



REGULAR MEETING
BOARD OF DIRECTORS
THURSDAY, JANUARY 25, 2018 – 6:30PM
3 DAIRY LANE, BELMONT CALIFORNIA

AGENDA

1. OPENING

- A. Call to Order
- B. Establishment of Quorum
- C. Pledge of Allegiance

2. PUBLIC COMMENT

Members of the public may address the Board on the Consent Agenda or any item of interest within the jurisdiction of the Board but not on its agenda today. In compliance with the Brown Act, the Board cannot discuss or act on items not on the agenda. Please complete a speaker's form and give it to the District Secretary. Each speaker is limited to three (3) minutes.

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

4. ACKNOWLEDGEMENTS/PRESENTATIONS

- A. Overview of 2018 MPWD Calendar Contest Program and Distribute Calendar to the Board – Jeanette Kalabolas and Tammy Rudock
- B. Present 2018 MPWD Calendar Contest Awards – Dave Warden and Jeanette Kalabolas
- C. 15-MINUTE REFRESHMENT BREAK

5. CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one motion. If Directors wish to discuss a consent item other than simple clarifying questions, a request for removal may be made. Such items are pulled for separate discussion and action after the Consent Agenda as a whole is acted upon.

- A. Approve Minutes for the Regular Board Meeting on December 4, 2017 and Special Board Meeting on January 11, 2018
- B. Approve Expenditures from November 29, 2017 through January 18, 2018

6. HEARINGS AND APPEALS

None.

7. MPWD FY 2016-2021 CAPITAL IMPROVEMENT PROGRAM AND 2016 COP (CERTIFICATES OF PARTICIPATION) FINANCING

- A. Receive Reconciliation Quarterly Report of 2016 COP Financing for Period October 1, 2017 through December 31, 2017, and 2016 COP Project Fund Quarterly Report through December 31, 2017
- B. Consider Resolution 2018-01 Authorizing the Fourth Amendment to the Professional Services Contract with Pakpour Consulting Group, Inc. (referenced as Contract No. 02-1621-CIP) in the amount of \$54,800, for Additional Engineering Design Services related to the Hillcrest Pressure Regulating Station Project

8. REGULAR BUSINESS AGENDA

- A. Receive and Accept the Financial Audit Report for Fiscal Year Ended June 30, 2017, Presented by David Becker, CPA, of James Marta & Company LLP
- B. Receive BAWSCA Report from Vice President Louis Vella

9. MANAGER’S AND BOARD REPORTS

- A. General Manager’s Report, including Water Conservation Progress Summary
 - 1. Supplemented by Administrative Services Manager’s Report
 - 2. Supplemented by Operations Manager’s Report
 - 3. Supplemented by District Engineer’s Report
- B. Financial Reports
 - 1. Receive Financial Reports for Month Ended December 31, 2017
- C. Director Reports

10. COMMUNICATIONS

11. CLOSED SESSION

PUBLIC EMPLOYEE PERFORMANCE EVALUATION
AND ASSOCIATED NEGOTIATIONS
Government Code §§54957 and 54957.6
Title: General Manager

12. ADJOURNMENT

This agenda was posted at the Mid-Peninsula Water District’s office, 3 Dairy Lane, in Belmont, California, and on its website at www.midpeninsulawater.org.

ACCESSIBLE PUBLIC MEETINGS

Upon request, the Mid-Peninsula Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation (including auxiliary aids or services), to enable individuals with disabilities to participate in public meetings. Please contact the District Secretary at (650) 591-8941 to request specific materials and preferred alternative format or auxiliary aid or service at least 48 hours before the meeting.

Next Board Meeting: Thursday, February 22, 2018, at 6:30PM

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50

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

December 4, 2017
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 6:29PM.

B. **Establishment of Quorum:**

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

A quorum was present.

ALSO PRESENT: General Manager Tammy Rudock, Operations Manager Rene Ramirez, District Secretary/Administrative Services Manager Candy Pina, District Counsel Julie Sherman and District Engineer Joubin Pakpour.

District Treasurer, Jeff Ira, was absent.

C. Pledge of Allegiance – The Pledge of Allegiance was led by District Counsel, Julie Sherman.

2. **PUBLIC COMMENTS**

None.

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

None.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

None.

5. **CONSENT AGENDA**

A. **Approve Minutes for the Regular Board Meeting of November 15, 2017**

B. **Approve Expenditures from November 8, 2017 through November 29, 2017**

Director Zucca moved to approve the minutes for the Regular Board Meeting on November 15, 2017, and expenditures from November 8, 2017 through November 29, 2017. Director Stuebing second and it was unanimously approved.

Director Vella abstained from the vote on the minutes.

6. **HEARINGS AND APPEALS**

None.

51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73
74
75
76
77
78
79
80
81
82
83
84
85
86
87
88
89
90
91
92
93
94
95
96
97
98
99
100
101

7. MPWD FY 2016-2021 CAPITAL IMPROVEMENT PROGRAM AND 2016 COP (CERTIFICATES OF PARTICIPATION) FINANCING

None.

8. REGULAR BUSINESS AGENDA

A. Consider Resolution 2017-23 Authorizing the General Manager to Sign an Agreement between the MPWD and City of Belmont for a Joint Infrastructure Project known as the 2017 Sanitary Sewer and Water Rehabilitation Project, also known as MPWD CIP 03-1621-CP for Construction of Sanitary Sewer and Water System Improvements on Francis Avenue, Davey Glen Road and Academy Avenue

Staff reported that the City of Belmont Council voted to approve a joint project on November 28, 2017 and the project was to have gone out to bid on December 1, 2017. Final terms will be reviewed and approved MPWD District Counsel and Belmont's City Attorney.

The Board discussed project costs, paving responsibilities, present economy and future joint efforts at length.

Director Linvill moved to approve Resolution 2017-23 Authorizing the General Manager to Sign an Agreement between the MPWD and City of Belmont for a Joint Infrastructure Project known as the 2017 Sanitary Sewer and Water Rehabilitation Project, also known as MPWD CIP 03-1621-CP for Construction of Sanitary Sewer and Water System Improvements on Francis Avenue, Davey Glen Road and Academy Avenue. Director Zucca seconded and it was unanimously approved.

B. Schedule Special Board Meeting in January 2018 to Discuss MPWD Finances

The Board discussed and settled on the date of January 11, 2018 at 6 PM.

9. MANAGER AND BOARD REPORTS

A. General Manager's Report

General Manager Rudock reported that all legally required ethics training (AB 1234) had been completed and only a couple Directors needed to complete the required harassment prevention training.

1. Supplemented by Administrative Services Manager's Report

None.

2. Supplemented by Operations Manager's Report

Operations Manager Ramirez reported that the number of USA requests has dropped slightly and alternative staffing solutions continue to be discussed.

3. Supplemented by District Engineer's Report

None.

B. Financial Reports

Receive Financial Reports for Month Ended November 30, 2017. General Manager Rudock reported budget balances are on target.

C. Director Reports

Director Vella wished staff a Happy Holidays.

102
103
104
105
106
107
108
109
110
111
112
113
114
115
116
117
118
119
120
121
122
123

Director Zucca reported on his attendance at the ACWA conference as well as the JPIA harassment prevention training he attended.

Director Linvill thanked staff for completing her recent meter upgrade installation.

10. COMMUNICATIONS

General Manager Rudock shared that the Board was invited to attend the 5-Year Anniversary Staff Luncheon on Wednesday, December 20, 2017 at 12:00PM at the MPWD.

11. ADJOURNMENT

The meeting was adjourned at 7:55PM.

DISTRICT SECRETARY

APPROVED:

BOARD PRESIDENT

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49
50
51

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

January 11, 2018
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 6:15PM.

B. **Establishment of Quorum:**

PRESENT: Directors Warden, Vella, Linvill and Stuebing

ABSENT: Director Zucca

A quorum was present.

ALSO PRESENT: General Manager Tammy Rudock, Operations Manager Rene Ramirez, District Secretary/Administrative Services Manager Candy Pina, District Counsel Julie Sherman and District Treasurer Jeff Ira. District Engineer Joubin Pakpour was absent.

C. **Pledge of Allegiance** – The Pledge of Allegiance was led by Administrative Services Manager, Candy Pina.

2. **PUBLIC COMMENTS**

None.

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

None.

4. **WORKSHOP**

A. Discuss financial matters of the MPWD, including:

1. **Report on Development Revenues Compared to CIP and Water Conservation Program Expenditures for the period of July 1, 2015 through November 30, 2017**

General Manager Rudock covered report highlights and shared that although this report is not a requirement under the law it would be updated and presented on an annual basis for informational purposes.

General Manager Rudock explained the differences between the water capacity charges and water demand offset fees, and stated that fees are collected up-front prior to a project's authorization to proceed.

President Warden asked if rebate grant funding reimbursements were included in the report. General Manager Rudock confirmed that those totals were not included but would be added in future reports.

2. **Preliminary FY 2017/2018 Mid-Year Budget Review**

52 General Manager Rudock briefly reported that preliminary projections regarding the
53 mid-year budget seem to be tracking on target. A more comprehensive mid-year
54 budget discussion will be delivered at the February 22, 2018 regular Board meeting.
55

56 3. **Cash Reserve Policy and Options, including PARS PRSP (Pension Rate
57 Stabilization Program)**

58 General Manager Rudock presented the newly revised DRAFT Cash Reserve Policy
59 with a recommended maximum target level of \$3 Million. She further presented
60 three (3) options for the current excess cash reserves—funding for obligated CIP
61 projects, MPWD OPEB, and unfunded pension liabilities.
62

63 The Board discussed the options and asked that this item be brought back at the
64 February 22, 2018 regular Board meeting for further consideration and discussion,
65 with a related resolution, for a potential vote.
66

67 4. **Debt Management Policy**

68 General Manager Rudock reported there were no changes to the policy since the
69 November 15, 2017 Board meeting and sought Board direction with respect to
70 putting this item on the February 22, 2018 agenda for a vote.
71

72 The Board instructed staff to proceed with the placement of this item on the February
73 22, 2018 regular Board meeting agenda.
74

75 5. **Preparation for FY 2018/2019 Operating and Capital Budget, including Water
76 Rates, and Organizational Succession Planning**

77 General Manager Rudock briefly mentioned the need for “staffing up” because of
78 increased development activities along with upcoming retirements, and a succession
79 plan that is near completion and will be presented to the Board in February. She
80 also mentioned that SFPUC’s early notice is that it will not be increasing the
81 wholesale customer water rates for FY 2018/2019, but that the MPWD should have
82 an early discussion on water rates. That discussion will be scheduled in for March.
83

84 B. Other Topics for the Good of the Order

85 None.
86

87 5. **ADJOURNMENT**

88 The meeting was adjourned at 7:25PM.
89
90
91

92 _____
93 DISTRICT SECRETARY

94 APPROVED:

95 _____
96
97 BOARD PRESIDENT
98

Accounts Payable

Checks by Date - Summary by Check Date

User: candyp
 Printed: 1/19/2018 11:35 AM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
552	WFBUSCAR	WELLS FARGO BUSINESS CARD	11/29/2017	2,583.76
552	WFBUSCAR	WELLS FARGO BUSINESS CARD	11/29/2017	861.71
32908	DEBBUNIN	DEBORAH BUNIN	11/29/2017	50.00
32909	CINTS	CINTAS CORPORATION	11/29/2017	840.77
32910	CORNERST	CORNERSTONE STRUCTURAL ENGIN	11/29/2017	1,100.00
32911	FODURHAM	FORREST DURHAM	11/29/2017	50.00
32912	FERGWATE	FERGUSON WATER INC.	11/29/2017	13,800.00
32913	HORSTWIL	WILL HORST	11/29/2017	50.00
32914	STHSICH	STEPHEN HSICH	11/29/2017	100.00
32915	ALKOZNE	ALEXANDER KOZNE	11/29/2017	125.00
32916	LEEASSOC	LEE & ASSOCIATES RESCUE, INC.	11/29/2017	1,400.00
32917	LINCOLNL	LINCOLN LIFE	11/29/2017	175.00
32918	OFFICEDE	OFFICE DEPOT, INC.	11/29/2017	78.55
32919	PACOFFIC	PACIFIC OFFICE AUTOMATION	11/29/2017	184.88
32920	PG&E	PG&E CFM/PPC DEPT	11/29/2017	11,146.08
32921	RANDB	ROBERTS & BRUNE CO. INC.	11/29/2017	513.10
32922	SFWATER	SAN FRANCISCO WATER DEPT	11/29/2017	450,184.90
32923	LEONARDS	LEONARD SCHUMACHER	11/29/2017	50.00
32924	ISRAELSO	ISRAEL SOLER	11/29/2017	870.00
32925	WALTWONC	WALTER WONG	11/29/2017	50.00
Total for 11/29/2017:				484,213.75
553	CALPERS	CALPERS	11/30/2017	7,422.11
554	HEALTHEQ	Health Equity	11/30/2017	867.08
555	ICMACONT	ICMA contributions	11/30/2017	666.24
556	ADPPAYRL	adp	11/30/2017	34,086.83
557	ADPPAYRL	adp	11/30/2017	14,404.01
Total for 11/30/2017:				57,446.27
569	ADPPRFEE	ADP Payroll Fees	12/01/2017	102.49
577	ADPPRFEE	ADP Payroll Fees	12/01/2017	213.19
582	ADPPRFEE	ADP Payroll Fees	12/01/2017	102.49
Total for 12/1/2017:				418.17
568	BANKMTO1	Bankcard Mtot Disc	12/04/2017	4,331.49
570	BANKMTO1	Bankcard Mtot Disc	12/04/2017	522.18
571	MERCHAN1	MERCHANT	12/04/2017	329.61
Total for 12/4/2017:				5,183.28
1020	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	12/05/2017	36,474.56
1021	SCHAAFWE	SCHAAF & WHEELER	12/05/2017	3,110.63
32926	ATT60197	AT&T 60197	12/05/2017	34.21

