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

January 23, 2014
Belmont, California

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1. **OPENING**

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A. **Call to Order:**

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

B. **Pledge of Allegiance** – The Pledge of Allegiance was led by the students and teachers who participated in the MPWD's annual calendar contest.

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C. **Establishment of Quorum:**

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

ABSENT: None

A quorum was present.

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

2. **PUBLIC COMMENTS**

None

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

Vice President Linvill requested the addition of a discussion item about the Governor's recent drought Proclamation. District Counsel agreed it could be added to the agenda with a 4/5's vote of the Board under the Brown Act exception permitting the addition of a matter that had arisen since the posting of the agenda and which required discussion before the next regular meeting. Vice President Linvill moved to add a new agenda item to the Regular Meeting of the Board of Directors for January 24, 2014, Director Stuebing seconded, roll call was taken, and it was unanimously approved. It would be discussed as Agenda Item 7.E.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

A. **Overview of 2014 MPWD Calendar Contest Program – Jeanette Kalabolas**

Jeanette thanked the following schools for their participation in the MPWD's annual calendar contest: Belmont Oaks Academy, Cipriani School, and Charles Armstrong School.

B. **Distribute the 2014 MPWD Calendar to the Board – Tammy Rudock**

C. **Present 2014 MPWD Calendar Contest Awards – Louis Vella and Jeanette Kalabolas**

50 President Vella and Jeanette Kalabolas presented the awards for all of the winners as
51 follows:

- 52 1) 1st place: Matthew Burgos and Tripp Garrish, 4th grade, Cipriani School (their
53 submission was a team effort). Each of them received a \$25 gift certificate.
- 54 2) Runner-ups: Keegan Balster, 3rd grade, Belmont Oaks Academy and Alexa
55 Parikh, 5th grade, Belmont Oaks Academy. Each of them received a \$25 gift
56 certificate.

57
58 The nine additional entries chosen for the 2014 calendar:

- 59 1) Ryan Ng, 4th grade, Cipriani School
- 60 2) Lucas Sendzik, 3rd grade, Belmont Oaks Academy
- 61 3) Claire Freeman, 5th grade, Belmont Oaks Academy
- 62 4) Nicole Borshchenko, 3rd grade, Cipriani School
- 63 5) Chloe Johnson, 3rd grade, Charles Armstrong School
- 64 6) Amelia Khouri, 3rd grade, Cipriani School
- 65 7) Jane Hratko, 3rd grade, Belmont Oaks Academy
- 66 8) Katie Barton, 3rd grade, Cipriani School
- 67 9) Chloe Parkinson, 3rd grade, Charles Armstrong School

68
69 Mrs. Corteway, 5th grade, from Belmont Oaks Academy was awarded a \$100 gift
70 certificate for having achieved the most student participation in the contest.

71
72 **D. 15-MINUTE REFRESHMENT BREAK at 6:50 PM**

73
74 President Vella reconvened the meeting at 7:05PM.

75
76 **E. 10-Year MPWD Service Anniversary – Misty Malczon**

77 District Secretary Pina shared a few words about the important role Misty Malczon
78 serves in Customer Service and the value she adds to the District.

79
80 **F. 15-Year MPWD Service Anniversary – Michael Anderson**

81 Operations Superintendent Young shared a few words about Michael's achievements
82 over the years and the value he adds to the District.

83
84 **5. CONSENT AGENDA**

- 85 A. Approve Minutes for Regular Board Meeting of December 19, 2013
- 86 B. Approve Expenditures from December 5, 2013, through January 15, 2014.

87
88 Director Zucca moved to approve the Consent Agenda, including the minutes as amended
89 prior to the Board Meeting, Director Stuebing seconded, and it was unanimously approved.

90
91 **6. HEARINGS AND APPEALS**

92 None

93
94 **7. REGULAR BUSINESS**

95 **A. Consider Resolution 2014-01 Approving Award of a Construction Contract in the**
96 **Amount of \$1,459,140 to Paso Robles Tanks, Inc. for the Buckland Tanks**
97 **Replacement Project**

98 General Manager Rudock reviewed the fiscal impact of awarding the construction
99 contract to Paso Robles Tanks, Inc., and referenced there would be further discussion
100 during the mid-year budget review. District Engineer Pakpour provided an overview of

101 the bid process for the project. He summarized the report he submitted, including the
102 Engineer's project estimate of \$1 million, and his recommendation of Paso Robles Tank,
103 Inc. of Paso Robles, California, and its bid of \$1,459,140 for award of contract. General
104 Manager Rudock and District Counsel Cassman concurred that a 10% contingency
105 (\$145,914) should be included within the contract award action for a complete project
106 cost authorization not to exceed \$1,605,054.

