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REGULAR MEETING
OF THE BOARD OF DIRECTORS
OF THE MID-PENINSULA WATER DISTRICT

January 22, 2015
Belmont, California

1. **OPENING**

A. **Call to Order:**

The regular meeting of the Mid-Peninsula Water District Board of Directors was called to order by Vice President Linvill at 6:30PM.

B. **Pledge of Allegiance** – The Pledge of Allegiance was led by General Manager Rudock.

C. **Establishment of Quorum:**

PRESENT: Directors Linvill, Stuebing, Vella, Warden, and Zucca.

ABSENT: None.

A quorum was present.

ALSO PRESENT: General Manager Rudock, District Secretary Pina, Operations Superintendent Young, District Engineer Pakpour, District Counsel Cassman, and District Treasurer Ira.

2. **PUBLIC COMMENTS**

None.

3. **AGENDA REVIEW: ADDITIONS/DELETIONS AND PULLED CONSENT ITEMS**

None. This agenda item was moved and considered following Agenda Item 4. Acknowledgements/Presentations.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

A. **Overview of 2015 MPWD Calendar Contest Program – Jeanette Kalabolas**

Ms. Kalabolas provided an overview of the MPWD calendar contest program.

B. **Distribute the 2015 MPWD Calendar to the Board – Tammy Rudock**

The 2015 calendar was distributed to Directors.

C. **Present 2015 MPWD Calendar Contest Awards – Betty Linvill and Jeanette Kalabolas.**

President Linvill and Jeanette Kalabolas presented the awards for the calendar contest. Along with plaques, the top three winners received gift certificates. The teacher with the most class participation also received a gift certificate. All who participated received a 2015 MPWD calendar. Contest winners:

- **Grand Prize Winner:** Lucy Wood – 3rd Grade – Immaculate Heart of Mary School
- **Runner-Up Winner:** Jacob Young – 3rd Grade – Immaculate Heart of Mary School
- **Runner-Up Winner:** Linda Molnar and Tia Phung – 2nd Grade – San Carlos Charter Learning Center

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- **Award for the class with the most participation** – Ms. Kelly Smith – 3rd Grade Teacher – Immaculate Heart of Mary School. Her class submitted 24 of the 63 entries.
- **Nine entries chosen for the 2015 calendar:**
 - 1) Kestrel Fink - 2nd Grade - San Carlos Charter Learning School
 - 2) Nihal Verghese and Ambrose Boyle – 2nd Grade – San Carlos Charter Learning Center
 - 3) Calvin Barad and Nola Wheeldryer – 2nd Grade – San Carlos Charter Learning Center
 - 4) William Won – 3rd Grade - Immaculate Heart of Mary School
 - 5) Gianna Halteh – 3rd Grade - Immaculate Heart of Mary School
 - 6) Isabelle Won – 3rd Grade - Immaculate Heart of Mary School
 - 7) PJ McGovern – 3rd Grade – Charles Armstrong School
 - 8) Grant Sloan – 2nd Grade – San Carlos Charter Learning Center
 - 9) Danielle Chang – 5th Grade – San Carlos Charter Learning Center

D. 15-Minute Refreshment Break

The meeting was temporarily recessed at 7:10PM for a refreshment break to congratulate all of the MPWD calendar contest participants and their family members.

President Linvill reconvened the Board meeting at 7:30PM.

E. Rick Bisio – Water Treatment Operator 2 Certification

General Manager Rudock acknowledged Rick Bisio's accomplishment and President Linvill expressed appreciation for the work he did to acquire the T-2 certificate. She also asked what he learned and how it applied to his job. Rick Bisio responded how it has already positively impacted the way he performs his job and how he has been able to share with his co-workers what he learned in order to assist with their test preparation.

F. Brent Chester – Water Treatment Operator 2 Certification

General Manager Rudock announced Brent Chester's accomplishment. Brent was not present at the meeting. President Linvill requested that General Manager Rudock communicate to Brent Chester how much the Board appreciated his work in acquiring the T-2 certification.

5. CONSENT AGENDA

A. Approve Minutes for the Regular Board Meeting of December 17, 2014

B. Approve Expenditures from December 11, 2014, through January 13, 2015

C. Enact Resolution 2015-01 Approving a Salary Adjustment to \$162,500/Year for the General Manager, Effective January 1, 2015

Director Vella moved to approve the consent agenda, Director Stuebing seconded. Roll call was taken, and it was unanimously approved.