Check No	Vendor No	Vendor Name	Check Date	Check Amount
32927	BAWSCA	BAY AREA WATER SUPPLY & CONSER	12/05/2017	80.00
32928	COMCASTB	COMCAST BUSINESS	12/05/2017	629.81
32929	GRANITE	GRANITE ROCK, INC.	12/05/2017	718.39
32930	HACHCOMI	HACH COMPANY INC	12/05/2017	166.34
32931	HANSONBR	HANSON, BRIDGETT	12/05/2017	5,620.00
32932	HASSETTH	HASSETT HARDWARE	12/05/2017	31.66
32933	HOMEDEPC	HOME DEPOT	12/05/2017	169.14
32934	JAMESMAR	JAMES MARTA & COMPANY	12/05/2017	1,000.00
32935	LIFTOFFD	LIFTOFF DIGITAL	12/05/2017	705.00
32936	MHN	MHN	12/05/2017	45.54
32937	pakpour	PAKPOUR CONSULTING GROUP, INC	12/05/2017	8,292.39
32938	PROFORMA	PROFORMA GRAPHICS, INC.	12/05/2017	1,383.83
32939	RECOLOGY	RECOLOGY SAN MATEO	12/05/2017	1,240.10
32940	RANDB	ROBERTS & BRUNE CO. INC.	12/05/2017	767.01
32941	SMELECTR	SAN MATEO ELECTRIC SUPPLY	12/05/2017	20.50
32942	STEPFORD	STEPFORD BUSINESS, INC.	12/05/2017	2,269.99
32943	USBANKPR	U.S. BANK PARS ACCT# 6746019200	12/05/2017	76,908.33
32944	VANGUARE	VANGUARD CLEANING SYSTEMS, INC	12/05/2017	385.00
32945	VERIZON	VERIZON WIRELESS	12/05/2017	889.63
32946	ZUCCA	MATTHEW ZUCCA	12/05/2017	1,335.41
Total for 12/5/2017:				142,277.47
573	AUTHNETG	AUTHNET GATEWAY	12/06/2017	30.00
Total for 12/6/2017:				30.00
1022	STOLOSKI	STOLOSKI & GONZALEZ, Inc.	12/07/2017	220,599.00
Total for 12/7/2017:				220,599.00
572	ICMACONT	ICMA contributions	12/08/2017	1,923.08
574	ADPPAYRL	adp	12/08/2017	10,143.27
575	ADPPAYRL	adp	12/08/2017	4,545.81
576	HEALTHAQ	Health Equity	12/08/2017	200.00
598	CALPERS	CALPERS	12/08/2017	2,672.29
Total for 12/8/2017:				19,484.45
578	CLIENTSV	Client Analysis Svs Charge	12/11/2017	2,994.62
Total for 12/11/2017:				2,994.62
579	ACHRETN	ACH Returns	12/12/2017	29.62
Total for 12/12/2017:				29.62
580	ADPPAYRL	adp	12/15/2017	34,898.13
581	ADPPAYRL	adp	12/15/2017	14,571.80
583	ICMACONT	ICMA contributions	12/15/2017	666.24
585	HEALTHAQ	Health Equity	12/15/2017	1,223.13
586	CALPERS	CALPERS	12/15/2017	7,429.41
1023	HYDROENC	HYDROSCIENCE ENGINEERS INC.	12/15/2017	11,715.00
1024	WESTYOST	WEST YOST ASSOCIATES	12/15/2017	98,410.56
Total for 12/15/2017:				168,914.27

Check No	Vendor No	Vendor Name	Check Date	Check Amount
32947	ACCELA	ACCELA, INC. #774375	12/20/2017	2,647.00
32948	ACWA5661	ACWA JPIA	12/20/2017	45,879.95
32949	AIRGAS	AIRGAS, LLC	12/20/2017	128.76
32950	ATT60197	AT&T 60197	12/20/2017	1,321.73
32951	BAAQMD	BAY AREA AIR QUALITY MGMT DIST.	12/20/2017	553.00
32952	BAWSCA	BAY AREA WATER SUPPLY & CONSER	12/20/2017	4,650.80
32953	BPLANDSC	BAY POINTE LANDSCAPE	12/20/2017	2,000.00
32954	BLUELINE	BLUELINE RENTAL	12/20/2017	3,731.97
32955	CARQUEST	CARQUEST AUTO PARTS	12/20/2017	15.07
32956	CINTS	CINTAS CORPORATION	12/20/2017	1,263.30
32957	COMCAST	COMCAST	12/20/2017	318.62
32958	GSFLOWM	GOLDEN STATE FLOW MEASUREMEN	12/20/2017	2,168.11
32959	GSSMOGCK	GOLDEN STATE SMOG CENTER	12/20/2017	199.00
32960	GRANITE	GRANITE ROCK, INC.	12/20/2017	753.64
32961	HACHCOMI	HACH COMPANY INC	12/20/2017	235.98
32962	HMBPAVIN	HALF MOON BAY GRADING & PAVINC	12/20/2017	7,322.21
32963	HASSETTH	HASSETT HARDWARE	12/20/2017	7.20
32964	HOMEDEPC	HOME DEPOT	12/20/2017	65.23
32965	K119OFCA	K-119 OF CALIFORNIA INC.	12/20/2017	2,983.89
32966	KOFFASSO	KOFF & ASSOCIATES INC	12/20/2017	1,320.00
32967	LINCOLNL	LINCOLN LIFE	12/20/2017	175.00
32968	LYNGSOMA	LYNGSO GARDEN MATERIAL INC	12/20/2017	47.31
32969	PACWEST	PACIFIC WEST SECURITY, INC.	12/20/2017	2,082.31
32970	pakpour	PAKPOUR CONSULTING GROUP, INC	12/20/2017	500.00
32971	PARS	PARS	12/20/2017	300.00
32972	PG&E	PG&E CFM/PPC DEPT	12/20/2017	2,620.48
32973	PRECISE	PRECISE, INC.	12/20/2017	8,064.08
32974	RANDB	ROBERTS & BRUNE CO. INC.	12/20/2017	2,422.05
32975	ROMIGENG	ROMIG ENGINEERS	12/20/2017	8,490.00
32976	RUDOCK	TAMMY RUDOCK	12/20/2017	239.00
32977	SMENVIRN	SAN MATEO CO. ENVIRO. HEALTH	12/20/2017	361.00
32978	SCOTSMAN	WILLIAMS SCOTSMAN	12/20/2017	538.00
32979	SILISEGW	SILICON SEGWAY	12/20/2017	174.42
32980	STATEWAT	STATE WATER RESOURCES CONTROL	12/20/2017	500.00
32981	UNIVESOL	UNIVERSAL PRINTING SOLUTIONS, I	12/20/2017	50.00
32982	VALLEYOL	VALLEY OIL COMPANY	12/20/2017	1,436.91
32983	CHIKAREN	KAREN CHI	12/20/2017	150.97
32984	PRAYJAME	JAMES PRAY	12/20/2017	5,116.32
Total for 12/20/2017:				110,833.31
587	ACHRETN	ACH Returns	12/21/2017	55.57
593	ACHRETN	ACH Returns	12/21/2017	24.00
Total for 12/21/2017:				79.57
588	ADPPAYRL	adp	12/22/2017	10,357.49
590	ADPPAYRL	adp	12/22/2017	5,017.22
591	ADPPRFEE	ADP Payroll Fees	12/22/2017	181.40
599	CALPERS	CALPERS	12/22/2017	2,688.21
600	HEALTHAQ	Health Equity	12/22/2017	200.00
601	ICMACONT	ICMA contributions	12/22/2017	1,923.08
602	CALPERS	CALPERS	12/22/2017	9,203.08
605	CALPERS	CALPERS	12/22/2017	99.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Total for 12/22/2017:				29,669.48
592	DEPOSITE	DEPOSITED ITEM RETN UNPAID	12/26/2017	89.52
596	DEPOSITE	DEPOSITED ITEM RETN UNPAID	12/26/2017	136.24
Total for 12/26/2017:				225.76
32985	COMCAST	COMCAST	12/27/2017	262.72
32986	GRANITE	GRANITE ROCK, INC.	12/27/2017	201.57
32987	HMBPAVIN	HALF MOON BAY GRADING & PAVINC	12/27/2017	84,523.75
32988	HOMEDEPC	HOME DEPOT	12/27/2017	275.53
32989	DAVIDSON	JOHN T. DAVIDSON OR DBA JRocket77	12/27/2017	6,045.47
32990	KIMBALLM	KIMBALL MIDWEST, INC.	12/27/2017	85.68
32991	LYNGSOMA	LYNGSO GARDEN MATERIAL INC	12/27/2017	125.07
32992	OFFICEDE	OFFICE DEPOT, INC.	12/27/2017	83.83
32993	PACOFFIC	PACIFIC OFFICE AUTOMATION	12/27/2017	77.84
32994	PG&E	PG&E CFM/PPC DEPT	12/27/2017	3,298.79
32995	PIT71896	PITNEY BOWES 371896	12/27/2017	147.49
32996	PRECISE	PRECISE, INC.	12/27/2017	563.82
32997	RANDB	ROBERTS & BRUNE CO. INC.	12/27/2017	1,302.28
Total for 12/27/2017:				96,993.84
597	ADPPRFEE	ADP Payroll Fees	12/29/2017	102.49
Total for 12/29/2017:				102.49
589	CALPERS	CALPERS	12/31/2017	7,482.26
594	ADPPAYRL	adp	12/31/2017	48,454.95
603	HEALTHEQ	Health Equity	12/31/2017	567.08
604	ICMACONT	ICMA contributions	12/31/2017	666.24
Total for 12/31/2017:				57,170.53
567	WFBUSCAR	WELLS FARGO BUSINESS CARD	01/04/2018	4,944.79
33000	ATT60197	AT&T 60197	01/04/2018	1,193.59
33001	MELLONBN	BNY MELLON	01/04/2018	1,700.00
33002	CALCHAME	CALIFORNIA CHAMBER OF COMMER	01/04/2018	135.18
33003	CHESTER	BRENT CHESTER	01/04/2018	256.41
33004	COASTCOU	COAST COAST COUNTIES TRUCK & E	01/04/2018	1,102.79
33005	COMCASTB	COMCAST BUSINESS	01/04/2018	629.81
33006	CORNERST	CORNERSTONE STRUCTURAL ENGIN	01/04/2018	1,950.00
33007	CRWA	CRWA	01/04/2018	250.00
33008	DAVIDSON	JOHN T. DAVIDSON OR DBA JRocket77	01/04/2018	4,127.30
33009	GFOA	GOVERNMENT FINANCE OFFICERS A	01/04/2018	160.00
33010	GRANITE	GRANITE ROCK, INC.	01/04/2018	705.40
33011	HANSONBR	HANSON, BRIDGETT	01/04/2018	5,852.50
33012	HOMEDEPC	HOME DEPOT	01/04/2018	166.26
33013	KALABOLA	JEANETTE KALABOLAS	01/04/2018	52.33
33014	LIFTOFFD	LIFTOFF DIGITAL	01/04/2018	705.00
33015	LINCOLNL	LINCOLN LIFE	01/04/2018	175.00
33016	LYNGSOMA	LYNGSO GARDEN MATERIAL INC	01/04/2018	107.66
33017	MHN	MHN	01/04/2018	45.54
33018	PACOFFIC	PACIFIC OFFICE AUTOMATION	01/04/2018	189.77
33019	PENBLDG	PENINSULA BUILDING MATERIALS	01/04/2018	759.29