107
108 Vice President Linvill moved to approve Resolution 2014-01, authorizing award of a
109 construction contract to Paso Robles Tank, Inc., for the Buckland Tanks Replacement
110 Project for a cost not to exceed \$1,605,054, Director Zucca seconded, roll call was
111 taken, and it was unanimously approved.

112
113 **B. Receive PARS OPEB Trust Account Follow-up Actuarial Analysis Summary at**
114 **5.9% Discount Rate, and Consider Resolution 2014-02 Approving Investment**
115 **Portfolio for PARS OPEB Trust Account**

116 General Manager Rudock summarized the financial impact of the 7% investment return
117 compared to the 5.9% investment return. She further discussed that Resolution 2014-02
118 was created to memorialize the Board's decision on how to invest the District's PARS
119 OPEB trust account funds. Vice President Linvill moved to approve Resolution 2014-02
120 approving the retention of the current investment portfolio for the MPWD PARS OPEB
121 trust account—PARS Moderately Conservative HighMark PLUS, Director Warden
122 seconded, roll call was taken, and it was unanimously approved.

123
124 **C. Receive Mid-Year Review of FY 2013/2014 Operating and Capital Budgets and**
125 **Approve Amended Budgets**

126 General Manager Rudock reviewed the FY 2013/2014 Operating Budget and described
127 significant variances within the account line items. She outlined the proposed budget
128 amendments, and included three (3) additional expenditures not accounted for at the
129 time the staff report was developed:

- 130
131 1. ACCOUNT CODE TO BE DETERMINED: PARS OPEB ARC (Annual Required
132 Contribution) - \$78,300
133 2. ACCOUNT CODE 6601: Cathodic Protection (repair and replacement) - \$15,000
134 3. ACCOUNT CODE 7203: Elections (likely higher cost than budgeted for November
135 2013 Board of Directors election) - \$10,000
136

137 Total additional expenditures: \$103,300.
138

139 Overall, operating expenditures would be reduced by \$164,800, and the projected
140 operating surplus and transfer to capital would be increased from \$833,800 to \$998,600.
141

142 General Manager Rudock reviewed the FY 2013/2014 Capital Budget, and explained the
143 variances within the project expenditures. She reported that the projected increased
144 costs for the Buckland Tank Replacement Project through the remainder of FY
145 2013/2014 were estimated at \$220,000, for an amended project budget of \$1,070,000.
146 The \$220,000 would come from the budgeted funds for Water Main Replacement
147 projects. The Water Main Replacement projects line item would be reduced from
148 \$888,800 to \$668,800. Equipment Replacements came in higher than expected as a
149 result of the new large maintenance truck expense hitting this fiscal year rather than last
150 fiscal year. She explained that the budgeted natural gas truck and hybrid vehicle
151 purchases would be pushed to next fiscal year. Computer System Upgrades were

152 higher because of the unexpected SCADA (Supervisor Control and Data Acquisition)
153 system failure and replacement of significant components. The Radio Technology
154 project was reduced by \$20,000 because staff researched, tested, and determined that
155 the 2-way radio systems in the MPWD vehicles would be upgraded from analog to digital
156 rather than replaced with hand-held units.

157
158 Several questions were directed to the General Manager for clarification purposes.

159
160 Director Zucca moved to approve the amended FY 2013/2014 Operating and Capital
161 Budgets with the changes presented, Director Warden seconded, and it was
162 unanimously approved.

163
164 **D. Update on City of Belmont and MPWD Coordination**

165 President Vella reported that he met with Belmont Mayor Warren Lieberman. A meeting
166 will be scheduled with the City and MPWD leaders to discuss coordination efforts on
167 future projects.

168
169 **E. Discuss the Governor's Drought Proclamation**

170 Vice President Linvill reported on the Governor's Drought Proclamation. The Board
171 discussed options for public outreach on the California drought and MPWD's Water
172 Conservation messages and updates. Staff was directed to provide a message center
173 at the MPWD's website homepage for public education pieces and related links, water
174 savings ideas, and water conservation messages.

