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**REGULAR MEETING  
BOARD OF DIRECTORS  
THURSDAY, OCTOBER 26, 2017 – 6:30PM  
3 DAIRY LANE, BELMONT CALIFORNIA**

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**AGENDA**

**1. OPENING**

- A. Call to Order
- B. Establishment of Quorum
- C. Pledge of Allegiance

**2. PUBLIC COMMENT**

*Members of the public may address the Board on the Consent Agenda or any item of interest within the jurisdiction of the Board but not on its agenda today. In compliance with the Brown Act, the Board cannot discuss or act on items not on the agenda. Please complete a speaker's form and give it to the District Secretary. Each speaker is limited to three (3) minutes.*

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

**4. ACKNOWLEDGEMENTS/PRESENTATIONS**

None.

**5. CONSENT AGENDA**

*All matters on the Consent Agenda are to be approved by one motion. If Directors wish to discuss a consent item other than simple clarifying questions, a request for removal may be made. Such items are pulled for separate discussion and action after the Consent Agenda as a whole is acted upon.*

A. Approve Minutes for the Regular Board Meeting of September 28, 2017

B. Approve Expenditures from September 22, 2017 through October 19, 2017

**6. HEARINGS AND APPEALS**

None.

**7. MPWD FY 2016-2021 CAPITAL IMPROVEMENT PROGRAM  
AND 2016 COP (CERTIFICATES OF PARTICIPATION) FINANCING**

- A. Receive 2016 COP Financing Reconciliation and Project Fund Quarterly Reports for the period July 1, 2017 through September 30, 2017

**8. REGULAR BUSINESS AGENDA**

- A. Consider Resolution 2017-19 Authorizing 2017 Revisions to MPWD Personnel Manual
- B. Receive Overview of MPWD Organization and Staff Positions and Duties
- C. Consider and Approve MPWD 2018 Board Meeting Schedule
- D. Review and Discuss DRAFT MPWD Debt Management Policy
- E. Review and Discuss DRAFT MPWD Cash Reserve Policy

**9. MANAGER’S AND BOARD REPORTS**

- A. General Manager’s Report, including Water Conservation Progress Summary
  - 1. Supplemented by Administrative Services Manager’s Report
  - 2. Supplemented by Operations Manager’s Report
  - 3. Supplemented by District Engineer’s Report
- B. Financial Reports
  - 1. Receive Financial Reports for Month Ended September 30, 2017
  - 2. Receive General Manager’s Annual Report for Fiscal Year Ended June 30, 2017
- C. Director Reports

**10. COMMUNICATIONS**

**11. ADJOURNMENT**

This agenda was posted at the Mid-Peninsula Water District’s office, 3 Dairy Lane, in Belmont, California, and on its website at [www.midpeninsulawater.org](http://www.midpeninsulawater.org).

ACCESSIBLE PUBLIC MEETINGS

*Upon request, the Mid-Peninsula Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation (including auxiliary aids or services), to enable individuals with disabilities to participate in public meetings. Please contact the District Secretary at (650) 591-8941 to request specific materials and preferred alternative format or auxiliary aid or service at least 48 hours before the meeting.*

**Next Board Meeting: Wednesday, November 15, 2017, at 6:30PM**

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

September 28, 2017  
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 President Stuebing at 6:34PM.

B. **Establishment of Quorum:**

**PRESENT:** Directors Stuebing, Vella, and Zucca

**ABSENT:** Directors Warden and Linvill

A quorum was present.

**ALSO PRESENT:** General Manager Tammy Rudock, Operations Manager Rene Ramirez, District Secretary/Administrative Services Manager Candy Pina, District Counsel Joan Cassman, District Engineer Brandon Laurie and District Treasurer Jeff Ira.

C. **Pledge of Allegiance** – The Pledge of Allegiance was led by staff member, Jeanette Kalabolas.

2. **PUBLIC COMMENTS**

None.

3. **CLOSED SESSION**

The Board recessed into Closed Session at 6:35PM to discuss one matter:

A. **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Government Code §54956.9(d)(2)

- Five Claims:
1. Constantina Felactu, formerly 2856 San Juan Boulevard
  2. Thomas Felactu, formerly 2856 San Juan Boulevard
  3. Jeffrey Ford, 2856 San Juan Boulevard
  4. Pamela Kawaguchi, 2630 Monserat Avenue
  5. Eugene Weiss, 2632 Monserat Avenue

The Board reconvened into open session at 7:52PM. District Counsel Cassman reported the Board received reports on five property claims filed and no action was taken.

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

None.

5. **ACKNOWLEDGEMENTS/PRESENTATIONS**

None.

- 51 **6. CONSENT AGENDA**  
52 **A. Approve Minutes for the Regular Board Meeting of August 24, 2017.**  
53  
54 **B. Approve Expenditures from August 17, 2017 through September 21, 2017**  
55 Director Vella moved to approve the minutes for the Regular Board Meeting on August  
56 24, 2017 and expenditures from August 17, 2017 through September 21, 2017. Director  
57 Zucca seconded and it was unanimously approved.  
58
- 59 **7. HEARINGS AND APPEALS**  
60 None.  
61
- 62 **8. MPWD FY 2016-2021 CAPITAL IMPROVEMENT PROGRAM AND 2016 COPs**  
63 **(CERTIFICATES OF PARTICIPATION) FINANCING**  
64 **A. Consider Resolution 2017-16 Authorizing a Professional Services Agreement with**  
65 **Schaaf & Wheeler Consulting Civil Engineers, referenced as Contract No. 05-1621-**  
66 **CIP in the amount of \$532,965 for Engineering Design Services related to the Old**  
67 **County Road Improvements (CIP 15-75), “F” Street Improvements (CIP 15-79),**  
68 **Ralston Avenue Improvements (CIP 15-82) and the Old County Road Extension**  
69 Operations Manager Ramirez recapped highlights from the prior month’s presentation  
70 and discussion and sought Board authorization to proceed.  
71  
72 Director Vella moved to approve Resolution 2017-16 Authorizing a Professional Services  
73 Agreement with Schaaf & Wheeler Consulting Civil Engineers, referenced as Contract  
74 No. 05-1621-CIP in the amount of \$532,965 for Engineering Design Services related to  
75 the Old County Road Improvements (CIP 15-75), “F” Street Improvements (CIP 15-79),  
76 and Ralston Avenue Improvements (CIP 15-82) and the Old County Road Extension.  
77 Director Zucca seconded and it was unanimously approved.  
78
- 79 **B. Consider Resolution 2017-17 Authorizing the Third Amendment to the**  
80 **Professional Services Contract with Pakpour Consulting Group, Inc. referenced as**  
81 **Contract No. 07-1621-CIP in the amount of \$325,244 for Engineering Design**  
82 **Services related to the 2018 Water Main Replacement Project**  
83 Operations Manager Ramirez recapped highlights from the prior month’s presentation  
84 and discussion and sought Board authorization to proceed with the 2018 Water Main  
85 Replacement Project, including Notre Dame (CIP15-10), Mid-Notre Dame (CIP 15-49),  
86 Cliffside Court (CIP 15-38), Tahoe Drive (CIP 15-28) and the Zone 5 Hydrant  
87 Improvements (CIP 15-06).  
88  
89 Director Zucca moved to approve Resolution 2017-17 Authorizing the Third Amendment  
90 to the Professional Services Contract with Pakpour Consulting Group, Inc., referenced  
91 as Contract No. 07-1621-CIP in the amount of \$325,244 for Engineering Design  
92 Services related to the 2018 Water Main Replacement Project. Director Vella seconded  
93 and it was unanimously approved.  
94
- 95 **9. REGULAR BUSINESS AGENDA**  
96 **A. Consider Resolution 2017-18, which Establishes Surplus items List 17-01 and**  
97 **Declares Nine Items in District Inventory as Surplus and Authorizes Staff to Sell**  
98 **the Items via GovDeals.com**  
99 General Manager Rudock reported she recently attended a presentation by  
100 GovDeals.com and suggested the Operations staff meet with their representatives and

101 consider using their expertise in dealing with surplus government vehicles and  
102 equipment to sell the MPWD's surplus inventory.

103  
104 Operations Manager Ramirez presented the list of proposed surplus items and the  
105 efficiency of GovDeals.com services. A minimum price will be established for each item  
106 and then auctioned much like eBay.

107  
108 Director Zucca moved to approve Resolution 2017-18, which Establishes Surplus items  
109 List 17-01 and Declares Nine Items in District Inventory as Surplus and Authorizes Staff  
110 to Sell the Items via GovDeals.com. Director Vella seconded and it was unanimously  
111 approved.

112  
113 **B. Review Proposed 2017 MPWD Personnel Manual Revisions**

114 General Manager Rudock presented the proposed 2017 revisions to the MPWD  
115 Personnel Manual and reported she met and conferred with employees on the changes.  
116 This was a discussion item only and will be brought back next month for adoption  
117 consideration.

118  
119 **C. Receive BAWSCA Report from Director Louis Vella**

120 Director Vella reported he attended the BAWSCA Board meeting held on Thursday,  
121 September 21, 2017. He advised the bulk of the meeting was spent in closed session  
122 for the CEO's performance evaluation; however, additional topics included the SFPUC's  
123 report on July 2017 water savings (18%), approval of a Resolution appointing Arthur  
124 Jensen as Special Counsel to the CEO, and the release of the final version of the 2017  
125 Drought Agencies' Findings Report.

126  
127 The Board and staff also engaged in a brief discussion on the 2009 Water Supply  
128 "Minimum Purchase" Agreement, as BAWSCA is looking for member agency feedback.

129  
130 **10. MANAGER AND BOARD REPORTS**

131 **A. General Manager's Report**

132 General Manager Rudock reported the delay with the job position classification study as  
133 a result of employee leaves and workload. MPWD and the City of Belmont are close to  
134 a cooperative agreement for the approved joint capital project.

135  
136 **1. Supplemented by Administrative Services Manager's Report**

137 Administrative Services Manager Pina reported on the staff appreciation lunch held  
138 September 27, 2017 in honor of Rick Bisio's and Ron Leithner's 20<sup>th</sup> service  
139 anniversary.

140  
141 **2. Supplemented by Operations Manager's Report**

142 Operations Manager Ramirez shared there were no system repairs to report. He  
143 provided updates on the AMI meter change-out program, number of USA locate  
144 requests responded to last month, the abandonment of CIP 15-61 Escondido Way  
145 Cross Country valve, and future plans to abandon a valve on the south side of  
146 Ralston Avenue at the intersection of Notre Dame Avenue.

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148 **3. Supplemented by District Engineer's Report**

149 None.

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151 **B. Financial Reports**

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**1. Receive Financial Reports for Month Ended August 31, 2017**

General Manager Rudock reported there has been an increase in consumer use of water, and development revenues, resulting in total operating revenues being 7% above staff projections. Relatedly, the purchased water expense is higher than projected, but total operating costs are near the projected target.

**2. Receive General Manager’s Annual Report for Fiscal Year Ended June 30, 2017**

Director Stuebing asked that presentation of the report be postponed until next month due to the absence of a couple of Board members.

Director Vella advised he will be unable to attend the November Board meeting.

**C. Director Reports**

Director Zucca reported a meeting has been scheduled with Belmont Mayor Charles Stone next week regarding the prospect of getting on the City Council’s Agenda to present the District’s CIP.

Director Stuebing stated he would like to see the CIP presented in an efficient manner with bullets focusing on highlights and shared costs where appropriate. He also reported the San Mateo County LAFCo has a newly elected Special District alternate.

**11. COMMUNICATIONS**

General Manager Rudock reported staff received communications from a customer, suggesting an alternate winter-summer rate proposal in consideration of residential “farming.” President Stuebing, Director Zucca, and staff responded to the communications citing conflicts with Proposition 218 rate setting requirements.

**12. ADJOURNMENT**

The meeting was adjourned at 8:50 PM.

\_\_\_\_\_  
DISTRICT SECRETARY

APPROVED:

\_\_\_\_\_  
BOARD PRESIDENT

# Accounts Payable

## Checks by Date - Summary by Check Date

User: candyp  
 Printed: 10/19/2017 4:09 PM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
32716	ACCELA	ACCELA, INC. #774375	09/27/2017	11,902.32
32717	AIRGAS	AIRGAS, LLC	09/27/2017	132.81
32718	ATT60197	AT&T 60197	09/27/2017	42.25
32719	CARQUEST	CARQUEST AUTO PARTS	09/27/2017	43.77
32720	COMCAST	COMCAST	09/27/2017	260.41
32721	COMCASTB	COMCAST BUSINESS	09/27/2017	629.40
32722	GSFLOWM	GOLDEN STATE FLOW MEASUREMEN	09/27/2017	1,417.18
32723	HOMEDEPC	HOME DEPOT	09/27/2017	654.34
32724	LINCOLNL	LINCOLN LIFE	09/27/2017	175.00
32725	OFFICEDE	OFFICE DEPOT, INC.	09/27/2017	87.17
32726	PACOFFIC	PACIFIC OFFICE AUTOMATION	09/27/2017	184.88
32727	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	09/27/2017	500.00
32728	pina	CANDY PINA	09/27/2017	213.75
32729	PRECISE	PRECISE, INC.	09/27/2017	630.57
32730	ramirez	RENE RAMIREZ	09/27/2017	206.00
32731	RANDB	ROBERTS & BRUNE CO. INC.	09/27/2017	558.54
32732	SFWATER	SAN FRANCISCO WATER DEPT	09/27/2017	599,064.10
32733	STANDINS	STANDARD INSURANCE COMPANY	09/27/2017	964.43
32734	STEPFORD	STEPFORD BUSINESS, INC.	09/27/2017	5,238.94
32735	VERIZON	VERIZON WIRELESS	09/27/2017	73.68
Total for 9/27/2017:				622,979.54
476	CALPERS	CALPERS	09/29/2017	7,426.82
477	CALPERS	CALPERS	09/29/2017	9,302.08
478	ICMACONT	ICMA contributions	09/29/2017	666.24
479	HEALTHEQ	Health Equity	09/29/2017	752.08
480	ADPPAYRL	adp	09/29/2017	34,040.07
481	ADPPAYRL	adp	09/29/2017	14,168.55
482	HEALTHEQ	Health Equity	09/29/2017	200.00
483	ICMACONT	ICMA contributions	09/29/2017	1,923.08
484	CALPERS	CALPERS	09/29/2017	2,672.29
485	ADPPAYRL	adp	09/29/2017	9,873.66
486	ADPPAYRL	adp	09/29/2017	5,360.27
Total for 9/29/2017:				86,385.14
32737	ACCELA	ACCELA, INC. #774375	10/05/2017	2,617.00
32738	ATT60197	AT&T 60197	10/05/2017	21.53
32739	BAWSCA	BAY AREA WATER SUPPLY & CONSER	10/05/2017	18,151.00
32740	CGUHLENB	C G UHLENBERG LLP	10/05/2017	1,325.00
32741	CARQUEST	CARQUEST AUTO PARTS	10/05/2017	77.26
32742	CINTS	CINTAS CORPORATION	10/05/2017	963.43
32743	COLICOLI	OLIVER COLIC	10/05/2017	596.30
32744	HMBPAVIN	HALF MOON BAY GRADING & PAVINC	10/05/2017	4,640.33
32745	HOMEDEPC	HOME DEPOT	10/05/2017	88.90
32746	INTRBATT	INTERSTATE BATTERY SYSTEM, INC.	10/05/2017	948.23

Check No	Vendor No	Vendor Name	Check Date	Check Amount
32747	DAVIDSON	DBA JRocket77 DESIGN & MARKETINC	10/05/2017	4,050.00
32748	KIMBALLM	KIMBALL MIDWEST, INC.	10/05/2017	651.41
32749	LINVELLB	BETTY LINVILL	10/05/2017	520.17
32750	LOUIESTE	STEFANIE LOUIE	10/05/2017	638.30
32751	OFFICEDE	OFFICE DEPOT, INC.	10/05/2017	307.85
32752	PACESUPL	PACE SUPPLY CORP	10/05/2017	586.78
32753	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	10/05/2017	4,890.39
32754	PG&E	PG&E CFM/PPC DEPT	10/05/2017	21,516.92
32755	pina	CANDY PINA	10/05/2017	50.00
32756	PIT71896	PITNEY BOWES 371896	10/05/2017	304.42
32757	PRECISE	PRECISE, INC.	10/05/2017	628.66
32758	RICOH824	RICOH USA INC	10/05/2017	837.35
32759	RANDB	ROBERTS & BRUNE CO. INC.	10/05/2017	938.72
32760	RUDOCK	TAMMY RUDOCK	10/05/2017	39.00
32761	SAVISSHA	SHABNAM SAVIS	10/05/2017	690.78
32762	TWIGGAND	ANDREW TRIGG	10/05/2017	596.30
32763	TROCHERO	ROSE TROCHE	10/05/2017	596.30
32764	VALLEYOL	VALLEY OIL COMPANY	10/05/2017	749.05
32765	VANGUARE	VANGUARD CLEANING SYSTEMS, INC	10/05/2017	385.00
32766	VERIZON	VERIZON WIRELESS	10/05/2017	1,299.95
32767	WESTERNS	WESTERN STATES FIRE PROTECTION	10/05/2017	596.30
Total for 10/5/2017:				70,302.63
32768	ACWA5661	ACWA JPIA	10/17/2017	8,672.92
32769	ACWAJPIA	ACWA/JPIA	10/17/2017	49,291.55
32770	ATT60197	AT&T 60197	10/17/2017	1,159.53
32771	BPLANDSC	BAY POINTE LANDSCAPE	10/17/2017	1,300.00
32772	CINTS	CINTAS CORPORATION	10/17/2017	1,198.50
32773	ESRIINC	ESRI INC	10/17/2017	1,043.75
32774	HANSONBR	HANSON, BRIDGETT	10/17/2017	4,080.00
32775	INTRBATT	INTERSTATE BATTERY SYSTEM, INC.	10/17/2017	389.67
32776	LIFTOFFD	LIFTOFF DIGITAL	10/17/2017	705.00
32777	LINCOLNL	LINCOLN LIFE	10/17/2017	175.00
32778	MHN	MHN	10/17/2017	45.54
32779	OFFICEDE	OFFICE DEPOT, INC.	10/17/2017	64.23
32780	PACOFFIC	PACIFIC OFFICE AUTOMATION	10/17/2017	40.55
32781	PG&E	PG&E CFM/PPC DEPT	10/17/2017	9.02
32782	PIT71896	PITNEY BOWES 371896	10/17/2017	40.58
32783	REDWING	RED WING SHOE STORE, INC.	10/17/2017	3,540.13
32784	RANDB	ROBERTS & BRUNE CO. INC.	10/17/2017	40.01
32785	SMENVIRN	SAN MATEO CO. ENVIRO. HEALTH	10/17/2017	4,184.00
32786	XIOINC	XIO, INC.	10/17/2017	808.00
32787	YUNKATHY	KATHY YUN	10/17/2017	1,308.00
Total for 10/17/2017:				78,095.98
Report Total (82 checks):				857,763.29





**AGENDA ITEM NO. 7.A.**

DATE: October 26, 2017  
 TO: Board of Directors  
 FROM: Tammy Rudock, General Manager  
 Candy Pina, Administrative Services Manager  
 Rene Ramirez, Operations Manager

**SUBJECT: RECEIVE RECONCILIATION QUARTERLY REPORT ON 2016 COP FINANCING FOR PERIOD JULY 1, 2017 THROUGH SEPTEMBER 30, 2017, AND 2016 COP PROJECT FUND QUARTERLY REPORT**

**RECOMMENDATION**

Receive Reconciliation Quarterly Report on 2016 COP Financing for period July 1, 2017, through September 30, 2017, and 2016 COP Project Fund Quarterly Report

**FISCAL IMPACT**

<b>MPWD 2016 COP CIP - RECONCILIATION @ 9/30/17</b>		
<b>Date</b>	<b>For What</b>	<b>COP Funds</b>
12/21/2016	Net Proceeds as of 12/21/16 to CIP/COP	\$ 19,143,021
3/20/2017	Transfer to Project Funds	\$ 42,876
9/30/2017	Project Costs	\$ (412,560)
9/30/2017	Interest Earned	\$ 77,164
9/30/2017	<b>Balance</b>	<b>\$ 18,850,501</b>

**DISCUSSION**

Staff's 2016 COP Reconciliation Quarterly Report is attached. Trustee bank statements were reconciled and the project fund balance at September 30, 2017, was \$18,850,501.

Dan Bergmann of IGService will present the attached quarterly report on COP and pay-go capital project expenditures.