Check No	Vendor No	Vendor Name	Check Date	Check Amount
33020	PRECISE	PRECISE, INC.	01/04/2018	565.76
33021	SFCHRON	SAN FRANCISCO CHRONICLE	01/04/2018	442.00
33022	SFWATER	SAN FRANCISCO WATER DEPT	01/04/2018	353,265.00
33023	STANDINS	STANDARD INSURANCE COMPANY	01/04/2018	966.19
33024	STEPFORD	STEPFORD BUSINESS, INC.	01/04/2018	1,640.00
33025	VANGUARE	VANGUARD CLEANING SYSTEMS, INC	01/04/2018	385.00
33026	VERIZON	VERIZON WIRELESS	01/04/2018	889.58
Total for 1/4/2018:				383,362.15
33027	ACCELA	ACCELA, INC. #774375	01/11/2018	2,832.00
33028	AIRGAS	AIRGAS, LLC	01/11/2018	270.63
33029	ATT60197	AT&T 60197	01/11/2018	40.50
33030	BPLANDSC	BAY POINTE LANDSCAPE	01/11/2018	1,775.00
33031	BLUELINE	BLUELINE RENTAL	01/11/2018	7,463.94
33032	CARQUEST	CARQUEST AUTO PARTS	01/11/2018	52.78
33033	CINTS	CINTAS CORPORATION	01/11/2018	1,253.22
33034	EDDCOGRP	EDCCO GROUP, INC	01/11/2018	1,155.00
33035	GRAINGER	GRAINGER	01/11/2018	204.17
33036	GRANITE	GRANITE ROCK, INC.	01/11/2018	291.41
33037	HOMEDEPC	HOME DEPOT	01/11/2018	154.27
33038	JAMESMAR	JAMES MARTA & COMPANY	01/11/2018	1,300.00
33039	KIMBALLM	KIMBALL MIDWEST, INC.	01/11/2018	180.74
33040	KOFFASSO	KOFF & ASSOCIATES INC	01/11/2018	540.00
33041	MATCOTLS	MATCO TOOLS	01/11/2018	61.12
33042	OREILLYA	OREILLY AUTO PARTS, INC.	01/11/2018	95.98
33043	pakpour	PAKPOUR CONSULTING GROUP, INC	01/11/2018	5,608.33
33044	PETCAT	PETERSON CAT	01/11/2018	2,623.10
33045	PG&E	PG&E CFM/PPC DEPT	01/11/2018	12,016.17
33046	RECOLOGY	RECOLOGY SAN MATEO	01/11/2018	620.05
33047	RANDB	ROBERTS & BRUNE CO. INC.	01/11/2018	1,026.21
33049	ROYALWHC	ROYAL WHOLESALE ELECTRIC	01/11/2018	51.32
33050	SHIELDSH	SHIELDS HARPER	01/11/2018	1,524.69
33052	XIOINC	XIO, INC.	01/11/2018	1,616.00
Total for 1/11/2018:				42,756.63
33053	AWWA2997	AMERICAN WATER WORKS ASSOCIAT	01/18/2018	269.00
33054	ATT60197	AT&T 60197	01/18/2018	77.52
33055	HOMEDEPC	HOME DEPOT	01/18/2018	41.39
33056	NATLMETR	NATIONAL METER & AUTOMATION	01/18/2018	164.52
33057	OFFICEDE	OFFICE DEPOT, INC.	01/18/2018	152.87
33058	PACESUPL	PACE SUPPLY CORP	01/18/2018	18.10
33059	PACOFFIC	PACIFIC OFFICE AUTOMATION	01/18/2018	78.54
33060	SILISEGW	SILICON SEGWAY	01/18/2018	553.58
33061	SWRCBACC	SWRCB ACCOUNTING OFFICE	01/18/2018	25,930.00
33062	UNLMTOOL	UNLIMITED TOOL & REPAIR, INC.	01/18/2018	1,836.16
33063	VALLEYOL	VALLEY OIL COMPANY	01/18/2018	954.68
Total for 1/18/2018:				30,076.36
Report Total (201 checks):				1,852,861.02



AGENDA ITEM NO. 7.A.

DATE: January 25, 2018
 TO: Board of Directors
 FROM: Tammy Rudock, General Manager
 Candy Pina, Administrative Services Manager
 Rene Ramirez, Operations Manager

SUBJECT: RECEIVE RECONCILIATION QUARTERLY REPORT ON 2016 COP FINANCING FOR PERIOD OCTOBER 1, 2017 THROUGH DECEMBER 31, 2017, AND 2016 COP PROJECT FUND QUARTERLY REPORT THROUGH DECEMBER 31, 2017

RECOMMENDATION

Receive Reconciliation Quarterly Report on 2016 COP Financing for period October 1, 2017, through December 31, 2017, and 2016 COP Project Fund Quarterly Report through December 31, 2017.

FISCAL IMPACT

MPWD 2016 COP CIP - RECONCILIATION @ 12/31/17		
Date	Activity	COP Funds
12/21/2016	Net Proceeds as of 12/21/16 to COP CIP	\$ 19,143,021
3/20/2017	Transfer to Project Funds	\$ 42,876
12/31/2017	Project Costs	\$ (1,084,017)
12/31/2017	Total Interest Earned	\$ 120,105
12/31/2017	Balance	\$ 18,221,985

DISCUSSION

Staff's 2016 COP Reconciliation Quarterly Report is attached. Trustee bank statements were reconciled and the project fund balance at December 31, 2017, was \$18,221,985.

Dan Bergmann of IGService will present the attached quarterly report on capital project expenditures.

Attachments: 2016 COP Reconciliation Quarterly Report at December 31, 2017
 2016 COP Project Fund Quarterly Report as of December 31, 2017

BOARD ACTION: APPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____

UNANIMOUS_____ WARDEN_____ VELLA_____ LINVILL_____ ZUCCA_____ STUEBING_____

MPWD 2016 COP CIP - RECONCILIATION @ 12/31/17

Date	Activity	COP Funds
12/21/2016	Net Proceeds as of 12/21/16 to COP CIP	\$ 19,143,020.98
3/20/2017	Transfer to Project Funds	\$ 42,875.50
12/31/2017	Project Costs	\$ (1,084,016.62)
12/31/2017	Total Interest Earned	\$ 120,105.20
12/31/2017	Balance	\$ 18,221,985.06

COST OF ISSUANCE

Date	Activity	Closing Costs
12/21/2016	Deposit from Net Proceeds	\$ 251,000.00
12/21/2016	Total Issuance Costs	\$ (208,124.50)
3/20/2017	Transfer to Project Funds	\$ (42,875.50)
	Total	\$ -

COP Project Costs YTD

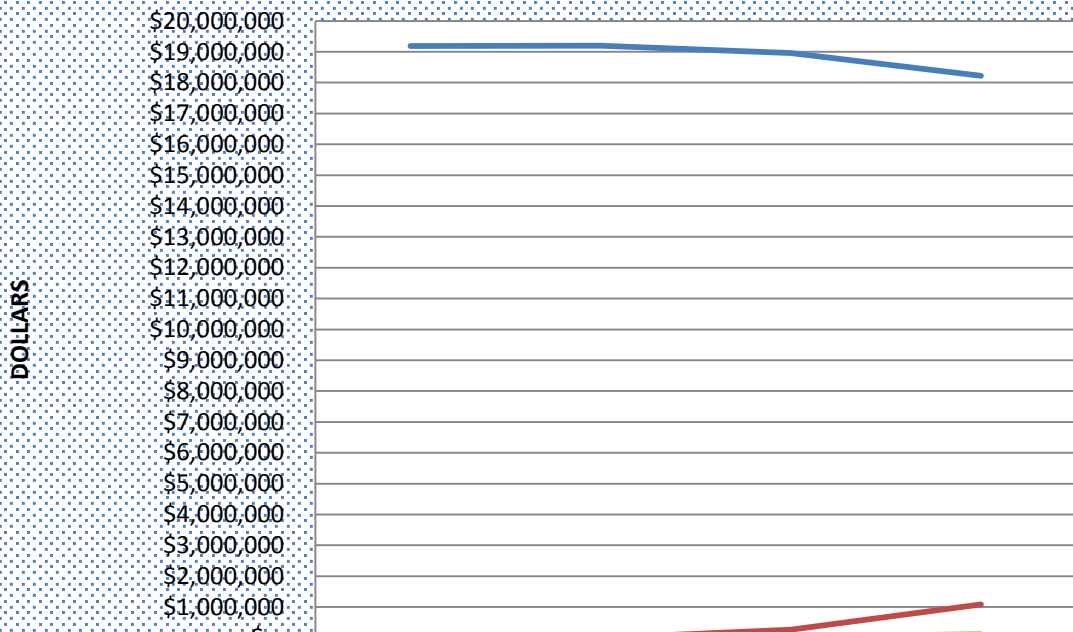
Date	Activity	Project Costs
12/31/2017	Karen/Folger/Mezes/South/Arthur Water Main Replacement (WMR)	\$ 623,683.79
12/31/2017	Hillcrest Pressure Regulating Station	\$ 103,527.82
12/31/2017	Dekoven Tank Replacement	\$ 9,926.44
12/31/2017	Old County Road WMR	\$ 4,487.45
12/31/2017	El Camino Real/Malcolm Ave WMR	\$ 111,748.14
12/31/2017	Notre Dame/Tahoe/Cliffside	\$ 22,596.01
12/31/2017	SR 101 Crossing at PAMF Hospital	\$ 167,884.85
12/31/2017	Francis, Academy, Davey (w/Belmont)	\$ 40,162.12
	Total	\$ 1,084,016.62

Interest Earned

Date	Activity	Interest Earned
3/31/2017	Third Quarter Interest Earned (Jan - Mar 2017)	\$ 12,640.32
6/30/2017	Fourth Quarter Interest Earned (Apr - Jun 2017)	\$ 26,269.49
9/30/2017	First Quarter Interest Earned (Jul -Sep 2017)	\$ 38,254.32
7/2/2017	Interest	\$ 13,740.78
8/2/2017	Interest	\$ 14,584.55
9/2/2017	Interest	\$ 14,615.74
	Total	\$ 120,105.20

Updated 01/12/18

MPWD 2016 COP FUNDS SUMMARY



	12/21/2016	3/31/2017	6/30/2017	9/30/2017
— COP Funds	\$19,185,896	\$19,198,537	\$18,956,420	\$18,221,985
— Project Costs	\$-	\$-	\$268,386	\$1,084,017
— Total Interest Earned	\$-	\$12,640	\$38,910	\$120,105



January 17, 2018

Tammy Rudock, General Manager
Mid-Peninsula Water District

Email: trudock@midpeninsulawater.org

Re: COP Report Ending December 31, 2017

Dear Ms. Rudock:

The following are highlights from my tracking of COP spending through December 31, 2017. I am also sending you the updated workbook by email.

COP spending during the quarter ending December 31, 2017 was \$671,457. Of this total, the first of construction payments were made, a total of \$299,777 for work on South Road. The balance of \$271,680 was for engineering costs for various projects.

COP funds spent through December 31, 2017 total \$1,084,017. This is 5.6% of the total \$19,306,002 current balance.

The COP balance in this report reconciles exactly to the bank statement as of December 31, 2017. The COP fund balance as of December 31, 2017 was \$18,221,985. This is shown in the attached Bank of New York table and also at the bottom of the Projects table (rounded).

Pay-Go amounts are included in this report. The total amount of Pay-Go funds to date for the projects listed is \$76,975. The amount sent during the quarter was \$3,754.

Chart: Projected CIP vs Funds Spent. A new chart has been added to show the trend of projected costs vs. funds actually spent. This will become more meaningful as the extent of payments continue to increase.

Sincerely,

Dan Bergmann
Principal

MPWD Projects: Through Dec 31, 2017		Cost Estimate		Amount Spent			Planned Completion
Project	#	Original ¹	Updated	COP	Pay-Go	Total	
Karen Road Improvements	15-73	\$425,000	\$455,600	(\$92,340)	(\$1,280)	(\$93,620)	Jun-18
Folger Drive Improvements	15-65	420,000	449,376	(110,163)	(39)	(110,202)	Jun-18
Mezes Avenue Improvements	15-14	175,000	187,240	(18,679)	0	(18,679)	Jun-18
South Road Abandonment	15-44	415,000	443,968	(349,584)	0	(349,584)	Jun-18
Arthur Avenue Improvements	15-22	475,000	509,680	(52,918)	0	(52,918)	Jun-18
Francis, Academy, Davey (w/Belmont)	15-43	680,000	\$1,422,328	(40,164)	(34,440)	(74,604)	Jun-18
Hillcrest Pressure Regulating Station	15-87	345,000	369,888	(103,528)	0	(103,528)	Jun-18
Notre Dame Abandonment	15-49	n/a	\$173,120	(3,520)	0	(3,520)	Jun-19
Notre Dame Avenue Loop Closure	15-10	910,000	1,009,891	(2,254)	0	(2,254)	Jun-19
Tahoe Drive Area Improvements	15-28	510,000	563,692	(6,218)	0	(6,218)	Jun-19
Cliffside Court Improvements	15-38	220,000	258,998	(10,604)	0	(10,604)	Jun-19
Zone 5 Fire Hydrant Upgrades	15-06	150,000	168,730				Jun-19
Civic Lane Improvements	15-78	800,000	887,405				Jun-19
Dekoven Tank Utilization Project	15-09	1,035,000	1,185,325				Jun-20
Dekoven Tanks Replacement	15-89	3,500,000	4,009,576	(9,926)	(40,687)	(50,613)	Jun-20
Old County Road Improvements	15-75	3,400,000	3,892,590	(4,486)	0	(4,486)	Jun-20
Belmont Canyon Road Improvements	15-29	420,000	480,300				Jun-20
North Road Improvements	15-42	220,000	258,998				Jun-21
El Camino Real Improvements	15-76	2,100,000	2,489,975	(111,747)	0	(111,747)	Jun-21
SR 101 Crossing at PAMF Hospital	15-72	1,670,000	2,033,486	(167,886)	(529)	(168,415)	Jun-22
Williams Ave, Ridge Rd, Hillman Ave Impr.	15-16	1,100,000	1,352,053				Jun-22
Monte Cresta Dr / Alhambra Drive Impr.	15-17	1,075,000	1,313,786				Jun-22
TOTALS		\$20,045,000	\$23,916,005	(\$1,084,017)	(\$76,975)	(\$1,160,992)	