6. HEARINGS AND APPEALS

None.

7. REGULAR BUSINESS

102 **A. Drought and Water Conservation Update**

103 General Manager Rudock highlighted the R-GPCD chart on page 22 of the Board
104 agenda packet. Because this is a new calendar year, she asked for input from the
105 Board on what they would like to see for 2015 in this chart. Director Vella would like to
106 see comparisons to other areas. She also commented that ACWA is declaring a 4th year
107 of drought.

108
109 With regard to the water conservation efforts, MPWD will be advertising on grocery carts
110 at the Safeway on El Camino Real in Belmont. The rain barrel workshop will be held at
111 the MPWD on April 11th from 9:00AM – 12:00PM. Two rain barrels will be installed at
112 the MPWD as a “hands-on” demonstration during the workshop. The City of Belmont
113 will be holding its annual Earth Day event on Saturday, April 25th from 9:00AM –
114 12:00PM, and staff will be participating in this event.

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116 **B. Review and Discuss the Revised DRAFT Water Capacity Charge Update Presented**
117 **by Alex Handlers of Bartle Wells Associates**

118 Alex Handlers presented the DRAFT Water Capacity Charge update to the Board. He
119 highlighted the point that MPWD presently has next to the lowest facility capacity fees
120 within the Bay Area region. Mr. Handlers reviewed the proposed water capacity charges
121 and water demand offset fees and requested input from the Board on any additional
122 items they would like them to focus on for this study. There was discussion about water
123 demand offset charges and proposed added funds for higher flow toilet replacements in
124 the MPWD’s toilet rebate program. Director Stuebing would like to keep the fixed costs
125 where they are. Director Zucca said he would like to explore a pass-through charge,
126 which would be seasonal. Director Warden said he liked the pace of the presentations
127 over several months. He would prefer that we do not count the number of people per
128 household, because it would be too labor intensive and difficult to identify accurate
129 information. Director Warden further stated that the report was very objective and
130 transparent.

131
132 **C. Introduce and Discuss Preliminary Water Rate Study Concepts and Related**
133 **Proposition 218 Schedule Presented by Alex Handlers of Bartle Wells Associates**

134 Alex Handlers introduced preliminary information concerning the MPWD rate study. He
135 provided a review of the MPWD finances and current water rate structure. He outlined
136 financial challenges: SFPUC wholesale water rate increases, MPWD capital
137 improvement needs, reduced water sales, and ongoing operating costs inflation. The
138 last MPWD rate study was completed in 2010 and a 5-year program was developed.
139 Minor rate structure modifications were implemented in 2010. Water sales have
140 decreased a little over 20% over the past decade.

141
142 Mr. Handlers provided an overview of the current rate study components: 10-year
143 financial projections, review of customer water consumption data, water rate analysis
144 (including emergency water shortage rates), phased in water rate adjustments, and rate
145 options. The proposed effective date for any new rates would be July 1, 2015.

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147 Next steps include a Board workshop to review preliminary findings and
148 recommendations. Directors agreed that a workshop held right before a regular Board
149 meeting would be best, and that 5:00PM on February 26th would work for that workshop
150 if staff and consultant are prepared to present information.
151

152 **D. Discuss Coordination of the City of Belmont's Notre Dame Drive Reconstruction**
153 **Project and Authorization from Capital Reserves of a Capital Project for the Notre**
154 **Dame Drive Water Main Replacement Project (from Ralston Avenue to Arbor**
155 **Avenue), including awarding Professional Services Agreements with Bellecci &**
156 **Associates and Pakpour Consulting Group for Engineering Design, and**
157 **authorizing an agreement with the City of Belmont regarding cost sharing of the**
158 **Project**

159 General Manager Rudock and District Engineer Pakpour discussed the details of the
160 Notre Dame Drive project coordination with the City of Belmont. This is an unbudgeted
161 project for the MPWD and the funds would have to come from capital reserve funds. A
162 cost-sharing agreement would have to be developed and approved by District Counsel
163 before moving forward with the project. District Engineer Pakpour discussed the
164 compressed design and construction schedule. He explained the bidding process and
165 the possibility that the MPWD's project costs would be more costly because it would be
166 a bid alternate. The MPWD's plan is for construction of one 10" water main to replace
167 two water mains on Notre Dame Drive. The bid would have separate components and
168 specifically define MPWD costs, allowing the MPWD to pull out before the work is
169 started if the cost is higher than anticipated. The MPWD contract would be with the City
170 of Belmont rather than with MPWD. MPWD operations staff would be on site for daily
171 inspection to ensure that the water main was installed according to MPWD system
172 specifications. The City is going out for bid on February 13th.
173

