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

June 27, 2013
Belmont, California

9 **CALL TO ORDER:** The Board of Directors' meeting of the Mid-Peninsula Water District was
10 called to order by President Stuebing at 6:30PM.

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12 **1. ROLL CALL:**

13 **PRESENT:** Directors Stuebing, Vella, Altscher, Linvill, and Zucca.

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15 **ALSO PRESENT:** General Manager Rudock, District Counsel Cassman, District Engineer
16 Pakpour, Treasurer Ira, and District Secretary Pina.

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18 **MEMBERS OF THE PUBLIC:** None.

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21 **2. PLEDGE OF ALLEGIANCE:**

22 The Pledge of Allegiance was led by Vice President Vella.

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25 **3. APPROVAL OF MINUTES:**

26 Vice President Vella moved to approve the Minutes and Director Altscher seconded. Director
27 Zucca abstained and Directors Vella, Altscher, Linvill, and President Stuebing approved.

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30 **4. PUBLIC COMMENTS:** None.

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33 **5. CONSIDER RESOLUTION 2013-08 APPROVING FISCAL YEAR 2013/2014 MPWD**
34 **OPERATING BUDGET:**

35 General Manager Rudock highlighted changes made to the budget, answering questions as she
36 processed through the operating budget. It was requested that in the final version of the
37 Operating Budget, notes be added for those line items which have material differences from the
38 prior year's budget.

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41 **6. CONSIDER RESOLUTION 2013-09 APPROVING FISCAL YEAR 2013/2014 MPWD**
42 **CAPITAL BUDGET:**

43 Director Zucca moved to jointly approve Resolutions 2013-08 and 2013-09 Fiscal Year
44 2013/2014 Operating and Capital Budgets, Vice President Vella seconded. Roll call was taken,
45 and it was unanimously approved.

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48 **7. CONSIDER RESOLUTION 2013-10B APPROVING THE AUDIT COMMITTEE'S**
49 **RECOMMENDATIONS FOR:**

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51 **A. TERMINATING THE MPWD'S CONTRACT FOR AUDITING SERVICES WITH**
52 **VARGAS AND COMPANY; AND**

53 **B. AWARDING A CONTRACT TO JAMES MARTA & COMPANY FOR ANNUAL**
54 **FINANCIAL AUDITING SERVICES TO THE MPWD FOR FISCAL YEARS 2012/2013**
55 **THROUGH 2016/2017:**

56 The Board's Audit Committee, Vice President Vella and Director Linvill, led the discussion and
57 the merits of terminating the financial auditing services with Vargas and Company, and
58 awarding a new auditing services contract to James Marta & Company. They also discussed
59 the committee's process in developing its recommendation to the Board. Director Altscher
60 moved to terminate the MPWD's contract for auditing services with Vargas and Company and
61 approve the committee's recommendation of awarding a contract to James Marta & Company
62 for annual financial auditing services, Director Zucca seconded, roll call was taken and it was
63 unanimously approved.

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66 **8. CONSIDER RESOLUTION 2013-11 ESTABLISHING THE APPROPRIATIONS LIMIT**
67 **APPLICABLE TO THE MPWD DURING FISCAL YEAR 2013/2014::**

68 District Counsel Cassman discussed how the limits were calculated. This limit is calculated
 69 annually and required for all governmental agencies. Director Linvill moved to approve
 70 Resolution 2013-11, Vice President Vella seconded. Roll call was taken, and it was
 71 unanimously approved.

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74 **9. MANAGER'S REPORT:**

75 General Manager Rudock highlighted one fraud prevention seminar she and the Administrative
 76 Services Manager attended at the recent GFOA conference in San Francisco. "The Dixon
 77 Story" was discussed. A second fraud prevention seminar was discussed and covered check
 78 fraud, how it gets past the checks and balances, and what needs to be done to protect the
 79 assets of the organization.

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82 **A. Supplemented by the Administrative Services Manager's Report**

83 District Secretary Pina updated the bank balance dated 6/21/13 for Wells Fargo Checking to
 84 \$154,706 and LAIF to \$3,617,717. The LAIF change occurred because staff did not need to
 85 transfer the funds as originally planned; deposits that day covered the checks written.

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88 **B. Supplemented by the Operations Superintendent's Report**

89 Superintendent Young's report was received as written.

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92 **C. Supplemented by the District Engineer's Report**

93 District Engineer Pakpour discussed the Buckland Tanks replacement project and the progress
 94 being made with PG&E. The proposed project schedule was reviewed. The project is moving
 95 forward and will start in October 2013. Director Zucca suggested that the Board need not be
 96 involved in approving design plans and construction specifications since the Capital Budget was
 97 already approved. District Engineer Pakpour also presented an example of the water hydraulic
 98 model capital package developed for Zone 5, including the map of the zone, the identified
 99 projects needed for operational and fire flow improvements, and the distribution system analysis
 for each project being proposed. Vice President Vella moved to accept the Manager's reports,
 Director Zucca seconded. It was unanimously approved.

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102 **10. DIRECTORS' REPORTS**

103 Director Vella directed staff to consider replacing the painting in the boardroom with something
 104 more current, something that has to do with water, and that the children can participate in
 105 creating quarterly or annually. He said the current artwork is very old.

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108 Director Zucca informed the General Manager of a Projections Webinar which discusses
 109 modeling assumptions that may be helpful to attend.

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112 **11. RECEIVE FINANCIAL REPORT AND APPROVE EXPENDITURES FROM**
 113 **MAY 17, 2013, THROUGH JUNE 20, 2013:**

114 Director Zucca moved to approve the Financial Reports and Expenditures from May 17, 2013
 115 through June 20, 2013, and Director Altscher seconded, and it was unanimously approved.

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118 **12. FUTURE AGENDA BUSINESS ITEMS:**

119 None.

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122 **13. COMMUNICATIONS**

123 None.

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126 *The Board recessed into close session at 8:30PM to consider the following matters:*

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129 **14. CLOSED SESSION:**

130 **A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

131 Government Code §54957

132 Title: District Counsel

133 **B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**

134 Government Code §54957

Title: District Treasurer

135 The Board reconvened into open session at 9:19PM. General Manager Rudock reported that
136 the Board took no reportable action during the closed sessions.
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139 **15. ADJOURNMENT at 9:19PM.**

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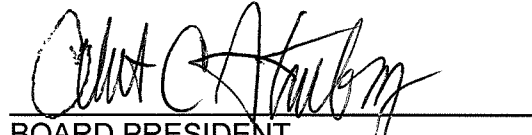

DISTRICT SECRETARY

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146 APPROVED:

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BOARD PRESIDENT

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