COP Beginning Fund Total

\$19,143,021

Dividend Totals

\$162,981

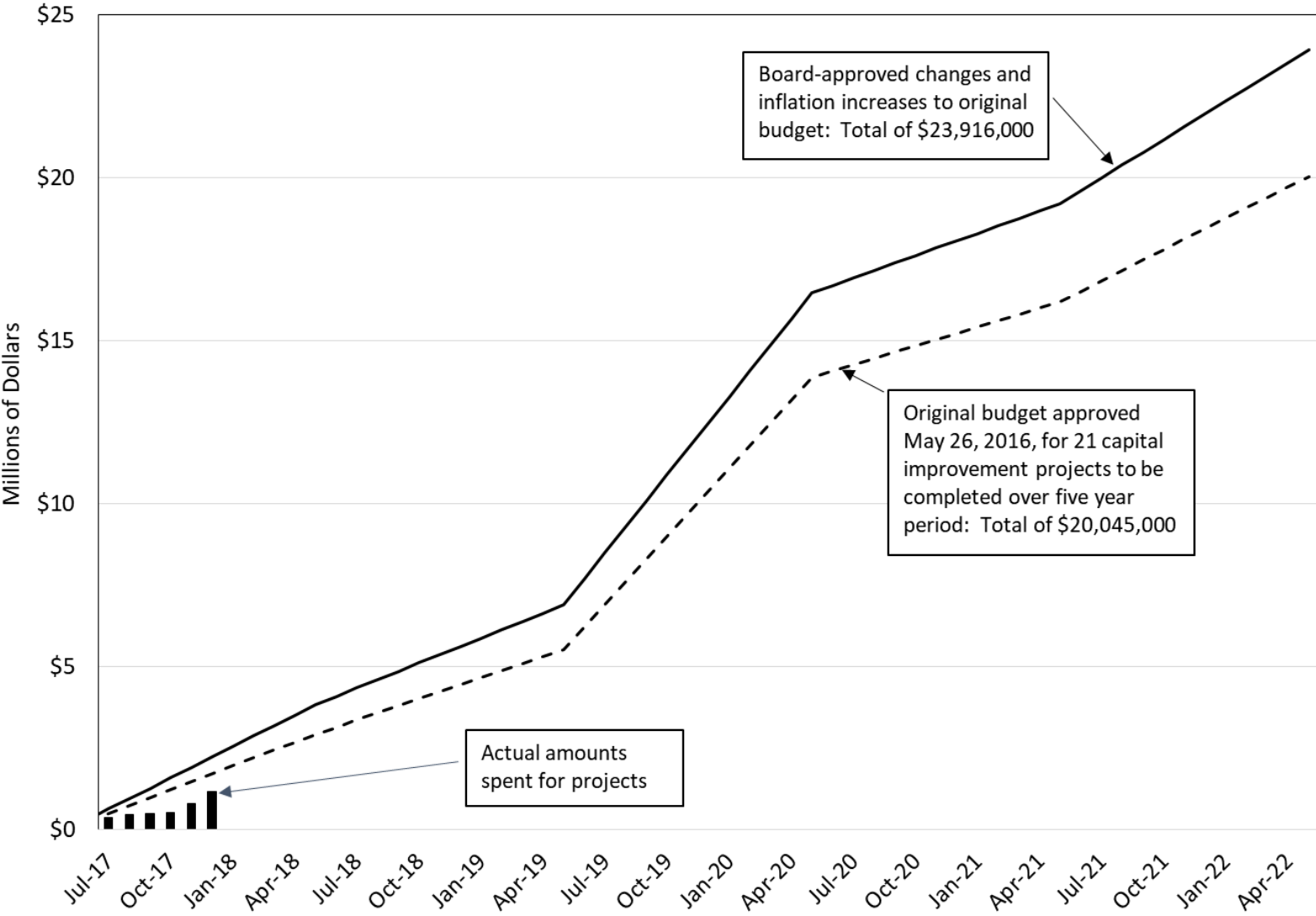
COP Remaining Balance

\$18,221,985

Notes:

1) Resolution No. 2016-06, May 26, 2016

MPWD Board-Approved CIP Budget vs Actual Spending



Bank of New York MPWD Account 361685			
	Dividends	Expenditures	End Balance
Beginning Project Funds			\$19,143,020.82
Quarter Ending			
Mar-17¹	\$42,875.50	0.00	\$19,185,896.32
Mar-17	12,640.32	0.00	19,198,536.64
Jun-17	26,269.49	(268,386.44)	18,956,419.69
Jul-17	11,186.97	(37,411.30)	18,930,195.36
Aug-17	13,178.04	(76,232.49)	18,867,140.91
Sep-17	13,889.47	(30,529.45)	18,850,500.93
Oct-17	13,740.78	(31,325.20)	18,832,916.51
Nov-17	14,584.55	(269,821.99)	18,577,679.07
Dec-17	14,615.74	(370,309.75)	18,221,985.06
Totals	\$162,980.86	(\$1,084,017)	\$18,221,985
Total Funds	\$19,306,001.68		
Percent of Total Spent	5.6%		
Notes			
1) Transfer to Project Funds			



AGENDA ITEM NO. 7.A.

DATE: January 25, 2018
TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager

SUBJECT: CONSIDER RESOLUTION 2018-01 AUTHORIZING THE FOURTH AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACT WITH PAKPOUR CONSULTING GROUP, INC., REFERENCED AS CONTRACT NO. 02-1621-CP IN THE AMOUNT OF \$54,800, FOR ADDITIONAL ENGINEERING DESIGN SERVICES RELATED TO THE HILLCREST PRESSURE REGULATING STATION

RECOMMENDATION:

Adopt Resolution 2018-01, which authorizes a fourth amendment totaling \$54,800 to the District Engineer's Contract No. 02-1621-CP for professional engineering design services related to engineering services to complete the Hillcrest Pressure Regulating Station project.

FISCAL IMPACT:

The attached proposal from the District Engineer dated November 16, 2017, addresses additional work required to complete the design for the Hillcrest Pressure Reducing Station totaling \$54,800. The original contract amount awarded by the Board on February 23, 2017 for Hillcrest Pressure Regulating Station engineering design services was \$89,250. Staff's recommendation would increase engineering costs to \$144,050. Funding for the additional engineering would come from the 2016 COP proceeds.

DISCUSSION:

The Board adopted a five-year Capital Improvement Plan (CIP) at its May 26, 2016 meeting and directed staff to develop a "game plan" to execute the improvements. Staff and the District Engineer have developed such a plan that entails developing plans and specifications in one fiscal year or two, depending on the size of the project, and construction in the following year or two, again depending on the size of the project. Part of the plan also included combining some projects to be efficient and provide an economy of scale for bidding and construction purposes as just discussed.

The Hillcrest Pressure Regulating Station (HPRS) project proposes to construct a pressure regulating station at or near the Hillcrest meters operated by the SFPUC in a

location where Redwood City operates a tank site. The purpose of the pressure regulating station is to regulate, or even out, pressure fluctuations in Zone 1 where we have had several large water leaks. Design work on the HPRS had reached the 70% design stage when two complications arose. One complication, in the form of a lack of a documented easement, for the existing pipeline and proposed location of the HPRS surfaced and is proposed to be corrected with this contract amendment at a proposed cost of \$17,490. The other complication came in the form of the type of pipe material used for the 20-inch pipe coming from the SFPUC turnout and into Belmont where the District's first customer begins to receive water. The pipe material is known as "concrete cylinder pipe". While this pipe material was widely used 50 years ago, it is not used much now especially in this size and poses a potential problem to make a safe and long-lasting transition to a more modern pipe material for the HPRS. The District engineer was able to locate a former and now retired pipe manufacturer engineer to develop an engineering solution in the form of a construction detail so that the original pipe material can be joined with modern pipe material to create the HPRS. This level of effort is proposed to cost \$33,060. The last item proposed in this fourth contract amendment is to design an emergency interconnection from the District's HPRS to the Redwood City tank – something requested by Redwood City for a proposed cost of \$4,250.

The District Engineer's contract defines any engineering or construction management support greater than \$100,000 as Major Improvement Projects, and requires them to submit a proposal. In this case, even though the proposed work does not exceed \$100,000, transparency throughout the capital improvement program is desired.

A proposal from the District Engineer dated November 16, 2017 goes into more detail regarding their request for additional budget to complete the design of the HPRS. The intent is to have plans and specifications ready in time for construction to occur during the slower winter months of 2018-19.

These issues were discussed with the Board at its November 15, 2017, regular meeting, during the District Engineer's progress report presentation on the project.

Attachments: Resolution 2018-01
Attachment A - Proposal from Pakpour Consulting Group dated November 16, 2017
Contract No. 02-1621-CP Fourth Amendment to Contract for Professional Services

BOARD ACTION: APPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____

UNANIMOUS_____ WARDEN_____ VELLA_____ LINVILL_____ ZUCCA_____ STUEBING_____

RESOLUTION NO. 2018-01

**AUTHORIZING THE FOURTH AMENDMENT TO THE
PROFESSIONAL SERVICES CONTRACT WITH PAKPOUR CONSULTING GROUP, INC.,
REFERENCED AS CONTRACT NO. 02-1621-CP, IN THE AMOUNT OF \$54,800,
FOR ADDITIONAL ENGINEERING SERVICES RELATED TO
THE HILLCREST PRESSURE REDUCING STATION**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District (District) entered into a contract with Pakpour Consulting Group on June 25, 2015 to provide District Engineer services for the planning, design, construction, management and operation of the District water system (Contract); and

WHEREAS, a First Amendment to the Contract (referenced as Contract No. 01-1621-CP) with the District Engineer for the 2017 Water Main Improvements Project totaling \$292,155 was approved by the Board of Directors on September 22, 2016; and

WHEREAS, a Second Amendment to the Contract (referenced as Contract No. 02-1621-CP) with the District Engineer for the Hillcrest Pressure Regulating Station Project totaling \$89,250 was approved by the Board of Directors on February 23, 2017; and

WHEREAS, a Third Amendment to the Contract (referenced as Contract No. 07-1621-CP) with the District Engineer for design services for the 2018 Water Main Replacement Project totaling \$325,244 was approved by the Board of Directors on September 28, 2017; and

WHEREAS, Section 2.C. of the Contract includes optional services for Major Improvement Projects, defined as improvement projects or construction management services costing over \$100,000; and

WHEREAS, the Board of Directors (Board) adopted the MPWD Comprehensive System Analysis and Capital Improvement Program (CIP), FY 2016/2017 Update, and authorized the MPWD 5-Year CIP for Fiscal Years 2016/2017 through 2020/2021 at its May 26, 2016, regular meeting; and

WHEREAS, the District now proposes a Fourth Amendment to the Contract for the purpose of engaging the District Engineer in additional design work related to the Hillcrest Pressure Reducing Station to address easement creation and documentation, an engineering solution to make a long-lasting pipe connection between dissimilar pipe materials, and to design an emergency interconnection for the nearby Redwood City water storage tank.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby authorizes a Fourth Amendment to the Contract with Pakpour Consulting Group, Inc., referenced as Contract No. 02-1621-CP, for additional professional engineering services related to the Hillcrest Pressure Regulating Station Project totaling \$54,800.

REGULARLY passed and adopted this 25th day of January 2018.

AYES:

NOES:

ABSTAINS:

ABSENCES:

PRESIDENT, BOARD OF DIRECTORS

ATTEST:

SECRETARY OF THE BOARD

CONTRACT NO. 02-1621-CP

FOURTH AMENDMENT TO

CONTRACT FOR PROFESSIONAL SERVICES

THIS FOURTH AMENDMENT TO CONTRACT FOR PROFESSIONAL SERVICES, (HEREINAFTER REFERRED TO AS "CONTRACT NO. 02-1621-CP"), is made as of the 25th day of January 2018, by and between the MID-PENINSULA WATER DISTRICT (hereinafter referred to as "DISTRICT") and PAKPOUR CONSULTING GROUP, INC. (hereinafter referred to as "ENGINEER").

- A. The Parties entered into a Contract for Professional Services ("Contract") on June 25, 2015, under which Engineer provides professional engineering services in connection with the planning, design, construction, management, and operation of the DISTRICT's water system, including optional services related to major improvement projects costing over \$100,000.
- B. The DISTRICT desires Engineer to provide additional design work related to the Hillcrest Pressure Reducing Station to address easement creation and documentation, an engineering solution to make a long-lasting pipe connection between dissimilar pipe materials, and to design an emergency interconnection for the nearby Redwood City water storage tank, as more particularly described in the ENGINEER's proposal dated November 16, 2017, a copy of which is attached hereto and incorporated herein as Attachment "A" to this Fourth Amendment.