Attachments: 2016 COP Reconciliation Quarterly Report at September 30, 2017  
 2016 COP Project Fund Quarterly Report as of September 30, 2017

BOARD ACTION: APPROVED:\_\_\_ DENIED:\_\_\_ POSTPONED:\_\_\_ STAFF DIRECTION:\_\_\_

UNANIMOUS\_\_\_ STUEBING\_\_\_ WARDEN\_\_\_ VELLA\_\_\_ LINVILL\_\_\_ ZUCCA\_\_\_

**MPWD 2016 COP CIP - RECONCILIATION @ 9/30/17**

Date	Activity	COP Funds
12/21/2016	Net Proceeds as of 12/21/16 to COP CIP	\$ 19,143,020.98
3/20/2017	Transfer to Project Funds	\$ 42,875.50
9/30/2017	Project Costs	\$ (412,559.68)
9/30/2017	Interest Earned	\$ 77,164.13
9/30/2017	<b>Balance</b>	<b>\$ 18,850,500.93</b>

**COST OF ISSUANCE**

Date	Activity	Closing Costs
12/21/2016	Deposit from Net Proceeds	\$ 251,000.00
12/21/2016	Total Issuance Costs	\$ (208,124.50)
3/20/2017	Transfer to Project Funds	\$ (42,875.50)
	<b>Total</b>	<b>\$ -</b>

**COP Project Costs YTD**

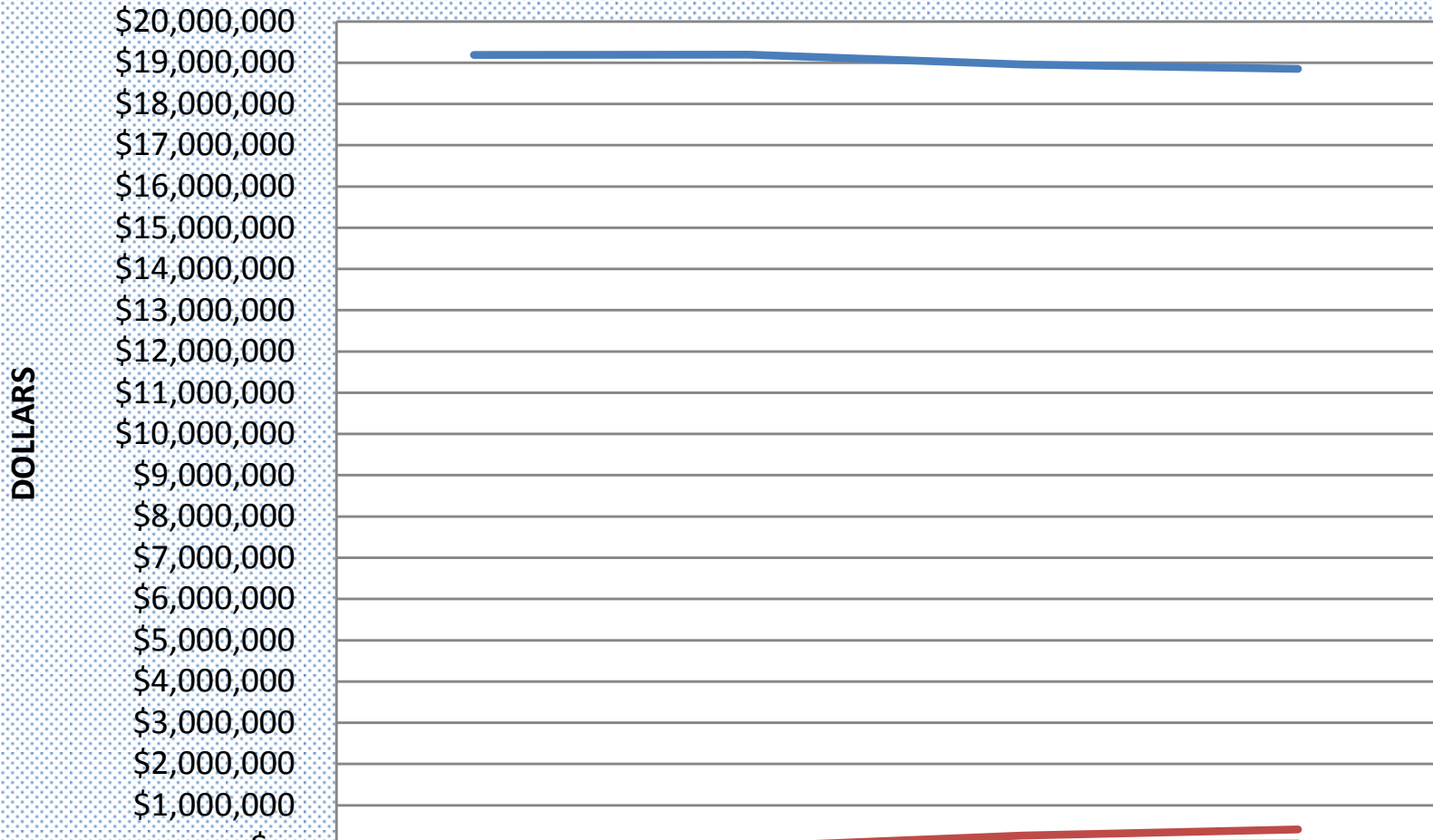
Date	Activity	Project Costs
9/30/2017	Karen/Folger/Mezes/South/Arthur Water Main Replacement (WMR)	\$ 252,057.10
9/30/2017	Hillcrest Pressure Regulating Station	\$ 62,455.07
9/30/2017	Dekoven Tank Replacement	\$ 8,757.00
9/30/2017	Old County Road WMR	\$ 4,188.20
9/30/2017	El Camino Real/Malcolm Ave WMR	\$ 40,184.91
9/30/2017	Notre Dame/Tahoe/Cliffside	\$ 4,089.75
9/30/2017	SR 101 Crossing at PAMF Hospital	\$ 12,996.05
9/30/2017	Francis, Academy, Davey (w/Belmont)	\$ 27,831.60
	<b>Total</b>	<b>\$ 412,559.68</b>

**Interest Earned**

Date	Activity	Interest Earned
3/31/2017	Third Quarter Interest Earned (Jan - Mar 2017)	\$ 12,640.32
6/30/2017	Fourth Quarter Interest Earned (Apr - Jun 2017)	\$ 26,269.49
7/2/2017	Interest	\$ 11,186.81
8/2/2017	Interest	\$ 13,178.04
9/2/2017	Interest	\$ 13,889.47
	<b>Total</b>	<b>\$ 77,164.13</b>

Updated 10/23/17

# MPWD 2016 COP FUNDS SUMMARY



	12/21/2016	3/31/2017	6/30/2017	9/30/2017
<span style="color: blue;">—</span> COP Funds	\$19,185,896	\$19,198,537	\$18,956,420	\$18,850,501
<span style="color: red;">—</span> Project Costs	\$-	\$-	\$268,386	\$412,560
<span style="color: green;">—</span> Interest Earned	\$-	\$12,640	\$38,910	\$77,164

October 20, 2017

Tammy Rudock, General Manager  
Mid-Peninsula Water District

Email: [trudock@midpeninsulawater.org](mailto:trudock@midpeninsulawater.org)

Re: COP Report Ending September 30, 2017

Dear Ms. Rudock:

The following are highlights from my tracking of COP spending through September 30, 2017. I am also sending you the updated workbook by email.

The construction cost estimate is increased by \$868,120 since the previous quarterly report. This is a result primarily of adding two projects approved by the Board on June 22, 2017: Francis (15-51) and Academy (15.53). These are projects being done in coordination with City of Belmont. These two are approved for Pay-Go funding. Total projected costs are now \$23,916.05.

COP funds spent through September 30, 2017 are \$412,560. Initial payments have been made out of the COP funds for engineering costs. The amounts spent remain small, just 2.1% percent of the total available.

The COP balance in this report reconciles exactly to the bank statement as of September 30, 2017. The COP fund balance as of September 30, 2017 was \$18,850,501. This is shown in the attached Bank of New York table and also at the bottom of the Projects table (rounded).

Pay-Go amounts are included in this report. The total amount of Pay-Go funds for to date for the projects listed is \$73,221.

Chart: Projected CIP vs Funds Spent. A new chart has added to show the trend of changes in projected CIP vs funds actually spent. This will become more meaningful as the size of payments increases in the months ahead.

Sincerely,



Dan Bergmann  
Principal

MPWD Projects: Through Sept 30, 2017		Cost Estimate		Amount Spent			Planned Completion
Project	#	Original <sup>1</sup>	Updated	COP	Pay-Go	Total	
<a href="#">Karen Road Improvements</a>	15-73	\$425,000	\$455,600	(\$88,993)	(\$1,280)	(\$90,273)	Jun-18
<a href="#">Folger Drive Improvements</a>	15-65	420,000	449,376	(48,506)	0	(48,506)	Jun-18
<a href="#">Mezes Avenue Improvements</a>	15-14	175,000	187,240	(17,340)	0	(17,340)	Jun-18
<a href="#">South Road Abandonment</a>	15-44	415,000	443,968	(48,093)	0	(48,093)	Jun-18
<a href="#">Arthur Avenue Improvements</a>	15-22	475,000	509,680	(49,125)	0	(49,125)	Jun-18
<a href="#">Francis, Academy, Davey (w/Belmont)</a>	15-43	680,000	\$1,422,328	(27,833)	(30,725)	(58,558)	Jun-18
<a href="#">Hillcrest Pressure Regulating Station</a>	15-87	345,000	369,888	(62,455)	0	(62,455)	Jun-18
<a href="#">Notre Dame Abandonment</a>	15-49	n/a	\$173,120	0	0	0	Jun-19
<a href="#">Notre Dame Avenue Loop Closure</a>	15-10	910,000	1,009,891	(2,254)	0	(2,254)	Jun-19
<a href="#">Tahoe Drive Area Improvements</a>	15-28	510,000	563,692	(1,258)	0	(1,258)	Jun-19
<a href="#">Cliffside Court Improvements</a>	15-38	220,000	258,998	(578)	0	(578)	Jun-19
<a href="#">Zone 5 Fire Hydrant Upgrades</a>	15-06	150,000	168,730				Jun-19
<a href="#">Civic Lane Improvements</a>	15-78	800,000	887,405				Jun-19
<a href="#">Dekoven Tank Utilization Project</a>	15-09	1,035,000	1,185,325				Jun-20
<a href="#">Dekoven Tanks Replacement</a>	15-89	3,500,000	4,009,576	(8,757)	(40,687)	(49,444)	Jun-20
<a href="#">Old County Road Improvements</a>	15-75	3,400,000	3,892,590	(4,187)	0	(4,187)	Jun-20
<a href="#">Belmont Canyon Road Improvements</a>	15-29	420,000	480,300				Jun-20
<a href="#">North Road Improvements</a>	15-42	220,000	258,998				Jun-21
<a href="#">El Camino Real Improvements</a>	15-76	2,100,000	2,489,975	(40,184)	0	(40,184)	Jun-21
<a href="#">SR 101 Crossing at PAMF Hospital</a>	15-72	1,670,000	2,033,486	(12,997)	(529)	(13,526)	Jun-22
<a href="#">Williams Ave, Ridge Rd, Hillman Ave Impr.</a>	15-16	1,100,000	1,352,053				Jun-22
<a href="#">Monte Cresta Dr / Alhambra Drive Impr.</a>	15-17	1,075,000	1,313,786				Jun-22
<b>TOTALS</b>		<b>\$20,045,000</b>	<b>\$23,916,005</b>	<b>(\$412,560)</b>	<b>(\$73,221)</b>	<b>(\$485,781)</b>	

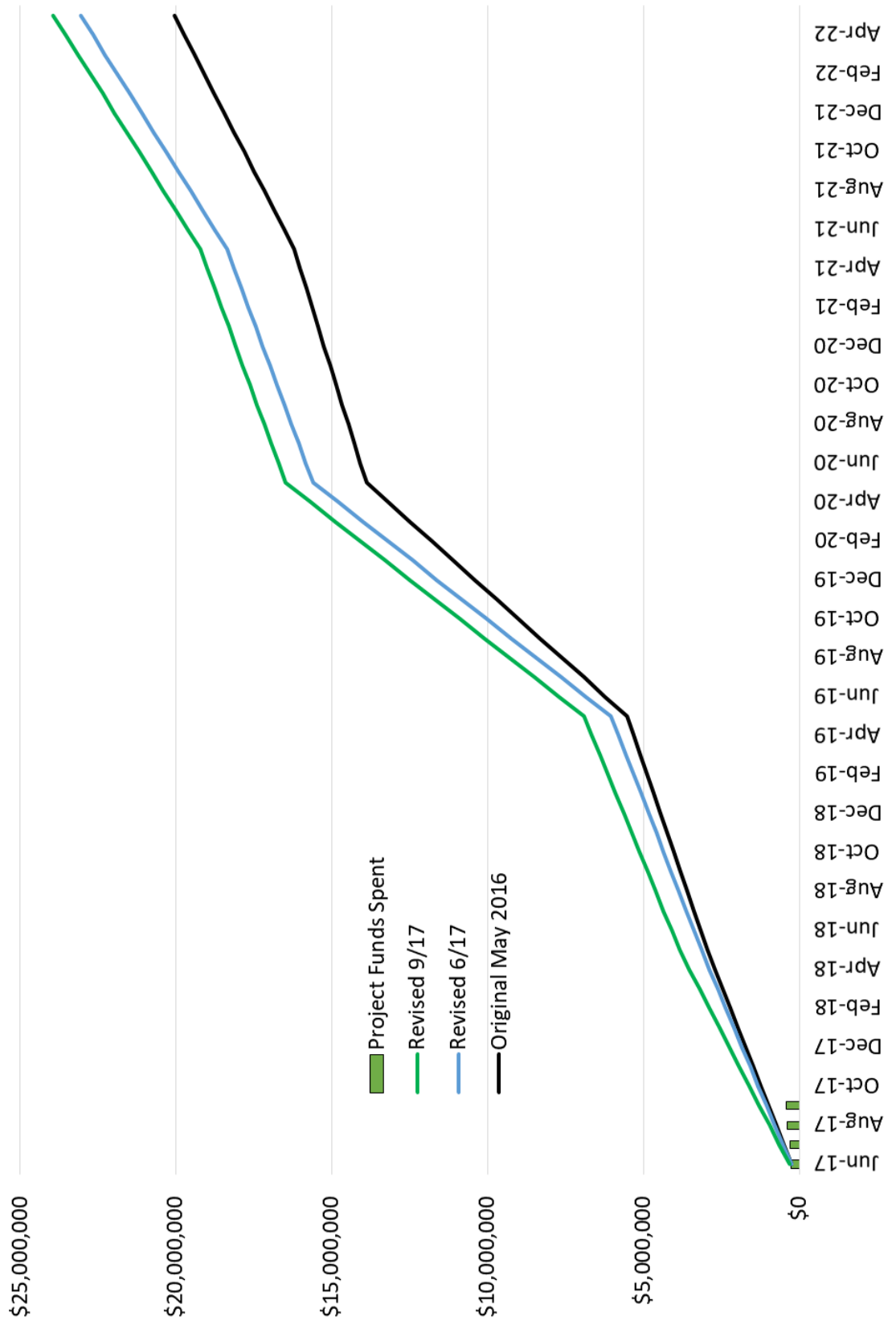
<b>COP Beginning Fund Total</b>	\$19,143,021
<b>Dividend Totals</b>	\$120,040
<b>COP Remaining Balance</b>	<b>\$18,850,501</b>

**Notes:**

1) Resolution No. 2016-06, May 26, 2016

<b>Bank of New York MPWD Account 361685</b>			
	<b>Dividends</b>	<b>Expenditures</b>	<b>End Balance</b>
<b>Beginning Project Funds</b>			<b>\$19,143,020.82</b>
<b>Quarter Ending</b>			
<b>Mar-17<sup>1</sup></b>	\$42,875.50	0.00	\$19,185,896.32
<b>Mar-17</b>	12,640.32	0.00	19,198,536.64
<b>Jun-17</b>	26,269.49	(268,386.44)	18,956,419.69
<b>Jul-17</b>	11,186.97	(37,411.30)	18,930,195.36
<b>Aug-17</b>	13,178.04	(76,232.49)	18,867,140.91
<b>Sep-17</b>	13,889.47	(30,529.45)	18,850,500.93
<b>Oct-17</b>			
<b>Nov-17</b>			
<b>Dec-17</b>			
<b>Totals</b>	<b>\$120,039.79</b>	<b>(\$412,560)</b>	<b>\$18,850,501</b>
Total Funds	\$19,263,060.61		
Percent of Total Spent	2.1%		
<b>Notes</b>			
1) Transfer to Project Funds			

# Projected CIP vs Funds Spent





**AGENDA ITEM NO. 8.A.**

DATE: October 26, 2017  
TO: Board of Directors  
FROM: Tammy Rudock, General Manager

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**SUBJECT: CONSIDER RESOLUTION 2017-19 AUTHORIZING 2017 REVISIONS TO MPWD PERSONNEL MANUAL**

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**RECOMMENDATION**

Approve Resolution 2017-19 authorizing 2017 revisions to the MPWD Personnel Manual.

**FISCAL IMPACT**

There will be nominal printing costs to replace the impacted pages for the hard copies of the manual that were distributed among employees and Directors.

**DISCUSSION**

The MPWD Personnel Manual was adopted by the Board this time last year. One of the 2017-2018 MPWD Strategic Plan goals was to review the manual for any updates, revisions, or additions/deletions, since it has been effective for a year.

Management requested input from employees on any edits or suggestions for additions or deletions within the manual. We met and conferred twice over suggested revisions, which were summarized in the attachment "Proposed 2017 Revisions to MPWD Personnel Manual" dated September 22, 2017. District Counsel has reviewed and approved all suggested edits.

Staff presented the proposed revisions last month and discussed them with the Board.

Attachments: Proposed 2017 Revisions – MPWD Personnel Manual  
Eleven (11) pages from the MPWD Personnel Manual impacted by proposed revisions

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BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ STUEBING\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_ LINVILL\_\_\_\_ ZUCCA\_\_\_\_



**RESOLUTION NO. 2017-19**

**APPROVING AND ADOPTING THE REVISED PERSONNEL MANUAL  
FOR THE MID-PENINSULA WATER DISTRICT,  
EFFECTIVE OCTOBER 26, 2017**

\* \* \*

**MID-PENINSULA WATER DISTRICT**

**WHEREAS**, the Board of Directors of the Mid-Peninsula Water District (MPWD) adopted a new Personnel Manual on September 26, 2016, which stated the terms and conditions of employment with the District; and

**WHEREAS**, the MPWD 2017-2018 Strategic Plan included an objective to review the MPWD Personnel Manual and consider any updates, corrections, additions, or deletions; and

**WHEREAS**, the General Manager met and conferred with the MPWD Employees Association and encouraged input, and presented minor revisions to the new Personnel Manual; and

**WHEREAS**, the General Manager presented the proposed 2017 revisions to the Personnel Manual to the Board of Directors at its September 28, 2017, and October 26, 2017, regular meetings.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Mid-Peninsula Water District that the 2017 revisions to the Personnel Manual created by the General Manager in collaboration with the MPWD Employees Association, and District

Counsel, and presented to the Board on September 28, 2017, and October 26, 2017, are hereby approved and adopted, and effective October 26, 2017.

Regularly passed and adopted this 26<sup>th</sup> day of October 2017 by the following vote:

AYES:

NOES:

ABSENT:

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PRESIDENT

ATTEST:

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SECRETARY

## PROPOSED 2017 REVISIONS – MPWD PERSONNEL MANUAL

1. Cover Page and Spine Cover – Change Date: Revised September 28, 2017
  2. Page 5 - **MPWD Personnel Manual History**: Revision adopted September 28, 2017 (*Resolution 2017-XX*).
  3. Page 12 – **5.01C. Overtime Work** – Second paragraph, second sentence, delete the words “floating holiday” and replace with “PTO.”
  4. Page 15 – **6.01 Group Insurance Plans** – Second paragraph, rewrite the first sentence to read: “Depending on the employee’s date of hire and the options elected, the employee may be required to contribute to the cost of these benefits.”
  5. Page 16 – **6.01A. Medical Plan** – In the table:
    - Delete TIER 1A entirely because it is no longer effective.
    - TIER 1B should be “TIER 1 – Group Insurance Plans (Active Employees hired on or before September 25, 2014).” Delete “(Amended effective Jan. 1, 2017)”. On the right side, delete “Account Based Health Plan and ABHP” and replace with “Consumer Driven Health Plan and CDHP”. *In fact, all references to ABHP will be converted to CDHP.* Period at the end of the second paragraph will be deleted for consistency.
    - Tier 2 – Delete “(Current)”. Add “(Active Employees hired on or after September 26, 2014)”.
    - On the right side of Tier 2, delete in each paragraph “lowest cost plan” and replace with “CDHP”.
  6. Page 17 – **6.01B. Health Savings Account (HSA)** – In second line of first paragraph, delete “Account Based Health Plan (a/k/a Consumer Driven Health Plan)” and replace with “Consumer Driven Health Plan.”
  7. Page 19 – **6.01I. Retiree Health Benefits** – Third line, delete “have been” and replace with “were”.
  8. Page 21 – **Employer/Employee contribution** table – Effective January 1, 2017: Delete “100%” from the beginning of each column under Tier 1 and Tier 2. Start each paragraph with “Coverage of the...”
  9. Page 32 – **7.01F. Holiday Conditions** – First sentence, delete the words “a paid” and replace with “the actual”. And in the second sentence, delete “a paid holiday” and replace with “the holiday”.
- 7.02 – **Paid Time Off (PTO)** - Delete the second sentence and replace with: “If the PTO leave is not used by the end of the fiscal year, the employee will be paid for the unused hours at the regular rate earned by the employee at the time paid.”

7.03 – **Management Leave** - Delete the second sentence and replace with: “If the management leave is not used by the end of the fiscal year, the employee will be paid for the unused hours at the regular rate earned by the employee at the time paid.”

10. Page 33 – **7.04J. Vacation Leave** cash out – Delete in its entirety.

7.04K. – Renumber to become 7.04J.

11. Page 57 – Renumber “**Other Related Policies**” to 8.28 and insert a new Section 8.27 before it to read as follows:

**“8.27 California Public Records Act Request**

The MPWD strives to comply with all applicable laws and provide the public with information as requested. Therefore, the MPWD’s goal is to respond promptly to any public records request. Any employee receiving a request from the public for documents is to forward that request to the Administrative Services Manager and General Manager immediately. Employees are not to respond to public records requests independently.”



MID-PENINSULA  
WATER DISTRICT

# *Personnel Manual*

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*SEPTEMBER 23, 2016*

## SECTION 1    **PURPOSE**

The Mid-Peninsula Water District (“MPWD”) is governed by the provisions of the California Water Code (“Water Code”) Section 30000 *et seq.* (and following) sections. Under the Water Code, the MPWD General Manager has authority to employ and discharge an employee at any time, with or without cause.

The language used in this *Personnel Manual* is not intended, nor is it to be construed, to constitute a contract between the MPWD and any employee or the public. The MPWD may add, modify, or delete any provision contained in this manual, including those concerning employee benefits, at any time with or without notice.

This manual replaces and supersedes all personnel manuals, revisions, and amendments previously adopted by the MPWD.

