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

May 26, 2016
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 Zucca at 6:34 PM. President Zucca mentioned that he did not feel well and might not last the entire meeting.

B. **Pledge of Allegiance** – The Pledge of Allegiance was led by Director Vella.

C. **Establishment of Quorum:**

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

ABSENT: Director Warden.

A quorum was present.

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

2. **PUBLIC COMMENTS**

None.

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

None. The agenda was taken out of order. Moved to Agenda Item 5.

5. **CONSENT AGENDA**

A. **Approve Minutes for the Regular Board Meeting of April 28, 2016.**

B. **Approve Expenditures from April 20, 2016, through May 18, 2016.**

C. **Approve First Amendment to Lease with T-Mobile West Tower LLC at the MPWD Dekoven Tank Site**

Director Vella moved to approve the Consent Agenda, Director Stuebing seconded, Director Linvill abstained on the minutes, and it was unanimously approved. Moved to Agenda Item 4.A.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

A. **APWA Silicon Valley Chapter Award for Project of the Year – Utilities/Less than \$2 Million Division – for the MPWD Buckland Tanks Replacement Project**

General Manager Rudock announced the award and shared the MPWD's plaque.

District Engineer Pakpour discussed how MPWD was considered for this prestigious award. Congratulations were extended to staff and the District Engineer for their hard work on this project. Moved to Agenda Items 6.A and 6.B.

52 **6. HEARINGS AND APPEALS**

53 **A. Consider Resolution 2016-04 Approving the MPWD Water Shortage Contingency**
54 **Plan**

55 Consultant Ms. Marty Laporte presented highlights from the new MPWD Water Shortage
56 Contingency Plan. It will be an attachment to the 2015 Urban Water Management Plan.
57

58 Director Stuebing noted the Water Shortage Contingency Plan was well done and
59 serves as a water supply planning document.
60

61 Ms. Laporte addressed concerns expressed by President Zucca regarding some tables
62 included in the Water Shortage Contingency Plan that were not necessarily required.
63 Ms. Laporte explained that the tables were included as resources for MPWD staff.
64

65 Because the hearing on the 2015 Urban Water Management Plan was postponed, the
66 Board decided that the hearing on the Water Shortage Contingency Plan would also be
67 postponed until next month's regular Board meeting.
68

69 **B. Consider Resolution 2016-05 Approving the 2015 MPWD Urban Water**
70 **Management Plan (UWMP)**

71 Ms. Laporte summarized the work accomplished on the 2015 UWMP. The intent of the
72 UWMP is to provide the California Department of Water Resources (DWR) and the
73 public with information on present and future water sources and demands, and to
74 provide an assessment of MPWD's water resource needs. It provides for water supply
75 planning over a 20-year period in 5-year increments. It was prepared in response to the
76 UWMP Planning Act. This document is required to be updated every five years, and the
77 next one will be due in 2020. There are ten sections contained within the UWMP as
78 required by the Act. The UWMP includes a Water Shortage Contingency Plan (WSCP).
79 Ms. Laporte reported that the MPWD water demand from 2000 to 2015 decreased by
80 37% despite growth.
81

82 Staff reported that it had recently discovered pages 37-81 were missing in the public
83 review draft version of the 2015 UWMP and, therefore, recommended that the Board
84 postpone its public hearing while staff corrected the copies and re-noticed the public
85 hearing for June 23rd.
86

87 The deadline for submittal of the UWMP to DWR, including the WSCP, is July 1, 2016.
88

89 President Zucca thanked Ms. Laporte and MPWD staff for the work they did on the 2015
90 UWMP. Moved to Agenda Items 8.A and 8.B.
91

92 **8. REGULAR BUSINESS AGENDA**

93 **A. Discuss Final DRAFT MPWD Fiscal Year 2016/2017 Operating and Capital Budgets**

94 There were no changes from last month's draft budgets. General Manager Rudock
95 mentioned that the continued AMI Meter Change Out project in the Capital Budget
96 totaling \$500,000 may be used for a partial debt financing payment if the Board elects to
97 do so. The AMI project is included in the proposed 5-year CIP and, therefore, would be
98 funded. Karen Road Water Main Replacement project costs are related to engineering
99 design costs, and construction would be proposed in the 5-year CIP, including bundling
100 it with other pipeline capital projects to take advantage of economies of scale. Alameda
101 de las Pulgas Water Main Replacement Project will be constructed during the 2016-2017
102 fiscal year.