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

- 1. Under Section 2 of the Contract, the Scope of Services is amended to add the ENGINEER's services described in Attachment "A" to this Fourth Amendment.
- 2. Under Section 4.3 of the Contract, the Compensation to be paid the ENGINEER for the specified services to be provided pursuant to this Fourth Amendment is set forth in Attachment "A" to this Fourth Amendment.
- 3. Except for those changes expressly specified in this Fourth Amendment, all other provisions, requirements, conditions and sections of the Contract remain in full force and effect.

IN WITNESS WHEREOF, this Fourth Amendment to the Contract, referenced as Contract No. 02-1621-CP, is entered into as of the date first written above by the duly authorized representatives of the parties.

MID-PENINSULA WATER DISTRICT

PAKPOUR CONSULTING GROUP, INC.

BY: _____
Tammy A. Rudock, General Manager

BY: _____
Joubin Pakpour, P.E., Principal

APPROVED AS TO FORM:

District Counsel



Pakpour Consulting Group, Inc.

November 16, 2017

10012.19

Tammy Rudock
 General Manager
Mid-Peninsula Water District
 3 Dairy Lane
 Belmont, CA 94002

**Subject: Budget Increase Request
 Hillcrest Pressure Regulating Station Project
 Mid-Peninsula Water District**

Dear Tammy,

The plans for the Hillcrest Pressure Regulating Station (HPRS) are approximately 70% complete, our original budget for the projects was \$89,250 and we are on schedule for design completion in early 2018. Unfortunately the project has turned out to be far more complicated than originally estimated. Two major and a few minor factors have contributed to the additional hours spent on the project as detailed below:

- During our meeting and subsequent conference calls with the City of Redwood City (RWC) we found that the District may not have an easement through RWC's Sequoia tank site. To confirm if indeed do not have an easement we had to coordinate record research with our surveyor including pulling a preliminary title report. We also had several follow up conference calls with RWC regarding this issue. Our research indicated that we do not have an easement through the tank site however there are documents indicating the District did intent to obtain an easement in 1958.

District Engineer	Joubin Pakpour	6 hours @ \$190/hr	\$1,140.00
Project Engineer	Victor Fung	20 hours @ \$145/hr	\$2,900.00
	Direct Cost Multiplier 5%		\$200.00
	Triad Holmes Easement Research		<u>\$3,500.00</u>
	<i>Preliminary Title Report</i>		
	Total:		\$7,740.00

- Our current supply line from the Hillcrest SFPUC meter turnout is a 20-inch Concrete Cylinder Pipe (CCP). CCP was mostly used in the 1960's and is not commonly used in today's water main construction. The HPRS project requires a section of this pipe to be abandoned and two new connections made. CCP information has become harder to find as companies closed or have moved out of state or country. CCP has become a niche field. Our intent was to use standard connection details, however our research indicated this vintage of CCP needs special attention. We contacted several structural engineering firms specializing in the water industry to assist us in detailing the connections, all of them turned us down due to the complexity of the design and the 15 feet depth of the existing pipes. Having exhausted our contacts with structural engineers we moved on to contacting experienced contractors on the peninsula which also was a dead end. Tracing the



A tharad/ATA

acquisition of American Concrete Cylinder Pipe Company (ACCP), the pipe manufacturer of the existing District water main, we were able to locate a retired ACCP engineer that was willing to help with the project. Henry H Bardakjian worked with Ameron as the Chief Engineer for Water Transmission Group for over 30 years before Ameron was acquired ACCP. Mr. Bardakjian has the knowledge and capability in providing the District a connection detail from CCP to ductile iron pipe (DIP). We can use this same detail for the Old County Road Project since we will be interacting with the same CCP. His draft report was forwarded to the District several days ago in which he hand sketched several connection details. We are in the process of drafting those details for the project.

District Engineer	Joubin Pakpour	24 hours @ \$190/hr	\$4,560.00
Project Engineer	Victor Fung	120 hours @ \$145/hr	\$17,400.00
	Direct Cost Multiplier 5%		\$1,100.00
	Henry Bardakjian Subconsultant		<u>\$10,000.00</u>
	Total:		\$33,060.00

- During our initial meeting with RWC it was decided that the design incorporate an emergency interconnection from our water main to the RWC tank site. We are coordinating with RWC on the design of this interconnection and incorporating it into the final design documents.

District Engineer	Joubin Pakpour	3 hours @ \$190/hr	\$570.00
Project Engineer	Victor Fung	24 hours @ \$145/hr	\$3,480.00
	Direct Cost Multiplier 5%		<u>\$200.00</u>
	Total:		\$4,250.00

- Once the design is finalized we anticipate the need to obtain an easement from RWC. We are budgeting time to coordinate (with RWC), prepare and record this easement. The easement documents will need to be reviewed by RWC planning and attorneys offices.

District Engineer	Joubin Pakpour	8 hours @ \$190/hr	\$1,520.00
Project Engineer	Victor Fung	24 hours @ \$145/hr	\$3,480.00
	Direct Cost Multiplier 5%		\$250.00
	Triad Holmes Easement Preparation		<u>\$4,500.00</u>
	Total:		\$9,750.00

As summarized above we are requesting a budget increase of **\$54,800.00** to complete this project. Should you have any questions, please do not hesitate to contact me at (925) 224-7717.

Very truly yours,

Pakpour Consulting Group, Inc.



Joubin Pakpour, P.E.
District Engineer

J:\Projects\MPWD - 10012.00\19 - Hillcrest Pressure Regulating Station\Contract\Agency\19-MPWD-Rudock-17.11.16-Budget Increase Request.docx





AGENDA ITEM NO. 8.A.

DATE: January 25, 2018
TO: Board of Directors
FROM: Candy Pina, Administrative Services Manager

SUBJECT: RECEIVE AND ACCEPT THE FINANCIAL AUDIT REPORT FOR FISCAL YEAR ENDED JUNE 30, 2017, PRESENTED BY DAVID BECKER, CPA, OF JAMES MARTA & COMPANY LLP

RECOMMENDATION

Receive and accept the financial audit report for the fiscal year ended June 30, 2017, presented by David Becker, CPA, of James Marta & Company LLP.

FISCAL IMPACT

\$15,050 paid to date to James Marta & Company LLP. (\$19,000 is the total contracted amount for the FY 2016/2017.)

DISCUSSION

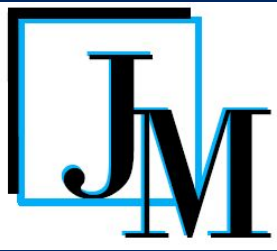
Attached are the financial audit reports for Fiscal Year Ended June 30, 2017 and related documents, which will be presented by David Becker, CPA, of James Marta & Company LLP.

An audit exit conference was facilitated by David Becker on January 11th with the Board's financial audit ad hoc committee and staff.

Attachments: MPWD Financial Audit Report for Year Ended June 30, 2017
MPWD Management Letter
MPWD Board Communication

BOARD ACTION: APPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____

UNANIMOUS_____ WARDEN_____ VELLA_____ LINVILL_____ ZUCCA_____ STUEBING_____



**MID-PENINSULA WATER DISTRICT
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2017 AND 2016**

JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

701 HOWE AVENUE, E3
SACRAMENTO, CA

(916) 993-9494
(916) 993-9489 FAX
WWW.JPMCPA.COM

MID-PENINSULA WATER DISTRICT

BOARD OF DIRECTORS

JUNE 30, 2017

<u>Name</u>	<u>Office</u>	<u>Term Expires December</u>
Albert Stuebing	President	2018
Dave Warden	Vice President	2018
Betty Linvill	Director	2018
Louis Vella	Director	2020
Matthew Zucca	Director	2020

ADMINISTRATION

Tammy Rudock
General Manager

MID-PENINSULA WATER DISTRICT

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditor’s Report	1
Management’s Discussion and Analysis	3
Basic Financial Statements	
Statement of Net Position	8
Statement of Revenues, Expenses and Changes in Net Position	9
Statement of Cash Flows	10
Notes to the Basic Financial Statements	12
Required Supplementary Information	
Schedule of Funding Progress – Other Postemployment Benefits	29
Schedule of the District’s Proportionate Share of the Net Pension Liability	30
Schedule of Pension Contributions	31
Other Independent Auditor’s Report	
Independent Auditor’s Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed In Accordance With Government Auditing Standards	32



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mid-Peninsula Water District
Belmont, California

Report on the Financial Statements

We have audited the accompanying Statement of Net Position of Mid-Peninsula Water District (the District) as of June 30, 2017 and 2016 and the related Statements of Revenues, Expenses and Changes in Net Position and Cash Flows for the years then ended and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Mid-Peninsula Water District as of June 30, 2017 and 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

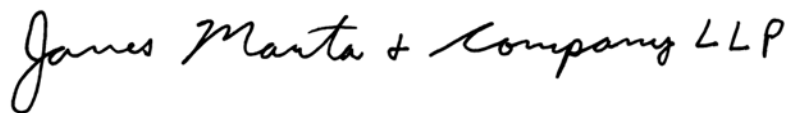
Other Matters

Required Supplemental Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis and Schedule of Funding Progress – Other Postemployment Benefits, Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of Pension Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 12, 2018 on our consideration of Mid-Peninsula Water District's internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-Peninsula Water District's internal control over financial reporting and compliance.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 12, 2018

MANAGEMENT'S DISCUSSION AND ANALYSIS

MID-PENINSULA WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

This section of the Mid-Peninsula Water District's ("District") annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2017. It should be reviewed in conjunction with the District's basic financial statements for the fiscal year ended June 30, 2107.

FINANCIAL HIGHLIGHTS

- The District's Net Position increased by \$932,471 (5%) during the fiscal year ended June 30, 2107.
- The District's operating revenues increased from the previous year by \$1,323,828 (13%).
- Non-operating revenues increased from the previous year by \$307,090 (68%).
- Operating expenses increased by \$906,902 (9%).
- Non-Operating expenses increased by \$695,952 (100%).

The "Changes in Net Position" portion of the report details the various factors behind the highlights.

USING THIS ANNUAL REPORT

This annual report consists of two parts: Management's Discussion and Analysis and Financial Statements. The Financial Statements also include notes that explain in more detail some of the information contained in those statements.

Required Financial Statements

District financial statements report financial information about the District using accounting methods similar to those used by private sector companies, which include Generally Accepted Accounting Principles (GAAP). The Statement of Net Position included all District assets and liabilities, and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All of the fiscal year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District cash receipts, cash disbursements and net changes in cash resulting from operating, investing, and capital and noncapital financing activities.

MID-PENINSULA WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District finances is whether or not the District's overall financial position has improved or deteriorated. The Statement of Net Position and the Statement of Revenues and Expenses and Changes in Net Position report information about the District activities in a way that responds to this question. The statement of the District's net position (the difference between assets and liabilities), is one measure of financial health or financial position. Over time, increases or decreases in District net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider include changes in economic conditions, population growth, and new or changed legislation.

Statement of Net Position

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>June 30, 2015</u>
Current and Other Assets	\$ 6,647,328	\$ 5,495,630	\$ 1,151,698	21%	\$ 4,575,012
Restricted cash with fiscal agent	18,956,420	-	18,956,420	n/a	-
Capital Assets, Net	18,037,446	16,801,357	1,236,089	7%	16,348,917
Total Assets	<u>43,641,194</u>	<u>22,296,987</u>	<u>21,344,207</u>	96%	<u>20,923,929</u>
Deferred Outflows of Resources	<u>803,133</u>	<u>442,276</u>	<u>360,857</u>	82%	<u>203,461</u>
Current and Other Liabilities	2,064,658	918,226	1,146,432	125%	263,696
Long-Term Liabilities	20,069,136	1,476,886	18,592,250	1259%	1,400,680
Total Liabilities	<u>22,133,794</u>	<u>2,395,112</u>	<u>19,738,682</u>	824%	<u>1,664,376</u>
Deferred Inflows of Resources	<u>1,229,359</u>	<u>195,448</u>	<u>1,033,911</u>	529%	<u>218,718</u>
Net Investment in Capital Assets	18,037,446	16,801,357	1,236,089	7%	16,348,917
Unrestricted Net Position	3,043,728	3,347,346	(303,618)	-9%	2,895,379
Total Net Position	<u>\$ 21,081,174</u>	<u>\$ 20,148,703</u>	<u>\$ 932,471</u>	5%	<u>\$ 19,244,296</u>

The District's net position at fiscal year end June 30, 2017 increased \$932,471 (5%) when compared to fiscal year end June 30, 2016. Factors contributing to this increase are mainly due to completion of the Alameda de las Pulgas Main Replacement Project and updated asset value of \$976,255.