### **MPWD Personnel Manual History:**

- New manual adopted September 22, 2016 (Resolution 2016-18)
- Revision adopted October 22, 2009 (Resolution 2009-09)
- Revision adopted June 26, 2008 (Minute Order)
- Revision adopted May 23, 2002 (Resolution 2002-11)
- Revision adopted April 25, 1996 (Minute Order)



## SECTION 5 OVERTIME WORK AND COMPENSATION

### 5.01 Overtime Work and Compensation

- A. **Non-Exempt Employees.** Non-exempt employees are employees that are eligible to be paid for overtime work in accordance with the provisions of applicable wage and hour laws.
- B. **Exempt Employees.** Exempt employees (e.g., executive, administrative, professional) are exempt from state and federal laws requiring overtime compensation.
- C. **Overtime Work.** Overtime for non-exempt employees includes work in excess of eight (8) hours in one work day—either before or after the established MPWD work hours, which will be permitted only if previously approved by the General Manager, Administrative Services Manager, or Operations Manager. Time spent on MPWD property for the convenience of the employee shall not be included as overtime hours worked.

If an employee is called to work before or after regular business hours, they may, with management approval, document that time as part of their regular work day. If the employee's total time worked does not equal eight (8) hours, the employee may either work the remaining hours within the work day, or integrate their vacation leave, compensatory time, or floating holiday leave to make up the difference. Use of sick leave is prohibited for time the employee is not using for a purpose outlined in the sick leave policy.

- D. **Overtime Compensation.** The MPWD will compensate overtime at the rate of one and a half (1.5) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours in any one work day or forty (40) hours in any one work week.
- E. **Compensatory Time Off.** In lieu of overtime compensation, with supervisor or manager approval, an employee may receive compensatory time off at a rate of not less than one and one-half hours for each hour of employment that overtime compensation is earned, provided that the use of compensatory time in lieu of overtime compensation does not impair the MPWD's ability to maintain the efficiency and effectiveness of its operations. Compensatory accruals and balances will be reflected on employee's paystub.

All of the following criteria apply to compensatory time off:

1. Request for compensatory time must be made in writing during the payroll period in which the overtime was worked.
2. An employee may not accrue more than eighty (80) hours of compensating time off. Any employee that has accrued eighty (80) hours of compensating time off shall be paid overtime compensation for any additional overtime hours worked.

## SECTION 6 EMPLOYEE BENEFITS

The MPWD has developed a broad, comprehensive set of employee benefit programs to supplement an employee's regular wages. The MPWD is continually investigating opportunities to improve its benefits as budget limitations permit.

These employee benefit programs consist of two categories: insured and uninsured. Insured benefits are those that the MPWD pays for through an outside source. Examples of these benefits include Medical, Dental, Vision, Life, and Disability insurance.

Examples of uninsured benefits are Vacation, Sick, and Holiday pay. These are benefits that are paid for directly by the MPWD and are available to an employee with conditions and specifications summarized herein.

### 6.01 Group Insurance Plans

The MPWD provides group major medical, dental, vision, life, and Employee Assistance Program (EAP) insurance to eligible employees and eligible dependents.

Depending on your date of hire and the options you elect, you may be required to contribute to the cost of these benefits. For purposes of benefits while an employee, there are two applicable "tiers":

**Tier 1 (Group Insurance Plans, excluding Retiree Health):** All active employees of the MPWD hired on or before September 25, 2014.

**Tier 2 (Group Insurance Plans, excluding Retiree Health):** All employees hired by the MPWD on or after September 26, 2014.

Eligible employees are defined as regular full-time employees. See Section 2.04 for details.

An eligible dependent is defined as the following:

- Spouse;
- Children to their 26<sup>th</sup> birthday, including children placed in the home for adoption;
- Unmarried children who, prior to age 26, are incapable of self-sustaining employment due to physical or mental condition are eligible dependents beyond age 26. A physician must certify this condition within 60 days, and it is subject to approval by the group insurance carrier;
- Children eligible for coverage as a result of a valid qualified medical child support order;
- Domestic Partner as defined by the State of California for state registration requirements;
- Those designated according to the law.



**SECTION 6**

For a dependent to be eligible for coverages, a copy of a marriage license, State of California Declaration of Domestic Partnership form (NP/SF DP-1), birth certificate, or other identifying paperwork is required.

It is the employee's responsibility to notify the MPWD in writing upon divorce, termination of Domestic Partnership, over-age dependent, or any event that changes the status of dependency.

The following is a brief description of the plans available and is not meant to replace the actual wording of the plans, which makes the final determination of the benefits to be provided.

**A. Medical Plan**

1. **Persons eligible:** Regular full-time employees and their eligible dependents.
2. **Waiting period:** First day of the month following the employee's hire date.
3. **Employer/Employee contribution as follows:**

~~*TIER 1A - Group Insurance Plans (Current)*~~

~~MPWD pays 100% of the premium for medical plan coverage for employee and spouse/domestic partner/dependent(s)~~

**TIER 1B - Group Insurance Plans (Amended effective Jan. 1, 2017)**

MPWD pays 100% of the premium for medical plan coverage for employee and spouse/domestic partner/dependent(s) equal to the value of the Account Based Health Plan (ABHP)

If a Tier 1 employee elects a medical plan that costs more than the ABHP, the employee is required to contribute the difference between the cost of the ABHP and the higher cost plan.

**TIER 2 - Group Insurance Plans (Current)**

MPWD pays 100% of the premium for medical plan coverage for the employee equal to the value of the lowest cost plan for medical benefits offered

MPWD pays 80% of the premium for medical plan coverage for the spouse/domestic partner/dependent(s) equal to the value of the lowest cost plan for medical benefits offered

**SECTION 6** **B. Health Savings Account (HSA)**

The MPWD established HSAs for funding in conjunction with an employee’s enrollment in an **Account Based Health Plan** (a/k/a Consumer Driven Health Plan). If an employee does not enroll in the ABHP, they cannot participate in the HSA.

The amount that the MPWD contributes is based on the employee’s Tier (described above), the coverage elected (employee only or employee plus one or more) and the amount of the annual deductible under the ABHP.

**HSA Tier A:** For employees that transitioned to an ABHP effective January 1, 2015, HSA funding is at the following funding levels for 2015, 2016, 2017, and 2018:

Single (Employee only) . . . . . \$1,500      Family (Employee+1) . . . . . \$3,000

**HSA Tier B:** For employees hired on or after September 26, 2014, and employees that transitioned to an ABHP after January 1, 2015, HSA funding is at the following levels for 2015, 2016, 2017, and 2018:

Single (Employee only) . . . . . \$1,200      Family (Employee+1) . . . . . \$2,400

Employees who change from Single to Family coverage mid-year (for any reason permitted under the ABHP’s terms) will receive pro-rated HSA funding at the Family rate for the remaining months of the year.

The above amounts may be adjusted in future years to coincide with changes in the amount of the annual deductible under the ABHP.

**C. Dental Plan**

1. **Persons eligible:** Regular full-time employees and their eligible dependents.
2. **Waiting period:** First day of the month following the employee’s hire date.
3. **Employer/Employee contribution:** See table below.

**TIER 1 - Group Insurance Plans**

MPWD pays 100% of the premium for dental plan coverage for employee and spouse/domestic partner/dependent(s)

**TIER 2 - Group Insurance Plans**

MPWD pays 100% of the premium for dental plan coverage for the employee equal to the value of the lowest cost plan for dental benefits offered

MPWD pays 80% of the premium for dental plan coverage for the spouse/domestic partner/dependent(s) equal to the value of the lowest cost plan for dental benefits offered



## SECTION 6

These benefits are taxable. Any overpayment of benefits will require reimbursement. Refer to long-term disability insurance for continued coverage as applicable.

### G. Long-Term Disability Insurance

1. **Persons eligible:** Regular full-time active employees.
2. **Waiting period:** First day of the month following the employee's hire date.
3. **Employer contribution:** Total cost for employee.
4. **Employee contribution:** None.
5. **Benefits provided:** Long-term disability insurance provides an employee with income protection after the short-term disability insurance ends, and could continue until age 65 subject to an age reduction schedule. The policy should be referred to for detailed information. These benefits are taxable. Any overpayment of benefits will require reimbursement.

### H. Employee Assistance Program (EAP)

1. **Persons eligible:** Regular full-time active employees.
2. **Waiting period:** First day of the month following the employee's hire date.
3. **Employer contribution:** Total cost for employee and eligible family members.
4. **Employee contribution:** None.
5. **Benefits provided:** The EAP provides confidential, professional assistance when personal challenges impact an employee's life and work. The EAP provides information, consultation, and counseling for employees and their family members, as well as training and consultation to management.

The EAP encourages employees to use services early in the progression of a problem before situations significantly impact their work. This is accomplished by promoting service for "normal problems in living" such as relationships, stress, legal and financial challenges, career concerns, anxiety and depression. The EAP also services more serious concerns such as alcohol and drug problems, family violence, and threats of suicide. Numerous additional resources are available. The provider's website will provide detailed information for program and confidential contact information.

### I. Retiree Health Benefits

Currently, the MPWD provides health insurance benefits (medical, dental and vision) for eligible retirees from the time they retire until their death. The Retiree Health Benefits have been amended effective January 1, 2017 to add Tier 3 retirees and to provide for HSA funding for Tiers 1 and 2. The existing provisions and amended provisions are shown in the tables below in this section I.

For purposes of retiree health benefits, there are three applicable "Tiers":

**SECTION 6**

**2. Employer/Employee contribution:** See table below.

	<i>TIER 1 - Retiree Health</i>	<i>TIER 2 - Retiree Health</i>	<i>TIER 3 - Retiree Health</i>
<i>Existing</i>	100% coverage of healthcare benefits paid by the MPWD for eligible retiree and spouse/domestic partner	100% coverage of healthcare benefits paid by the MPWD for eligible retiree only, up to the amount that the MPWD contributed for healthcare benefits of the eligible retiree immediately before the termination of their MPWD employment.	N/A (Tier 3 not eligible until 2017)
<i>Effective Jan. 1, 2017</i>	<p>100% coverage of the healthcare benefits premium paid by the MPWD for eligible retiree and spouse/domestic partner at the value of the lowest cost plan for healthcare benefits offered (medical, dental, and vision) after completion of the following consecutive years at the indicated percentages:</p> <p>15 Years: 75% 20 Years: 100%</p> <p>If an eligible retiree chooses a higher cost healthcare plan, they shall pay the difference between the lowest cost plan and higher cost plan.</p> <p>The MPWD will fund the eligible retiree's HSA at the active employee rate for Single (Employee only) or Employee+1, as applicable based on coverage, until the retiree reaches age 65.</p>	<p>100% coverage of healthcare benefits premium paid by the MPWD for eligible retiree only at the value of the lowest cost plan for healthcare benefits offered (medical, dental, and vision) after completion of the following consecutive years at the indicated percentages:</p> <p>15 Years: 75% 20 Years: 100%</p> <p>If an eligible retiree chooses a higher cost healthcare plan, they shall pay the difference between the lowest cost plan and higher cost plan.</p> <p>The MPWD will fund the eligible retiree's HSA at the active employee rate for Single (Employee Only) until the retiree reaches age 65.</p>	<p>50% of the premium paid by the MPWD for the lowest cost plan for healthcare benefits offered (medical, dental, and vision) at the time of eligible retiree's termination of employment with the MPWD.</p> <p>HSAs will NOT be funded by the MPWD in retirement, unless otherwise required to comply with applicable federal or state law and regulations.</p>



**SECTION 7**

- D. To be entitled to pay for the holiday benefit, an employee must have worked both the day before and the day after a holiday, unless scheduled time off was approved in advance (e.g., vacation). In the event of an emergency, an employee is required to report to their manager.
- E. Part-time and temporary employees are not eligible for paid holiday benefits.
- F. An employee that is requested or required to work on a paid holiday shall receive overtime paid at the double-time rate. For purposes of determining holiday pay, a paid holiday begins at 12:00AM and ends 24 hours later at 11:59PM.

**7.02 Paid Time Off (PTO)**

Each employee is granted 24 hours of paid time off at the beginning of each fiscal year. The leave must be used in the fiscal year in which credited and cannot be accrued.

**7.03 Management Leave**

Management employees may be granted paid Management Leave at the beginning of each fiscal year and at the discretion of the General Manager in lieu of after-hours work performed on behalf of the MPWD. The leave must be used in the fiscal year in which credited and cannot be accrued.

**7.04 Vacation Leave**

The following rules govern vacation leave:

- A. For the purpose of calculating vacation leave due each eligible employee, the employee's initial hire date will be used.
- B. Vacation leave accrual for non-exempt employees commences on the first working day of the month if the employee is hired between the 1<sup>st</sup> and 15<sup>th</sup> of the month; and on the first working day of the following month if the employee is hired between the 16<sup>th</sup> and last day of the month.
- C. Non-exempt regular employees become eligible to use accrued vacation leave following 90 days' of continuous employment with the MPWD.
- D. Full-time employees shall earn vacation in accordance with the following schedule:

SERVICE YEARS COMPLETED	ANNUAL VACATION HOURS EARNED
1 – 5	.80
6 – 10	.120
11 – 20	.160
21	.168
22	.176
23	.184
24	.192
25+	.200

## SECTION 7

- E. Employees **must** take at least 40 hours of vacation each year and at least three (3) consecutive working days.
- F. Annual vacation leave schedules shall be distributed by the MPWD in January of each year and completed by employees by January 31. Scheduled vacations shall be coordinated, subject to MPWD operating requirements.
- G. All vacation schedules must be approved in advance by the General Manager, Operations Manager, or Administrative Services Manager.
- H. Employees may accrue up to two (2) times their annual vacation leave. Once the maximum is reached, all further accruals cease until after vacation leave is used and the employee's accrued vacation leave drops below the maximum. Vacation accrual will recommence after the employee has used his or her vacation and the accrued vacation hours have dropped below the maximum balance.
- I. Upon termination of employment with the MPWD, the employee shall be paid for accrued and unused vacation leave.
- J. Between May 15<sup>th</sup> and June 1<sup>st</sup> of each fiscal year, an employee may make a written request to the General Manager to cash out up to eighty (80) hours of their accrued vacation leave benefits. The employee's vacation leave accrual will be reduced by the number of hours cashed out. The payment is subject to all applicable payroll taxes and will be made by the MPWD on or before June 30<sup>th</sup>. This cash-out will not relieve the employee from the 40-hour vacation requirement described in Section 7.04.E. hereinabove.
- K. The General Manager has discretion to grant vacation leave to a new employee to aid in the recruitment process.

### 7.05 Sick Leave

The following rules govern sick leave:

- A. **Use.** Sick leave benefits are available for the employee or the employee's family members for preventive care or diagnosis, care or treatment of an existing health condition, or for specified purposes if you are a victim of domestic violence, sexual assault or stalking. Family members include the employee's spouse, parent, child, domestic partner, or child of a spouse or domestic partner, sibling, grandparent, or grandchild. The employee must notify the MPWD in advance if the sick leave is planned. If the need is unforeseeable, the employee must give notice as soon as practical.
- B. **Accrual.** Regular full-time employees shall accrue eight (8) hours of sick leave with pay for each month of service. All other employees accrue one hour of paid sick leave for each 30 hours of work. A new employee cannot use any accumulated sick leave during the first 90 days of employment. An employee may accrue up to a limit of 960 hours of sick leave. Once the limit is reached, all further accruals cease until after sick leave is used and the employee's accrued sick leave drops below the maximum.



## SECTION 8

Pose a risk of significant damage to MPWD property or equipment; or (c) Substantially interfere with the employee's job performance or the efficient operation of the MPWD's business or equipment. If the use of a prescription drug combined with the duties of the required job creates an unsafe working condition, this fact shall be reported to the employee's supervisor or a manager prior to reporting to work. Employees whose job performance is so restricted may be subject to reassignment, medical examination, or other actions specified by applicable statutes and regulations.

- B. **Reasonable Suspicion Testing.** Employees may be subject to drug and alcohol testing when there is a reasonable suspicion that the employee has violated the rules expressed in this policy. "Reasonable Suspicion" will be based on specific observations such as abnormal coordination, appearance, behavior, and speech or breath odor. It can also include work performance, safety or attendance problems.

### 8.27 Other Related Policies

- A. **Safety Manual and Emergency Operating Plan.** The MPWD greatly values the safety and health of all employees and is committed to providing a safe and healthful workplace. This is accomplished through the establishment, implementation, and maintenance of an effective Injury & Illness Prevention Program (IIPP). The General Manager is assigned responsibility for implementation and management of the IIPP.

The MPWD Safety Manual and Emergency Operating Plan were adopted in June 1991 and each employee was provided with a copy, including any updates.

- B. **Salary Plan.** The Salary Plan and Job Descriptions covering MPWD employees are maintained in a separate document. Each employee is provided with a copy, including any updates.



**AGENDA ITEM NO. 8.B.**

DATE: October 26, 2017  
TO: Board of Directors  
FROM: Tammy Rudock, General Manager

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**SUBJECT: RECEIVE OVERVIEW OF MPWD ORGANIZATION AND STAFF POSITIONS AND DUTIES**

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**RECOMMENDATION**

Receive overview of MPWD organization and staff positions and duties.

**FISCAL IMPACT**

None.

**DISCUSSION**

Attached is the MPWD organizational chart. Staff will present an overview of staff positions and duties.

Attachments: MPWD Organizational Chart

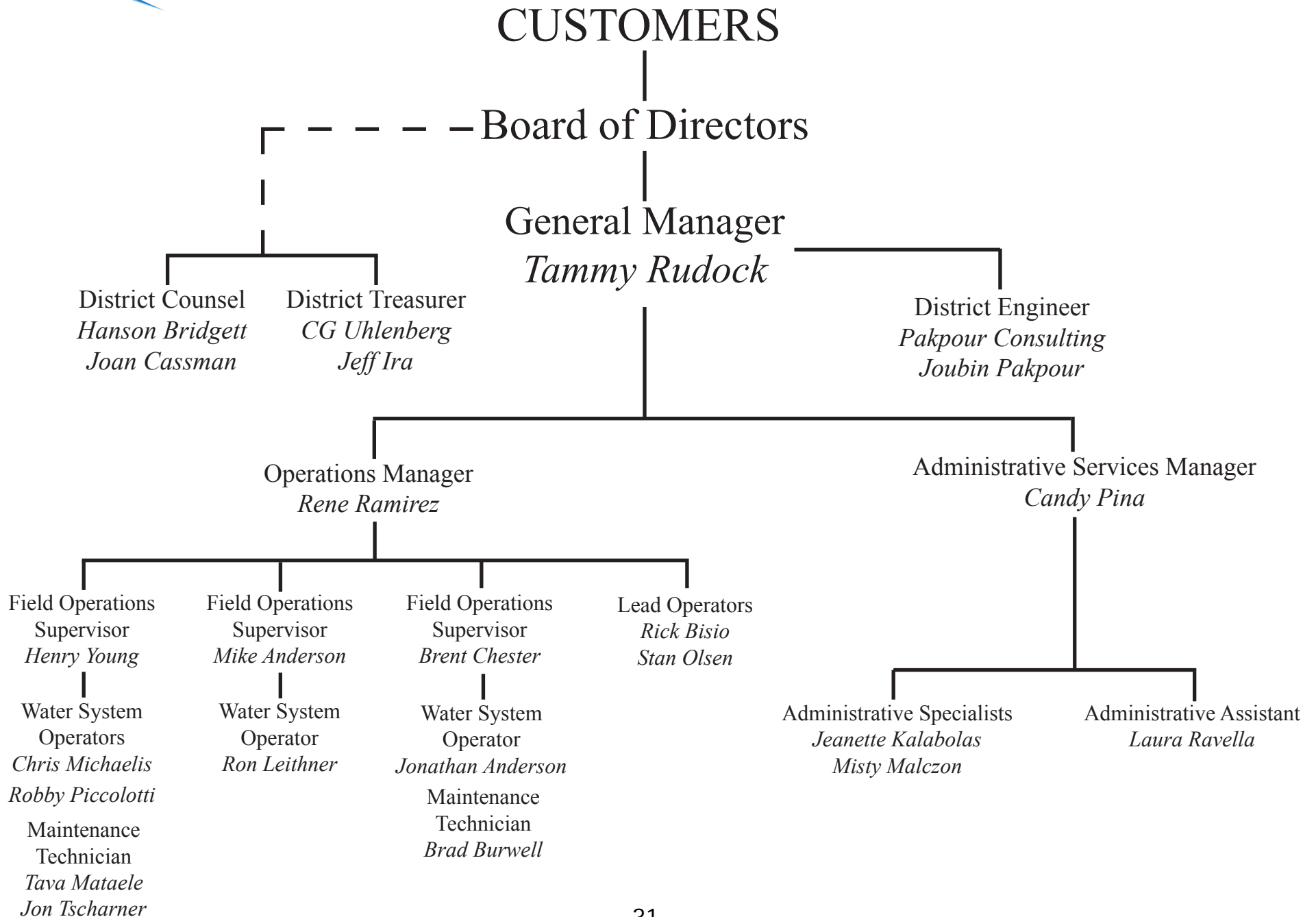
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BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_  
UNANIMOUS\_\_\_\_ STUEBING\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_ LINVILL\_\_\_\_ ZUCCA\_\_\_\_





# MPWD Organizational Chart





**AGENDA ITEM NO. 8.C.**

DATE: October 26, 2017  
TO: Board of Directors  
FROM: Tammy Rudock, General Manager

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**SUBJECT: CONSIDER AND CONFIRM MPWD 2018 REGULAR BOARD MEETING SCHEDULE**

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**RECOMMENDATION**

Consider and confirm the MPWD 2018 Regular Board Meeting schedule.

**FISCAL IMPACT**

None.

**DISCUSSION**

Attached is the proposed schedule for MPWD 2018 regular Board Meetings. Except for November and December, all meetings are scheduled for the 4<sup>th</sup> Thursday of each month.

November 15, 2017 (3<sup>rd</sup> Wednesday) is proposed in lieu of the 4<sup>th</sup> Thursday, which is Thanksgiving.

For the December meeting staff is recommending December 21, 2017 (3<sup>rd</sup> Thursday) in order to work around the Christmas holidays.

