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

June 23, 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 6:30 PM.

B. **Pledge of Allegiance** – The Pledge of Allegiance was led by Vice President Warden.

C. **Establishment of Quorum:**

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

**ABSENT:** Director Stuebing.

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, and District Treasurer Jeff Ira.

The District Engineer was absent.

2. **PUBLIC COMMENTS**

None.

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

None.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

None.

5. **CONSENT AGENDA**

A. **Approve Minutes for the Special Board Meeting of May 25, 2016.**

B. **Approve Minutes for the Regular Board Meeting of May 26, 2016.**

C. **Approve Expenditures from May 19, 2016, through June 14, 2016.**

Director Vella moved to approve the Consent Agenda, Director Linvill seconded, and it was unanimously approved with the following qualifications:

Director Vella and Vice President Warden abstained on the May 25<sup>th</sup> Special Board Meeting Minutes; therefore, the minutes were pulled from the Consent Agenda until such time as three Board members can vote on them. Vice President Warden abstained from the May 26<sup>th</sup> Regular Board Meeting Minutes.

6. **HEARINGS AND APPEALS**

51 **A. Consider Resolution 2016-04 Approving the MPWD Water Shortage Contingency**  
52 **Plan**

53 General Manager Rudock presented a summary review of the Water Shortage  
54 Contingency Plan (WSCP). It is a completely new plan with more user friendly  
55 protocols. The WSCP is a stand-alone document and geared specifically for MPWD for  
56 conservation and water efficiency planning, particularly during water supply shortages. It  
57 includes an assessment of past and present water usage to determine baselines and  
58 targets as required by SBx7-7, the Water Conservation Act of 2009. The public review  
59 draft of the WSCP was made available at several locations in anticipation of this  
60 evening's public hearing. The MPWD's published and posted public hearing notice  
61 included the WSCP.  
62

63 **B. Consider Resolution 2016-05 Approving the 2016 Urban Water Management Plan**

64 General Manager Rudock reported there were no changes made to the 2015 Urban  
65 Water Management Plan (UWMP) from what was presented last month. All sections in  
66 the UWMP are required under the law and the Plan covers years 2015-2020. The  
67 UWMP facilitates local and regional water planning activities and supports the MPWD's  
68 long-range water resource planning goals. The public review draft of the UWMP was  
69 made available at several locations in anticipation of this evening's public hearing. The  
70 appropriate hearing notice was published and posted on May 31, 2016.  
71

72 Staff reported that the City of Belmont's Community Development Director replied that  
73 he had reviewed the draft UWMP and WSCP and had no comments. No other  
74 comments were received prior to the public hearing.  
75

76 President Zucca opened the public hearings. Seeing there were no comments from the  
77 public, Vice President Warden closed the public hearings.  
78

79 Director Vella expressed concern that because there were no comments: was the  
80 MPWD staff doing all they could to reach the public? MPWD's professional consultant,  
81 Marty Laporte of ManageWater, Inc. replied that what MPWD is experiencing is typical  
82 across the industry, and does not mean that MPWD had not adequately noticed the  
83 public. General Manager Rudock reported not only the public notice of the hearings  
84 published in the Daily Journal newspaper for two consecutive weeks and posted at the  
85 MPWD, but that the draft documents have been on the MPWD website for a few months,  
86 and available for review at the Belmont Library, Belmont City Hall, San Carlos Library,  
87 San Carlos City Hall, and San Mateo County Government Center. The Belmont  
88 Chamber of Commerce also sent out notices on MPWD's behalf.  
89

90 Vice President Warden moved to approve Resolution 2016-04 Approving the MPWD  
91 Water Shortage Contingency Plan and Resolution 2016-05 Approving the Urban Water  
92 Management Plan, Director Vella seconded. Roll call was taken and the resolutions  
93 were unanimously approved.  
94

95 **7. DROUGHT AND WATER CONSERVATION**

96 **A. Water Conservation Progress Report**

97 General Manager Rudock summarized her written report and referenced the May  
98 reduction in water use totaling 34.5% less than May 2013, with a cumulative water  
99 savings of 27% since June 1, 2015. She added that the State Water Resources Control  
100 Board is now discussing what the new goals should be given the current conservation  
101 efforts and available water. The San Francisco Public Utilities Commission (SFPUC)

102 provided its report provided to the state, including its projected water supply availability  
103 for wholesale customers like the MPWD within the Regional Water System. MPWD's  
104 self-certification resulted in a requirement of 0% (-.000004) reduction goal from 2013  
105 water use. However, the SFPUC requested a voluntary 10% water use reduction goal,  
106 and the MPWD included that goal within its self-certification to the State. This  
107 information was reported timely by June 22<sup>nd</sup>.  
108