175
176 **8. MANAGER'S AND BOARD REPORTS**

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

178 General Manager Rudock summarized her report and then inquired about whom on the
179 Board would like to attend the ACWA Spring Conference in Monterey on May 6-9, 2014.
180 Directors Stuebing, Linvill, and Warden expressed an interest.

181
182 She further reported on an administrative change made with the resolution number for
183 the approval of the Sixth Amendment to Lease Agreement between MPWD and JMP
184 Golf Design Group, Inc. for Real Property at 1513 Folger from Resolution 2013-19 to
185 Resolution 2013-18, since there was a gap in the numbering system because no action
186 was taken on the PARS OPEB trust account agenda item at the December 19, 2013,
187 Board Meeting.

188
189 She inquired about the Directors' use of their MPWD email addresses, making sure
190 everything was in working order. She mentioned what they can expect with the
191 upcoming press releases, and she highlighted the District's 85th anniversary and the seal
192 designed to commemorate the anniversary.

193
194 **1. Supplemented by Administrative Services Manager's (ASM) Report:**

195 Administrative Services Manager Pina added that an additional \$200,000 will be
196 transferred from the checking account to LAIF, bringing the total in the LAIF account
197 to \$4,322,112. She was asked to verify November's Total Units and Water Charges
198 Amounts from the Water Revenues for Fiscal Year 2013/2014 chart.

199
200 **2. Supplemented by Operations Superintendent's Report:**

201 Operations Superintendent Young informed the board that the District was flushing
202 dead-end water mains using new NO-DES equipment. The equipment allows for the

203 distribution system to be flushed without losing much of the water. He also explained
204 that operations staff had recently installed an automatic flushing device at the end of
205 Sunnyslope Avenue to help improve water quality at the end of that street and
206 eliminate the need for staff to manually flush that water main each quarter. The AMI
207 meter replacement project is still underway and should be completed by the end of
208 March. There was one leak on a plastic service line just before the meter on
209 Wakefield Drive. President Vella asked if the cause of the leak was determined. The
210 cause of the leak was a rock rubbing on the service line over an extended period of
211 time. Director Warden asked where the District's responsibility ended on service
212 lines. The District's responsibility includes and ends at the water meter.

213
214 **3. Supplemented by District Engineer's Report:**

215 Because District Engineer Pakpour reported on the Buckland Tanks Replacement
216 project construction contract award, nothing further was discussed.
217

218 **B. Financial Reports**

219 District Treasurer Ira recommended the Audit Committee review the current procedures
220 in place around processing vendor checks and refund checks to customers, and
221 redundancy in the area of cash management. He agreed this is a sensitive issue but
222 now there are redundancies which need to be analyzed for cost versus benefit given the
223 time it takes to administer these processes. Staff was directed to provide a listing of
224 those procedures considered redundant to the Financial Audit Committee for review.
225

226 **C. Director Reports**

227 Director Zucca brought up the recent infrastructure problems with the SFPUC's
228 Mountain Tunnel. General Manager Rudock reported that BAWSCA reported the issue
229 to the member agencies, and that staff had researched the matter. Operations
230 Superintendent Young provided a status report.
231

232 Director Stuebing updated the Board on LAFCO and the upcoming election for the
233 Special Districts' representative and alternate.
234

235 President Vella discussed the election of the Chair and Vice Chair of BAWSCA.
236

237 District Counsel Cassman reported that there was an amendment to the Brown Act
238 effective January 1, 2014, related to action taken by the Board of Directors and how the
239 votes needed to be recorded for each item.
240

241 **9. FUTURE AGENDA BUSINESS ITEMS**

- 242 1. Claims Process and Policy
243 2. Drought Updates
244 3. Brown Act Amendment
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246 **10. COMMUNICATIONS**

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248 *The Board recessed into Closed Session at 9:46 PM to consider the following matter:*
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11. CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION AND ASSOCIATED
NEGOTIATIONS

Government Code §§54957 and 54957.6

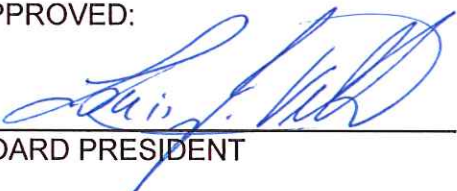
Title: General Manager

The Board reconvened in open session at 10:45 PM. District Counsel reported that the Board took no reportable action during the closed session.

12. ADJOURNMENT at 10:46 PM.



DISTRICT SECRETARY

APPROVED:


BOARD PRESIDENT