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

May 22, 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 District Secretary Pina.

**C. Establishment of Quorum:**

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

**ABSENT:** Director Zucca.

A quorum was present.

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

**2. PUBLIC COMMENTS**

None.

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

None.

**4. ACKNOWLEDGEMENTS/PRESENTATIONS**

A. Brent Chester – Service Anniversary – 20 years. The Board expressed their appreciation for his service to the District. President Vella further acknowledged the May 21<sup>st</sup> luncheon honoring Brent and his pleasure to present Brent with his service award. Vice President Linvill also attended the luncheon and thanked Brent for his long-time service to the MPWD.

B. Stan Olsen – National Institute for Automotive Service Excellence, Recertified Automobile Technician, including Brakes Credentials.

**5. CONSENT AGENDA**

A. Approve Minutes for Regular Board Meeting of April 24, 2014

B. Approve Expenditures from April 19, 2014, through May 14, 2014

Vice President Linvill moved to approve the Consent Agenda, Director Stuebing seconded, and it was unanimously approved with the exception of Director Vella who abstained from approving item 5.A. since he did not attend the meeting. President Vella discussed the change he made for review of the expenditures each month by having the Vice President do it. He said each President can decide if they would like this to continue for future years.

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**6. HEARINGS AND APPEALS**

None.

**7. REGULAR BUSINESS**

**A. Drought and Water Conservation Update (Reference Updated Manager's Report, Pages 170-172H)**

General Manager Rudock provided a summary of the related section in her updated General Manager's report highlighting Governor Jerry Brown's Executive Order issued April 25, 2014, proclaiming a continued state of emergency due to severe drought conditions. She highlighted elements ordered by the Governor that all California residents should refrain from wasting water. She further mentioned that certain regulatory requirements have been suspended to expedite water savings.

The MPWD participated in the Belmont Earth Day event on April 26<sup>th</sup> and the event was well attended with many opportunities to speak to customers about water conservation and the MPWD's rebate programs.

General Manager Rudock attended the BAWSCA Water Management Meeting on May 1<sup>st</sup>, and summarized what action other agencies are taking to reach the 10% voluntary water reduction targets.

She discussed the field trip held at MPWD offices on May 6<sup>th</sup>. She commented that we were able to make an impression about the MPWD's operations and water conservation upon the adult chaperones, as well as the students.

She discussed the joint community workshop (coordinated with BAWSCA) on "Edible Gardens". The speaker was very knowledgeable and the participant feedback was positive. It was well attended.

Staff is working on a water conservation street banner along with monthly bill stuffers, and the Home Conservation Kits are still in high demand.

General Manager shared a recent situation reported to the MPWD by a customer that their neighbor's irrigation system in their backyard was always coming on and flowing onto their property, and asked us to come out and remind the neighbor that we are in a drought. Staff suggested the customer speak to their neighbor about it. Director Warden suggested we refer these calls to the Peninsula Conflict Resolution Center (PCRC) that is paid \$10,000 per year by the City of Belmont to take care of exactly these types of issues.

President Vella discussed the recent BAWSCA Board meeting. In Alameda (Alameda County Water District [ACWD]), they have made it mandatory that the residents cannot water their lawns more than twice a week. General Manager Rudock responded that the problem with enforcement is that staff has to actually observe the violation. When a violation is reported by a third-party, the ACWD hangs a door hanger.

Vice President Linvill shared an article from Fortune Magazine called "What Water is Worth". She highlighted how the drought is impacting farmers, referring to a woman who uses aquifers, which have been overdrawn.

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

General Manager Rudock reported that the second meeting scheduled on May 20<sup>th</sup> was cancelled, and rescheduled for May 29<sup>th</sup> here at the MPWD. She referred to all the Belmont city department coordination meetings staff has and will continue to participate in. She discussed the Fire Department hydrant training and Water Hydraulic Modeling coordination with Deputy Fire Chief Mike Gaffney. President Vella mentioned the upcoming retirement of Mike Gaffney and mentioned that these coordination efforts should continue. Director Warden suggested General Manager Rudock contact Fire Chief Mike Keefe of San Mateo, who can give input on the Water Hydraulic Modeling.

**C. Consider Resolution 2014-06 Approving and Adopting the Claims Policy for the MPWD**

General Manager Rudock summarized the DRAFT Claims Policy, resulting from input provided by the Board of Directors at last month's regular meeting. One modification was made to the document which added District Counsel as part of the progress reporting. Director Linvill stated the reporting should be given more than once annually. With the revision of adding District Counsel to the reporting, Vice President Linvill moved to approve Resolution 2014-06, Director Warden seconded. Roll call was taken and it was unanimously approved.

