Water District. PHWD Board Members are elected and serve four-year terms. Contact us at **650-948-1217** or rcollins@purissimawater.org to learn about the role and how to become a candidate. The candidate filing period for the November 3, 2020, General Municipal Election is July 13 through August 7, 2020.



PHWD Kicks Off \$18M Upgrade Program (continued)

of primarily cast iron pipe along Concepcion Road where we have experienced a significant number of leaks. The Board authorized the design of this pipeline in January, 2020, with the total cost (design and construction) expected to be approximately \$3 million; construction would occur in 2021. In addition, we have eight, major proactive replacement projects. In order to determine which pipelines should be addressed first, we have identified and qualified a leak detection technology planned to deploy on fire hydrants along some, or all, of the 1960s era pipelines. This technology can detect

early-stage leaks in cast iron pipelines, so we will use it to identify potential failures before they occur. We obtained approval from Santa Clara County Fire in May, 2019, and were approved for a grant for a portion of the equipment cost by Valley Water in July, 2019. Since then, we have been working with LAHCFD for approval to begin installation.

You can learn more about the projects approved and their timetables as we enter into contracts on our website at PurissimaWater.org

CAPITAL IMPROVEMENT PROJECT UPDATE

Taaffe, Elena, and Moody Project

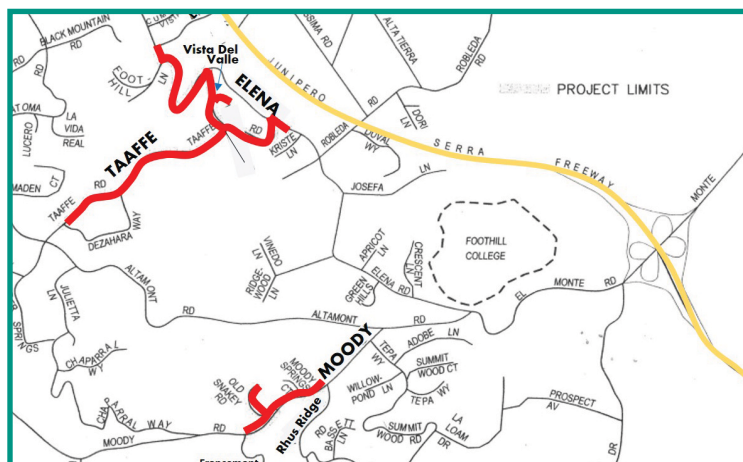
Update from Phil Witt, General Manager, PHWD



The Taaffe/Elena intertie will complete a multi-year capital improvement upgrade to the Purissima Hills distribution system. This project is the final portion to be installed in which we will have a large diameter pipe increasing fire hydrant flows that extends from the north to the south end of the District serving as the backbone of the system. Additionally, this project will help supply emergency water to a centralized pump station within the district.

The Moody Road portion of this project replaces water main that has aged and is highly prone to water main breaks.

PHWD received eight competitive bids for this project. The contract was awarded to Teichert Energy and Utilities Group, a reputable company that has been in business for 130 years. We are looking forward to working with them on this project.



RATE CHANGE REMINDER

As part of a three-year rate increase passed in 2018, there will be a rate increase effective July 1, 2020. The rate adjustments are needed to fund high priority capital improvements to PHWD's water system and keep rates aligned with the cost of providing service. For more information, please visit the [Rates and Finance](#) section on the PHWD website.

COVID-19 UPDATE

Due to Santa Clara County's **Shelter in Place Order**, the District Office will be closed until May 3, 2020. Customers may still contact PHWD by phone for essential services at 650-948-1217. Please use the secure drop-off box in front of the District office if making payment in person.

▶ **BOARD MEETING CANCELLED APRIL 8, 2020**

▶ **YOUR WATER QUALITY IS NOT EFFECTED BY THE CORONAVIRUS.**