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

October 24, 2013
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 Stuebing at 6:30PM.

B. Establishment of Quorum:

PRESENT: Directors Stuebing, Vella, Linvill, Altscher, and Zucca

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

C. Pledge of Allegiance – The Pledge of Allegiance was led by Director Zucca.

2. PUBLIC COMMENTS

None

7.C. Receive and Accept the Financial Audit Report for Fiscal Year Ended June 30, 2013, by David Becker, CPA, of James Marta & Company LLP.

The Board approved moving this item up on the agenda to accommodate David Becker's travel schedule.

David Becker, CPA, presented a summary of their audit findings to the Board of Directors. He highlighted the MPWD's audit opinion as unqualified and meeting auditing standards and controls. He briefly discussed the Management's Discussion & Analysis (MD&A), and the Report on Internal Controls. He summarized the Financial Results, and compared the Statement of Net Position over a 5-year period in graph form. Mr. Becker shared the Net Position Allocation and the Statement of Activities in graph form over a 5-year period. A pie chart reflected the MPWD's expense breakdown, the largest cost being Purchased Water at 49%. Mr. Becker's final comments were that the MPWD was in a good financial position, with an unrestricted net position at 49% of operating expenses; the MPWD had an excellent management team; and they recommended implementation of financial policies and procedures.

Vice President Vella commented that the Corrective Action Plan within the Management Letter was quite ambitious but he appreciated the coordination between the auditing team and management in articulating the implementation of the recommendations.

51 Director Altscher recommended that the audit be forwarded to LAFCO and other organizations
52 as necessary.

53

54 Director Zucca commented on the MPWD reserves and the policy concerning them.

55

56 Director Linvill reflected on the review by the auditing team of the financial internal control
57 recommendations made by Dr. Peter Hughes.

58

59 Treasurer Ira suggested that in the next audit the MD&A include a discussion about the
60 MPWD's reserves and policy.

61

62 The Board was very complimentary about Mr. Becker's presentation, the findings, and the
63 thorough and timely financial audit.

64

65 President Stuebing returned to the agenda order.

66

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

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None

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70 **4. ACKNOWLEDGEMENTS/PRESENTATIONS**

71

None

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73 **5. CONSENT AGENDA**

74

A. Approve Minutes for Regular Board Meeting of August 22, 2013

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B. Approve Expenditures from September 19, 2013, through October 9, 2013.

76

77 Vice President Vella moved to approve Consent Agenda, including the minutes with a minor
78 change requested by Director Linvill prior to the Board Meeting, Director Zucca seconded,
79 and the motion passed.

80

81 **6. HEARINGS AND APPEALS**

82

None

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84 **7. REGULAR BUSINESS**

85

A. Discuss DRAFT MPWD Indoor Water Use Efficiency Ordinance #109:

86

B. Discuss DRAFT MPWD Outdoor Water Use Efficiency Ordinance #110:

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These items were discussed together. Vice President Vella discussed the importance of
88 coordinating with the city of Belmont to ensure we all are in agreement with the
89 Ordinances being put in place, so there is enforcement. He expressed that staff should
90 justify fees to be charged by the MPWD and the fee structure should be adopted by
91 resolution. Director Zucca discussed the CA Green Building Code, and the
92 requirements under the Plumbing Code that fixtures would need to be replaced
93 beginning in 2017 with any remodeling project. President Stuebing agreed with Vice
94 President Vella that we need to be in step with the city on adoption of the ordinances.
95 Staff received the Board direction and would return for more discussion in November.
96 Final adoption is tentatively scheduled at the December 19th regular Board meeting.

97

98 **C. Receive and Accept the Financial Audit Report for Fiscal Year Ended June 30,**
99 **2013, by David Becker, CPA, of James Marta & Company LLP.**

100

This item was moved by the Board of Directors and presented after Agenda Item 2.

101

PUBLIC COMMENTS above.

102
103 **8. MANAGER'S AND BOARD REPORTS**

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

105 General Manager Rudock referred to her brief written report. She further reported that
106 the Sprint Lease Amendment was finalized and sent to Sprint for signature. Dr. Peter
107 Hughes will return next month for a follow-up review of his 2012 recommendations and
108 MPWD internal controls. He will report to the Board in December or January 2014. A
109 DRAFT of the Personnel Manual will be presented to the Board in December. The
110 Board was reminded of the upcoming MPWD holidays: November 11th – Veterans Day,
111 and November 28th and 29th – Thanksgiving, and further reminded of the dates for the
112 November and December regular meetings falling on the 3rd Thursday rather than the 4th
113 Thursday. General Manager Rudock concluded her report with an update of MPWD
114 administrative, financial, and accounting improvements, internal controls, and policies
115 implemented within the past year.

116
117 **1. Supplemented by Administrative Services Manager's (ASM) Report:**

118 ASM Pina reported that she and Stan Olsen would be going to a class on Inventory
119 Control on October 25th.

120
121 **2. Supplemented by Operations Superintendent's Report:**

122 Superintendent Young reported on projects the Operations staff is working on. The
123 first project is the AMI Meter Replacement that is underway. Water meters and
124 service lines in Zone 8 in the Hallmark neighborhood are being assessed to
125 determine what additional work may be needed besides replacing the meters, such
126 as raising or lowering the service. Operations staff replaced a section of pipe and tee
127 on Chula Vista Drive. There was a previous leak that was repaired but due to the
128 proximity of it to the tee a repair clamp was not able to be properly installed. Staff
129 scheduled for a shutdown in order to replace the problem section of pipe. The last
130 project discussed was a fire hydrant on Fairway Drive that was struck by a vehicle.
131 The entire hydrant assembly was replaced and a check valve was installed to
132 prevent a large volume of water from escaping should the hydrant be struck again.
133 Hydrant bollards are also being installed to help protect the fire hydrant from
134 vehicles. Director Vella asked about the pressure losses from the check valve.
135 District Engineer Pakpour responded that there were minimal losses associated with
136 the device. Director Vella followed up with a question regarding maintenance
137 requirements of the device to which Engineer Pakpour responded there are none.

138
139 **3. Supplemented by District Engineer's Report:**

140 District Engineer Pakpour reported the progress of the Buckland Tanks Replacement
141 project. On October 7th PG&E started work on moving their overhead facilities to
142 make room for the tank reconstruction. At that time we found PG&E could not access
143 the second pole (between the tanks) until AT&T removed the existing pole. Comcast
144 is scheduled to move their facilities on October 25th, followed by AT&T on November
145 12th after which time PG&E will return to the site on November 20th to finish their
146 work. We anticipate going out to bid for the project on December 2nd, the Monday
147 after the Thanksgiving holiday weekend. District Engineer Pakpour presented a
148 video showing the accessibility of the project site and briefly described the project
149 plan. The contract award is anticipated to be scheduled for the Board's consideration
150 at the January 2014 regular meeting.

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B. Financial Reports

None

C. Member Reports

Director Linvill reported that she attended the Audit Exit Conference on October 11th and developed the Audit Committee report included with the staff report.

Director Altscher reported that the San Mateo CSDA Meeting was scheduled for Tuesday, October 29th.

9. FUTURE AGENDA BUSINESS ITEMS

The Indoor and Outdoor Water Use Efficiency Ordinances #109 and #110 will be scheduled for continued discussion.

10. COMMUNICATIONS

None

11. ADJOURNMENT at 8:10PM



DISTRICT SECRETARY

APPROVED:



BOARD PRESIDENT