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

February 27, 2014
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 Vella at 6:30PM.

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

C. **Establishment of Quorum:**

PRESENT: Directors Vella, Linvill, Stuebing and Warden.

ABSENT: Director Zucca.

A quorum was present.

ALSO PRESENT: District Counsel Cassman, District Treasurer Ira, District Engineer Pakpour, Operations Superintendent Young, and General Manager Rudock. District Secretary Pina was absent, and General Manager Rudock served in her absence.

2. **PUBLIC COMMENTS**

Louis Paycheck and Samir Shaikh offered comments on proposed development plans they submitted to the MPWD for review regarding property adjacent to the MPWD's West Belmont tank site off Ralston Avenue.

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

None.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

None.

5. **CONSENT AGENDA**

- A. Approve Minutes for Special Board Meeting of January 9, 2014, and Regular Board Meeting of January 23, 2014
- B. Approve Expenditures from January 16, 2014, through February 18, 2014
- C. Enact Resolution 2014-03 Approving a Salary Adjustment for the General Manager
- D. Approve Professional Services Contract in the amount of \$24,500 with Water Quality & Treatment Solutions, Inc., for Review and Report on the MPWD's Water Quality Program

Director Stuebing moved to approve the Consent Agenda, including the minutes as corrected prior to and during the Board Meeting, Director Warden seconded, and it was unanimously approved.

51 **6. HEARINGS AND APPEALS**

52 None.

53
54 **7. REGULAR BUSINESS**

55 **A. Drought and Water Conservation Update**

56 General Manager Rudock provided a summary of the related section in her General
57 Manager's report about staff's activities since last month's Board meeting with regard to
58 public outreach on the California drought, water conservation messages, and water
59 savings ideas and online links.

60
61 Director Warden discussed a recent conversation with a customer that used 30 units of
62 water about conservation and water bill and property tax sewer bill savings. He
63 recommended a graph showing residential use in units so that customers could see
64 where they fell based upon their consumption patterns.

65
66 **B. Update on City of Belmont and MPWD Coordination**

67 General Manager Rudock updated the Board on staff's coordination efforts to schedule a
68 meeting between the City of Belmont and the MPWD. President Vella reported on his
69 meeting with Belmont Mayor Warren Lieberman.

70
71 **C. Discuss Special District Member Vacancy and Alternate Position on San Mateo
72 LAFCO, and Approve Support of or Nominate a Candidate.**

73 General Manger Rudock summarized her report about the upcoming San Mateo LAFCO
74 (Local Agency Formation Commission) Special District Selection Meeting on March 4th
75 for the purpose of filling the current Special District Member vacancy created by the
76 retirement of David Altscher, and selecting a Special District Alternate.

77
78 Director Stuebing reported that Joshua Cosgrove of North Coast County Water District is
79 the Special District Alternate presently serving on the LAFCO Board of Directors. He
80 reminded the Board that they supported Mr. Cosgrove when he was selected as the
81 alternate. Director Stuebing recommended the Board send President Vella to the March
82 4th meeting with voting support for Mr. Cosgrove as the permanent Special District
83 Member.

84
85 The only candidate to come forward at this time for the Special District alternate position
86 is Ric Lohman of the Coastside County Water District. Director Stuebing reported that
87 Mr. Lohman has served as the Chairman for the San Mateo CSDA for a few years now
88 and is familiar with local special districts. Director Stuebing recommended supporting
89 Mr. Lohman for the alternate position and sending President Vella to the March 4th
90 meeting with voting support for Mr. Lohman, unless another candidate surfaces that in
91 President Vella's opinion is better qualified.

92
93 Director Stuebing moved that the Board of Directors support Joshua Cosgrove as the
94 permanent Special District Member and Ric Lohman as the Special District Alternate on
95 LAFCO, unless another candidate surfaces for the Special District alternate position that
96 in President Vella's opinion is better qualified. Vice President Linvill seconded the
97 motion and it was unanimously approved.