Attachments: Proposed 2018 MPWD Regular Board Meeting Schedule

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BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ STUEBING\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_ LINVILL\_\_\_\_ ZUCCA\_\_\_\_



**PROPOSED SCHEDULE**

**2018 REGULAR BOARD MEETINGS**

JANUARY 25, 2018

FEBRUARY 22, 2018

MARCH 22, 2018

APRIL 26, 2018

MAY 24, 2018

JUNE 28, 2018

JULY 26, 2018

AUGUST 23, 2018

SEPTEMBER 27, 2018

OCTOBER 25, 2018

NOVEMBER 14, 2018 (3<sup>rd</sup> Wednesday)

DECEMBER 20, 2018 (3<sup>rd</sup> Thursday)

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Location: 3 Dairy Lane, Belmont, CA 94002  
Time: 6:30PM



**AGENDA ITEM NO. 8.D.**

DATE: October 26, 2017  
TO: Board of Directors  
FROM: Tammy Rudock, General Manager

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**SUBJECT: REVIEW AND DISCUSS DRAFT MPWD DEBT MANAGEMENT POLICY**

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**RECOMMENDATION**

Review and discuss the DRAFT MPWD Debt Management Policy.

**FISCAL IMPACT**

None.

**BACKGROUND**

**STATE LAW**

Effective January 1, 2017, Senate Bill 1029 (SB 1029) amended Section 8855(i) of the California Government Code to require that local government issuers of public debt adopt a debt management policy, which included specific provisions concerning the use of debt and provided a framework for debt issuance, capital planning, and post issuance debt administration. It created the following major changes to the current law:

- Required the California Debt and Investment Advisory Commission (CDIAC) to track and report on all state and local outstanding debt until fully repaid or redeemed; and
- Required that the report of proposed debt include a certification by the issuer that it has adopted local debt policies, which include specified provisions concerning the use of debt and that the contemplated debt issuance is consistent with those local debt policies; and
- Required a state or local public agency to submit an annual report for any issue of debt.

**SECURITIES AND EXCHANGE COMMISSION (SEC) RECOMMENDATIONS**

The SEC recommends that issuers of municipal securities adopt policies and procedures to govern compliance, and implement training with respect to their initial disclosure and continuing disclosure undertakings.

### GFOA BEST PRACTICES

The GFOA (Government Finance Officers Association) defines debt management policies as “written guidelines, allowances, and restrictions that guide the debt issuance practices of state and local governments, including the issuance process, management of a debt portfolio, and adherence to various laws and regulations.”

A debt management policy further demonstrates a commitment to long-term capital and financial planning, and adherence, according to the GFOA, “signals to rating agencies and the capital markets that a government is well managed and likely to meet its debt obligations in a timely manner.”

The GFOA recommends that a debt management policy should be reviewed periodically (and updated if necessary) and should address at least the following:

1. Debt Limits;
2. Debt Structuring Practices;
3. Debt Issuance Practices; and
4. Debt Management Practices.

Finally, the GFOA supports as a best practice that a debt management policy “should be approved by the issuers governing body to provide credibility, transparency, and ensure that there is a common understanding among elected officials and staff regarding the issuers approach to debt financing.”

### MPWD FINANCIAL AUDITOR RECOMMENDATION

The MPWD’s auditor, James Marta & Company, supports the GFOA best practices and recommends the CSDA’s sample debt management policy as a template.

### MUNICIPAL FINANCIAL ADVISOR’S (MFA) RECOMMENDATION

Wulff, Hansen & Company, the MPWD’s MFA, also recommends a debt management policy as a best practice.

### DISCUSSION

The attached DRAFT Debt Management Policy establishes parameters for the issuance of debt securities and other financial obligations secured by the MPWD, as well as obligations issued through any other joint powers authority of which the MPWD is a member of conduit issuers where the MPWD is the obligor (e.g., BAWSCA bond). It shall also apply to any general obligation bonds, special assessment bonds, or other land-secured financings.

The policy was developed in accordance with CDIAC requirements and pursuant to SB 1029, and was designed to meet the following objectives:

- Identify the purpose of the debt issuance and use of debt proceeds;
- Identify the types of debt that may be issued;

- Describe the relationship of debt to the Capital Improvement Program (CIP) and MPWD budget;
- Ensure the issuance of debt is consistent with public policy objectives of the MPWD, as determined by the Board of Directors; and
- Implement and maintain a system of internal controls to ensure that debt proceeds will be directed to the intended use in accordance with all applicable statutory and policy requirements.

The Debt Management Policy also established guidelines for the issuance and ongoing administration process for debt securities and other forms of indebtedness issued by the MPWD, as well as any ancillary products, instruments, and agreements related to the debt, including financing lease obligations.

The policy is subject to periodic review and update by the MPWD, either as the result of material changes in best practices, market conditions, or if any legal and/or regulatory requirements warrant such an update. All updates require approval by the Board.

Presently under review by the MPWD’s financial auditor, MFA, District Treasurer, and District Counsel, staff will present their input and recommendations as discussions continue with the Board during the debt management policy development process.

Attachment: DRAFT MPWD Debt Management Policy

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BOARD ACTION: APPROVED:\_\_\_\_\_ DENIED:\_\_\_\_\_ POSTPONED:\_\_\_\_\_ STAFF DIRECTION:\_\_\_\_\_

UNANIMOUS\_\_\_\_\_ STUEBING\_\_\_\_\_ WARDEN\_\_\_\_\_ VELLA\_\_\_\_\_ LINVILL\_\_\_\_\_ ZUCCA\_\_\_\_\_

## **DEBT MANAGEMENT POLICY**

### **1. POLICY STATEMENT**

The Mid-Peninsula Water District (District) funds its capital projects and meets other financing needs through a combination of current operating revenues, available reserves, outside funding (e.g., grants), and prudently issued debt. This policy documents the goals and guidelines of the District for the issuance and use of debt instruments.

To achieve optimal credit ratings and endorse prudent financial management, the District is committed to long-term capital and financial planning, and continual review of its financing structure to optimize the overall cost of debt.

The issuance of debt by the District to finance major capital projects or to refinance existing obligations will only occur after the transaction is evaluated to be fiscally prudent and responsible under the prevailing economic conditions. Prior approval by the Board of Directors (Board) is required for the issuance of new debt or for the refinancing of existing debt.

### **2. PURPOSE OF POLICY**

The purpose of this Debt Management Policy (Debt Policy) is to establish and maintain parameters for issuing debt, and promote objectivity in the decision-making process.

The District will adhere to the following legal requirements for the issuance of public debt:

- State law, which authorizes the issuance of debt;
- Federal and state law, which govern the eligibility of the debt for tax-exempt status;
- Federal and state law, which govern the issuance of taxable debt;
- Federal and state law, which govern disclosure, sale, and trading of the debt, both before and subsequent to issuance; and
- Generally Accepted Accounting Principles (GAAP).

This Debt Policy is intended to comply with Government Code Section 8855(i), effective January 1, 2017, and shall govern all debt issued by the District. The District hereby recognizes that a fiscally prudent debt policy is required to:

- Maintain the District's sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenues, and operating expenses.
- Protect the District's credit-worthiness.
- Ensure that all debt is structured to protect current and future taxpayers, ratepayers and constituents of the District.

- Ensure that the District's debt is consistent with the District's planning goals and objectives and capital improvement program or budget, as applicable.

### **3. PURPOSE AND USE OF DEBT**

The District will utilize reasonable debt financing as an acceptable and appropriate approach to fund long-term capital improvements and, thus, ensure inter-generational equity of such major improvements among existing and future users of the system. Debt can be issued to fund the capital cost of planning, pre-design, design, land and/or easement acquisition, construction, and related fixtures, equipment, and others costs as permitted by law.

3.1 Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District. Long-term debt financings are appropriate:

- When a project to be financed is necessary to provide District services.
- When the project to be financed will benefit constituents over several years.
- When total long-term debt financing does not constitute an unreasonable burden to the District and its taxpayers or ratepayers.
- When the debt is used to refinance outstanding debt to reduce the total cost of the debt or to realize other benefits of a debt restructuring, such as increased flexibility in the use of cash and reserves.

Long-term debt financings will not generally be considered appropriate for current operating expenses and routine maintenance expenses.

The District may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the District Board of Directors;
- The District estimates that sufficient revenues will be available to service the debt through its maturity; and
- The District determines that the issuance of the debt will comply with the applicable state and federal law.

3.2 Short-term debt. Short-term debt may be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance. Short-term debt may also be used to finance short-lived capital projects, such as undertaking lease-purchase financing for equipment.

3.3 Financings on Behalf of Other Entities. The District may also find it beneficial to issue debt on behalf of other governmental agencies or private third parties to further the public purposes of District. In such cases, the District shall take reasonable steps to confirm the financial feasibility of



the project to be financed, the financial solvency of any borrower, and that the issuance of such debt is consistent with the policies set forth herein.

#### **4. TYPES OF DEBT THAT MAY BE ISSUED**

The following are types of debt the District could issue:

- A. New Money Debt. New money debt is issued to finance the cost of capital improvement projects or other large or extraordinary costs as approved by the Board;
- B. Refunding Debt. Refunding is debt issued to refinance (refund) previously issued outstanding debt. The District may issue refunding debt to refinance existing principal and/or interest on outstanding debt to achieve debt service savings, restructure scheduled debt service, or convert from variable to fixed interest rate, change or modify the source(s) of payment and security for the refunded debt, or modify covenants otherwise binding on the District;
- C. Lease Financings. Lease revenue bonds, certificates of participation (known as “COPs”) and lease-purchase transactions are examples of lease financings.
- D. State Revolving Funds (SRF). The SRF loan program is a low or zero interest loan program made available for specific construction projects. SRF loans are generally structured such that the agency is required to contribute a percentage of the total project cost and receive loan proceeds from the State of California for the balance; and
- E. Lines of credit. The District has the authority to secure lines of credits when it is deemed prudent and advantageous to do so.

The District may from time to time find that other forms of debt would be beneficial to further its public purposes and may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

#### **5. RELATIONSHIP OF DEBT TO CAPITAL IMPROVEMENT PROGRAM AND BUDGET**

The District is committed to long-term capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District’s capital budget and capital improvement plan. The District’s Debt Management Policy, Reserve Policy, and Investment Policy will be considered in the decision-making framework utilized in the preparation of the District’s CIP and long-term capital and financial planning, and its fiscal year budgeting process.

5.2 The District shall strive to fund the upkeep and maintenance of its infrastructure and facilities due to normal wear and tear through the expenditure of available operating revenues. The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements that are the result of normal wear and tear.

5.3 The District shall integrate its debt issuances with the goals of its capital improvement program by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes.

5.4 The District shall seek to avoid the use of debt to fund infrastructure and facilities improvements in circumstances when the sole purpose of such debt financing is to reduce annual budgetary expenditures.

5.5 The District shall seek to issue debt in a timely manner to avoid having to make unplanned expenditures for capital improvements or equipment from its general funds.

## **6. DEBT ISSUANCE**

The District is committed to long-term financial planning, maintaining appropriate reserves and employing prudent practices in governance, management and budget administration, and systematic capital planning. The District intends to issue debt for the purposes stated in this Debt Policy and to implement policy decisions incorporated in the District's annual operations budgets. Adoption of this Debt Policy will help ensure that debt is issued and managed in a manner that protects the public interest.

6.1 Credit Rating. The District intends to protect taxpayers, ratepayers and constituents by using conservative financing methods and techniques so as to obtain the highest practical credit ratings (if applicable) and the lowest practical total borrowing costs. The District will seek to maintain optimum credit ratings for debt instruments. District staff, working with the District's Municipal Finance Advisor, shall be responsible for determining whether a rating will be required on a particular financing, and which of the major rating agencies shall be asked to provide such a rating.

6.2 Method of Sale. Debt is typically issued under either a competitive or negotiated sale, but may also be sold in a private placement. The District shall have the flexibility to determine which method of sale is appropriate for each debt issuance. Determination of the appropriate method of sale will rest with the General Manager and the District's Municipal Finance Advisor. There are a number of market factors that will affect the success of a debt offering and each should be carefully considered before selecting a method of sale. These factors include, but are not limited to: 1) market perception of the District's credit quality, 2) interest rate volatility, 3) size of the proposed sale, 4) complexity of the proposed issue, and 5) competition with other issuers for investor interest.

## **7. DEBT ADMINISTRATION**

7.1 The District will comply with:

- A. Applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges; and

- B. Applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:
  - 1. Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12;
  - 2. Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance;
  - 3. The District's investment policies as they relate to the use and investment of bond proceeds; and
  - 4. California Government Code Section 8855(i) and the annual reporting requirements therein.

7.2 Proceeds of debt will be held either by:

- A. A third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the General Manager of the District (or their written designee); or
- B. The District, to be held and accounted for in a separate fund or account to ensure debt proceeds are expended only for the purposes for which the debt was issued, the expenditure of which will be carefully documented by the District in records compliance with current accounting standards and subject to the District's annual audit.

7.3 Investment of Debt Proceeds. Proceeds of debt will be invested until used for the intended project(s) in order to maximize utilization of the public funds. The investments will be made to obtain the highest level of safety. The General Manager will oversee the investment of bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issue, while complying with arbitrage and tax provisions.

7.4 Debt Coverage Target. The District will not engage in debt financing unless the proposed obligation, when combined with all existing debts, will result in acceptable debt coverage ratios. In determining the affordability of a proposed debt financing, the District will perform an analysis comparing projected annual net revenues, after payment of operating and maintenance expenditures, to estimated annual debt service and the estimate debt coverage ratio. The debt coverage ratio is the amount of net cash flow available, divided by the annual interest and principal payments on debt.

The District's existing debt covenants for its 2016 Certificates of Participation capital debt financing require a legal debt coverage ratio of at least 1.25.

7.5 Debt Service Reserve Balance. District staff will monitor dedicated debt service reserve fund balances, ensuring compliance with related reserve requirements (if applicable), and periodically review the advisability of prepayment or refunding of related debt. The financial advantages of a current refunding must outweigh the cost of issuing the refunding debt by a sufficient margin to justify it. (The California Special Districts Association's best practices for debt management recommend at least 3.0% of the principal amount of the bonds being refunded, determined on a net present value basis.)

7.6 Call Options/Redemption Provisions. District staff will evaluate and recommend to the Board the use of a call option, if any, and a call protection period for each issuance. A call option, or optional redemption provision, gives the District the right to prepay or retire debt prior to its stated maturity. The option may permit the District to achieve interest savings in the future through refunding the debt. The cost of call options can vary widely, depending largely on market conditions, an evaluation of factors such as the call premium, time until the debt may be called at a premium or at par, and interest rate volatility.

7.7 Quarterly Reports. District staff will provide quarterly review and reporting to the Board of the debt's financial performance, including capital expenditures and interest earnings.

7.8 Debt Service Payments. Necessary appropriations for annual debt service requirements will be reflected in the District's annual budget. Staff is responsible for timely annual payments.

7.9 Continuing Disclosure Requirements. The District is responsible for ensuring that the District's annual financial statements, continuing disclosure reports, and material event notifications are posted on the MPWD website and/or the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board. The District may also contract with third-party consultant(s) to comply with its continuing disclosure obligations, and with Securities and Exchange Commission Rule 15c2-12(b)(5).

The District shall submit an annual report to CDIAC for any issuance of debt for which it has submitted a report of final sale on or after January 1, 2017. The annual report shall comply with the requirements of Government Code Section 8855 and related regulations.

7.10 Investor Relations. Information that the District intends to make available to the investing public, including bondholders, rating analysts, investment advisors, or any other members of the investment community shall be filed on the MPWD website and the EMMA website.

The District will maintain proactive communications with the investment community, including rating agencies and investors, to ensure future capital market access at the lowest possible interest rates.

7.11 Records Retention. A copy of all relevant documents and records will be maintained by the District through the final maturity of the debt financing plus ten (10) years. Relevant documents and records will include sufficient documentation to support the requirements related to maintaining the tax-exempt status of the debt financing.

DRAFT



**AGENDA ITEM NO. 8.E.**

DATE: October 26, 2017  
TO: Board of Directors  
FROM: Tammy Rudock, General Manager

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**SUBJECT: REVIEW AND DISCUSS DRAFT MPWD CASH RESERVE POLICY**

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**RECOMMENDATION**

Review and discuss the DRAFT MPWD Cash Reserve Policy.

**FISCAL IMPACT**

None.

**BACKGROUND**

**MPWD RESERVE POLICY**

The MPWD's existing Reserve Policy is attached for reference. It was approved by the Board on December 13, 2007, per Resolution 2007-13.

**GFOA BEST PRACTICES**

The GFOA (Government Finance Officers Association) defines working capital as a calculation of current assets less current liabilities that should be maintained "to mitigate current and future risks (e.g., revenue shortfalls and unanticipated expenses) and to ensure stable services and rates." It recommends that local governments "adopt a target amount of working capital to maintain in their enterprise funds that best fit local conditions, and formally describe the targets in a financial policy and/or financial plan."

Working capital is also a crucial consideration in long-term financial planning, according to the GFOA. "Credit rating agencies consider the availability of working capital in their evaluations of continued creditworthiness."

**The GFOA recommends that "under no circumstances should the target for working capital be less than forty-five (45) days' worth of annual operating expenses."**

Finally, other reserve funds and financial resources were cited by the GFOA as important when considering a working capital reserve, including cash cycles, service



demand, control over rates and revenues, asset age and condition, volatility of expenses, separate reserve targets for capital needs, and debt position.

**DISCUSSION**

Properly designed reserve policies send a positive signal to ratepayers, investors, and regulatory and credit rating agencies that the MPWD is committed to maintaining its long-term fiscal strength. Strong and transparent financial policies, including maintaining prudent reserves for emergencies, rate stability, working capital, and capital improvements, are consistent with best practices in the utility industry and are important to the MPWD as they help to:

- Maintain the short-term and long-term financial health of the MPWD;
- Maintain stable rates for customers and help ensure manageable rate increases;
- Fund unanticipated cost contingencies;
- Ensure funds exist for system improvements;
- Ensure cash exists for the timely payment of expenses; and
- Act as a significant positive factor in credit ratings for debt issuances.

The attached DRAFT Cash Reserve Policy establishes the following reserve categories, and five (5) reserve funds:

1. Operating Reserve, including Operating Contingency Reserve and Rate Stabilization Reserve; and
2. Capital Reserve, including Capital Improvements/Outlay Pay-Go Reserve, Emergency Reserve, and Debt Service Reserve.

Funding and ranking for funding of the reserves is recommended as follows:

<b>RESERVE</b>	<b>FUNDING RANK</b>	<b>MAXIMUM TARGET LEVEL</b>
Operating Contingency Reserve	1	\$1,500,000
Capital Emergency Reserve	2	\$1,000,000
Capital Improvements/Outlay Pay-Go Reserve	3	\$1,000,000
Operating Rate Stabilization Reserve	4	\$ 500,000
Capital Debt Service Reserve	5	\$1,000,000

The recommended reserves total \$5 million, which is the MPWD's existing reserve policy target and is presently fully funded.

**OPERATING CONTINGENCY RESERVE**

Staff recommended \$1.5 million, which is slightly above the GFOA standard of 45 days of annual operating expenses. [Calculation: MPWD's FY 2017/2018 projected total expenditures, less annual depreciation and debt service, or \$10.3 million divided by 12 months = \$860,000 (rounded) x 1.5 (45 days) = \$1.3 million.]

If considered with the addition of the recommended Operating Rate Stabilization Reserve of \$500,000, the working capital reserve is just under 2.5 times (75 days) the annual operating expenses (less depreciation and debt service), or \$2.1 million.

Staff ranks the Operating Contingency Reserve as the #1 priority for funding. It should be maintained at its full target level with only exigent circumstances that would warrant using these funds. The DRAFT policy provides that the General Manager would notify the Board President before advancing any of these reserves and ratify the action at the next regular Board meeting.

#### CAPITAL EMERGENCY RESERVE

The #2 priority ranked reserve includes \$1 million for the Capital Emergency Reserve and would be maintained at its target level. These funds would be used for infrastructure repair or replacement during emergencies. The MPWD's existing reserve policy established \$2 million as a target level, and staff believed that because of the MPWD's higher risk pooled coverage limits that could be claimed during an emergency, the implementation of the MPWD 5-year CIP, the annual capital pay-go budget, and the availability of other reserve funds that could be used at the Board's discretion, the new target of \$1 million will be sufficient.

#### CAPITAL IMPROVEMENTS/OUTLAY PAY-GO RESERVE

Staff recommended \$1 million for the reserve to fund annual pay-go capital improvements/outlay. This reserve fund would be considered during annual capital budget planning and is ranked at #3. It would include pay-go capital projects, AMI installation and replacement, vehicle and large equipment replacement, computer replacement and related hardware and software, and other capital projects/outlay items. These funds would be utilized after the depreciation expense and any operating surplus are considered during the pay-go capital budget development process.

#### OPERATING RATE STABILIZATION RESERVE

There were many Board discussions during the 2016 capital debt financing decision-making process about establishing a rate stabilization reserve in order to provide for a buffer during system demand volatility (e.g., extended drought) and economic downturns. Staff recommended \$500,000 as the target level (and fourth in rank), which represents about 6% of the projected commodity revenues (\$8 million) in FY 2017/2018. Six percent (6%) is the value of the water rate increase projected for implementation on July 1, 2018.

During budget planning and rate setting for FY 2018/2019, the Board could consider utilizing these reserve funds by transferring them into operations next year rather than imposing a water rate increase. Or, a partial amount of the reserves could be determined better allocated to offset revenue projections. In any case, there are many important factors to consider before deciding to use the reserve funds, such as the MPWD's contractually required debt coverage ratio, projected SFPUC wholesale water rate increases to be imposed upon the MPWD, customer water use trends, projected

operating and pay-go capital/outlay expenditures, and replenishment of the rate stabilization reserve.

CAPITAL DEBT SERVICE RESERVE

Coming in ranked at #5 is the recommended Capital Debt Service Reserve. While the MPWD is NOT contractually obligated to have this reserve, it was also discussed by the Board during the 2016 capital debt financing. Staff felt it was prudent to reserve an amount that equals the annual debt service payment of approximately \$1 million, which could be used during times when the MPWD might be financially constrained as a result of economic downturns or as a result of system demand volatility. The Board would have complete discretion to direct staff to utilize these funds for annual MPWD operations or capital programs as needed.