109 Director Linvill pointed out that while the SFPUC might currently have excess water  
110 supply, Californians are not out of the woods yet. We need four years of rainfall to get  
111 back to normal. Vice President Warden said that customers accepted brown lawns for  
112 this year, but it will be interesting to see what happens this coming year. President  
113 Zucca added that both San Jose and Santa Clara are being considered as permanent  
114 wholesale customers by the SFPUC. If they come on board, there may be changes to  
115 the caps on water purchases for the current agencies. Director Linvill said that California  
116 is a desert and customers need to be reminded of that. Director Vella said that in  
117 MPWD's messaging, there needs to be a qualification that we are not out of the woods  
118 yet. General Manager Rudock requested direction from the Board with regard to future  
119 water conservation reporting. She will include the conservation report in the General  
120 Manager report beginning next month.  
121

## 122 **8. REGULAR BUSINESS AGENDA**

### 123 **A. Consider Resolution 2016-07 Approving MPWD Fiscal Year 2016/2017 Operating** 124 **Budget**

125 General Manager Rudock noted that there were no changes from the proposed FY  
126 2016/2017 budgets except for account #6042 – Short/Long Term Disability Insurance.  
127 There could possibly be some changes in the short-term disability insurance program.  
128 The current waiting period is 60 days, which is an excessively long time for a short-term  
129 benefit. This waiting period is not comparable with other standard short-term disability  
130 programs that have 7-day, 10-day, or 15-day waiting periods. If the waiting period were  
131 changed, there would be associated price increases in the program. The overall  
132 proposed FY 2016/2017 Operating Budget is actually projected less than the FY  
133 2015/2016 Operating Budget. Even with the MPWD rate increases effective July 1,  
134 2016, the resulting decreased water sales because of continued water conservation by  
135 customers required staff to maintain or reduce operational expenses where possible.  
136

137 Director Linvill stated that typically Salaries and Wages are combined with Payroll Taxes  
138 and Benefits when included in a pie chart. She suggested that be changed within the  
139 2016-2017 Operating Budget before publishing the document.  
140

141 Discussion ensued around having Depreciation moved down within the Operating  
142 Budget, having the subtotal of Operating Expenses not include Depreciation. There will  
143 be an ad hoc finance committee meeting to discuss this, as there may be a transparency  
144 issue if this is changed.  
145

146 Director Vella moved to approve Resolution 2016-07 Approving MPWD Fiscal year  
147 2016/2017 Operating Budget, Vice President Seconded. Roll call was taken, and it was  
148 unanimously approved.  
149

### 150 **B. Consider Resolution 2016-07 Approving MPWD Fiscal Year 2016-2017 Capital** 151 **Budget**

152 Director Linvill felt the Fiscal Impact section in the staff report should have been more  
153 thorough rather than referencing financial details in the budget document in order to  
154 avoid confusion. Vice President Warden disagreed and felt the reporting was sufficient.  
155 General Manager Rudock responded that staff was trying not to be duplicative.  
156

157 Director Vella discussed the AMI meters, noting that currently MPWD has two types of  
158 meters in the ground. He wanted to make sure this two-system approach was working  
159 properly, and felt it better to have all customers on the new AMI system as soon as  
160 possible.  
161

162 Vice President Warden moved to approve Resolution 2016-07 Approving MPWD Fiscal  
163 Year 2016-2017 Capital Budget, Director Linvill seconded. Roll was taken, and it was  
164 unanimously approved.  
165

166 **C. MPWD Capital Improvement Program (CIP) Discussion:**

167 **1. Approved Resolution 2016-06 Authorizing 5-Year MPWD CIP added to CIP**  
168 **Informational Summary & FAQs**

169 General Manager Rudock noted that the approved 5-year Capital Improvement  
170 Program (CIP) was added to the FAQs and that staff would develop a section at the  
171 MPWD website for this information and update it as priorities change within the  
172 capital program.  
173

174 Vice President Warden stated for the record that he did not vote for this resolution  
175 because he was not at the board meeting, and he would not have voted for it had he  
176 been present. The only reason he would not have voted for it was because he did  
177 not feel there had been enough done to figure out how to try to use money, capital  
178 reserves, and District assets to avoid spending millions of dollars in debt service.  
179 The financing is going to cost MPWD \$8 million dollars in interest. In five years,  
180 MPWD will spend \$20,000,000 and then pay it off over the next 15 years after that.  
181

182 Director Linvill was confused as to why there was not a staff report for this agenda  
183 item. President Zucca agreed. The Board requested there be a staff report, even a  
184 simple one, included on all items listed in the agenda so there is no confusion on the  
185 documents being presented.  
186