MID-PENINSULA WATER DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Changes in Net Position

Changes in the District’s net position between fiscal year end June 30, 2017, and fiscal year end June 30, 2016, can be determined by reviewing the following condensed Statement of Revenue, Expenses, and Changes in Net Position.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>June 30, 2015</u>
Operating Revenue	\$ 11,453,911	\$ 10,130,083	\$ 1,323,828	13%	\$ 9,340,103
Non-Operating Revenue	759,041	451,951	307,090	68%	582,231
Total Revenues	<u>12,212,952</u>	<u>10,582,034</u>	<u>1,630,918</u>	15%	<u>9,922,334</u>
Operating Expenses	10,584,529	9,677,627	906,902	9%	9,302,934
Non-Operating Expenses	695,952	-	695,952	0%	-
Total Expenses	<u>11,280,481</u>	<u>9,677,627</u>	<u>1,602,854</u>	17%	<u>9,302,934</u>
Change in Net Position	932,471	904,407	28,064	3%	619,400
Net Position, Beginning	<u>20,148,703</u>	<u>19,244,296</u>	<u>904,407</u>	5%	<u>18,624,896</u>
Net Position, Ending	<u>\$ 21,081,174</u>	<u>\$ 20,148,703</u>	<u>\$ 932,471</u>	5%	<u>\$ 19,244,296</u>

The District’s Operating Revenues increased by \$1,323,828 (13%) due to various factors:

- Water revenues increased by \$1,242,805 (12%);
- Other Revenue increased by \$81,023 (310%) due to development revenues.

The District’s Non-Operating Revenues Increased by \$307,090 (68%) due to various factors:

- Rent decreased by -\$28,814 (-17%);
- Property Tax increased by \$34,778 (13%);
- Interest Income increased by \$58,358 (393%); and
- Capital Contributions (new service installations/upgrades) were recognized for \$242,768 (100%).

Operating Expenses increased by \$906,902 (9%) due to various factors:

- Salaries and benefits increased by \$449,398 (19.6%) primarily due to: Salaries & Wages increased by \$107,893 (7.4%); Overtime & Standby Labor increased by \$5,304 (8.6%); FICA/Medicare Payroll Tax increased by \$6,701 (6.3%); Health Benefits increased by \$30,956 (6%); CalPERS Retirement increased by \$204,748 (100%) and Net Pension Expense/OPEB Expense increased by \$92,539 (71%).
- Maintenance and rehabilitation (M&R) decreased by -\$135,514 (25.7%) primarily due to: Mains & Distributions decreased by -\$82,300 (-43.4%), Pumping Costs decreased by -\$18,971 (-63.2); and Meters & Services decreased by -\$33,144 (-60.7%).
- Purchased Water increased by \$701,795 (15.6%) due to increased water usage.
- Utilities increased by \$1,759 (0.7%).

MID-PENINSULA WATER DISTRICT

MANAGEMENT’S DISCUSSION AND ANALYSIS

JUNE 30, 2017

- Professional Services decreased by -\$147,558 (-27.4%) primarily due to: District Counsel decreased by -\$42,472 (-42%); District Engineer decreased by -\$79,831 in Operations Costs (-60%); Customer Billing decreased by -\$12,271 (-16.88%) due to less billing inserts; and contract completions.
- Administrative and other costs increased by \$43,434 (6.8%) primarily due to an increase in Net Pension Expense by \$96,614 (139.4%).
- Depreciation decreased by -\$6,412 (-0.7%) due to assets fully depreciated during the year.
- Debt Service/Finance Costs increased by \$391,649 (100%).

2016 COP CIP DEBT ISSUANCE

In December 2016, the District issued certificates of participation in the amount of \$18,570,000 to finance certain improvements to the District’s municipal water system. Principal is due annually in December and interest is payable on June 1 and December 1. The certificates have an interest rate of 4% (reference Trust Agreement dated December 1, 2016) and mature on December 1, 2046. The Certificates of Participation were issued at a premium of \$938,447, which is being amortized over the life of the debt and is recorded as deferred inflows on the statement of net position.

The annual payments required to amortize the Certificates of Participation outstanding as of June 30, 2017, are as follows, which includes a reference to interest payments made based on the Official Statement Schedule (OSS):

Year Ended June 30, 2017	Principal	Interest	Total
2018	\$ 315,000	\$ 736,500	\$ 1,051,500
2019	345,000	723,300	1,068,300
2020	360,000	709,200	1,069,200
2021	375,000	694,500	1,069,500
2022	385,000	679,300	1,064,300
2023-2027	2,185,000	3,146,100	5,331,100
2028-2032	2,655,000	2,663,900	5,318,900
2033-2037	3,230,000	2,077,400	5,307,400
2038-2042	3,930,000	1,363,400	5,293,400
2043-2047	4,790,000	494,000	5,284,000
Total	18,570,000	13,287,600	31,857,600
5/11/17 Payment		330,133	330,133
OSS Total	\$ 18,570,000	\$ 13,617,733	\$ 32,187,733

BUDGETARY HIGHLIGHTS

In its commitment to fiscal responsibility, the District timely adopted an annual budget for Fiscal Year 2016/2017 that projected revenues and expenditures for operations and capital improvements.

MID-PENINSULA WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

CAPITAL ASSETS

During the fiscal year ended June 30, 2017, the District had \$18,037,446 (net of accumulated depreciation) invested in capital assets. The following table is presented below to illustrate changes from the prior year:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>June 30, 2015</u>
Land	\$ 1,045,264	\$ 1,045,264	\$ -	0%	\$ 1,045,264
Construction in Progress	1,476,675	557,268	919,407	165%	74,588
Utility Plant in Service	40,244,250	39,021,042	1,223,208	3%	38,313,237
Vehicles	1,685,412	1,685,412	0	0%	1,577,427
Computer System	253,886	256,462	(2,576)	-1%	192,131
Capital Asset at Cost	44,705,487	42,565,448	2,140,039	5%	41,202,647
Less Accumulated Depreciation	(26,668,041)	(25,764,091)	903,950	4%	(24,853,730)
Capital Assets, Net	<u>\$ 18,037,446</u>	<u>\$ 16,801,357</u>	<u>\$ 1,236,089</u>	7%	<u>\$ 16,348,917</u>

RATES AND OTHER ECONOMIC FACTORS

The District is governed in part by provisions of the State Water Resources Control Board that require rate-based revenues must cover the costs of Operations, Maintenance and Repairs (OM&R) and capital improvement projects. The District is not subject to general economic conditions such as increases or reductions in property tax values or other types of revenues, such as sales taxes, that vary with economic conditions. Accordingly, the District sets its rates to its users to cover the costs of OM&R, capital improvement projects, plus any increments for known or anticipated changes in program costs.

REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide our customers and creditors with a general overview of District finances, and demonstrate District fiscal accountability for the money it receives. If you have any questions about this report, or need additional financial information, please contact:

Tammy Rudock, General Manager
Mid-Peninsula Water District
3 Dairy Lane
Belmont, CA 94002
(650) 591-8941

BASIC FINANCIAL STATEMENTS

MID-PENINSULA WATER DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2017 AND 2016

	2017	2016
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 5,203,740	\$ 4,265,885
Accounts receivables	1,212,306	973,931
Prepaid expenses and other assets	231,282	255,814
Total Current Assets	6,647,328	5,495,630
Restricted cash with fiscal agent (Note 2)	18,956,420	-
Capital assets, net (Note 3)	18,037,446	16,801,357
TOTAL ASSETS	43,641,194	22,296,987
Deferred Outflows of Resources:		
Pension related (Note 5)	803,133	442,276
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	236,936	206,936
Accrued expenses	1,512,722	711,290
Current portion of long-term debt (Note 4)	315,000	-
Total Current Liabilities	2,064,658	918,226
Long-Term Liabilities		
Certificates of Participation	18,255,000	-
Net pension liability (Note 5)	1,387,977	1,113,540
Net OPEB Liability (Note 7)	68,498	42,469
Compensated absences	357,661	320,877
TOTAL LIABILITIES	22,133,794	2,395,112
Deferred Inflows of Resources:		
Pension related (Note 5)	309,159	195,448
Original issue premium	920,200	-
Total Deferred Inflows	1,229,359	195,448
<u>NET POSITION</u>		
Invested in capital assets	18,037,446	16,801,357
Unrestricted	3,043,728	3,347,346
TOTAL NET POSITION	\$ 21,081,174	\$ 20,148,703

The accompanying notes are an integral part of these financial statements.

MID-PENINSULA WATER DISTRICT
STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEARS ENDED
JUNE 30, 2017 AND 2016

	<u>2017</u>	<u>2016</u>
OPERATING REVENUES		
Water service charges	\$ 11,346,781	\$ 10,103,976
Other revenue	107,130	26,107
Total Operating Revenues	<u>11,453,911</u>	<u>10,130,083</u>
OPERATING EXPENSES		
Salaries and benefits	2,742,823	2,293,425
Maintenance and rehabilitation	392,800	528,314
Purchased water	5,192,951	4,491,156
Utilities	269,238	267,479
Professional services	391,818	539,376
Administrative and other	690,950	647,516
Depreciation	903,949	910,361
Total Operating Expenses	<u>10,584,529</u>	<u>9,677,627</u>
OPERATING INCOME (LOSS)	869,382	452,456
NON-OPERATING REVENUES (EXPENSES)		
Rent	141,949	170,763
Property taxes	301,119	266,341
Amortization of COP premium	18,248	-
COP issue costs	(322,551)	-
Debt service interest	(391,649)	-
Interest income	73,205	14,847
Capital contributions	242,768	-
Total Non-Operating Revenues (Expenses)	<u>63,089</u>	<u>451,951</u>
CHANGE IN NET POSITION	932,471	904,407
NET POSITION, BEGINNING OF YEAR	<u>20,148,703</u>	<u>19,244,296</u>
NET POSITION, END OF YEAR	<u>\$ 21,081,174</u>	<u>\$ 20,148,703</u>

The accompanying notes are an integral part of these financial statements.

MID-PENINSULA WATER DISTRICT

STATEMENT OF CASH FLOWS

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Cash Flows From Operating Activities		
Receipts from customers and users	\$ 11,108,406	\$ 9,996,298
Other operating revenue	107,130	26,107
Payments to suppliers	(6,081,793)	(5,949,100)
Payments related to employees	<u>(2,670,967)</u>	<u>(2,479,304)</u>
Net Cash Flows Provided (Used) by Operating Activities	<u>2,462,776</u>	<u>1,594,001</u>
Cash Flows From Non-Capital Financing Activities		
Rent received	141,949	170,763
Property taxes received	<u>301,119</u>	<u>266,341</u>
Net Cash Flows Provided (Used) by Non-Capital Financing Activities	<u>443,068</u>	<u>437,104</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	(2,140,038)	(1,362,801)
Cash received for completed projects	242,768	-
Issuance of COP Bonds	19,204,145	-
Restricted cash deposited with fiscal agent	(18,956,420)	-
Interest paid on COP Bonds	<u>(391,649)</u>	<u>-</u>
Net Cash Flows Provided (Used) by Capital & Related Activities	<u>(2,041,194)</u>	<u>(1,362,801)</u>
Cash Flows From Investing Activities		
Interest Income	<u>73,205</u>	<u>14,847</u>
Net Cash Flows Provided (Used) by Investing Activities	<u>73,205</u>	<u>14,847</u>
Net Increase (Decrease) in Cash	937,855	683,151
Beginning Cash and Equivalents	<u>4,265,885</u>	<u>3,582,734</u>
Ending Cash, Cash Equivalents and Restricted Cash	<u>\$ 5,203,740</u>	<u>\$ 4,265,885</u>

MID-PENINSULA WATER DISTRICT

STATEMENT OF CASH FLOWS

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2017 AND 2016**

	<u>2017</u>	<u>2016</u>
Reconciliation of Operating Income (loss) to Net Cash Provided (used) by Operating Activities		
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 869,382	\$ 452,456
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided (used) by Operations:		
Depreciation	903,949	910,361
(Increase) Decrease in:		
Accounts receivable	(238,375)	(294,365)
Materials and supplies	-	177,209
Prepaid expenses and other assets	24,532	(120,311)
Deferred outflows	(360,857)	(238,815)
Increase (Decrease) in:		
Accounts payable	30,000	21,429
Accrued benefits	36,784	42,996
Net OPEB liability	26,029	37,904
Unearned revenue	-	186,687
Customer deposits	801,432	446,414
Net pension liability	274,437	(4,694)
Deferred inflows	95,463	(23,270)
Net Cash Provided (used) by Operating Activities	<u>\$ 2,462,776</u>	<u>\$ 1,594,001</u>

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Mid-Peninsula Water District (the District) is a separate political subdivision of the State of California. The District was established on July 2, 1929 as the Belmont County Water District and changed its name effective July 1, 2000. The District maintains and operates a system of storage tanks and water mains. It purchases water from the San Francisco Public Utilities Commission for distribution to its customers through this system.

The District's Board of Directors formed a non-profit public benefit corporation known as the Public Property Financing Corporation of California (Financing Authority). The District and the Financing Authority have a financial and operational relationship which meets the reporting entity definition criteria of Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Financing Authority as a blended component unit of the District. Therefore, the financial activities of Financing Authority have been included in the financial statements of the District.

The following are those aspects of the relationship between the District and Financing Authority which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100:

Manifestations of Oversight

The Financing Authority's Board of Directors is the District's Board of Directors.

The Financing Authority has no employees. The District's general manager functions as an agent of the Financing Authority. The individuals did not receive additional compensation for work performed in this capacity.

The District exercises significant influence over operations of the Financing Authority as it is anticipated that the District will be the sole lessee of all facilities owned by the Financing Authority.

Accounting for Fiscal Matters

All major financing arrangements, contracts, and other transactions of the Financing Authority must have the consent of the District.