**D. Consider Resolution 2014-07 Approving and Adopting the New Construction Standards and Specifications for the MPWD**

General Manager Rudock introduced the item for consideration, and then turned the discussion over to District Engineer Pakpour. He provided an overview of the almost 9-month coordinated process to develop the standards and specifications, involving lead operations staff and the General Manager. He discussed the differences between ductile and PVC pipe, comparing cost and durability of each. He explained why ductile pipes are better in a seismic event. Director Stuebing moved to approve Resolution 2014-07, Vice President Linvill seconded. Roll call was taken and it was unanimously approved.

**E. Consider Resolution 2014-08 Approving an Agreement for Encroachment Permit between the MPWD and Samir Shaikh Homes for Temporary Use of the MPWD Driveway and Landing Area to the West Belmont Tanks Site**

General Manger Rudock summarized her report. President Vella requested clarification on liability to the MPWD. District Counsel responded that the specified insurance requirements provide for protection of the MPWD. It was suggested the word "temporary" be added to the agreement so it is clear as to the nature and length of the Encroachment Permit. With that modification, Vice President Linvill moved to approve Resolution 2014-08, Director Stuebing seconded. Roll call was taken and it was unanimously approved.

**F. Discuss Second Draft Fiscal Year 2014/2015 MPWD Operating Budget**

General Manager Rudock explained significant variations in account line items for the second DRAFT. Items not budgeted in FY 2014/2015 included: Rates Stabilization, Working Capital Reserves, and Emergency Reserves. Director Stuebing discussed the projected 9% water rate increase, and expressed that staff should keep expenditures to a level where they do not exceed what is budgeted so that reserves would be minimally impacted. The MPWD's Annual Required Contribution (ARC) for its OPEB (Other Post-Employment Benefits) trust account is being funded with this budget plan. Director Warden brought up the potential for increased revenues as a result of next fiscal year's

153 analysis of MPWD service and connection fees. General Manager Rudock responded  
154 that it is difficult to project what those might be until after the study is underway. She  
155 added that at mid-year budget review, we will have a better picture of how we might fund  
156 for reserves. General Manager Rudock discussed that staff would be educated on how  
157 to respond to questions and comments regarding the water rate increase taking effect on  
158 July 1<sup>st</sup>. The Operating Budget will be revisited and finalized at next month's regular  
159 Board meeting.  
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161 **G. Discuss Second Draft Fiscal Year 2014/2015 MPWD Capital Budget**

162 General Manager Rudock submitted a corrected DRAFT Capital Budget for FY  
163 2014/2015, and discussed in detail the capital projects to be completed next fiscal year.  
164 She compared the \$2.36 million projected capital expenditures to the service fee capital  
165 revenues projected in the DRAFT Operating Budget for FY 2014/2015 at \$2.07 million.  
166 Service fees are charged based upon meter size and classification, which in turn  
167 provides funding for maintenance of the MPWD water distribution system and  
168 infrastructure. Staff is, therefore, projecting a capital program that invests the total  
169 projected service fee revenues next fiscal year into capital replacement and  
170 rehabilitation. Director Warden discussed capital system buy-in fees for new  
171 development requesting that proper fees be charged to take the off the burden from  
172 existing rate payers. General Manager Rudock responded that facility capacity charges  
173 for new development will be analyzed, along with other fees, in an upcoming review of  
174 the MPWD's fees and charges. The Capital Budget will be revisited and finalized at next  
175 month's Regular Board Meeting.  
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177 **H. BAWSCA Update**

178 President Vella reported that SFPUC will come out with the latest determination on water  
179 supply availability on June 15<sup>th</sup>, when they will declare possible mandatory water  
180 rationing through the regional water system. Currently, we are at 10% voluntary water  
181 reduction, which is currently not being met. This could impact the MPWD with surcharge  
182 rates from the SFPUC, which in turn equates to drought surcharge rates for the MPWD  
183 ratepayers. The current budget was discussed, which includes a 5% budget increase.  
184 Agency membership fees in BAWSCA will increase by 5%. Alameda County Water  
185 District currently has a 20% mandatory water rationing requirement. There was  
186 discussion on how to pass t/he SFPUC's Mountain Tunnel Bypass Project cost along to  
187 the wholesale customers.  
188

189 **I. ACWA Spring Conference Report**

190 General Manager Rudock distributed a report on the conference. She also attended the  
191 JPIA meetings and training sessions, and summarized highlights.  
192

193 Vice President Linvill discussed one of the seminars she attended. The towns of Davis  
194 and Woodland worked together in 2010 to acquire permits to syphon water needed since  
195 they do not pull from the Delta. They are now working together to share the water they  
196 now receive, and have a third party handling it. They were able to get the permit  
197 because of timing (before the drought was an issue). She mentioned the fraud  
198 prevention seminar she attended with General Manager Rudock. She attended the  
199 Region 5 meeting, and felt it was one of the better regional meetings.  
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201 Director Stuebing attended the Water Smart seminar and reported that when neighbors  
202 know how their neighbors are doing with water conservation, there is a 5% water usage  
203 reduction.

