

April 23, 2017

Tammy Rudock, General Manager Mid-Peninsula Water District 3 Dairy Lane Belmont, CA 94002

Re: Quarterly Financial Reporting for CIP

Dear Ms. Rudock:

The purpose of this letter is to introduce to the Board of Directors (Board) my proposed financial reporting structure associated with the use of the Series 2016 Certificates of Participation (COPs). Specifically, my role is to facilitate financial accountability between staff and the Board associated with spending of the COPs. This service will provide a recurring structure for reporting to the board, and will also enable staff to focus more time on implementing the projects rather than project accounting and report preparation. The reports will include progress on specific CIP projects, in addition to spending status of the COPs. This reporting work is in addition to my existing role of preparing the annual disclosure reports for the COPs.

Email: trudock@midpeninsulawater.org

The two main elements of the quarterly reports will be the Excel Workbook described below, and an accounting statement directly from the COP trustee, Bank of New York, that reconciles to the Workbook. Quarterly updates will be included in agenda packets such that each update is locked in time in official District records.

The key tracking tool is a comprehensive Excel Workbook. The Workbook consists of one summary page listing all projects, cost, and timing change by project, and total spent vs balance remaining for all projects combined. This one page enables the Board to quickly assess overall progress and financial standing. Following the summary page in the Workbook is one page for each project. These detail pages show the quarterly history of cost and timing changes for each project and allow for comments to be written. This Workbook can therefore grow over the life of the CIP effort tracking changes along the way. The two-page attachment shows the summary page and one detail page populated with fictitious data as an example.

Finally, to enhance reporting accuracy and accountability, I am proposing to meet with Rene Ramirez and key staff involved in CIP implementation for the purpose of talking through the project list to update overall status. This would happen each quarter two weeks prior to reporting to the Board. Facilitation of these quarterly staff meetings and quarterly reporting to the Board will serve to keep the entire team moving toward success in the large endeavor.

On a personal note, my foremost objective is to bring value to Mid-Peninsula by fulfilling a role you are not able to fulfill with your immediate staff. Please know I am flexible to adapt as your needs may change moving through the months ahead. We can adjust the Letter Agreement and scope as necessary.