101 **D. Consider Resolution 2014-04 Expressing Support for Contribution of the Property**
102 **at 1245 San Carlos Avenue to the Wheeler Plaza Project in the City of San Carlos**
103 **and Approving a Compensation Agreement with the City and San Carlos**
104 **Successor Agency**

105
106 District Counsel Cassman provided a background of the proposed project and
107 summarized the request by the City of San Carlos. She has conferred with County
108 Counsel for San Mateo about the matter, since the County is one of the larger taxing
109 entities affected by the proposed transaction. She shared some concerns, including the
110 valuation of the property, what happens if the property is not developed, and the need
111 for the compensation agreement terms to be formalized (rather than contained within a
112 Board resolution).

113
114 District Counsel recommended the Board take no action until the County works out
115 these details with the City of San Carlos, and a more formal compensation agreement is
116 developed.

117
118 Director Warden expressed appreciation for District Counsel Cassman's objective report
119 and asked if her law firm was presently representing the City of San Carlos. District
120 Counsel Cassman responded that her law firm was not representing the City of San
121 Carlos and there was no conflict of interest. He further reported that while the MPWD
122 might be a small player, the matter needed to be reviewed carefully and thoroughly.

123
124 Vice President Linvill expressed concern about the property valuation.

125
126 President Vella mentioned that he has interest in property near the proposed Wheeler
127 Plaza project and would likely recuse himself when the matter was considered for action.
128 He confirmed with District Counsel Cassman before the meeting that he could be
129 present for this evening's report on the matter.

130
131 No action was taken by the Board of Directors.

132
133 **E. Consider Changes in 2014 Holiday Schedule**

134 General Manager Rudock reported that the MPWD recognizes Christmas Eve,
135 Christmas, New Year's Eve, and New Year's Day, among its holidays. This year, the
136 Christmas and New Year's Day holidays fall on Thursdays. Staff proposes an exchange
137 of the Christmas Eve and New Year's Eve holidays for the day after Christmas
138 (December 26th) and day after New Year's Day (January 2nd), which are Fridays. It
139 would eliminate fragmentation of the work week and office hours, and employees would
140 get an extended weekend. General Manager Rudock further stated that staff
141 unanimously supported requesting a change in the holidays.

142
143 Vice President Linvill inquired about what other water districts and local businesses were
144 doing.

145
146 Director Warden expressed concern about staff wanting to leave work early on
147 December 24th and December 31st, and that customers should be notified about any
148 change.

149
150 Director Stuebing moved to approve the changes in the 2014 holiday schedule as
151 presented, Director Warden seconded, and it was unanimously approved.

152
153 **8. MANAGER'S AND BOARD REPORTS**

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

155 General Manager Rudock reported on the follow-up matters since the January 23, 2014,
156 regular Board meeting. She reviewed the list of FUTURE AGENDA ITEMS and two
157 more were added by the Board:

- 158
159
 - Inventory System Review and Policy
 - Fee Schedule Review and Revision

160
161
162 President Vella recommended staff prioritize the list for review by the Board.

163
164 Vice President Linvill suggested a timeline or schedule for each item.

165
166 General Manager Rudock continued with her report about the planning for the annual
167 Employee Appreciation Dinner to be scheduled soon at a local restaurant.

168
169 General Manager Rudock discussed a development proposal for two residential projects
170 on property adjacent to the MPWD's West Belmont tanks site. The primary request is
171 use of a roadway on MPWD property to access the two proposed residential projects.
172 Staff and the District Engineer have met briefly on the proposal and believe there might
173 be a viable solution, which would require operational, engineering, and legal negotiations
174 with the developer. For a thorough review and plan check, the MPWD requested a
175 \$10,000 deposit be paid by the property owner to be used toward these respective
176 review fees before a recommendation could be made.

177
178 President Vella called for the speakers requesting to address the Board about the
179 development proposal. Louis Paycheck introduced himself as the developer for the
180 property and project contact. He introduced the property owner, Samir Shaikh. Mr.
181 Shaikh expressed his appreciation for the staff's and Board's willingness to review the
182 proposal. He shared that he has worked the past two years with the City of Belmont to
183 comply with their conditions and requirements, and local fire code requirements. Mr.
184 Shaikh introduced the engineer for the project, Tony Ponterio. Mr. Ponterio said he was
185 available for questions about the proposal.