Excess Reserves, Policy Administration, and Reporting

The DRAFT Cash Reserve Policy includes guidelines for target levels and use of reserves, and the administration and reporting, including the Board’s flexibility to direct staff about utilization of reserves when they exceed target levels. Besides much needed capital infrastructure and facility improvements, the MPWD has unfunded pension and OPEB (Other Post-Employment Benefits—retiree healthcare benefits) liabilities that are analyzed and reported in the MPWD annual financial audit reports. The MPWD is currently funding an annual contribution to its trust account for the OPEB liability (\$2.4 million), which is reported on monthly. To date, the OPEB liability is approximately one-third funded. Once fully funded, it is planned that all retiree healthcare benefit costs will be paid from the OPEB trust proceeds rather than from operations. Staff will be presenting an option at next month’s Board meeting for the unfunded pension liability (\$1.8 million).

The policy is subject to biennial review and update by the MPWD, either as the result of material changes in risk exposures, best practices, regulations, or standards. All updates require approval by the Board.

Presently under review by the MPWD’s District Treasurer and District Counsel, staff will present their input and recommendations as discussions continue with the Board during the cash reserve policy development process.

Attachment: MPWD Reserve Policy approved December 13, 2007  
DRAFT MPWD Cash Reserve Policy

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BOARD ACTION: APPROVED:\_\_\_\_\_ DENIED:\_\_\_\_\_ POSTPONED:\_\_\_\_\_ STAFF DIRECTION:\_\_\_\_\_

UNANIMOUS\_\_\_\_\_ STUEBING\_\_\_\_\_ WARDEN\_\_\_\_\_ VELLA\_\_\_\_\_ LINVILL\_\_\_\_\_ ZUCCA\_\_\_\_\_

## CASH RESERVE POLICY

### 1. POLICY STATEMENT

Cash reserves are essential to ensuring fiscal responsibility, a key organizational goal of the Mid-Peninsula Water District (District). They can also provide the savings necessary to balance budgets during periods of fiscal constraint, allow for emergency preparedness, assist in maintaining stable water service rates, provide for a well-maintained infrastructure, and demonstrate a commitment to future system capital investments.

This Cash Reserve Policy is designed to establish guidelines to ensure the fiscal stability of the District and provide operating guidance for the management of District finances.

### 2. PURPOSE

Properly designed reserve policies send a positive signal to ratepayers, investors, and regulatory and credit rating agencies that the District is committed to maintaining the long-term fiscal strength of the District. Strong and transparent financial policies, including maintaining prudent reserves for emergencies, rate stability, working capital, and capital improvements, are consistent with best practices in the utility industry and are important to the District as they help to:

- Maintain the short-term and long-term financial health of the District;
- Maintain stable rates for customers and help ensure manageable rate increases;
- Fund unanticipated cost contingencies;
- Ensure funds exist for system improvements;
- Ensure cash exists for the timely payment of expenses; and
- Act as a significant positive factor in credit ratings for debt issuances.

The District will maintain cash reserves in two (2) categories:

1. Operating Reserve (including Operating Contingency Reserve and Rate Stabilization Reserve); and
2. Capital Reserve (including Capital Improvements/Outlay Pay-Go Reserve, Emergency Reserve, and Debt Service Reserve).

### **MID-PENINSULA WATER DISTRICT CASH RESERVE POLICY SUMMARY**

<b>RESERVE</b>	<b>FUNDING RANK</b>	<b>MAXIMUM TARGET LEVEL</b>
Operating Contingency Reserve	1	\$1,500,000
Capital Emergency Reserve	2	\$1,000,000
Capital Improvements/Outlay Pay-Go Reserve	3	\$1,000,000
Operating Rate Stabilization Reserve	4	\$ 500,000
Capital Debt Service Reserve	5	\$1,000,000

### **3. OPERATING RESERVE**

The purpose of the Operating Reserve is to ensure that the District will at all times have sufficient funding available to meet annual operating costs. Adequate operating reserves, along with sound financial policies, result from prudent fiscal stewardship and provide financial flexibility in the event of unanticipated expenditures or revenue fluctuations.

#### **3.1 OPERATING CONTINGENCY RESERVE**

The Operating Contingency Reserve is established to cover temporary cash flow deficiencies that occur as a result of timing differences between the receipt of operating revenue and expenditure requirements and unexpected costs that might occur as a result of doing business.

- A. Target Level: \$1.5 million.
- B. Use of Reserve: May be utilized as needed to pay outstanding operating expenditures prior to the receipt of anticipated operating revenues, or in circumstances resulting from short-term loss or shortage of revenues. The General Manager will notify the Board President prior to withdrawing and using the necessary funds, and seek ratification of the expenditure at the next regular Board Meeting.

#### **3.2 RATE STABILIZATION RESERVE**

The Rate Stabilization Reserve is established to mitigate rate shock due to temporary and transitional regulatory changes, loss of a major resource, sharp demand reduction or market volatility.

- A. Target Level: \$500,000.
- B. Use of Reserve: May be used to cover unexpected decreases in operating revenues and increases in operating costs to reduce year-over-year volatility in needed rate increases, as approved the Board of Directors. The reserve fund balance will be evaluated for replenishment during fiscal year budget planning, and dependent upon available operating revenues.

### **4. CAPITAL RESERVE**

The purpose of the Capital Reserve is to ensure that the District is able to fund the repair, maintenance, or replacement of the water system's infrastructure assets, during normal operations and emergencies. Adequate capital reserves, along with sound financial policies, provide for the District's commitment to long-term capital planning and implementation, and allow for financial flexibility to fund projects, especially during emergencies.

#### **4.1 CAPITAL IMPROVEMENTS/OUTLAY PAY-GO RESERVE**

The Capital Improvements/Outlay Pay-Go Reserve is established for revenue-funded (pay-go) capital infrastructure projects and outlay items (e.g., vehicles, computers, servers, and related

automation, AMI (Automated Metering Infrastructure change-out program) as planned in the District's annual capital budget.

- A. Target Level: \$1.5 million
- B. Use of Reserve: This fund will be drawn down each year as capital expenditures are made. During fiscal year budget planning, the reserve fund balance will be evaluated for replenishment based on the upcoming year's revenue-funded capital requirements.

#### 4.2 CAPITAL EMERGENCY RESERVE

The Capital Emergency Reserve is established to provide protection recovery to the District and its customers for losses arising from a disaster or any other unexpected loss as a result of conducting District business. The reserve level combined with the District's managed risk pooled insurance coverage should adequately protect the District and its customers in the event of a catastrophic loss.

- A. Target Level: \$1.0 million.
- B. Use of Reserve: May be used to cover unexpected losses experienced by the District as a result of a disaster or emergency incidents that might result in the normal course of doing business. Any reimbursement received by the District from insurance as a result of a submitted claim shall be deposited back into the reserve as replenishment for the loss.

#### 4.3 DEBT SERVICE RESERVE

The purpose of the Debt Service Reserve is to ensure the District's ability to make its annual debt service payment for the 2016 COP (Certificates of Participation) capital debt financing project in an extreme event that might impact or impair the District's ability to provide services, thus impacting revenues at a time critical infrastructure repairs or system replacement are needed to restore operations, or in extreme market disruptions. **The District is not contractually obligated to maintain this reserve.**

- A. Target Level: \$1.0 million
- B. Use of Reserve: May be utilized in the event the District is otherwise unable to pay its debt service obligations. It is not anticipated that the District would ever utilize these reserves absent a significant disaster or extreme market disruption, and only with the approval of the Board of Directors. **The Board of Directors has the authority to redirect the use of these reserves as the needs of the District change.**

#### 5.0 OVERSIGHT AND REPORTING

Reserve levels will be monitored by staff during the fiscal year and reported to the Board of Directors in monthly financial reports.



To the extent that reserves exceed target levels, the Board of Directors has the flexibility to direct staff to utilize the available funds to:

- A. Pay for capital projects (reducing the need for future debt);
- B. Pay down unfunded liabilities such as pension obligations and other post-employment benefits (OPEB)—retiree healthcare obligations;
- C. Pay down existing debt;
- D. Establish a prepayment reserve to pay off outstanding long-term debt;
- E. Reduce water rates; and/or
- F. Fund other strategic objectives.

This Cash Reserve Policy will be reviewed on a biennial basis to ensure conformance with the District's strategic goals and objectives, and updated as necessary in compliance with material changes in risk exposures, regulations, or standards.

DRAFT



TO: Board of Directors  
FROM: Tammy A. Rudock  
General Manager  
DATE: October 26, 2017

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## MANAGER'S REPORT

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### **FOLLOW-UP FROM 09/28/17 REGULAR BOARD MEETING**

- Executed agreement with Schaaf & Wheeler Consulting Civil Engineers, referenced as Contract No. 05-1621-CIP, in the amount of \$532,965, for Engineering Design Services related to the Old County Road Improvements, "F" Street Improvements, Ralston Avenue Improvements, and the Old County Road Extension.
- Executed agreement with Pakpour Consulting Group, Inc., referenced as Contract No. 07-1621-CIP, in the amount of \$325,244 for Engineering Design Services related to the 2018 Water Main Replacement Project

### **WATER CONSERVATION PROGRESS – SUMMARY REPORT**



The report due October 15<sup>th</sup> to the SWRCB was timely submitted. September's total water consumption was 119,512 units. The reduction measured -17.9% (compared with 145,551 units in September 2013).



Last month's R-GPCD was 99.6 (as compared to September 2013 R-GPCD of 118.5).



For FY 2017/2018 the cumulative water reduction equals 16.5% (compared to 2013).



There were no water waste complaints last month. The total number of water waste complaints for FY 2017/2018 is zero (July 1, 2017 through September 30, 2017).

Governor Brown lifted the drought emergency water conservation regulations but retained the water waste prohibitions and urban water supplier reporting requirements. Executive Order B-40-17 lifted the drought emergency in all California counties except Fresno, Kings, Tulare, and Tuolumne, where there are diminished groundwater supplies. Continued prohibitions on wasteful practices include watering during or after rainfall, hosing off sidewalks, and irrigating turn on public street medians.

The framework for the plan to make conservation a way of life in California requires new state legislation to establish long-term water use efficiency measures and improved planning for more frequent and severe droughts.

## **HOLIDAY CLOSURE**

The MPWD Administration, Customer Services, and Field Operations will be closed on Friday, November 10, 2017, in observance of Veterans Day.

On-call staff will be available for service interruptions and emergencies. Customers may contact the MPWD's 24-hour answering service at 650-591-8941.

## **MPWD CLASSIFICATION STUDY**

Progress has been made! DRAFT employee position descriptions were finalized and distributed to employees this week. Each employee will have an opportunity to meet and confer individually, as a team, or as a group, with the KOFF & Associates representative on November 1<sup>st</sup> to ask questions, express concerns, and/or provide input or suggestions regarding their classification and respective position description. The General Manager, Operations Manager, and Administrative Services Manager also made themselves available for employee communications.

Staff has tentatively planned to present the final position descriptions for the Board's consideration at its November 15, 2017, regular meeting.

## **AB 1234 ETHICS TRAINING**

October 31<sup>st</sup> is the scheduled deadline for the AB 1234 Ethics Training that is required every two (2) years for Form 700 officers, appointed officers, and elected officials. Staff confirmed that all MPWD representatives timely completed this task, and before the deadline! The Certificates are maintained by the Board Secretary and are posted at the MPWD website.

## **3-MONTH "LOOK AHEAD" FOR BOARD MEETINGS**

### **NOVEMBER 15, 2017 (3<sup>rd</sup> Wednesday)**

- Receive annual financial audit report for FYE June 30, 2017. Post to website.
- Receive annual PARS OPEB trust account performance review and confirm investment strategy.
- Consider Joint Agreement between the MPWD and City of Belmont for 2017 MPWD Capital Project known as the Francis, Academy, and Davey Glen Water Main Replacement Project.
- Consider updated Employee Position Descriptions.
- Receive structural engineering report on MPWD Dairy Lane facilities.
- Consider/Approve Debt Management Policy.
- Consider/Approve Cash Reserve Policy.

### **DECEMBER 21, 2017 (3<sup>rd</sup> Thursday)**

- Election of Officers.
- Receive BAWSCA report.

### **JANUARY 25, 2018**

- Receive Reconciliation Quarterly Report on 2016 COP Capital Debt Financing for period October 1, 2017 through December 31, 2017, and 2016 COP Project Fund Quarterly Report.

## MEETINGS

DATE	EVENT
September 26 <sup>th</sup>	Attended 1-day at CSDA Annual Conference in Monterey.
September 27 <sup>th</sup>	Cooked and attended with staff the 20 <sup>th</sup> Anniversary Luncheon honoring Rick Bisio and Ron Leithner.  Participated in BAWSCA Webinar: Conservation Strategic Plan Kick-Off Meeting
September 28 <sup>th</sup>	Attended safety session with staff and facilitated GM rap session.
October 4 <sup>th</sup>	Attended NIMS OES Training: ICS-300 at Belmont EOC.
October 5 <sup>th</sup>	Finished NIMS OES Training: ICS-300 at Belmont EOC.  Attended HIA Meeting.
October 7 <sup>th</sup>	Attended Davey Glen Park Opening Celebration.  Lunch meeting with Director Linvill regarding Board meeting follow-up and DRAFT financial policies.  Conference call with John Davidson to coordinate website page content organization, alert messaging, and development of CIP page.
October 10 <sup>th</sup> -11 <sup>th</sup>	Successfully completed the ACWA JPIA Leadership Essentials Program.
October 15 <sup>th</sup>	Dinner meeting with John Davidson to review and finalize procedural manual for staff to manage website content for which they will be responsible and alert messaging. Also discussed final organizational template for CIP webpage to begin content dump.
October 16 <sup>th</sup>	Met with Board President for agenda review.  Participated with leadership staff on website management and alert messaging.  Met with Brian Sanders, ACWA Regional Affairs Representative (Region 5).  Participated in meeting with Operations Manager and Belmont Public Works staff regarding proposed shared project costs (paving and CM).
October 17 <sup>th</sup>	Ride-around in Belmont to visit capital project sites and recent water main break repair sites, and visit briefly with Operations staff and contractor.
October 18 <sup>th</sup>	Lunch meeting with Jeff Ira to discuss accounting operations and proposed financial policies.
October 19 <sup>th</sup>	Attended SFPUC Annual Wholesale Customer Meeting in Millbrae.

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### UPCOMING MEETINGS/EVENTS

BAWSCA Water Management Meeting (Foster City): November 2, 2017

HIA Meeting (Belmont): November 2, 2017

MPWD/BAWSCA Community Hands-On Workshop (@ MPWD): November 14, 2017 (6:00PM – 8:00PM)

ACWA JPIA 2017 Fall Conference & Exhibition (Anaheim): November 27, 2017-December 1, 2017

ACWA JPIA 2018 Spring Conference & Exhibition (Sacramento): May 7-11, 2018



DATE: October 20, 2017

TO: Tammy Rudock, General Manager

FROM: Jeanette Kalabolas, Water Conservation Administrative Specialist

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**SUBJECT: 2017 THIRD QUARTER WATER CONSERVATION STAFF REPORT**

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**SUBJECT #1:** MPWD Third Annual Water Conservation Report

**BACKGROUND:** In 2014 staff developed and implemented an Annual Water Conservation Customer Report to align with actions other local agencies were taking to keep customers up to date on conservation efforts and achievements.

**DISCUSSION:** The FY 2016-2017 report was mailed as a bill insert for the September 30-October 15 bill cycles. Once again MPWD partnered with its consultant, John Davidson to create the report. Content included: drought lessons learned, long-term savings web resources, rebate totals, YTD water savings, community outreach, and related information.

**SUBJECT #2:** Student Lego Robotics Team Water Conservation Mentor

**BACKGROUND:** First Lego League Robotics (FLLR) is a world renowned club that engages children in meaningful learning through science and technology. Teams design, build and program a robot using Lego Mindstorm products for competition on a table-top playing field and present on real-world issues such as food safety, recycling, energy, water, etc. The program inspires and encourages kids to research, build, experiment, create and problem solve through expose, team-building exercises and basic math (STEM) applications.

**DISCUSSION:** Last month Jeff Ira forwarded my name to the parent of a 6<sup>th</sup> grade student who participates on a local FLLR Team as a resource contact. The parent had expressed interested in speaking with a local water specialist for some insight on ways to improve how people find, transport, use, or dispose of water. A meeting took place on Thursday, October 5, 2017 to discuss our regional water system and brainstorm project ideas. Many concepts were bounced around and in the end it was decided that a PDF tentatively titled "Things to Consider Prior to a Lawn-Be-Gone Rebate" would be created for host on MPWD's website. (BAWSCA was approached as a potential partner as well.) Staff's role is limited to the capacity of mentor and the contest is scheduled to take place Saturday, November 18, 2017 in Redwood City. Once the competition concludes staff will make arrangements for the team to present at a MPWD Board meeting.

**SUBJECT #3:** MPWD Fall 2017 Hands-On Workshop Rescheduled

**BACKGROUND:** MPWD is an 8-year participant in BAWSCA's subscription based Landscape Education Program. A series of lecture and hands-on style public workshops are offered FREE to member agency customers on a bi-annual basis. Events range 2-3 hours in length and educate local residents and professional landscaping service providers on varied water use efficiency landscape concepts.

**DISCUSSION:** The class on "Parent/Child Edible Gardening" that was to be held Thursday, October 5, 2017 was postponed to Tuesday, November 14, 2017 from 6-8PM. The rescheduling was due in part to a scheduling conflict that came up for the instructor, as well low participant registration. Additional marketing ventures were pursued in an effort to boost registration: a banner was hung on the City of Belmont's East Ralston Ave pole the week of October 16-20, 2017, an email blast will be sent to all customers with addresses on file in the utility billing system next week, and a message was also added to customer statements for the current bill period of October 15 and will remain in place for the October 31 bill drop.

**SUBJECT #4:** BAWSCA "Making Conservation a Way of Life" Strategic Plan

**BACKGROUND:** BAWSCA issued an RFP in June 2017 for Phase 1 of its "Making Conservation a Way of Life" Strategic Plan and has contracted with Maddaus Water Management (MWM) to develop a road map for compliance, ascertain feasibility and determine cost implementation impacts.

**DISCUSSION:** MPWD was asked by BAWSCA late summer 2017 to participate in the first phase of the "Making Conservation a Way of Life" Strategic Plan as a pilot agency. Staff was asked to gather data and report on current practices related to CII account classifications, landscape area measurements, and water loss management to assist the consultant hired in the refining of a template created for release to BAWSCA member agencies. The District's role included: review of survey questions being considered, provide suggested edits and advise of any departmental constraints or time issues experienced. The pilot wrapped on September 15, 2017 and phase 1 of the member data grab began October 19, 2017. The first designated project representative meeting is scheduled for Wednesday, January 10, 2018 at 10AM where next steps and phase 1 findings will be presented.

**SUBJECT #5:** Bay Area Regional Reliability (BARR) Drought Reliability Contingency Plan (DCP)

**BACKGROUND:** In 2015 eight of the largest Bay Area Water Agencies (Alameda County Water District, BAWSCA, Contra Costa Water District, East Bay Municipal Utility District, Marin Municipal Water District, San Francisco Public Utilities Commission, Santa Clara Valley Water District, and Zone 7 Water District) formed an alliance to secure grant funding to aid in the development of a regional drought contingency plan to address required elements described in the States Drought Response Framework.

**DISCUSSION:** The BARR partnership was formed to cooperatively develop regional projects to strengthen the Bay Area's long-term water supply reliability. The 2014-2017 phases of the plan saw the development of principles for partnership guidance, execution of a memorandum of understanding (MOU) that resulted, stakeholder workshops, a public input meeting and the submittal of a draft report to the U.S Bureau



of Reclamation on June 30, 2017 that focuses on emergency response, drought mitigation and replacement or alternative supplies. BARR Agencies 2015 Urban Water Management Plans (UWMPs) were consulted and used as a primary source of information to present a regional water system overview and define existing/projected demands, water use efficiency and available supplies. Next steps include: tracking of near-term actions, exploration of further funding and a measures feasibility study. Full plan implementation is not expected until after the year 2020.

**SUBJECT #6:** Electronic Plan Check and Review Solutions

**BACKGROUND:** Staff routinely reviews single and multi-family new construction, remodel, commercial development, landscape and fire sprinkler plans to assure customers meet MPWD Ordinances and City of Belmont code requirements.

**DISCUSSION:** Over the course of the next fiscal year staff will be researching new technologies surrounding compliance reviews. MPWD's current plan check and review process is handled in a traditional (paper) manner, a method that is antiquated, labor intensive and open to potential error. A number of companies now offer software programs that allow multiple users to more effectively streamline workflow through the use of electronic applications. Features include: multi-users, mark-up tags, measuring tools and electronic stamp capabilities. Staff will report findings to management once its analysis is complete.

**SUBJECT #7:** CA-NV American Water Works Association (AWWA) Completes Restructure

**BACKGROUND:** The AWWA is a non-profit founded in 1881 to ensure safe, clean and reliable drinking water for everyone. It is one of the largest non-profit education, science centered association and advocacy groups within the industry. CA-NV AWWA is a section of the association that supports drinking water professionals throughout California and Nevada by offering resources and educational opportunities by way of a water college platform founded in 1999.

**DISCUSSION:** An initial phase out of standing committees no longer in use began in 2011 followed by a series of small changes until the determination was made by the governing Board in 2015 that extensive re-structuring was necessary. A proposed plan to revise the organization was devised February 2016 and a survey was conducted to obtain input from general members at the Spring 2016 Annual Conference. Approval to implement was sought at the Fall 2016 Annual Conference and the restructure was announced at the Spring Annual Conference held April 2017. The re-organization was specific to administrative and technical sectors only.