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## 8. MANAGER'S AND BOARD REPORTS

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

General Manager Rudock submitted an updated Manager's. She highlighted the Future Agenda Items list, and explained the color codes she used: Green – Completed, Blue – In Progress/On Target, Grey – In Progress, White – No Progress/Not working on yet.

General Manager Rudock shared that Hanson Bridgett sponsored her to participate in an Executive Roundtable for the Annual Municipal Management Association of Northern California Women's Leadership Summit in San Jose on May 7<sup>th</sup>. Along with other management professionals, she was able to educate future leaders about the MPWD operations, special districts, and the current drought and need for water conservation. There were about 250 attendees at the conference. It was a great opportunity and she looks forward to being part of it next year.

She distributed the SFPUC's report on hydrological conditions for April.

General Manager Rudock provided a summary report from her attendance at the CSDA Special District Legislative Days in Sacramento on May 20-21.

General Manager Rudock presented a brief summary of a recent San Mateo County Grand Jury report on the transparency of local special districts' websites.

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

Administrative Services Manager Pina highlighted the Edible Gardens Landscape class, commenting that 30 people attended, along with several staff. The speaker was excellent, and the feedback was very positive. Staffer Jeanette Kalabolas did an excellent job coordinating the event. Administrative Services Manager Pina mentioned the success of the annual Employee Appreciation Dinner.

#### 2. **Supplemented by Operations Superintendent's Report:**

Operations Superintendent Young reported that there continues to be an increase in service upgrades. We had our distribution system audited. They did find a leak, which we repaired ourselves. We are working with PG&E's consultant on pump efficiency testing. We have this done every other year. President Vella asked the status of solar being considered. General Manager Rudock noted that staff is working on reviewing options within a roof replacement project at MPWD's Dairy Lane facility.

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

District Engineer Pakpour summarized his progress report on the Buckland Tanks Replacement Project, which is on schedule and within budget; no change orders to date, and the project is 20% complete. The tank construction has been going very well. Victor Fung has been keeping the residents well informed and there have been no complaints.

### B. **Financial Reports**

General Manager Rudock pointed out that we are on target for revenues. Total Operating Expenditures show that we budgeted \$9.2 million and we are at \$7.3 million.

### C. **Director Reports**

255 Director Stuebing attended the California Special Districts Association/San Mateo  
256 County Chapter. Joshua Cosgrove was elected to replace David Altscher on the San  
257 Mateo County LAFCO, but that term is ending, so a mail-in ballot will be coming around  
258 for this position. He also discussed social media as being a way to communicate  
259 conservation ideas. Ric Lohman is stepping down as chapter President and Kathryn  
260 Slater-Carter will be taking over the office. He also thanked Vice President Linvill and  
261 Director Warden for meeting on the financial controls and the DRAFT Compensation  
262 Study.  
263

264 **9. FUTURE AGENDA BUSINESS ITEMS**

265 None.  
266

267 **10. COMMUNICATIONS**

268 General Manager Rudock passed around thank you notes from the students who attended  
269 the recent field trips sponsored by the MPWD.  
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271 CSDA sent bylaw amendments and a related ballot. Director Stuebing and Warden agreed  
272 to review them along with General Manager Rudock.  
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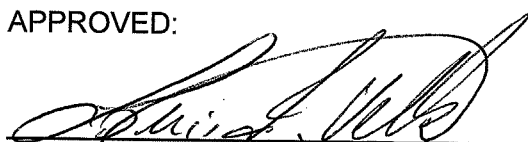
274 District Engineer Pakpour informed the Board of the passing of Tony Gschwend, husband of  
275 the MPWD's previous District Engineer, Jan O'Flaherty. President Vella asked that staff  
276 send a sympathy card on behalf of the MPWD.  
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278 **11. ADJOURNMENT**

279 Director Warden motioned to adjourn at 9:29PM, Director Stuebing seconded, and it was  
280 unanimously approved.  
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285 DISTRICT SECRETARY  
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288 APPROVED:

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291 BOARD PRESIDENT  
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