174 After discussing all of the factors involved, it was decided by the Board that the MPWD
175 would not participate in this project with the City of Belmont. The following justifications
176 were identified and the Board requested that staff document them in a letter to the City
177 of Belmont:
178

- 179 ▪ Despite quarterly meetings between the MPWD and the City, the MPWD was made
180 aware of the compressed timeline for the project via City email dated December 15,
181 2014. This was not sufficient time to responsibly prepare for such a major capital
182 project.
- 183 ▪ The project was not part of MPWD's 2014/2015 budget and would have necessitated
184 utilizing almost 25% of MPWD's capital reserve funds.
- 185 ▪ The cost-sharing and project management agreement would need to be negotiated
186 before the project was awarded to a contractor. A cost-sharing and project
187 management agreement for a combined project of this nature is not a trivial effort
188 and rushing such an agreement could result in potential problems during
189 construction.
- 190 ▪ The Board is concerned about premium prices charged by the contractors, and the
191 risk of higher than normal change orders, the need for additional inspectors on site,
192 and an additional layer of oversight for the MPWD. This is all very costly.
- 193 ▪ MPWD does not want to inadvertently create or contribute to a situation where, due
194 to no fault of MPWD, the City is unable to successfully complete its project in
195 accordance with the requirements and deadline of the federal grant it has been
196 awarded for this project.
197

198 **E. BAWSCA Update**

199 Director Vella reported about the election and BAWSCA Board reorganization. Randy
200 Breault is now the Chair for a two-year term. Al Mendall is now the Vice Chair. He also
201 reported that BAWSCA reserves have been dipped into and BAWSCA is considering
202 increasing membership fees by 10-11% for FY 2015/2016.

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8. MANAGER'S AND BOARD REPORTS

A. General Manager's Report

General Manager Rudock reported that Jeanette Kalabolas would be attending the Belmont General Plan Community Meeting this evening. This plan has not been updated in over 20 years. She reported that Director Vella requested the Board consider changing the November Board meeting from Wednesday, November 18th to either Thursday, November 12th or Monday, November 16th. Lastly, she reported that the Vinarskiy litigation had settled and the MPWD paid nothing except its liability insurance policy deductible for defense costs-\$10,000.

1. Supplemented by Administrative Services Manager's (ASM) Report

Administrative Services Manager Pina reminded the Board to forward their completed Form 700s to her by March 6th.

2. Supplemented by Operations Superintendent's Report

Operations Superintendent Young distributed a map created by Brent Chester entitled MPWD 2015 AMI Installation Status. The area map showed the number of meters installed (2,194), the 2015 Scheduled Installations (1,330), and the remaining installations (4,500).

3. Supplemented by District Engineer's Report:

District Engineer Pakpour reported on the Buckland Tanks Replacement Project. Both tanks are in service. Remaining site work includes fencing, landscaping, and tank stairs, which will take about 1 ½ weeks. The site has been paved. Due to rain, five (5) additional days were given. Overall, the project had 1.5% change orders to date, which is very low given the parameters of the site being so tight to work within.

He also updated the Board on when he anticipates completion of the water hydraulic modeling this year: Zone 8 – February 28th; Zone 2 – May 28th, and Zone 1 – August 20th. He explained the complexities of developing the model and why it takes so long to complete. He reported he has a scheduling conflict and will not be at next month's Board meeting.

B. Financial Reports

General Manager Rudock reported that the MPWD is operating within the budget amounts projected. Staff will be coming back next month with presentation of the Mid-Year Budget.

C. Director Reports

Directors had nothing to report except President Linvill who reported she and General Manager Rudock attended the monthly HIA meeting.

9. FUTURE AGENDA BUSINESS ITEMS.

None.

10. COMMUNICATIONS

Administrative Services Manager Pina read a note given to staff by Laura McEvoy.

11. ADJOURNMENT

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Director Zucca motioned to adjourn at 9:38PM, Director Stuebing seconded, and it was unanimously approved.


DISTRICT SECRETARY

APPROVED:


BOARD PRESIDENT