TO: Board of Directors

FROM: Candy Pina

DATE: October 26, 2017

**ADMINISTRATIVE SERVICES MANAGER'S REPORT**

**FINANCIAL REPORTING:**

1) **Schedule of Cash and Investments:**

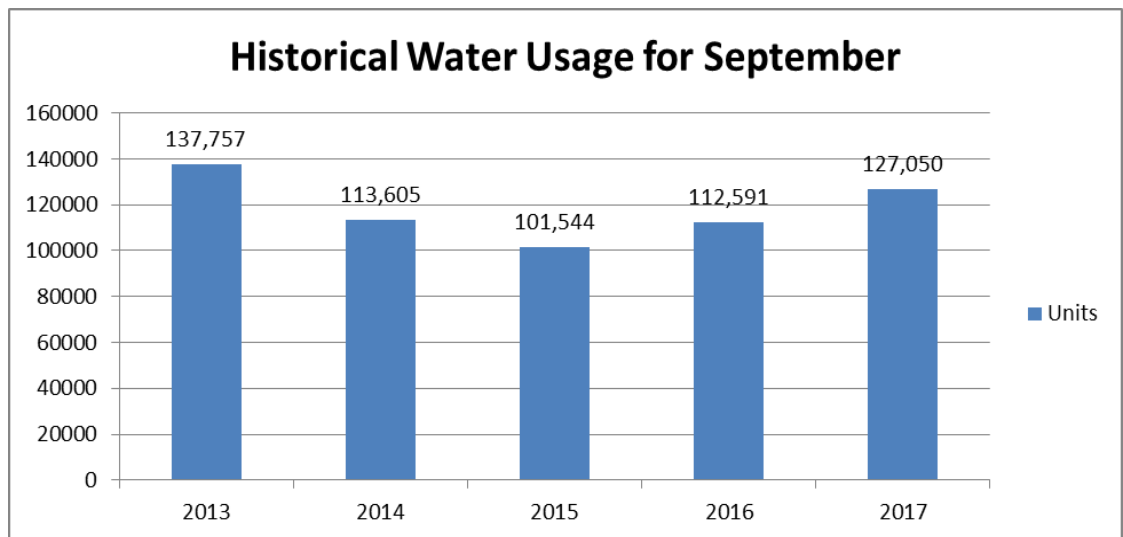
<b>SCHEDULE OF CASH AND INVESTMENTS</b>		
<b>CASH ACCOUNT</b>	<b>BALANCE @ 09/30/17</b>	<b>BALANCE @ 10/19/17</b>
PETTY CASH	\$ 400	\$ 400
CASH DRAWER	\$ 200	\$ 200
WELLS FARGO CHECKING	\$ 188,370	\$ 265,491
LAIF	\$ 5,890,511	\$ 6,590,511
<b>TOTAL</b>	<b>\$ 6,079,481</b>	<b>\$ 6,856,602</b>
<b>2016 COP FINANCING – BNY MELLON CHECKING</b>	<b>\$ 18,867,141</b>	<b>\$ 18,867,141</b>

Month End Balance of PARS/OPEB for August 2017 (September 2017 report not available): \$833,694.13. Net Earnings of \$5,313.30 reported.

<b>MPWD RESERVE FUNDS</b>				
<b>Reserve Account</b>	<b>Balance @ 09/30/2015</b>	<b>Balance @ 09/30/2016</b>	<b>Balance @ 09/30/2017</b>	<b>Budget for Reserve Policy</b>
Capital Reserves	\$ 889,457	\$ 1,555,161	\$ 3,390,511	\$ 2,500,000
Emergency Reserves	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Working Capital Reserves	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
<b>TOTAL RESERVE FUNDS</b>	<b>\$ 3,389,457</b>	<b>\$ 4,055,161</b>	<b>\$ 5,890,511</b>	<b>\$ 5,000,000</b>

**Water Revenue Report:**

<b>WATER REVENUES for FISCAL YEAR 2017/2018</b>					
Month	Total Units	Water Commodity Charges	Fixed System Charges	Total Water Revenues	Misc Rev
JUL	117,761	991,424.67	221,479.51	1,212,904.18	1,263.43
AUG	124,029	1,058,492.93	221,538.81	1,280,031.74	1,262.50
SEP	127,050	1,086,959.69	221,731.22	1,308,690.91	1,262.50
<b>TOTAL</b>	<b>368,840</b>	<b>3,136,877.29</b>	<b>664,749.54</b>	<b>3,801,626.83</b>	<b>3,788.43</b>



**CONFERENCES, TRAINING, & MEETINGS:**

- 1) Jeanette Kalabolas: 10/05/17 – Student Lego Robotics Team Water Conservation Meeting
- 2) Candy Pina: 10/12-13/17 – Leadership Essentials Training in Costa Mesa
- 3) Jeanette Kalabolas/Misty Malczon/Candy Pina: 10/16/17 - MPWD Web Training

**TEAM BUILDING ACTIVITIES:**

We will be having a Chili Cook-off Potluck on October 24<sup>th</sup>.

We continue to celebrate birthdays.



TO: Board of Directors  
 FROM: Rene A. Ramirez, Operations Manager  
 DATE: October 26, 2017

## OPERATIONS REPORT – SEPTEMBER

### Projects:

- We have just one meter in Zone 1 to replace and are waiting for the dust to settle regarding the lawsuit before we replace this meter. In the meantime, their water is still metered;
- During September we were unable to install any meters. The total since June 2<sup>nd</sup> remains at 455 AMI meters, or about 25% of Zone 2;
- Upgraded service connection to 1001 Notre Dame to 1-inch;
- Installed two new 1.5-inch services at 2701 and 2708 Pullman on new homes;
- Installed service upgrade per customer request at 1001 Norte Dame; and
- Constructed new 1-1/2 inch water services for 2701 and 2708 Pullman Avenue.

### Maintenance:

- Responded to and completed 269 USA (underground service alerts) requests and identified infrastructure before digging in the streets or easements. Last month we marked 245 locations;
- Read meters in zones without AMI;
- Replaced damaged fire hydrant at 1902 Oak Knoll hit by customer;
- Performed routine maintenance to system regulators;
- Collected a requisite 44 water samples for bacteriological testing – all samples were normal and showed no signs of coliform bacteria;
- Continue to routinely monitor water system dead-ends continued for disinfectant residual; and
- Monitoring for signs of nitrification within our tanks, sample stations and dead ends continues as a part of regular water quality monitoring.

### System Repairs:

Date	Location	Event	Material	Installation Date	Estimated Water Loss (Gals.)
9/26	1902 Oak Knoll	Hydrant	PVC	1991	~7,900

## **Development:**

Staff is currently working with developers on 27 development projects:

### **Mixed Use Commercial/Residential:**

- 576-600 El Camino Real – Fees paid, awaiting scheduling; and
- 400-490 El Camino Real – All 4 connections to our main have been completed. Backflow assemblies are installed and tested. Two new hydrants are on-line. Awaiting request for meter installations

### **Commercial:**

- 539 Harbor Blvd. – updated installation quote;
- 700 Island Parkway – water and fire service installed. Inspection of fire backflow assembly complete. Awaiting irrigation and domestic backflow installation;
- 1201 Shoreway Road – Fee schedule provided to developer;
- 1477 El Camino Real – currently reviewing their plans;
- 699 Ralston Ave – Fee schedule provided to developer;
- Belmont Ave Parcel APN's – (2) awaiting plans; and
- 1500 Ralston – currently reviewing plans.

### **Residential/Multi-Family:**

- 1001 Notre Dame – Installation complete;
- 2828 Hallmark - Fees paid, awaiting schedule for installation;
- 905 South Rd – Installation complete;
- 10 Notre Dame Place - currently reviewing their plans;
- 1906 Bishop – completed;
- 1919 Oak Knoll Dr. – currently reviewing their plans;
- 1942 Bayview – currently reviewing their plans;
- 1557 Vine St. – installed;
- 1105 Tahoe, requesting fire flow;
- 796 Miramar Terrace - currently reviewing their plans;
- Bishop Road development - currently reviewing their plans;
- 1320 Talbryn Lane development- currently reviewing their plans;
- 2712 Comstock – currently reviewing their plans;
- 2689 Comstock – Fee schedule provided to resident;
- 2128 Pullman Ave - Fees paid, awaiting schedule for installation;
- 909 Ruth - Fees paid, awaiting schedule for installation;
- 2227 Thurm Ave – Fees paid, awaiting schedule for installation; and
- 2221 Thurm Ave – Fees paid, awaiting schedule for installation.

## **Administration:**

- Attended the monthly BAWSCA manager's meeting and HIA lunch meeting on behalf of the General Manager;
- Coordinated and held fork-lift certification training on site for staff;
- Participated in quarterly meeting with Belmont PW Department;

- Went on 2-day tour of SFPUC system – included tour of Bay Area facilities, expansion of Calaveras Reservoir construction site, Moccasin Power Plant and overnight stay at Hetch-Hetchy;
- Ops Manager and Field Operation Supervisors completed 2-hour harassment training via webinar;
- Several members of Ops team attended a training class for utility locating in Burlingame;
- Met with West-Yost Associates in field at PAMF site to go over existing infrastructure, talk to PAMF officials regarding location of their facilities, and visit existing interties near PAMF and on Shoreway Road near Cormorant Drive;
- Held Shop Clean Up event;
- Continue to actively managing five (5) engineering design contracts related to the CIP; and
- Continued to actively manage power use during pumping operations.

**MID-PENINSULA WATER DISTRICT  
BUDGET FOR YEAR 2016-2017  
SUMMARY**

DESCRIPTION	APPROVED FY 2017-2018 BUDGET \$	ACTUALS 7/1/2017 9/30/17	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 25.2%
				Y-T-D % OF BUDGET
OPERATING REVENUE				
WATER COMMODITY CHARGES	8,500,000	3,136,877.29	5,363,123	36.9%
FIXED SYSTEM CHARGES	2,663,720	664,749.54	1,998,970	25.0%
FIRE SERVICE CHARGES	14,000	3,788.43	10,212	27.1%
SERVICE LINE & INSTALLATION CHARGES	10,000	-	10,000	NA
WATER SYSTEM CAPACITY CHARGES	200,000	243,117	(43,117)	121.6%
WATER DEMAND OFFSET CHARGES	10,000	30,523	(20,523)	305.2%
MISCELLANEOUS CHARGES	10,000	58,530	(48,530)	585.3%
INTEREST REVENUE - LAIF	10,000	14,386	(4,386)	143.9%
LEASE OF PHYSICAL PROPERTY	150,000	34,362	115,638	22.9%
PROPERTY TAX REVENUE	260,000	1,084	258,916	0.4%
<b>TOTAL OPERATING REVENUE</b>	<b>11,827,720</b>	<b>4,187,417</b>	<b>7,640,303</b>	35.4%
<b>OPERATING EXPENDITURES (OP EXP)</b>				
SALARIES & WAGES	1,718,225	317,420	1,400,805	18.5%
PAYROLL TAXES & BENEFITS	1,204,893	275,003	929,890	22.8%
PURCHASED WATER	5,234,856	1,712,035	3,522,821	32.7%
OUTREACH & EDUCATION	116,900	3,464	113,436	3.0%
M&R - OPS SYSTEM	389,598	54,229	335,369	13.9%
M&R - FACILITIES & EQUIPMENT	166,860	26,675	140,185	16.0%
MAJOR MAINTENANCE	30,000	-	30,000	NA
OFFICE SUPPLIES & EQUIPMENT	314,755	71,265	243,490	22.6%
MEMBERSHIP & GOV FEES	208,613	46,459	162,154	22.3%
BAD DEBT & CLAIMS	37,000	(590)	37,590	-1.6%
UTILITIES	301,687	59,086	242,601	19.6%
PROFESSIONAL SERVICES	458,660	82,517	376,143	18.0%
TRAINING/TRAVEL & RECRUITMENT	45,000	8,641	36,359	19.2%
RESTRICTED EARNINGS	10,000	14,386	(4,386)	143.9%
RESERVES	-	-	-	NA
DEBT SERVICE 2016 COPs	1,045,865	176,726	869,139	16.9%
<b>TOTAL OP EXP LESS DEPRECIATION (DEPREC)</b>	<b>11,282,912</b>	<b>2,847,315</b>	<b>8,435,597</b>	25.2%
<b>TOTAL OP REVENUE LESS OP EXP &amp; DEPREC</b>	<b>544,808</b>	<b>1,340,102</b>	<b>(795,294)</b>	246.0%
DEPRECIATION	1,050,000	205,868	844,132	19.6%
<b>TOTAL OP REVENUE LESS OP EXP</b>	<b>(505,192)</b>	<b>1,134,234</b>	<b>(1,639,426)</b>	-224.5%
<b>NET TRANSFERS TO CAPITAL</b>	<b>505,192</b>	<b>(1,134,234)</b>	<b>1,639,426</b>	-224.5%
<b>NET RESULTS OF OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	



**MID-PENINSULA WATER DISTRICT  
OPERATIONS BUDGET FOR YEAR 2016-2017  
DETAILED**

Target YTD % 25.2%
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ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 9/30/2017	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
4010	WATER COMMODITY CHARGES (A)	8,500,000	3,136,877.29	5,363,123	36.9%
4020	FIXED SYSTEM CHARGES	2,663,720	664,749.54	1,998,970	25.0%
4030	FIRE SERVICE CHARGES	14,000	3,788.43	10,212	27.1%
4050	SERVICE LINE & INSTALLATION CHARGES	10,000	-	10,000	NA
4060	WATER SYSTEM CAPACITY CHARGES (B)	200,000	243,117	(43,117)	121.6%
4070	WATER DEMAND OFFSET CHARGES (B)	10,000	30,523	(20,523)	305.2%
4090	MISCELLANEOUS REVENUES (C)	<u>10,000</u>	<u>58,530</u>	<u>(48,530)</u>	585.3%
4000	TOTAL WATER AND FEE CHARGES	<u>11,407,720</u>	<u>4,137,586</u>	<u>7,270,134</u>	36.3%
4102	Interest Revenue- LAIF (D)	<u>10,000</u>	<u>14,386</u>	<u>(4,386)</u>	143.9%
4100	INTEREST REVENUE	<u>10,000</u>	<u>14,386</u>	<u>(4,386)</u>	143.9%
4201	Lease of Physical Property	150,000	34,362	115,638	22.9%
4202	Property Tax Revenue (E)	260,000	1,084	258,916	0.4%
4208	Landscape Plan Permit Review	-	-	-	NA
4200	OTHER REVENUE	<u>410,000</u>	<u>35,446</u>	<u>374,554</u>	8.6%
4000	TOTAL OPERATING REVENUE	<u>11,827,720</u>	<u>4,187,417</u>	<u>7,640,303</u>	35.4%
6011	Salaries & Wages	1,622,250	303,653	1,318,597	22.3%
6012	Director Compensation	11,000	1,100	9,900	10.0%
6017	Capital Salaries & Wages	-	75,605	(75,605)	NA
6010	GROSS REGULAR WAGES	<u>1,633,250</u>	<u>380,359</u>	<u>1,252,891</u>	23.3%
6017	CAPITAL SALARY & WAGES reversed	-	(75,605)	75,605	
6021	Overtime Labor	46,865	4,974	41,891	10.6%
6022	Standby Labor	38,110	7,693	30,417	20.2%
6020	SUB-TOTAL SALARY & WAGES	<u>1,718,225</u>	<u>317,420</u>	<u>1,400,805</u>	18.5%
6031	FICA/Medicare PR Tax	135,445	27,934	107,511	20.6%
6038	ACWA Health Care	329,600	87,055	242,545	26.4%
6039	ACWA Dental	31,930	6,556	25,374	20.5%
6040	ACWA Vision	4,481	1,138	3,343	25.4%
6041	ACWA Life/AD&D	4,326	1,153	3,173	26.6%
6042	Standard LDL/SDL Disability	12,772	1,889	10,883	14.8%
6043	Workers' Comp Insurance	50,400	8,003	42,397	15.9%
6044	Unemployment	1,030	-	1,030	NA
6045	CALPERS Retirement - ER 2%@55	242,050	61,949	180,101	25.6%
6054	CAPITAL PAYROLL TAXES & BENEFITS	<b>64</b> -	753	(753)	N/A

**MID-PENINSULA WATER DISTRICT  
OPERATIONS BUDGET FOR YEAR 2016-2017  
DETAILED**

Target YTD % 25.2%
-----------------------

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 9/30/2017	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
6046	Retirees' ACWA Health Care	57,680	15,785	41,895	27.4%
6047	Directors' ACWA Health Care	111,240	29,075	82,166	26.1%
6049	Medical Reimbursement	1,030	137	893	13.3%
6050	Employee Service Recognition	10,000	687	9,313	6.9%
6051	Safety Incentive Program	7,416	1,834	5,582	24.7%
6052	Uniforms (F)	25,493	10,507	14,986	41.2%
6053	PARS OPEB Expense	180,000	21,303	158,697	11.8%
6030	<b>SUB-TOTAL PAYROLL TAXES &amp; BENEFITS</b>	<b>1,204,893</b>	<b>275,756</b>	<b>929,137</b>	22.9%
6054	<b>CAPITAL PAYROLL TAXES &amp; BENEFITS</b>	-	(753)	753	N/A
6000	<b>PERSONNEL COSTS</b>	<b>2,923,118</b>	<b>592,423</b>	<b>2,330,695</b>	20.3%
6101	SFPUC Treated Water (A)	4,700,000	1,570,189	3,129,811	33.4%
6102	BAWSCA (Debt Service Surcharges)	476,000	122,280	353,720	25.7%
6103	Rates Stabilization	58,856	-	58,856	NA
6104	SFPUC Water Service Charge	-	19,566	(19,566)	N/A
6100	<b>PURCHASED WATER</b>	<b>5,234,856</b>	<b>1,712,035</b>	<b>3,522,821</b>	32.7%
6301	Water Conservation Program	7,200	673	6,527	9.4%
6302	School Conservation Program	7,200	-	7,200	NA
6303	Public Outreach & Education	25,750	416	25,334	1.6%
6305	HET Rebates	19,750	1,007	18,743	5.1%
6306	Washing Machine Rebates	13,750	-	13,750	NA
6307	Lawn-Be-Gone Rebates	38,100	1,342	36,758	3.5%
6308	Rain Barrel Rebates	5,150	25	5,125	0.5%
6304	<b>TOTAL WATER CONSERVATION REBATES</b>	<b>76,750</b>	<b>2,374</b>	<b>74,376</b>	3.1%
6300	<b>OUTREACH/EDUCATION</b>	<b>116,900</b>	<b>3,464</b>	<b>113,436</b>	3.0%
6401	Water Quality	69,010	6,763	62,247	9.8%
6402	Pumping	65,148	-	65,148	NA
6403	Storage Tanks	10,300	-	10,300	NA
6404	Mains/Distribution (G)	103,000	31,910	71,090	31.0%
6405	Meters & Service	30,900	8,905	21,995	28.8%
6406	Fire Hydrants	31,930	278	31,652	0.9%
6407	Regulator Stations	6,180	550	5,630	8.9%
6408	Safety	32,960	949	32,011	2.9%
6409	SCADA Maintenance	15,450	3,732	11,718	24.2%
6410	Generator Maintenance	24,720	1,142	23,578	4.6%
6400	<b>M&amp;R - OPS SYSTEMS</b>	<b>389,598</b>	<b>54,229</b>	<b>335,369</b>	13.9%
6501	M&R-Buildings&Grounds	95,790	20,440	75,350	21.3%
6502	M&R- Equipment&Tools (H)	21,630	(824)	22,454	-3.8%
6503	M&R- Vehicles & Large Equipment	19,570	2,861	16,709	14.6%
6504	M&R - Fuel	29,870	4,198	25,672	14.1%
6500	<b>M&amp;R - FACILITIES &amp; EQUIPMENT</b>	<b>166,860</b>	<b>26,675</b>	<b>140,185</b>	16.0%
6601	Cathodic Protection Survey	-	-	-	NA

**MID-PENINSULA WATER DISTRICT  
OPERATIONS BUDGET FOR YEAR 2016-2017  
DETAILED**

Target YTD % 25.2%
-----------------------

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 9/30/2017	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
6602	Leak Detection Survey	30,000	-	30,000	NA
6600	<b>MAJOR MAINTENANCE</b>	<b>30,000</b>	<b>-</b>	<b>30,000</b>	<b>NA</b>
6701	Office Supplies	15,450	2,361	13,089	15.3%
6702	Insurance- Liability/Vehicles	90,381	17,281	73,100	19.1%
6703	Postage	8,240	225	8,015	2.7%
6704	Printing/Printing Supplies	15,450	1,502	13,948	9.7%
6705	Equipment Services/Maintenance	58,453	2,245	56,208	3.8%
6706	Computer Supplies & Upgrades (I)	15,193	13,482	1,711	88.7%
6707	Security & Safety	11,073	522	10,551	4.7%
6708	Other Fees	515	-	515	NA
6709	Customer Credit Card Svs Fees (J)	100,000	33,647	66,353	33.6%
6700	<b>OFFICE SUPPLIES &amp; EQUIP</b>	<b>314,755</b>	<b>71,265</b>	<b>243,490</b>	<b>22.6%</b>
6801	Dues & Publications	40,685	7,490	33,195	18.4%
6802	Gov't Fees & Licenses	54,848	4,786	50,062	8.7%
6803	BAWSCA Membership Assessments	76,000	18,151	57,849	23.9%
6804	Env Health - Cross Connection Inspection	31,930	8,175	23,755	25.6%
6805	Software License (K)	5,150	7,857	(2,707)	152.6%
6800	<b>MEMBERSHIP &amp; GOV FEES</b>	<b>208,613</b>	<b>46,459</b>	<b>162,154</b>	<b>22.3%</b>
6901	<b>Bad Debt</b>	7,000	(590)	7,590	-8.4%
6902	Claims	30,000	-	30,000	NA
6900	<b>BAD DEBT &amp; CLAIMS</b>	<b>37,000</b>	<b>(590)</b>	<b>37,590</b>	<b>-1.6%</b>
7001	Utilities-Internet/Cable	12,462	1,845	10,617	14.8%
7002	Utilities-Cellular Telephones	12,206	3,091	9,115	25.3%
7003	Utilities-Electric-Pumping	226,600	40,511	186,089	17.9%
7004	Utilities-Electric-Bldgs&Grounds	24,720	6,677	18,043	27.0%
7005	Utilities-Telephones	18,025	5,396	12,629	29.9%
7006	Utilities-Sewer - NPDES	7,674	1,567	6,107	20.4%
7000	<b>UTILITIES</b>	<b>301,687</b>	<b>59,086</b>	<b>242,601</b>	<b>19.6%</b>
7101	Prof Serv - District Counsel	90,000	13,573	76,428	15.1%
7102	Prof Serv - District Engineer	80,000	10,457	69,543	13.1%
7103	Prof Serv - IT	19,750	1,800	17,950	9.1%
7104	Prof Serv- Annual Finance Audit (L)	19,000	12,750	6,250	67.1%
7105	Prof Serv - Mngmt Consult	-	-	-	NA
7106	Prof Serv- Accounting & Payroll	21,750	6,034	15,716	27.7%
7107	Prof Serv- Customer Billing	72,250	19,158	53,092	26.5%
7109	Prof Serv - Answering Svs	5,000	843	4,157	16.9%
7110	Prof Serv - Miscellaneous	147,210	17,302	129,908	11.8%
7111	Prof Serv - District Treasurer (J)	3,700	600	3,100	16.2%
7100	<b>PROFESSIONAL SERVICES</b>	<b>458,660</b>	<b>82,517</b>	<b>376,143</b>	<b>18.0%</b>
7201	Director Travel	66 5,000	1,398	3,602	28.0%
7202	Director Expense	1,000	-	1,000	NA