103
104 Staff will be prepared to present final budgets at next month's regular Board meeting.
105

106 **B. MPWD Capital Improvement Program (CIP) Discussion:**

107 **1. Review Prior Board Discussions Informational Summary and FAQs**

108 Staff reported there were changes since last month. A section will be created on the
109 MPWD's website for the CIP and this summary and FAQs will be posted to it.

110 **2. Receive 2016 Updated Report on MPWD Comprehensive System Analysis and**
111 **Capital Improvement Program**

112 District Engineer Pakpour summarized the report. It provides the background of how
113 the CIP was developed and includes the entire \$50 million capital program. District
114 Engineer Pakpour showed Directors the notebook format for the report and backup
115 documentation and CIP map that would be created for each of them and key staff.
116 Staff was directed to post the document on MPWD's website. President Zucca
117 mentioned it would be worthwhile to include adoption of the report in the Board's
118 action on the 5-Year CIP.

119 **3. Review Modified 5-Year Capital Improvement Plan Alternatives and Consider**
120 **Resolution 2016-06 Authorizing 5-Year MPWD CIP**

121 General Manager Rudock presented the three alternatives staff proposed for the
122 MPWD's 5-year CIP. She explained the gray shading of projects that would be
123 substituted in lieu of completing the AMI meter change out project. Staff
124 recommended Alternative One totaling \$20,000,000 and completion of the AMI
125 project.

126
127 President Zucca would like to make sure MPWD reserves are maintained where they
128 currently are for emergencies. He also asked about the 50/75-year look ahead of
129 anticipated infrastructure needs. Staff responded it was working on it. He would like
130 to see the debt financing documents on the website for full disclosure to the public.
131 Director Linvill noted the infrastructure being built will last 75-100 years, so a 30-year
132 loan is reasonable.

133
134 Director Linvill moved to consider Resolution 2016-06 Adopting the MPWD
135 Comprehensive System Analysis and Capital Improvement Program Update
136 2016/2017, and Authorizing MPWD 5-Year Capital Improvement Program for Fiscal
137 Years 2016/2017 through 2020/2021 totaling \$20,000,000, Director Stuebing
138 seconded. Roll call was taken and it was unanimously approved.

139
140 At 8:00PM, President Zucca announced that he was going to leave the meeting and
141 passed the gavel to Director Stuebing to preside for the remainder of the meeting. A
142 quorum remained with Directors Stuebing, Linvill, and Vella present.

143
144 **4. Review of MPWD's Procurement Policy, Discussion and Direction regarding**
145 **Updates to Process for Selection/Award of Professional Services Contracts,**
146 **and Other Issues**

147 District Counsel Cassman discussed the MPWD's existing Procurement Policy, noting
148 there is a \$5,000 - \$25,000 limit on purchasing authority for staff. For projects
149 exceeding a cost of \$50,000, the competitive bid process is put in place. She
150 discussed the competitive bid process. There was discussion about the scope of
151 District Engineer's professional services contract, which was awarded after a
152 competitive RFP process in 2011, and which allows them to perform services on
153 special projects and capital improvements on behalf of MPWD without having to go

154 through the competitive RFP process. There was also discussion of the role of the
155 District Engineer relative to the CIP. General Manager Rudock will work with District
156 Engineer Pakpour to determine which projects in the CIP would be best suited for
157 them to perform and what projects will be best considered for a potential competitive
158 RFP process. Moved to Agenda Item 7.A.
159

160 **7. DROUGHT AND WATER CONSERVATION**

161 **A. Water Conservation Progress Report**

162 General Manager Rudock briefly reported that the SWRCB expects the development of
163 self-certified conservation standards by water suppliers before the end of June 2016,
164 including a three-year look ahead. Moved to Agenda Item 8.C.