186
187 General Manager Rudock concluded her report with the mention that staff would be
188 participating in the March 13th Federal Executive Board Emergency Preparedness
189 Working Group and PG&E Symposium: Highlighting Cross-Section Partnerships in
190 Preparedness—Hayward Earthquake Fault Scenario.

191
192 **1. Supplemented by Administrative Services Manager's (ASM) Report:**

193 General Manager Rudock confirmed the correction made to November's Total Units
194 and Water Charges Amounts from the Water Revenues for Fiscal Year 2013/2014
195 chart.

196
197 **2. Supplemented by Operations Superintendent's Report:**

198 Operations Superintendent Young presented a summary of information from the
199 SFPUC Annual Meeting for Wholesale Customers on February 13th, including
200 treatment, storage, and transmission capital project updates, and the projected 10-
201 Year Financial Plan. He further reported on the SFPUC's projected water rate
202 increase for FY 2014/2015 to \$3.25 per unit, and compared it with the FY 2014/2015

203 projected rate of \$3.21 per unit from Table 15 in the MPWD's *Financial Plan & Rate*
204 *Study* prepared by Bartle Wells Associates in 2010 that he distributed. General
205 Manager Rudock added that staff proposed rate increase discussions start next
206 month for budget preparation and requisite customer noticing.

207
208 **3. Supplemented by District Engineer's Report:**

209 District Engineer Pakpour updated the Board on the Buckland Tanks replacement
210 project and shared the construction schedule. Notices have been sent to area
211 residents about the project. Project Manager Victor Fung has met with neighbors.
212 Construction begins in mid-March, and will be complete in November. He further
213 reported on the status of the DRAFT of the MPWD's new Construction Specifications
214 and Standards and circulated a review copy. The written construction specifications
215 are being finalized and the final standard for cathodic protection is being developed.
216 Staff and the District Engineer are meeting on Zone 3 of the water hydraulic
217 modeling project on March 12th. Next month Gary Ushiro, PE, from Pakpour
218 Consulting Group will attend the regular Board meeting as District Engineer.

219
220 **B. Financial Reports**

221 General Manager Rudock reported that Administrative Services Manager Pina, at the
222 recommendation of District Treasurer's staff, broke out capital costs in the salary and
223 benefits account line items. She also pointed out the increase in the reserves over the
224 past 18 months and how they related to budget projections.

225
226 Treasurer Ira reported that increased reserves resulted from projected capital
227 expenditures being delayed.

228
229 Director Stuebing moved to approve the Financial Reports, Director Warden seconded,
230 and they were unanimously approved.

231
232 **C. Director Reports**

233 Director Stuebing reported on the recent San Mateo Special Districts Association
234 meeting that included San Mateo County Supervisor Adrienne Tissier and a discussion
235 on the Measure A social programs.

236
237 Vice President Linvill mentioned theft of water from water storage tanks and fire
238 hydrants.

239
240 President Vella reported he attended the HIA meeting on February 6th and agreed to
241 make a presentation with BAWSCA Executive Director, Nicole Sandkulla, on water
242 supply and conservation at the March 6th HIA meeting. He suggested that Directors
243 should document on the Director Compensation form their attendance at meetings even
244 if there is no charge so that there is a record of time spent on MPWD business.

245 President Vella reported that he would not preside over next month's regular meeting
246 because he will be unavailable, and that Vice President Linvill would assume the duties
247 during his absence.

248
249 **9. FUTURE AGENDA BUSINESS ITEMS**

250 None, other than those itemized and discussed during the General Manager's report.

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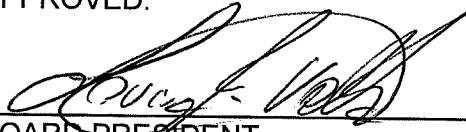
10. COMMUNICATIONS

General Manager Rudock reported that Sprint paid the \$2,500 owed to the MPWD under the lease amendment negotiated last year and recently executed.

11. ADJOURNMENT at 8:33PM.


DISTRICT SECRETARY

APPROVED:


BOARD PRESIDENT