**MID-PENINSULA WATER DISTRICT  
OPERATIONS BUDGET FOR YEAR 2016-2017  
DETAILED**

Target YTD % 25.2%
-----------------------

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 9/30/2017	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
7203	Elections	-	-	-	NA
7204	Employee Travel/Training	32,000	6,586	25,414	20.6%
7205	Meetings Expense	7,000	657	6,343	9.4%
7200	<b>TRAINING &amp; TRAVEL</b>	<b>45,000</b>	<b>8,641</b>	<b>36,359</b>	<b>19.2%</b>
7302	Restricted Earnings Expense - Interest LAIF (D)	10,000	14,386	(4,386)	143.9%
7300	<b>RESTRICTED EARNINGS EXPENSE</b>	<b>10,000</b>	<b>14,386</b>	<b>(4,386)</b>	<b>143.9%</b>
8001	Working Reserves: Capital	-	-	-	NA
8002	Working Reserves: Operating	-	-	-	NA
8000	<b>RESERVES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>
9010	<b>DEPRECIATION</b>	<b>1,050,000</b>	<b>205,868</b>	<b>844,132</b>	<b>19.6%</b>
9011	<b>DEBT SERVICE 2016 COPs</b>	<b>1,045,865</b>	<b>176,726</b>	<b>869,139</b>	<b>16.9%</b>
<b>SUB-TOTAL - OPERATING EXPENSES</b>		<b>9,409,794</b>	<b>2,460,760</b>	<b>6,949,034</b>	<b>26.2%</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>12,332,912</b>	<b>3,053,183</b>	<b>9,279,729</b>	<b>24.8%</b>
<b>NET OPERATING SURPLUS/(LOSS) TRANSFER TO CAPITAL</b>		<b>(505,192)</b>	<b>1,134,234</b>	<b>(1,639,426)</b>	<b>-224.5%</b>

- (A) Water commodity revenues @ 36.9% higher than projected; Water purchases @ 33.4%.
- (B) Six (6) meter upgrades and new services closed; revenue recognized.
- (C) Nine (9) AMI upgrade projects generate revenue totaling \$46,605.
- (D) Increased reserves generating more interest revenue.
- (E) Receive property tax revenue in Dec 2017 and April 2018.
- (F) Staff work boots totaling \$3,540.
- (G) Meter box lids purchased totaling \$21,009.
- (H) Recognized small tools with AMI installation/upgrade projects; reduced expense totaling \$3,769 and moved to Fixed Assets.
- (I) Battery back-up and replacement printer purchased totaling \$3,040.
- (J) Credit card fees higher than projected.
- (K) Accela (Springbrook) software license \$2,619 month. Need to adjust this at mid-year budget review.
- (L) Financial audit FYE June 30, 2017, field work completed.

**MID-PENINSULA WATER DISTRICT  
STATEMENT OF REVENUES & EXPENSES  
PREVIOUS YEAR COMPARISON**

	Jul 17 -Sep 17	Jul 16 - Sep 16	\$ Change	% Change
Ordinary Income/Expense				
Income				
4000 · OPERATING REVENUE	4,137,585.54	3,339,045.74	798,539.80	23.92%
4100 · INTEREST INCOME	52,640.44	3,673.02	48,967.42	1,333.17%
4200 · OTHER INCOME	35,445.56	47,176.35	-11,730.79	-24.87%
Total Income	<u>4,225,671.54</u>	<u>3,389,895.11</u>	<u>835,776.43</u>	<u>24.66%</u>
Expense				
6000 · PERSONNEL COSTS	592,422.93	650,907.69	-58,484.76	-8.99%
6100 · PURCHASED WATER	1,712,035.30	1,622,316.73	89,718.57	5.53%
6300 · OUTREACH/EDUCATION	3,463.58	13,963.88	-10,500.30	-75.2%
6400 · M&R - OPS SYSTEMS	54,228.62	74,240.40	-20,011.78	-26.96%
6500 · M&R - FACILITIES & EQUIPMENT	26,675.10	34,711.74	-8,036.64	-23.15%
6600 · MAJOR MAINTENANCE	0.00	0.00	0.00	0.0%
6700 · OFFICE SUPPLIES & EQUIPMENT	71,264.75	67,465.65	3,799.10	5.63%
6800 · MEMBERSHIP & GOV FEES	46,458.71	39,678.42	6,780.29	17.09%
6900 · BAD DEBT & CLAIMS	-590.36	2,206.70	-2,797.06	-126.75%
7000 · UTILITIES	59,086.08	54,899.38	4,186.70	7.63%
7100 · PROFESSIONAL SERVICES	82,516.97	96,673.27	-14,156.30	-14.64%
7200 · TRAINING & TRAVEL	8,640.98	4,745.72	3,895.26	82.08%
Total Expense	<u>2,656,202.66</u>	<u>2,661,809.58</u>	<u>-5,606.92</u>	<u>-0.21%</u>
Net Ordinary Income	<u>1,569,468.88</u>	<u>728,085.53</u>	<u>841,383.35</u>	<u>115.56%</u>
Other Income/Expense				
Other Expense				
9000 · DEPRECIATION	205,868.32	251,435.18	-45,566.86	-18.12%
COP Financing Costs	176,726.19	0.00	176,726.19	100.0%
Total Other Expense	<u>382,594.51</u>	<u>251,435.18</u>	<u>131,159.33</u>	<u>52.2%</u>
Net Revenue/(Expenses)	<u>1,186,874.37</u>	<u>476,650.35</u>	<u>710,224.02</u>	<u>149.0%</u>

**RECONCILIATION TO OPERATING BUDGET**

**Adjustments to Increase Net Operating Surplus**

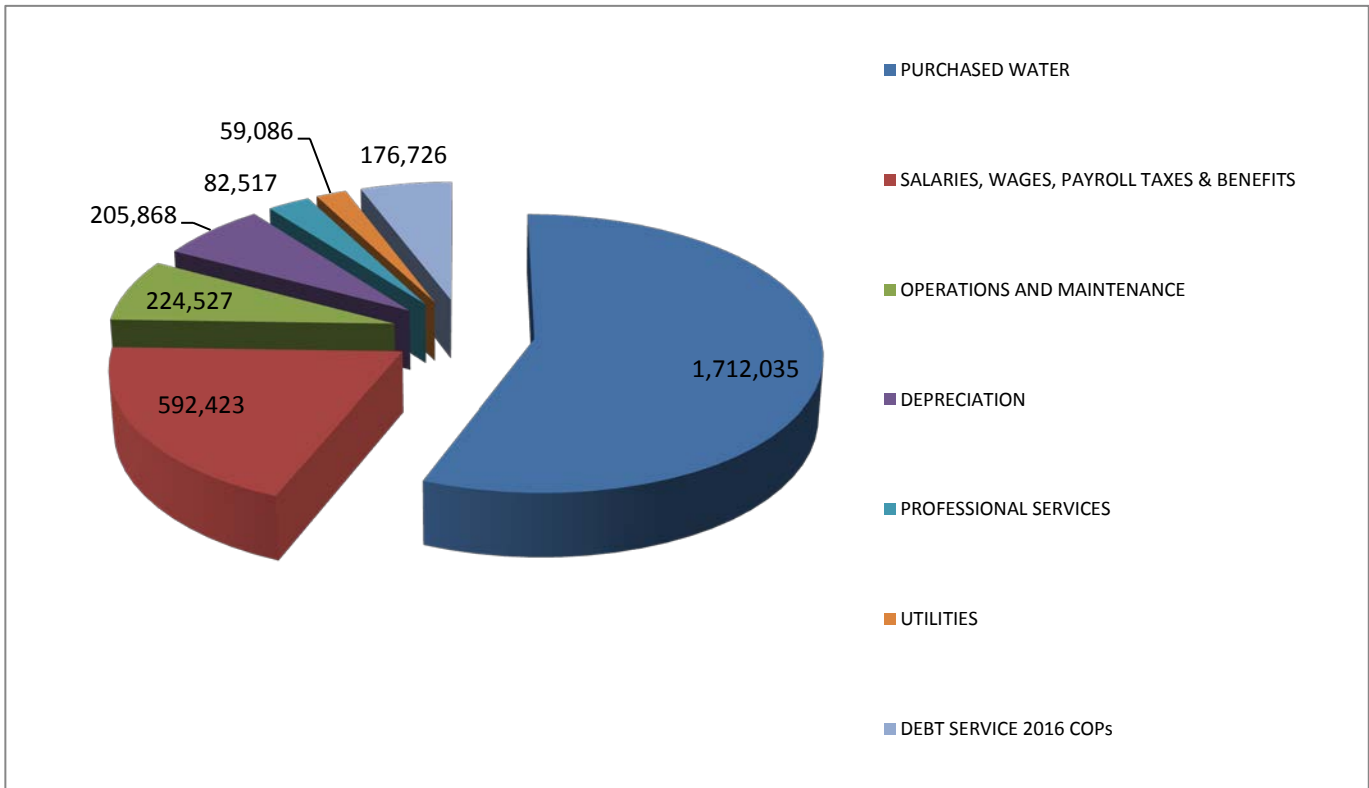
Interest Income - LAIF & COP Interest	-52,640.44
<b>Total Adjustments to Increase Net Operating Surplus</b>	<u>-52,640.44</u>

**Net Revenue/(Expenses)** 1,186,874.37

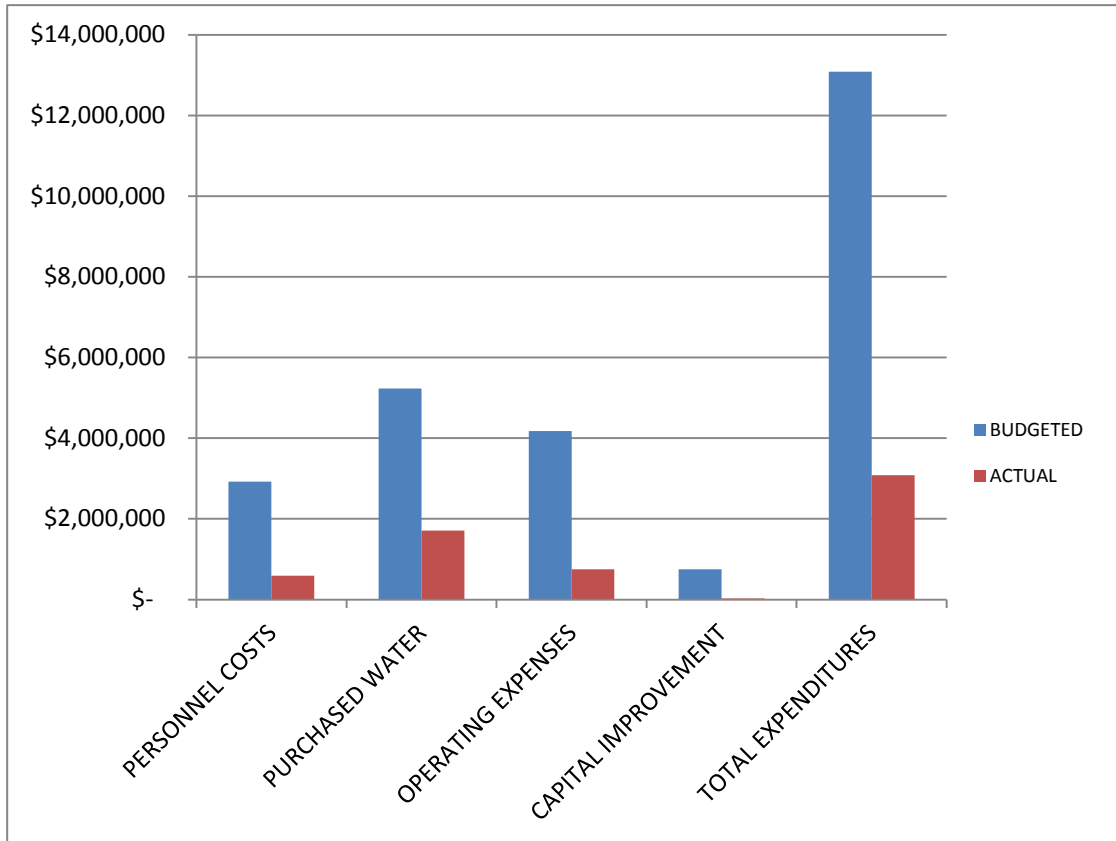
**Net Operating Surplus/(Loss) Transfer to Capital** 1,134,233.93

**MID-PENINSULA WATER DISTRICT  
ACTUAL OPERATING EXPENDITURES SUMMARY  
Sep-17**

<b>OPERATING EXPENDITURES</b>	<b>ACTUAL \$</b>	<b>% OF TOTAL</b>
PURCHASED WATER	1,712,035	56.1%
SALARIES, WAGES, PAYROLL TAXES & BENEFITS	592,423	19.4%
OPERATIONS AND MAINTENANCE	224,527	7.4%
DEPRECIATION	205,868	6.7%
PROFESSIONAL SERVICES	82,517	2.7%
UTILITIES	59,086	1.9%
DEBT SERVICE 2016 COPs	176,726	5.8%
<b>TOTAL OPERATING EXPENDITURES</b>	<b><u>3,053,183</u></b>	<b><u>100%</u></b>



## 2016/2017 BUDGET vs ACTUAL TOTAL EXPENDITURES Sep-17



	<b>BUDGETED</b>	<b>ACTUAL</b>	<b>BUDGETED % OF TOTAL</b>	<b>ACTUAL % OF TOTAL</b>
<b>TOTAL EXPENDITURES</b>				
PERSONNEL COSTS	\$ 2,923,118	\$ 592,423	22%	19%
PURCHASED WATER	\$ 5,234,856	\$ 1,712,035	40%	56%
OPERATING EXPENSES	\$ 4,174,938	\$ 748,725	32%	24%
CAPITAL IMPROVEMENT	\$ 751,930	\$ 27,383	6%	1%
<b>TOTAL EXPENDITURES</b>	<b>\$ 13,084,842</b>	<b>\$ 3,080,567</b>	<b>100%</b>	<b>100%</b>



**MID-PENINSULA WATER DISTRICT  
BUDGET FOR FY 2016-2017  
Capital Projects**

DESCRIPTION	APPROVED FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 9/30/2017	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 25.2%
				<b>Y-T-D % OF BUDGET</b>
<b>CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)</b>				
CIP 15-51 Francis Improvements	425,790	5,417	420,373	1.3%
CIP 15-53 Academy Improvements	276,140	3,463	272,677	1.3%
AMI Meter Change Out Program	-	-	0	N/A
<b>CAPITAL IMPROVEMENTS - WIP TOTAL</b>	<b>701,930</b>	<b>8,880</b>	<b>693,050</b>	1.3%
<b>CAPITAL OUTLAY</b>				
Miscellaneous Capital Outlay/Projects (A)	50,000	18,504	31,496	37.0%
<b>CAPITAL OUTLAY TOTAL</b>	<b>50,000</b>	<b>18,504</b>	<b>31,496</b>	37.0%
<b>CAPITAL IMPROVEMENTS &amp; CAPITAL OUTLAY TOTAL</b>	<b>751,930</b>	<b>27,383</b>	<b>724,547</b>	3.6%
DEPRECIATION	1,050,000	205,868	844,132	19.6%
TRANSFER FROM OPS	(505,192)	1,134,234	(1,639,426)	-224.5%
TRANSFER (TO)/FROM CAPITAL RESERVES	207,122	(1,318,319)	1,525,441	-636.5%
CAPITAL OUTLAY/CAPITAL PROJECTS	(751,930)	(27,383)	(724,547)	3.6%
<b>NET RESULTS OF CAPITAL</b>	<b>-</b>	<b>(5,600)</b>	<b>5,600</b>	N/A

(A) Purchased Canon Copier to replace leased Ricoh Copier.

**MID-PENINSULA WATER DISTRICT  
STATEMENT OF NET POSITION  
PREVIOUS YEAR COMPARISON**

	30-Sep-18	30-Sep-17	\$ Change	% Change
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Total Checking/Savings	6,091,628.80	4,316,437.82	1,775,190.98	41.13%
Total COP Funds	18,850,500.93	0.00	0.00	100.0%
Total Accounts Receivable	1,467,312.33	1,074,911.88	392,400.45	36.51%
Total Other Current Assets	307,587.18	238,471.23	69,115.95	28.98%
<b>TOTAL CURRENT ASSETS</b>	<b>26,717,029.24</b>	<b>5,629,820.93</b>	<b>21,087,208.31</b>	<b>374.56%</b>
<b>FIXED ASSETS</b>				
Fixed Assets	43,876,784.02	41,948,088.75	1,928,695.27	4.6%
Accumulated Depreciation	-26,873,909.06	-26,015,527.15	-858,381.91	-3.3%
Construction in Progress	1,292,907.38	867,928.19	424,979.19	48.97%
<b>TOTAL FIXED ASSETS</b>	<b>18,295,782.34</b>	<b>16,800,489.79</b>	<b>1,495,292.55</b>	<b>8.9%</b>
<b>TOTAL OTHER ASSETS</b>	<b>442,276.00</b>	<b>442,276.00</b>	<b>0.00</b>	<b>0.0%</b>
<b>TOTAL ASSETS</b>	<b>45,455,087.58</b>	<b>22,872,586.72</b>	<b>22,582,500.86</b>	<b>98.73%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Total Accounts Payable	338,012.90	162,246.37	175,766.53	108.33%
Total Other Current Liabilities	2,009,322.88	1,021,634.93	987,687.95	96.68%
<b>TOTAL CURRENT LIABILITIES</b>	<b>2,347,335.78</b>	<b>1,183,881.30</b>	<b>1,163,454.48</b>	<b>98.28%</b>
<b>LONG TERM LIABILITIES (B)</b>				
Total COP Financing Debt	18,255,000.00	0.00	18,255,000.00	100.0%
Total COP Premium	912,379.30	0.00	912,379.30	100.0%
Total Other Long Term Liabilities	1,351,457.45	1,351,457.45	0.00	0.0%
<b>TOTAL LONG TERM LIABILITIES</b>	<b>20,518,836.75</b>	<b>1,351,457.45</b>	<b>19,167,379.30</b>	<b>1,418.28%</b>
<b>TOTAL LIABILITIES</b>	<b>22,866,172.53</b>	<b>2,535,338.75</b>	<b>20,330,833.78</b>	<b>801.9%</b>
<b>EQUITY</b>				
3000 - Opening Bal Equity	0.00	0.00	0.00	0.0%
<b>3800 - RESERVES *</b>	<b>5,890,511.28</b>	<b>4,055,161.46</b>	<b>1,835,349.82</b>	<b>45.26%</b>
3940 - Fund Bal Invest in Util Plant	18,295,782.34	16,800,489.79	1,495,292.55	8.9%
Net Assets (A)	-1,597,378.57	-518,403.28	-1,078,975.29	-208.13%
<b>TOTAL EQUITY</b>	<b>22,588,915.05</b>	<b>20,337,247.97</b>	<b>2,251,667.08</b>	<b>11.07%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>45,455,087.58</b>	<b>22,872,586.72</b>	<b>22,582,500.86</b>	<b>98.73%</b>

	Balance @ Sep 2015	Balance @ Sep 2016	Balance @ Sep 2017	Budget for Reserve Policy
<b>* RESERVES</b>				
Capital Reserves	889,457	1,555,161	3,390,511	2,500,000
Emergency Reserves	2,000,000	2,000,000	2,000,000	2,000,000
Working Capital Reserves	500,000	500,000	500,000	500,000
<b>TOTAL RESERVE FUNDS</b>	<b>3,389,457</b>	<b>4,055,161</b>	<b>5,890,511</b>	<b>5,000,000</b>

(A) CalPERS Net Pension Liability - GASB 68 requirement.

(B) COP Financing Debt and Debt Premium total \$19,185,626.90.



**AGENDA ITEM NO. 9.B.2.**

DATE: October 26, 2017  
TO: Board of Directors  
FROM: Tammy Rudock, General Manager  
Candy Pina, Administrative Services Manager

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**SUBJECT: RECEIVE GENERAL MANAGER'S ANNUAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017**

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**RECOMMENDATION**

Receive General Manager's annual report for FYE 2016/2017.

**FISCAL IMPACT**

None.

**DISCUSSION**

The Board requested a postponement of this presentation from last month's agenda in order to accommodate the schedules of the absent Directors.

Staff will present a fiscal year-end review on the following topics:

- Financial/budget summary;
- Capital program;
- LAIF reserves;
- OPEB trust account update;
- Claims update; and
- Loss prevention.

