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

October 23, 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, Warden, and Zucca.

**ABSENT:** None.

A quorum was present.

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

2. **PUBLIC COMMENTS**

None

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

None

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

President Vella presented Bradley Burwell with a 10-Year Service Anniversary plaque and thanked him for his service and loyalty to the District. Brad's wife, Diane, was present for the presentation.

5. **CONSENT AGENDA**

**A. Approve Minutes for the Regular Board Meeting of September 25, 2014**

**B. Approve Expenditures from September 18, 2014, through October 14, 2014**

**C. Approve Resolution 2014-15 Ratifying Letter Agreement between the MPWD and MPWD Employee Association for the Term September 26, 2014, through September 25, 2018.**

Director Stuebing moved to approve the consent agenda, Director Warden seconded, and it was unanimously approved.

6. **HEARINGS AND APPEALS**

None

51 **7. REGULAR BUSINESS**

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

53 General Manager Rudock summarized her report and highlighted the following points:

- 54 1. At 15.9%, the MPWD has exceeded the San Francisco Regional Water System's  
55 voluntary water conservation goal of 10%.  
56 2. MPWD is 4.1% away from making the State mandated water rationing requirement  
57 of 20%.  
58 3. Staff is tracking water waste complaints, which total 12 so far.  
59 4. An interim plan review fee is being proposed until the MPWD's fee schedule is  
60 updated.  
61 5. HET rebates are now issued by check rather than credits to customer billing  
62 accounts.  
63 6. The MPWD will participate in the BAWSCA Rain Barrel Rebate Program.  
64

65 **B. Receive and Accept the Financial Audit Report for Fiscal Year Ended June 30,  
66 2014, Presented by David Becker, CPA, of James Marta & Company LLP**

67 David Becker, CPA, from James Marta & Company, presented the FY 2013-2014 Audit.  
68 He reported that overall the MPWD is in a good financial position. The MPWD has no  
69 liabilities and a strong Net Position. The Capital Assets are 2/3rds through their  
70 depreciable life, which indicates a need to consider replacement costs. Expenses did  
71 not change much from the prior year. Starting next year, the IRS will be requiring the  
72 financial statements to disclose employee pension liabilities. He stated MPWD has a  
73 strong management team and expressed appreciation for their level of responsiveness.  
74

75 **C. Preliminary Review and Discussion of the WORKING DRAFT of Water Capacity  
76 Charges Update for Conceptual Input Presented by Alex Handlers of Bartle Wells  
77 Associates.**

78 Alex Handlers of Bartle Wells presented the working draft of Water Capacity Charges,  
79 seeking input from the Board. He presented the information they gathered from MPWD  
80 and explained the process used to determine the draft water capacity fee structure. He  
81 shared charts which reflected preliminary charges, and compared them to other local  
82 agencies. A question regarding various meter sizes, what type of customer uses each  
83 size meter, peak hour usage, fire service charges versus water service charges, service  
84 line installation charges and whether to phase in the updated capacity charges were all  
85 discussed. Director Warden suggested there should be no phasing in, and that MPWD  
86 should use actual costs because those are defensible to the public. He also pointed out  
87 that when the City of Belmont introduced additional sewer fees, there were no public  
88 complaints. Director Stuebing suggested MPWD share this information with Cal Water.  
89

90 General Manager Rudock requested policy guidance for approving new development  
91 and the effect of new development on the MPWD's water supply guarantee, especially  
92 under severe drought conditions when there might be mandatory rationing. A  
93 water/drought impact fee was introduced as a mechanism to include with the water  
94 capacity charges. Discussion centered on new development and the potential for a  
95 retrofit program.  
96

97 Alex Handlers thanked the Board Members for their input and said he would come back  
98 next month with an updated report for their consideration.  
99

100 **D. Consider Resolution 2014-16 Approving Amendments to Personnel Manual**  
101 **Regarding Healthcare Benefits for Non-Represented Employees and Future**  
102 **Retirees**

103 General Counsel Cassman summarized the proposed action, which covers non-  
104 represented staff to receive similar medical benefits as recently negotiated and approved  
105 in the Letter Agreement with represented employees. The approach is to amend the  
106 Personnel Manual to the extent required to make available these benefits to the  
107 unrepresented District employees. The entire Personnel Manual will undergo a more  
108 thorough update in 2015.

109  
110 Vice President Linvill asked about similar action for the Board of Directors. Staff was  
111 directed to research historical resolutions and board minutes in search of Board action  
112 regarding health insurance benefits for Board Members. It was suggested, in particular,  
113 to cover the period 1972 – 1997, during Board President Ed Morey's tenure.

114  
115 Director Zucca moved to approve the Resolution 2014-16 Approving Amendments to  
116 Personnel Manual Regarding Healthcare Benefits for Non-Represented Employees and  
117 Future Retirees, Director Stuebing seconded. Roll call was taken, and it was  
118 unanimously approved.