165 **8. C. BAWSCA Update**

166 Director Vella briefly summarized the BAWSCA meeting, noting their 2016-2017 Budget
167 is up 8.8%, of which 5% is that of assessment costs.
168

169 **9. MANAGER AND BOARD REPORTS**

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

171 General Manager Rudock summarized her report. She discussed the status of the
172 Personnel Manual and that it is with the MPWD Employees Association for continued
173 review. Director Linvill noted the Personnel Manual is a policy document, and therefore,
174 the Directors will ultimately decide what will be in the manual. General Manager Rudock
175 reported that the OPEB (Other Post-Employment Benefits) valuation required to be
176 completed this year is finished; however, she noticed it did not include the current
177 provision for surviving spousal coverage for Tier 1 employees. Past OPEB valuations
178 did not include this provision for surviving spouses either. This provision would increase
179 the MPWD's ARC (Annual Required Contribution) possibly by as much as 25%. Staff is
180 working with the MPWD's actuarial consultant to include this provision in order to finalize
181 the report and present it to the Board next month. General Manager Rudock suggested
182 she meet on an ad hoc basis with the Board's Financial Review Committee comprised of
183 Directors Linvill and Warden, to further review the internal draft Personnel Manual and
184 OPEB report, and the Board agreed.
185

186 **1. Supplemented by Administrative Services Manager's Report**

187 Administrative Services Manager Pina had nothing additional to report.
188

189 **2. Supplemented by Operations Manager's Report**

190 Operations Manager Ramirez noted that staff only has about 12 meters left to install.
191 He also noted that Brent Chester passed the exam for the D4 test, and management
192 is in the process of providing the required documentation to ensure he receives his
193 certification.
194

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

196 District Engineer Pakpour discussed the Alameda de las Pulgas Project, noting there
197 will be a pre-construction meeting on Friday. Work will start on Monday, June 6,
198 2016. The City of Belmont has received and reviewed the traffic control plans and is
199 ready to go.
200

201 **B. Financial Reports**

202 General Manager Rudock noted we are below projections on revenues and also the
203 same percentage below projections on expenses. Director Linvill asked about the actual

204 expenses, less depreciation, so there is a more transparent reflection of actual
205 expenses. Staff will include it in next month's financial reports.

206
207 **C. Director Reports**

208 Director Linvill noted the May 2nd HIA meeting she and staff attended.

209
210
211 **10. FUTURE AGENDA BUSINESS ITEMS**

212 None.

213
214 **11. COMMUNICATIONS**

215 General Manager Rudock reported that the City of Belmont expressed its appreciation for
216 the MPWD's participation in its annual Public Works event.

217
218 The Board recessed into Closed Session at 8:45PM.

219
220 **12. CLOSED SESSION**

221 **A. CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION**

222 Government Code Section 54956.9(d)(1)
223 *Samir Shaikh, et ux. v. Mid-Peninsula Water District, et al.*
224 San Mateo County Case No. 538041

225
226 The Board returned to open session at 8:57 PM.
227 District Counsel disclosed that a status report on the litigation was provided to the Board
228 and no reportable action was taken during the Closed Session.


229
230 **13. ADJOURNMENT**

231 Director Linvill moved to adjourn at 8:58PM, Director Vella seconded, and it was
232 unanimously approved.

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DISTRICT SECRETARY ~~BOARD PRESIDENT~~

239 APPROVED:

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~~BOARD PRESIDENT~~
District Secretary