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BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ STUEBING\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_ LINVILL\_\_\_\_ ZUCCA\_\_\_\_



# MANAGER'S ANNUAL REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017

**MPWD Regular Meeting – October 26, 2017**

Tammy Rudock, General Manager

# MPWD FYE JUNE 30, 2017

## ● FINANCIAL SUMMARY:

### ● Operating Revenues - \$11,922,416\*

- FYE 2015/2016: \$10,582,037
- FYE 2014/2015: \$ 9,922,395
- FYE 2013/2014: \$10,404,868

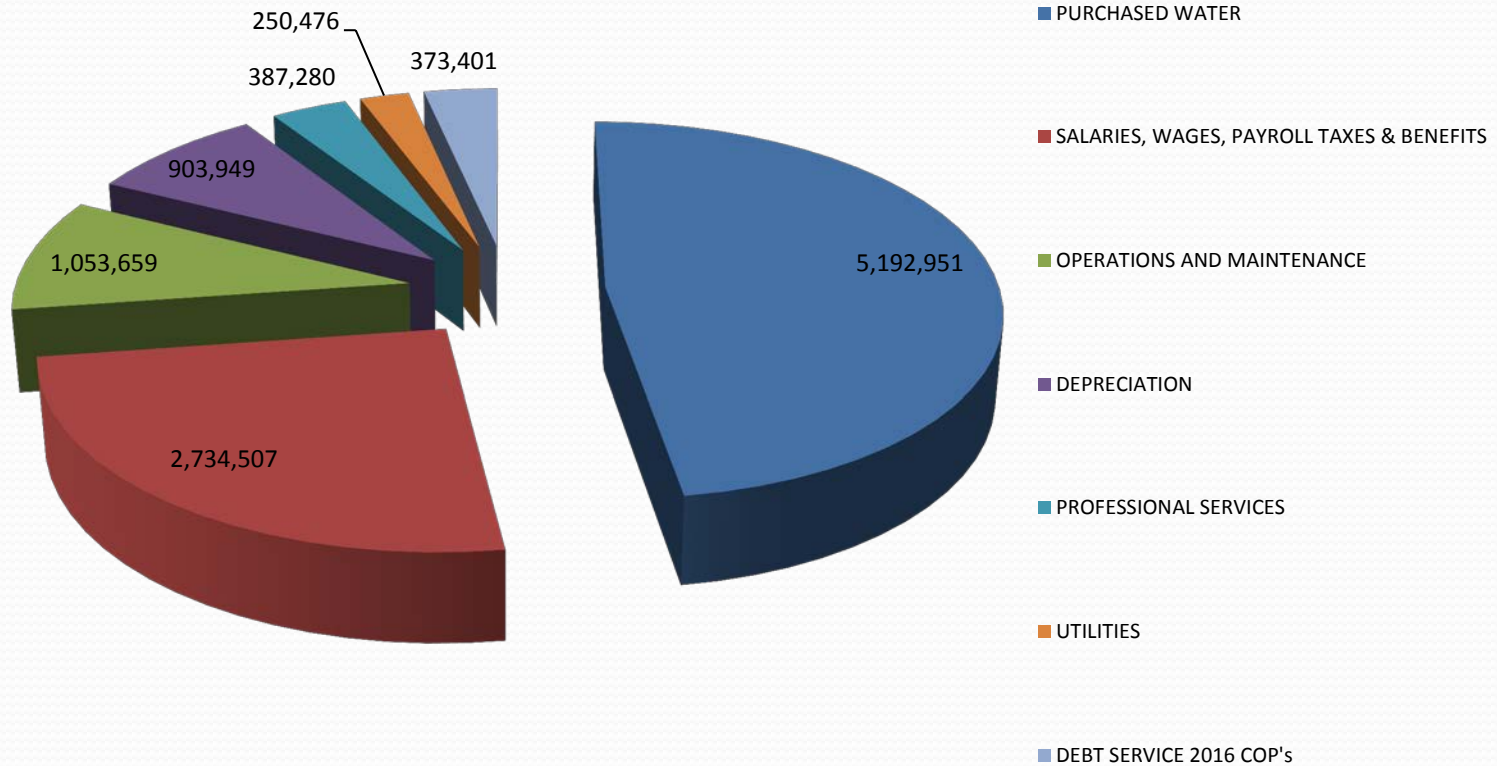
### ● Operating Expenditures - \$10,896,225\* (Includes Depreciation \$903,949)

- FYE 2015/2016: \$ 9,677,632 (Depreciation - \$910,362)
- FYE 2014/2015: \$ 9,302,930 (Depreciation - \$912,979)
- FYE 2013/2014: \$ 8,992,980 (Depreciation - \$837,048)

### ● Difference - \$1,026,191\* → TRANSFER TO CAPITAL

*\*Unaudited*

# FYE 2017 OPERATING EXPENDITURES

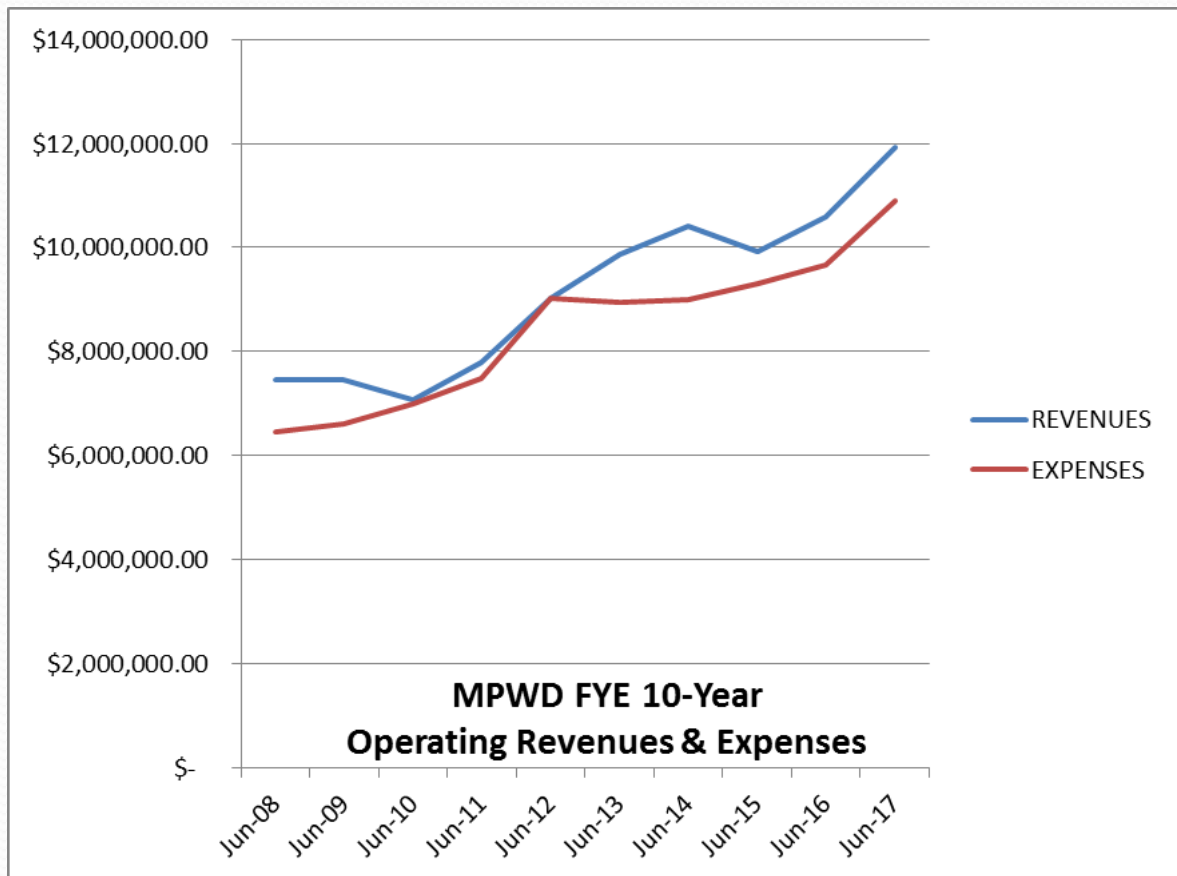


# OPERATING EXPENDITURES BY PERCENTAGES – FYE 2017

- Purchased Water = 47.7%
- Salaries, Wages, Payroll Taxes, and Benefits = 25.1%
- Operations and Maintenance = 9.7%
- Depreciation = 8.3%
- Professional Services = 3.6%
- Debt Service 2016 COPs = 3.4%
- Utilities = 2.3%



Date	REVENUES	EXPENSES
Jun-08	\$ 7,464,417.54	\$ 6,453,779.77
Jun-09	\$ 7,469,669.14	\$ 6,615,610.89
Jun-10	\$ 7,082,219.49	\$ 6,995,624.15
Jun-11	\$ 7,793,617.75	\$ 7,487,137.09
Jun-12	\$ 9,028,135.98	\$ 9,014,267.14
Jun-13	\$ 9,875,688.50	\$ 8,934,651.49
Jun-14	\$ 10,404,867.50	\$ 8,992,980.21
Jun-15	\$ 9,922,394.78	\$ 9,302,929.84
Jun-16	\$ 10,582,036.90	\$ 9,677,631.84
Jun-17	\$ 11,922,416.00	\$ 10,896,225.00



# FY 2016/2017 CAPITAL PROGRAM

- CAPITAL OUTLAY/PROJECTS

- Capital Revenues:

- \$ 903,949 Depreciation Budgeted Expenditure
- \$1,026,191 Operations Net Transfer to Capital (\$878,588 higher than projected--\$147,603)
- \$954,575 total transferred to Capital Reserves (\$1,015,680 higher than the projected transfer from Capital Reserves--\$61,105)

- Capital Expenditures: \$975,565\*

- Compared to FY 2015/2016: \$1,362,802
- Compared to FY 2014/2015: \$1,704,515
- Compared to FY 2013/2014: \$1,688,251

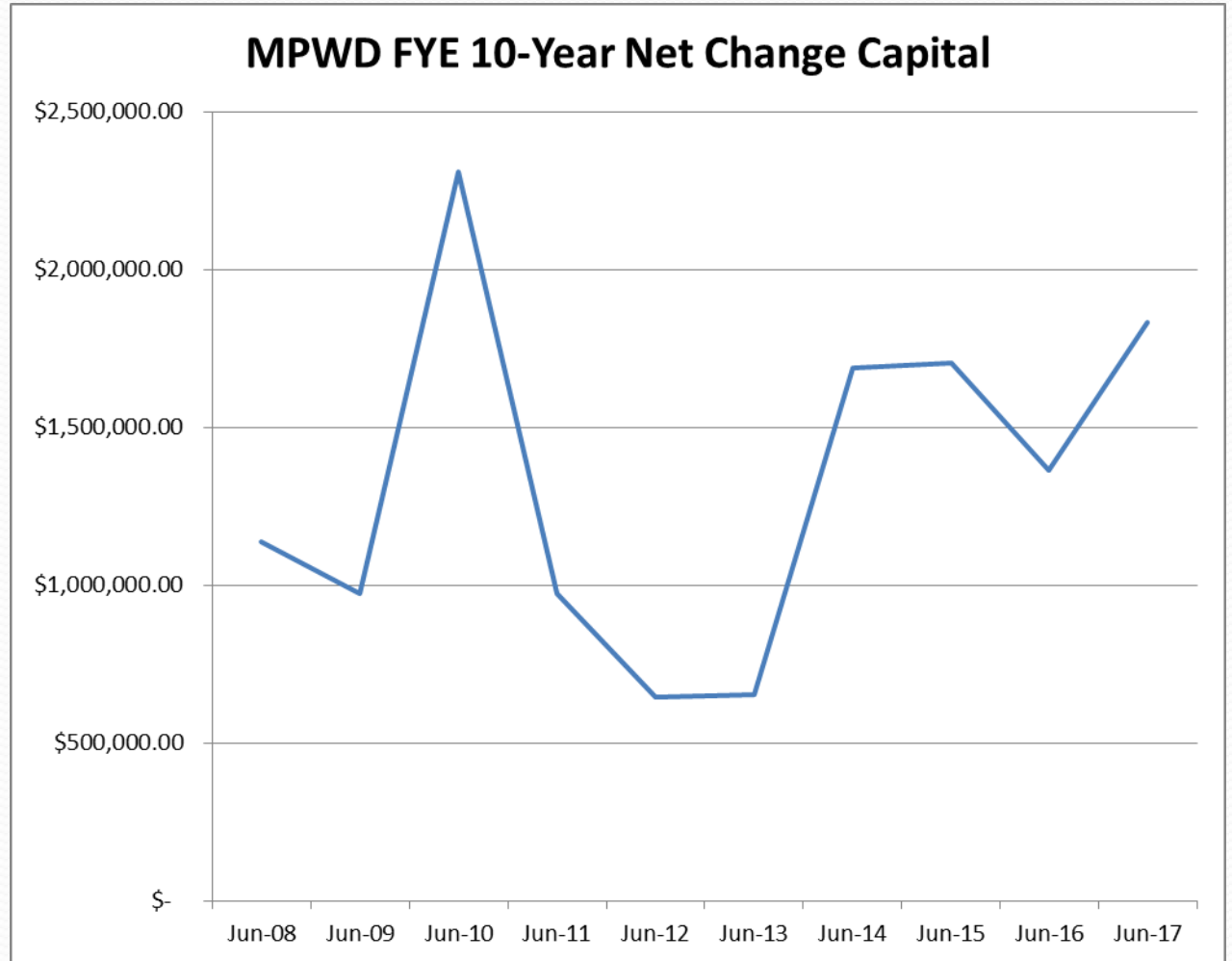
*\*Unaudited*

# FY 2016/2017 CAPITAL PROGRAM COMPLETED

- Capital Outlay/Projects:
  - Phased AMI Meter Change-Out Program - \$513,861
  - Alameda de las Pulgas Water Main Replacement Project (Final) - \$243,708
  - Financial Management System Replacement - \$94,865
  - Implementation of Sensus Customer Portal - \$64,855
  - Miscellaneous Capital Projects/Outlay (Hallmark Tank Retrofit Project \$12,842; 2017 WMRP \$31,640; and Folger Abandoned Pump Station \$13,794) - \$58,276

### MPWD FYE 10-Year Net Change Capital

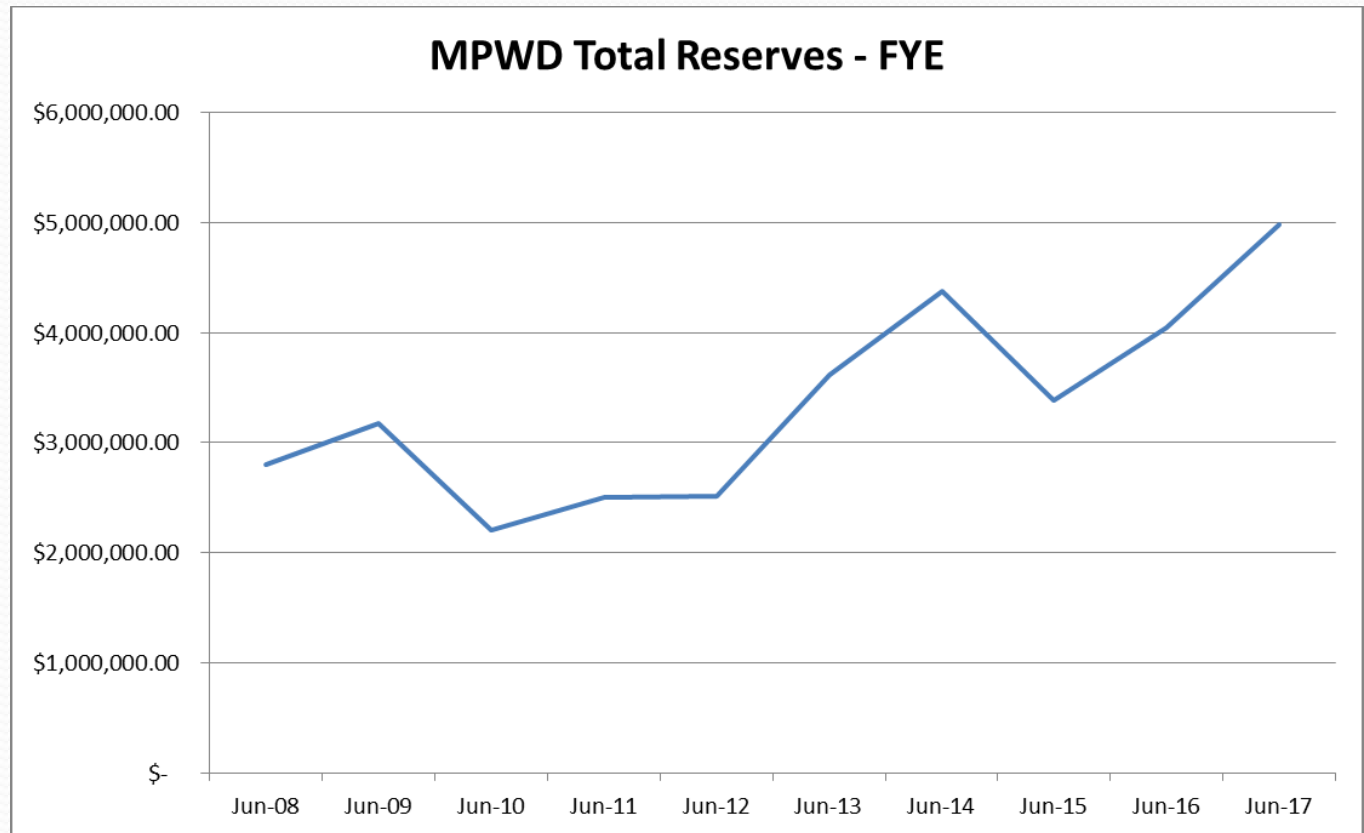
Date	MPWD FYE 10-Year Net Change Capital
Jun-08 \$	1,138,150.33
Jun-09 \$	972,408.74
Jun-10 \$	2,309,837.30
Jun-11 \$	973,123.93
Jun-12 \$	646,582.48
Jun-13 \$	652,333.66
Jun-14 \$	1,688,251.39
Jun-15 \$	1,704,514.94
Jun-16 \$	1,362,801.62
Jun-17 \$	1,833,702.40



# MPWD LAIF RESERVES – FYE 2017

<b>MPWD RESERVE FUNDS</b>				
<b>Reserve Account</b>	<b>Balance @ 06/30/2015</b>	<b>Balance @ 06/30/2016</b>	<b>Balance @ 06/30/2017</b>	<b>Budget for Reserve Policy</b>
Capital Reserves	\$ 887,031	\$ 1,549,652	\$ 2,478,363	\$ 2,500,000
Emergency Reserves	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Working Capital Reserves	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
<b>TOTAL RESERVE FUNDS</b>	<b>\$ 3,387,031</b>	<b>\$ 4,049,652</b>	<b>\$ 4,978,363</b>	<b>\$ 5,000,000</b>

Date	MPWD Total Reserves - FYE
Jun-08 \$	2,804,773.11
Jun-09 \$	3,179,932.35
Jun-10 \$	2,207,751.07
Jun-11 \$	2,499,122.58
Jun-12 \$	2,509,151.79
Jun-13 \$	3,617,717.36
Jun-14 \$	4,376,967.23
Jun-15 \$	3,387,030.52
Jun-16 \$	4,049,651.92
Jun-17 \$	4,978,363.47



# CLAIMS – FYE June 30, 2017

- Seven (7) claims filed related to water main breaks (except for the first one):
  - 09/14/16 – Returned to claimant as untimely. Statute of limitations to file suit has expired.
  - 10/28/16 – Resolved (ACWA JPIA settled \$6,054).
  - 11/21/16 – Resolved (ACWA JPIA settled \$1,550).
  - 03/14/17 – Resolved (ACWA JPIA settled \$2,803).
  - 06/05/17 – Partially resolved (ACWA JPIA paid \$68,700).
  - 06/06/17 – Resolved (ACWA JPIA settled \$7,731).
  - 06/07/17 – Partially resolved (ACWA JPIA paid \$68,700).



# LITIGATION – FY 2016/2017

- No (new) litigation initiated in FY 2016/2017.
- Dismissed by plaintiff:
  - *Samir Shaikh, et ux. v. Mid-Peninsula Water District, et al.*  
San Mateo County Case No. 538041.
- Judgment awarded in favor of MPWD:
  - *Maskay, Inc. d/b/a Eurotech, et al. v. Mid-Peninsula Water District*  
San Mateo County Case No. 536467.

# LOSS PREVENTION – FY 2016/2017

- Two measurable property losses – vehicle incidents/repairs (ACWA JPIA managed risk pool coverage, less deductible – Total \$10,000)
- One employee on-the-job injury
- One Worker's Compensation claim (ACWA JPIA managed risk pool coverage)



||||| SUSTAINABLE WATER FOR FUTURE GENERATIONS

## Paying Your Water Bill Safely

Paying your MPWD water bill has become much easier with our new Civic Pay online customer portal. Paying your water bill is secure, but we would like to make sure you get there safely. Here are some easy tips on how to pay securely:

- Always go through the MPWD website at [MidPeninsulaWater.org](http://MidPeninsulaWater.org) to pay your bill and click on the "Pay Bill" button to be taken safely to the Civic Pay login.
- Bookmark [MidPeninsulaWater.org/billpay](http://MidPeninsulaWater.org/billpay) for convenience, which will take you directly to the Civic Pay login.
- For eBill customers, link directly from your monthly MPWD eBill statement.
- Do not use search engines or go through a third-party site to pay your bill.
- Do not link from emails that are not your monthly MPWD eBill statements.

If you have any suspicions or questions when trying to pay your bill online, please contact MPWD at [mpwd@midpeninsulawater.org](mailto:mpwd@midpeninsulawater.org) or (650) 591-8941.



★ *Serving You Is Our Business...*



Co-sponsored by **BAWSCA**  
Bay Area Water Supply & Conservation Agency

Free

# HANDS-ON WORKSHOP

**Parent/Child Workshop: Edible Gardening** HOSTED AT MPWD

WITH SUZANNE BONTEMPO - Gardening is a fun and healthy activity for all. Growing together teaches practical knowledge, responsibility, discipline skills, and more. Children will learn the benefits of growing edible plants as well as maintaining them with proper gardening and watering techniques. This workshop aims to strengthen family bonds and is a perfect way to cultivate a child's interest in gardening.

**Tuesday, November 14, 2017 - 6:00 - 8:00 pm - 3 Dairy Ln., Belmont**

COMPLIMENTARY GIFT

**REGISTER TODAY!** Call 650.349.3000 or go to [MidPeninsulaWater.org/workshops](http://MidPeninsulaWater.org/workshops)