119  
120 **E. Consider Resolution 2014-17 Adopting an Amended MPWD Conflict of Interest**  
121 **Code.**

122 The staff with assistance from legal counsel conducted the required biennial review of  
123 the Conflict of Interest Code to address appropriate updates. Director Zucca moved to  
124 approve Resolution 2014-17 adopting an Amended MPWD Conflict of Interest Code,  
125 Director Stuebing seconded. Roll call was taken, and it was unanimously approved.

126  
127 **F. Consider Call for Nominations for Special District Member on San Mateo LAFCO**

128 General Manager Rudock introduced the San Mateo LAFCO request calling for  
129 nominations for Special District Member on San Mateo LAFCO. The Board directed  
130 staff to send a letter to LAFCO supporting Mr. Joshua Cosgrove for the position.

131  
132 **8. MANAGER'S AND BOARD REPORTS**

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

134 General Manager Rudock and Administrative Services Manager Pina met with  
135 Mitch Parker and Jennifer Meza from Public Agency Retirement Services  
136 (PARS), and Ryan Fox from High Mark Capital Management. The Rate of  
137 Return MPWD received on its trust fund to cover future retiree health benefit  
138 obligations over the last year was 5.8%. The Board will receive a presentation  
139 update at its November or December regular meeting.

140  
141 **1. Supplemented by Administrative Services Manager's (ASM) Report**

142 Administrative Services Manager Pina added that a transfer of \$350,000 was made  
143 from LAIF to MPWD's checking account in the last week of September to cover costs  
144 incurred with the purchase of the meters for the Meter Change Out Program for  
145 Fiscal Year 2014-2015.

146  
147 **2. Supplemented by Operations Superintendent's Report**

148 In Operations Superintendent Young's absence, General Manager Rudock reported  
149 the following:

- 150 a. Dekoven Water Tank Nitrification – There have been three chlorine injections  
151 which have been unsuccessful in solving the problem. The next steps are to pull  
152 the tank out of service, inspect, clean and disinfect it.

153 Vice President Linville requested that gallons lost be added to the leak report.  
154

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

156 District Engineer Pakpour reported on the Buckland Tank project progress and how  
157 the north tank was removed in three days. There have been no change orders this  
158 month, with a total of 1.3% change orders so far on this project. There was a minor  
159 water quality issue—mostly taste and odor—after the inside of the tank was coated,  
160 which was resolved before the tank was put into service. There will be a credit to the  
161 MPWD for the lost water and added staff time to resolve the issue. The anticipated  
162 end date for this project is targeted for December 5, 2014.  
163

164 He also reported on the Belburn Water Main Replacement Project, noting the project  
165 is essentially complete. The contractor will do the final paving next week and slurry  
166 seal the entire roadway in mid-November.  
167

168 **B. Financial Reports**

169 General Manager Rudock reported that we should be 25% through our budget for the  
170 fiscal year. Revenues were at 26.3% of budget and Operating Expenditures were at  
171 24.5% of budget, indicating we are on target.  
172

173 **C. Director Reports**

174 Director Zucca discussed the Bylaws project and some initial work undertaken by Vice  
175 President Linvill. He clarified his notion of what Bylaws should include primarily – rules  
176 of procedure for the Board to conduct its business and references to other policies and  
177 guidelines already in place, but not a restatement of those policies. He also talked about  
178 four new NPDES permits.  
179

180 Vice President Linvill discussed the HIA luncheon, where she talked about the 85<sup>th</sup>  
181 Anniversary celebration and ribbon cutting by the Belmont Chamber of Commerce. She  
182 also shared that San Carlos was considering putting in hotels on Industrial Way, which  
183 will increase tax revenue for the City by 12%. This is a long range goal that is under  
184 review.  
185

186 Director Stuebing said he will be attending the San Mateo Chapter California Special  
187 District Association Meeting (CSDA) on Tuesday, October 28<sup>th</sup>.  
188

189 Director Warden inquired about MPWD's website, saying he cannot find the agenda and  
190 minutes. He suggested the new website make this information readily available and  
191 easily accessible.  
192

193 **9. FUTURE AGENDA BUSINESS ITEMS.**

194 None  
195

196 **10. COMMUNICATIONS**

197 General Manager Rudock shared that PAMF will be having an open house on November  
198 22, 2014 from 1 pm – 4 pm. On December 15, 2014, there will be a new safe water  
199 drinking plan for California released.  
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**11. CLOSED SESSION**

The Board adjourned into Closed Session at 9:33 p.m. to discuss two matters:

**A. EXISTING LITIGATION**

Government Code §§54956.9  
Vinarskiy and Vinarskaya v. Mid-Peninsula Water District, et al.  
Case No. CIV 527021

**B. PUBLIC EMPLOYEE PERFORMANCE EVALUATION AND ASSOCIATED NEGOTIATIONS**

Government Code §§54957 AND 54957.6  
Title: General Manager

The Board reconvened into open session at 10:47PM. District Counsel Cassman reported that no action was taken on either of the two matters discussed in closed session..

**12. ADJOURNMENT**

There was a motion, a second and a unanimous vote to adjourn the meeting.

  
DISTRICT SECRETARY

APPROVED

  
BOARD PRESIDENT

Betty Linvill