Sincerely,

Dan Bergmann

Day Exignatur

Principal

wenue improvements # Estimate¹ Updated COP³ Pay-Go³ Original roce al Improvements 15-14 \$175,000 0	MPWD Projects: April 2017 Update	100	S	Cost	Spent	nt	Comple	Completion Date
15-14 \$175,000 \$0 \$0 \$0 \$0 \$0 \$0 \$0	Project	#	Estimate ¹	Updated	COP ²	Pay-Go ³	Original	Updated
15-76 2,100,000 15-65 420,000 15-65 420,000 15-73 425,000 15-73 425,000 15-73 425,000 15-24 415,000 15-24 415,000 15-24 415,000 15-24 415,000 15-73 425,000 15-73 425,000 15-73 425,000 15-24 17-24	Mezes Avenue Improvements	15-14	\$175,000		0\$	0\$		
15-65 420,000 0 0 0 0 0 0 0 0	El Camino Real Improvements	15-76	2,100,000		0	0		
15-73 425,000 0 0 0 0 0 0 0 0 0	Folger Drive Improvements	15-65	420,000		0	0		0.000
15-10 910,000 0 0 0 0 0 0 0 0	Karen Road Improvements	15-73	425,000		0	0		
15-44 415,000 0 0 0 0 0 0 0 0 0	Notre Dame Avenue Loop Closure	15-10	910,000		0	0		
15-22 475,000 0 0 Rel Impr. 15-43 680,000 0 0 Rel Impr. 15-43 680,000 0 0 15-06 150,000 0 0 15-17 1,075,000 0 0 15-18 345,000 0 0 15-29 420,000 0 0 15-29 420,000 0 0 15-38 220,000 0 0 15-72 1,670,000 0 0 15-72 1,670,000 0 0 15-89 3,500,000 0 0 15-89 3,500,000 0 0 15-89 3,500,000 0 0	South Road Abandonment	15-44	415,000		0	0		
Ned Impr. 15-16 1,100,000 0 0 Rd Impr. 15-06 150,000 0 0 15-06 150,000 0 0 15-17 1,075,000 0 0 15-17 1,035,000 0 0 15-18 345,000 0 0 15-19 1,035,000 0 0 15-19 220,000 0 0 15-19 220,000 0 0 15-19 3,500,000 0 0 15-19 1,670,000 0 0 15-19 3,500,000 0 0 15-10 1,670,000 0 0 15-10 1,670,000 0 0 15-10 1,670,000 0 0 15-10 1,670,000 0 0 15-10 1,670,000 0 0 15-10 1,670,000 0 0 15-10 1,670,000 0 0 15-10 1,670,000 0 0 0 15-10 1,670,000 0 0 0 15-10 1,670,000 0 0 0 15-10 1,670,000	Arthur Avenue Improvements	15-22	475,000		0	0		
Rd Impr. 15-43 680,000 0 0 15-06 150,000 0 0 15-17 1,075,000 0 0 on 15-87 345,000 0 0 on 15-29 1,035,000 0 0 on 15-28 510,000 0 0 ents 15-29 420,000 0 0 ents 15-38 220,000 0 0 15-72 3,400,000 0 0 15-72 1,670,000 0 0 15-73 3,500,000 0 0 15-74 220,000 0 0 15-75 3,500,000 0 0 15-89 3,500,000 0 0	Williams Ave, Ridge Rd, Hillman Ave Impr.	15-16	1,100,000		0	0		
15-06 150,000 0 0 0 0 0 0 0 0	N. Rd Cross Country / Davey Glen Rd Impr.	15-43	000'089		0	0		
e Impr. 15-78 800,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Zone 5 Fire Hydrant Upgrades	15-06	150,000		0	0		
on 15-87 345,000 0 0 0 0 0 0 0 0 15-89 3,5000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Civic Lane Improvements	15-78	800,000		0	0		
on 15-87 345,000 0 0 0 0 0 0 0 15-09 1,035,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Monte Cresta Dr / Alhambra Drive Impr.	15-17	1,075,000		0	0		
ents 15-28 510,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Hillcrest Pressure Regulating Station	15-87	345,000		0	0		
ents 15-28 510,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Dekoven Tank Utilization Project	15-09	1,035,000		0	0		
ents 15-29 420,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Tahoe Drive Area Improvements	15-28	510,000		0	0		
15-38 220,000 0 0 15-42 220,000 0 0 15-75 3,400,000 0 0 15-72 1,670,000 0 0 15-89 3,500,000 0 0 15-89 3,500,000 0 0 15-89 3,500,000 0 0	Belmont Canyon Road Improvements	15-29	420,000		0	0		
15-72 220,000 0 0 15-73 3,400,000 0 0 15-89 3,500,000 0 0 15-89 3,500,000 0 0 15-89 3,500,000 0 0 15-89 3,500,000 0 0 15-89 3,500,000 0 0	Cliffside Court Improvements	15-38	220,000		0	0	_	
15-75 3,400,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	North Road Improvements	15-42	220,000		0	0		
15-72 1,670,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	Old County Road Improvements	15-75	3,400,000		0	0		
15-89 3,500,000 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0 0	SR 101 Crossing at PAMF Hospital	15-72	1,670,000		0	0	\Box	
	Dekoven Tanks Replacement	15-89	3,500,000		0	0		
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\$00.045,000			000,00					
\$00.045.000			O					
\$ 000 540 065			50					
000 000	TOTALS		\$20,045,000	0\$	\$	\$0		

Updated vs. Original Change:

Notes:

- Resolution No. 2016-06, May 26, 2016
 2016 Certificates of Participation (COP) \$18,570,000
 Improvements funded through net operating revenues on pay-as-go basis

Original→		Costs	10				Spent	
Original→	Planning, Design & CM	Construction	Contingency	Total	Completion Tracking	Dlaming		
	\$37,000	\$122,500	\$15,500	\$175,000	Jun-18	Design & CM	Construction	Total
Updates↓		Cost Adjustments	ments		Added days			
Mar-17	\$5,000	\$0	\$0	\$5,000	09	0\$	0\$	0\$
Sep-17	0	0	0	0	0	10,000	0	10,000
Jan-18	0	0	10,000	10,000	09	0	0	0
Apr-18	0	30,000	0	30,000	0	0	30,000	30,000
Jun-18	10,000	10,000	0	20,000	0	20,000	000'09	80,000
Sep-18	0	0	0	0		0	100,000	100,000
Jan-19	0	0	0	0		0	10,000	10,000
				0		0		0
				0		0		0
				0		0		0
				0		0		0
				0		0		0
				0		0		0
TOTALS	\$52,000	\$162,500	\$25,500	\$240,000	Sep-18	\$30,000	\$200,000	\$230,000
	Increase from	Increase from Original Cost		\$65,000		1		\$55,000
	mereuse from s	onginal cost 7		37%				31%
Comments:								
Mar-17	Additional design costs incurred because of	costs incurred be	cause of					
Sep-17	First payments made.	ade						
Jan-18 (Contingency increased because of	ased because of						
Apr-18								
Jun-18								
Sep-18								
Jan-19	Project completed and paid out completely	and paid out co	mpletely					