187 President Zucca had a question about the Monthly Expenditures Report within the  
188 Consent Agenda. He questioned if the appropriate place for this report is on the  
189 Consent Agenda or with the Financial Reports section on the agenda. There was  
190 discussion about legal requirements for approving the check register for monthly  
191 expenditures. The Board requested a legal opinion from District Counsel on the  
192 issue.  
193

194 **2. Updates to Process for Selection/Award of Professional Services Contracts for**  
195 **CIP**

196 President Zucca wanted to ensure that last month's discussion resulted in a better  
197 understanding of the District Engineer's contract with MPWD. District Counsel  
198 Cassman summarized that there are three categories in the contract. MPWD  
199 decides contracts on other work outside the scope of his contract. President Zucca  
200 stated the overall philosophy is that the General Manager makes the decision on  
201 what work goes to the District Engineer, it is not automatic. There is a \$25,000 limit  
202 on the General Manager's authority; therefore, the Board will be involved in

203 approving the General Manager's decisions. Director Linvill agreed it is in the best  
204 interest of MPWD to use the District Engineer for what is spelled out in the contract,  
205 but wants to caution staff to make sure that decisions are fully transparent so MPWD  
206 will hold up under public scrutiny. She suggested there be a document written  
207 explaining each decision. District Counsel Cassman reiterated the contract is very  
208 clear as to the types of services the District Engineer provides and the procedures by  
209 which they are provided. President Zucca is in favor of using an SOQ (Statement of  
210 Qualifications) process for specialized services. Vice President Warden suggested  
211 that staff balance the following: saving money, transparency with all decisions, and  
212 use of other consultants when appropriate.  
213

## 214 **9. MANAGER AND BOARD REPORTS**

### 215 **A. General Manager's Report**

216 General Manager Rudock provided a brief status report on the Personnel Manual, noting  
217 that the MPWD Employees Association would have comments back by to her by June  
218 30<sup>th</sup> on the few items that are negotiable and any impacts related to changes made  
219 within the manual.  
220

221 She also discussed the new requirements under SB272 – Public Records Act which are  
222 applicable to MPWD. This act requires that all software systems being used by MPWD  
223 are required to be put on the website for transparency purposes. Software packages  
224 which have personal information about customers are not to be listed, including our  
225 security system or SCADA system. This information is required to be on our website by  
226 July 1, 2016 and staff will make sure MPWD complies with this requirement.  
227

228 She asked the Board to consider videotaping the monthly regular meetings and posting  
229 to the MPWD website, and move to action-only minutes, which would save many hours  
230 of staff time and consultant time in producing and reviewing them. The Board decided  
231 against both videotaping the meetings and action-only minutes.  
232

233 She discussed the GM Summit she attended, noting that she was part of a pre-  
234 conference workshop, where she did speed-coaching for those interested in becoming a  
235 General Manager. She reported that she learned a lot about some positive impacts but  
236 also risks of public agencies' use of social media and that a staff member needs to be  
237 dedicated to managing the public information and media sites. She stated the trainers  
238 were knowledgeable attorneys in the field of social media and that the Board might be  
239 interested in a training session in a potential future development session. She finished  
240 her report sharing the new law being considered about legalizing marijuana for  
241 recreational use in California and how that might impact the workplace.  
242

243 She has been asked to serve on the ACWA/JPIA liability insurance committee, and she  
244 accepted. It involves one committee meeting a year in Roseville, and possible  
245 participation at annual ACWA/JPIA conferences.  
246

247 Vice President Warden asked about the living wage adjustment which is currently part of  
248 the MPWD Employees Association's agreement which will go into effect for this year as  
249 of August 1, 2016. General Manager Rudock replied that would be considered by the  
250 Board next month, and that staff was waiting on the January through June 2016 Bureau  
251 of Labor Statistics information; it had not been posted through June 2016 yet.  
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### 253 **1. Supplemented by Administrative Services Manager's Report**

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Administrative Services Manager Pina noted that the Accela Springbrook financial management system implementation is on track, and that the field testing for the financial audit will take place the first week in August.

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

Operations Manager Ramirez highlighted that staff responded to and completed 576 Underground Service Alert (USA) requests because PG&E is replacing power poles, which require investigatory efforts on many individual poles.

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

General Manager Rudock reported that there would be a project report next month on the Alameda de las Pulgas main replacement project.

**B. Financial Reports**

General Manager noted that the target budget percentage for this month is 91.7%. Actual revenues were 81.5% of budget and actual expenses were 82.5% of budget.

**C. Director Reports**

None.

**10. FUTURE AGENDA BUSINESS ITEMS**

None.

**11. COMMUNICATIONS**

None.

**12. ADJOURNMENT**

Director Warden moved to adjourn at 8:30 PM, Director Vella seconded, and it was unanimously approved.

  
DISTRICT SECRETARY

APPROVED:

  
BOARD PRESIDENT