Any deficits incurred by the Financing Authority will be reflected in the lease payments of the District. Any surpluses of the Financing Authority revert to the District at the end of the lease period.

It is anticipated that the District's lease payments will be the sole revenue source of the Financing Authority.

A. REPORTING ENTITY (CONTINUED)

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Scope of Public Service and Financial Presentation

The Financing Authority was created for the sole purpose of financially assisting the District.

The Financing Authority is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State. The Financing Authority was formed to provide financing assistance to the District for construction and improvement to the District's municipal water system. Upon completion, the District intends to purchase all improvements from the Financing Authority. When the Financing Authority's Certificates of Participation have been paid, title to all Financing Authority property will pass to the District for no additional consideration.

The Financing Authority's financial activity is presented in the financial statements of the District. Certificates of Participation issued by the Financing Authority are included in the long-term liabilities.

B. BASIS OF ACCOUNTING

The District is accounted for as an enterprise fund and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District include water service charges. Operating expenses of the District include employee costs, water purchases, maintenance, utilities, and other administrative costs. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

C. CASH AND CASH EQUIVALENTS

The District considers cash on hand, cash in banks and the Local Agency Investment Fund to be cash and cash equivalents.

D. ACCOUNTS RECEIVABLE

The District extends credit to customers in the normal course of operations. The District has not experienced any significant bad debt losses, however a small provision has been made for doubtful accounts and accounts receivable are shown net of the allowance for doubtful accounts.

E. RESTRICTED CASH

In December 2016, the Mid-Peninsula Water District issued certificates of participation in the amount of \$18,570,000. All proceeds are held by a fiscal agent and cash is restricted for certain improvements to the District's municipal water system.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

F. UNEARNED REVENUE

Contractors developing projects, which include construction of facilities to bring water from District mains into the project, deposit a construction advance with the District for an amount estimated to cover the District's costs related to the project. The District accounts for expenditures as construction in progress until the completion of the project, the final inspection and approval of the District, and then it is capitalized as part of capital assets. Revenues are recognized as the project progresses. At the completion of the project, any excess funds are returned to the contractor.

G. COMPENSATED ABSENCES

The District has a paid time off (PTO) policy in effect. It is the District's policy to permit employees to accumulate earned by unused vacation, sick leave and compensated time off. The District pays all earned PTO upon termination. All accumulated PTO is recorded as an expense and a liability at the time the benefit is earned.

H. CAPITAL ASSETS

Capital assets are recorded at cost, or if contributed, at estimated value at time of acquisition. Depreciation is recognized on buildings, furniture, fixtures, equipment and subsurface lines by the straight-line method over their estimated useful lives. Estimated useful lives are as follows:

Utility plant	10 - 50 years
Vehicles	5 years
Machinery and equipment	7 years
Computer system	5 years

District policy is to capitalize all assets, which cost \$5,000 or more, and to charge to current operations all additions under that cost limit. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are also expensed in the current period.

I. REVENUES

Customer water meters are read on a monthly basis. Bills are rendered and income is recognized in the period in which meters are read. The District does not accrue income for water distributed but not yet billed at the end of the year. California state law requires water districts to report capacity charges collected and spent separately from operating revenue and expense and any fees unspent at year-end are shown in a separate equity fund. No capacity charges have been collected by the District.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

J. PROPERTY TAXES

The District's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting. The County Assessor is responsible for assessment of all taxable real property within San Mateo County. Reassessment is on a three-year schedule established by the Assessor. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each unit its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year generally on March 1st and August 30th. The first installment is an estimated bill, and is approximately one-half of the prior year's tax bill. The second installment is based on the current levy, assessment, equalization, and certificate to limit levy, if any and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1st of the levy year.

K. INCOME TAXES

The District is a governmental entity and as such its income is exempt from taxation under Section 115(1) of the Internal Revenue Code and Section 23701d of the California and Taxation Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

L. PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Mid-Peninsula Water District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

N. USE OF ESTIMATES

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. CASH AND INVESTMENTS

Cash and cash equivalents as of June 30, 2017 and 2016 consisted of the following:

	<u>2017</u>	<u>2016</u>
Petty cash	\$ 400	\$ 400
Cash drawer	200	200
Cash in bank	214,867	211,307
Local Agency Investment Fund	<u>4,988,273</u>	<u>4,053,978</u>
Total Cash and Cash Equivalents	<u>\$ 5,203,740</u>	<u>\$ 4,265,885</u>

The carrying amount of the District's cash is covered by federal depository insurance up to \$250,000. Should deposits exceed the insured limits, the balance is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit.

Local Agency Investment Fund

The District is a voluntary participant in Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State and invests the cash. The fair value of the District's investment in this pool, which approximates cost, is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account with twenty-four hour notice. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by Federal Agencies, government-sponsored enterprises and corporations. The monies held in the LAIF are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization. LAIF is administered by the State Treasurer and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814.

2. CASH AND INVESTMENTS (Continued)

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The monies held in the LAIF investment pool are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Restricted Cash With Fiscal Agent

At June 30, 2017, funds totaling \$18,596,420 were held by The Bank of New York Mellon Trust Company, N.A. in various accounts related to the Certificates of Participation issued in December 2016 for the purpose of funding certain improvements to the District's municipal water system.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2017 is as follows:

	Balance June 30, 2016	Additions	Deletions	Balance June 30, 2017
Capital assets not subject to depreciation				
Land	\$ 1,045,264	\$ -	\$ -	\$ 1,045,264
Construction in progress	557,268	2,142,615	1,223,208	1,476,675
Total capital assets not subject to depreciation	<u>1,602,532</u>	<u>2,142,615</u>	<u>1,223,208</u>	<u>2,521,939</u>
Capital assets being depreciated				
Utility plant in service	39,021,042	1,223,208		40,244,250
Vehicles	1,685,412	-	-	1,685,412
Computer and telephone systems	256,462	-	2,576	253,886
Total capital assets being depreciated	<u>40,962,916</u>	<u>1,223,208</u>	<u>2,576</u>	<u>42,183,548</u>
Less accumulated depreciation for:				
Utility plant in service	(24,137,440)	(780,213)		(24,917,653)
Vehicles	(1,486,840)	(65,558)	-	(1,552,398)
Computer and telephone systems	(139,811)	(58,179)	-	(197,990)
Total accumulated depreciation	<u>(25,764,091)</u>	<u>(903,950)</u>	<u>-</u>	<u>(26,668,041)</u>
Total capital assets, net of depreciation	<u>\$ 16,801,357</u>	<u>\$ 2,461,873</u>	<u>\$ 1,225,784</u>	<u>\$ 18,037,446</u>

Depreciation for the year's ended June 30, 2017 and 2016 was \$903,950 and \$910,361, respectively.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

4. LONG-TERM LIABILITIES

Summary of Long-Term Liabilities

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deductions</u>	<u>Balance June 30, 2017</u>	<u>Due Within One Year</u>
Other Postemployment benefits	\$ 42,469	\$ 258,843	\$ 232,814	\$ 68,498	\$ -
Net Pension Liability	1,113,540	274,437	-	1,387,977	-
Compensated Absences	320,877	36,784	-	357,661	-
Certificates of Participation	-	18,570,000	-	18,570,000	315,000
	<u>\$ 10,529,626</u>	<u>\$ 1,362,048</u>	<u>\$ 128,952</u>	<u>\$ 11,762,722</u>	<u>\$ 110,419</u>

Certificates of Participation

In December 2016, the Mid-Peninsula Water District issued certificates of participation in the amount of \$18,570,000 to finance certain improvements to the District's municipal water system. Principal is due annually in December and interest is payable on June 1 and December 1. The certificates have an interest rate of 4% and mature on December 1, 2046. The Certificates of Participation were issued at a premium of \$938,447, which is being amortized over the life of the debt and is recorded as deferred inflows on the statement of net position.

The annual payments required to amortize the Certificates of Participation outstanding as of June 30, 2017, are as follows:

Year Ended June 30,	Principal	Interest	Total
2018	\$ 315,000	\$ 736,500	\$ 1,051,500
2019	345,000	723,300	1,068,300
2020	360,000	709,200	1,069,200
2021	375,000	694,500	1,069,500
2022	385,000	679,300	1,064,300
2023-2027	2,185,000	3,146,100	5,331,100
2028-2032	2,655,000	2,663,900	5,318,900
2033-2037	3,230,000	2,077,400	5,307,400
2038-2042	3,930,000	1,363,400	5,293,400
2043-2047	4,790,000	494,000	5,284,000
	<u>\$ 18,570,000</u>	<u>\$ 13,287,600</u>	<u>\$ 31,857,600</u>

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

5. EMPLOYEE RETIREMENT PLAN

A. Plan Description

All qualified permanent and probationary employees are eligible to participate in the Mid-Peninsula Water District's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Mid-Peninsula Water District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.250%
Required employer contribution rates	8.377%	6.555%

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Mid-Peninsula Water District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2017 and 2016, the contributions recognized as part of pension expense for the Plan were \$204,748 and \$203,461, respectively.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2017 and 2016, the Mid-Peninsula Water District reported net pension liabilities for its proportionate share of the net pension liability of \$1,387,977 and \$1,113,540, respectively.

Mid-Peninsula Water District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. Mid-Peninsula Water District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2015 was as follows:

Proportion - June 30, 2016	0.03995%
Proportion - June 30, 2015	0.04059%
Change - Increase (Decrease)	-0.00063%

For the year ended June 30, 2017 and 2016, the District recognized pension expense of \$232,039 and (\$69,323), respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2017

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 204,748	
Difference between projected and actual experience	\$ 7,451	(1,707)
Changes in assumptions		(70,495)
Difference between proportionate share of aggregate employer contributions and actual contributions for 2013-14.		\$ 138,207
Change in employer's proportion and differences between proportionate share of contributions		(151,132)
Net differences between projected and actual earnings on plan investments	590,934	(224,032)
Total	\$ 803,133	\$ (309,159)

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$204,748 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	
2017	\$ 16,874
2018	\$ 23,579
2019	\$ 157,806
2020	\$ 90,967
2021	\$ -
Thereafter	\$ -

	June 30, 2016	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 210,583		
Difference between projected and actual experience		13,760	
Difference in actual vs. projected contributions		111,047	
Change in proportion		106,886	
Changes in assumptions			\$ (130,185)
Net differences between projected and actual earnings on plan investments			(65,263)
Total		\$ 442,276	\$ (195,448)

\$210,583 reported as deferred outflows of resources related to contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the current year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Period Ended June 30	
2016	\$ 11,967
2017	\$ 7,482
2018	\$ (15,902)
2019	\$ 32,698

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth Rate	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return (1)	7.50%
Mortality	Derived using CalERS' Membership Data for all Funds

(1) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2015 valuation were based on the CalPERS Experience Study for the period from 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is appropriate and the use of the municipal bond rate calculation is not deemed necessary. The long term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>Current Strategic Allocation</u>	<u>Real Return Years 1 - 10(a)</u>	<u>Real Return Years 11+(b)</u>
Global Equity	51.0%	5.25%	5.71%
Global Debt Securities	19.0%	0.99%	2.43%
Inflation Assets	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	10.0%	4.50%	5.13%
Infrastructure and Forestland	2.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate - 1% <u>(6.65%)</u>	Current Discount Rate (7.65%)	Discount Rate + 1% <u>(8.65%)</u>
Plan's Net Pension Liability	\$ 2,162,432	\$ 1,387,977	\$ 747,929

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Pension Plan Fiduciary Net Position – Detailed information about each pension plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

The District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

6. DEFERRED COMPENSATION PLAN

The District has established a deferred compensation plan in accordance with Internal Revenue Code Section 457, whereby employees may elect to defer portions of their compensation in a self-directed investment plan for retirement. Plan assets are invested in each individual's name with a deferred compensation plan provider. Distributions are made upon the participant's termination, retirement, death or total disability, and in a manner in accordance with the election made by the participant. All employees are eligible for plan participation. The District offers two plans, one with Lincoln Life and the other with ICMA-RC.

The District believes it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The District has formally established a trust in accordance with Internal Revenue Code Section 457(g) to provide protection from the claims of the employer's general creditors. Accordingly deferred compensation assets placed in the trust are not reflected in these financial statements.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The District provides postemployment health care benefits for all employees who terminate or retire from the District after achieving age 50 with at least 20 years of service. For employees hired before June 28, 2008, District-paid benefits are available to eligible beneficiaries. The General Manager position qualifies for postemployment healthcare benefits after 7 ½ years of service with the District per the employment agreement.

B. Funding Policy

The District has an agreement with the Public Agency Retirement Services (PARS) to be the Trust Administrator to the PARS Public Agencies Post-Retirement Health Care Pan Trust. The amount to be contributed to the trust is determined annually by the board of directors.

C. Annual OPEB Cost and Net OPEB Obligation

The District's annual other postemployment benefit (OPEB) expense is calculated based on the annual required contributions (ARC), an amount actuarially determined in accordance with the parameters of GASB 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the District's Annual OPEB Cost for the fiscal year ended June 30, 2017, the amount actually contributed to the plan, and changes in the District's Net OPEB Obligation:

Annual required contribution	\$ 259,428
Interest on net OPEB obligation	2,336
Adjustment to annual required contribution	<u>(2,921)</u>
Annual OPEB cost (expense)	258,843
Contributions made	<u>(232,814)</u>
Change in net OPEB obligation	26,029
Net OPEB obligation - beginning of year	<u>42,469</u>
Net OPEB obligation - end of year	<u>\$ 68,498</u>

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

C. Annual OPEB Cost and Net OPEB Obligation (Continued)

The District's Annual OPEB Cost, the percentage of Annual OPEB Cost contributed to the plan, and the Net OPEB Obligation are as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Actual Contribution</u>	<u>Percentage of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2017	\$ 258,843	\$ 232,814	90%	\$ 68,498
June 30, 2016	\$ 259,365	\$ 221,461	85%	\$ 42,469
June 30, 2015	\$ 155,528	\$ 131,620	85%	\$ 4,565

D. Funding Status and Funding Progress

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the Annual Required Contributions of the District are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

E. Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The plan's most recent actuarial valuation was performed as of July 1, 2015. In that valuation, the Projected Unit Credit Cost Method was used. The actuarial assumptions included a 5.5% discount rate, and a medical trend assumption of 8.0% graded down by 1.0% per year to an ultimate rate of 5.0% after 3 years. These assumptions reflect an implicit 3.0 percent general inflation assumption. The District's unfunded actuarial accrued liability is being amortized as a level dollar amount on an open basis over 30 years.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

8. JOINTLY GOVERNED ORGANIZATIONS

The District is a member of two jointly governed organizations. The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) which provides employee benefits coverage for medical, dental, vision, life and disability. The District is also a member of Bay Area Water Supply & Conservation Agency (BAWSCA) which purchases water on a wholesale basis from the San Francisco regional water system for its members.

ACWA JPIA and BAWSCA are governed by a Board consisting of representatives from member agencies. The Board controls the operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution or assessment commensurate with the level of coverage and services requested and shares surpluses and deficits proportionate to their participation in the joint powers authority. Full financial statements are available separately from ACWA JPIA and BAWSCA. Condensed information for ACWA JPIA and BAWSCA for the years ended September 30, 2016 and June 30, 2017, respectively, is as follows:

	ACWA JPIA	BAWSCA
	September 30, 2016	June 30, 2017
Total Assets	\$ 189,566,761	\$ 351,541,440
Total Deferred Outflows	\$ 1,065,779	\$ 307,944
Total Liabilities	\$ 121,474,323	\$ 338,145,602
Total Deferred Inflows	\$ 454,600	\$ 145,356
Total Net Position	\$ 68,703,617	\$ 13,558,426
Total Revenues	\$ 149,371,770	\$ 31,097,575
Total Expenses	\$ 161,601,971	\$ 29,612,624
Change in Net Position	\$ (12,230,201)	\$ 1,484,951

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2017 AND 2016

9. COMMITMENTS

Purchase commitment

The District entered into an agreement with the City and County of San Francisco to purchase water to be delivered to the District's customers. This is a 25 year agreement that was effective July 1, 2009 and ends on June 30, 2034. The cost of purchasing water through this agreement represented approximately 45% and 44% of the District's operating costs for the years ended June 30, 2017 and 2016, respectively.

10. LEASE REVENUES

The District contracted with five different companies to lease land for communication towers on those properties and had one lease for an office building. The building lease was cancelled in December 2015. The remaining agreements are for multiple years and require monthly payments based on the contracted amounts. Lease revenues for the years ended June 30, 2017 and 2016 totaled \$141,949 and \$170,763, respectively. A schedule of future lease revenues was not available as of the date of these financial statements.

11. SUBSEQUENT EVENTS

District management has evaluated its June 30, 2017 financial statements for subsequent events through January 12, 2018, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

MID-PENINSULA WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
OTHER POSTEMPLOYMENT BENEFITS

JUNE 30, 2017

Actuarial Valuation Date	Actuarial Accrued Liability (AAL) Entry Age (a)	Actuarial Value of Assets (b)	Unfunded Liability (UAAL) (a-b)	Funded Status (b/a)	Annual Covered Payroll (c)	UAAL as a % of payroll ([a-b]/c)
July 1, 2009	\$ 1,046,600	\$ -	\$ 1,046,600	0%	\$ 1,190,000	87.9%
July 1, 2012	\$ 1,517,700	\$ 257,000	\$ 1,260,700	17%	\$ 1,242,300	101.5%
July 1, 2015	\$ 2,452,610	\$ 432,917	\$ 2,019,693	18%	\$ 1,457,920	138.5%

MID-PENINSULA WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

JUNE 30, 2017

	June 30, 2014 ⁽¹⁾	June 30, 2015	June 30, 2016
Proportion of the net pension liability	0.04525%	0.04059%	0.03995%
Proportionate share of the net pension liability	\$ 1,118,234	\$ 1,113,540	\$ 1,387,977
Covered-employee payroll ⁽²⁾	\$ 1,178,386	\$ 1,457,920	\$ 1,565,051
Proportionate share of the net pension liability as percentage of covered-employee payroll	94.90%	76.38%	88.69%
Plans fiduciary net position as a percentage of the total pension liability	77.06%	79.89%	75.41%
Proportionate share of aggregate employer contributions ⁽³⁾	\$ 101,596	\$ 107,544	\$ 133,318

⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable.

⁽²⁾ Covered-employee payroll represented above is based on pensionable earnings provided by the employer.

⁽³⁾ The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

MID-PENINSULA WATER DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS

JUNE 30, 2017

	Fiscal Year ⁽¹⁾		
	2013-14	2014-15	2015-16
Actuarially Determined Contribution (2)	\$ 186,823	\$ 203,461	\$ 204,748
Contributions in relation to the actuarially determined contributions	(186,823)	(203,461)	(204,748)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
Covered-employee payroll (3,4)	\$ 1,178,386	\$ 1,457,920	\$ 1,565,051
Contributions as a percentage of covered-employee payroll (3)	15.85%	13.96%	13.08%

- (1) Historical information is required only for measurement periods for which GASB 68 is applicable.
- (2) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.
- (3) Covered-employee payroll represented above is based on pensionable earnings provided by the employer.
- (4) Payroll from prior year was assumed to increase by the 3.00 percent payroll growth assumption.

OTHER INDEPENDENT AUDITOR'S REPORT



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Independent Auditor's Report

Board of Directors
Mid-Peninsula Water District
Belmont, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mid-Peninsula Water District (the "District"), as of and for the years ended June 30, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 12, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financials statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. Given these limitation, during our audit, we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, material weaknesses may exist that have not been identified.

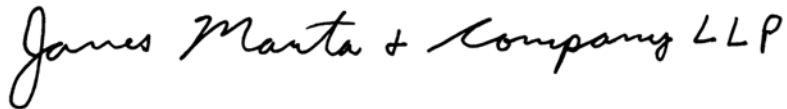
Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of the District in a separate letter dated January 12, 2018.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 12, 2018



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

MANAGEMENT LETTER

Mid-Peninsula Water District
Belmont, California

We have recently completed the audit of the financial statements of Mid-Peninsula Water District and have issued our report thereon dated January 12, 2018. In planning and performing our audit of your financial statements for the year ended June 30, 2017, we applied generally accepted auditing standards (GAAS) as we considered your internal control over financial reporting as a basis for designing our auditing procedures. We did this for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of your internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Although our audit was not designed to provide assurance on the internal control structure and its operation, we noted certain matters in Attachment A that we are submitting for your consideration for the improvement of the Mid-Peninsula Water District accounting and financial reporting functions. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. We will review the status of these comments during our next audit engagement. This letter does not affect our report dated January 12, 2018 on the financial statements of the Mid-Peninsula Water District.

We believe that the implementation of these recommendations will provide Mid-Peninsula Water District with a stronger system of internal accounting control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you and assist in any way possible with their implementation.

This report is intended solely for the information and use of the Board of Directors, management, and others within the administration and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
January 12, 2018

Current Year Recommendations**2017-01 Cash: Reconciling Statements Regularly****Observation:**

The Wells Fargo checking account was not reconciled to the general ledger as of June 30, 2017. We were unable to obtain a complete listing of outstanding items from the Spring Brook accounting software. Most of the problems encountered within the area of cash can be avoided if a proper system of checks and balances is incorporated into the District's procedures.

Recommendations:

We recommend that all of the bank accounts be reconciled monthly to the general ledger and that all suspicious reconciling items be promptly investigated and adjusted with adequate explanations.

Corrective Action Plan:

All bank accounts have been reconciled on a monthly basis in both the former accounting system and new financial management system (FMS). However, backup documentation was unavailable for the year end reconciliation because of the Springbrook programming and system transition. Some items were not "snipped" and printed for the year-end reference as documentation. Procedures are now in place for backup documentation to be maintained for each month's end bank reconciliation.

2017-02 Cash: Check Log**Observation:**

The District is not making daily deposits of cash to the bank. This practice opens the District to the threat of a loss or theft of cash while it is on the premises. To strengthen internal controls in this area, we suggest that during times of heavy cash inflow, deposits to the bank be made on a daily basis. During periods of less cash inflow, we recommend that cash be deposited at the bank no less than once a week. This practice will strengthen the District's internal control process over cash receipts and reduce the likelihood that cash could be lost or stolen before it is deposited in the bank.

We noted that there are no standard procedures for receiving checks at the office. This is a weakness in internal control and should be remedied as soon as possible.

Recommendations:

The following procedures should be implemented to greatly improve internal controls:

- Checks should be immediately endorsed when they are received.
- A control list should be made of receipts when they are opened.
- Checks should be deposited to the bank on a timely basis.
- Receipts should be processed on a timely basis.
- Deposit slips should be matched against the list of receipts to ensure that all amounts on the receipts were deposited.

Corrective Action Plan:

The recommended controls are already in place at the MPWD with the exception of having a "control list" of checks received through the mail. Checks will be date stamped and logged by an employee in order that the "timeliness" is able to be acknowledged.

2017-03 Journal Entries- Supporting Documentation

Observation:

During our testing of journal entries we noted one sided entries were posted in Spring Brook due to an input error during the system conversion from Quick Books to Spring Brook. The one-sided journal entries were posted in order to get the balance sheet to balance in Spring Brook. We reviewed various e-mails back and forth with Spring Brook and the District staff discussing the adjustments that were posted. We were unable to trace where the amounts came from as supporting documentation was not retained.

Recommendations:

We recommend that for all manual journal entries posted to the general ledger the supporting documentation are attached either manually or electronically to the journal entries. Supporting documentation consists of source documents, supportive calculations, and/or other items necessary to substantiate the accuracy and appropriateness of a journal entry. Examples of typical supporting documents include, but are not limited to, general ledger reports, worksheets with supportive calculations, copies of source documents such as check requests, purchase requisitions, travel expense reports, third party reports/statements, or related emails.

Corrective Action Plan:

The above recommendations will be implemented.

2017-04 Approval of Invoices

Observation:

During our audit of cash disbursements we noted there was no indication of approval for the December 2016 health contributions payment paid to Health Equity.

Recommendations:

We recommend that the General Manager review and approve the Health Equity invoices.

Corrective Action Plan:

The above recommendations will be implemented.

2017-05 Fixed Assets

Observation:

We were unable to reconcile the detail for construction in progress records to the general ledger.

Recommendations:

To prevent the need for major adjustments to the property accounts at the end of each year, we suggest that the general ledger fixed asset and construction in progress accounts be reconciled to the detailed records on a monthly basis.

Corrective Action Plan:

The above recommendations will be implemented.

Status of Prior Year Recommendations**2016-01 Account Receivable Reconciliation****Observation:**

The accounts receivable aging report pulled from QuickBooks accounting system did not match the separate billing system's accounts receivable aging by \$307.54. We did not post a journal entry to correct the amount as it is immaterial to the financial statements.

Recommendations:

Management should reconcile QuickBooks system to that of the billing system regularly. The District is implementing a new accounting system in the near future, and reconciliation should occur prior to conversion.

Corrective Action Plan:

There were two immaterial items in the billing system that should have closed in June 2016, but did not close until July 2017. Therefore, these items have been corrected.

Status:

Implemented.

2014-02 Capital Assets**Observation:**

Tracking of capital assets and construction in progress is currently done manually on an Excel spreadsheet.

In addition, we had difficulty identifying and reconciling the vehicles in the spreadsheet with the vehicles actually owned and operated by the District.

Recommendations:

The District should consider purchasing fixed asset tracking software, which will make it easier to track and reconcile capital assets, values, and depreciation with the actual assets owned by the District

Corrective Action Plan:

Staff is in the process of evaluating the purchase of a financial management system in 2014/2015.

Status:

Implemented.

2013-01 Policies and Procedures**Observation:**

The District does not currently have a policies and procedures manual. The only way to determine which policies are in place for the District, someone would have to go back through all the resolutions adopted by the Board of Directors since the formation of the District. The District does, however, have a personnel manual.

Recommendations:

The District should create and update a policies and procedures manual and specifically address the financial and administrative policies of the organization. It may be too time-consuming to go back through all the resolutions adopted by the Board and may be more efficient to adopt new policies that would replace any existing policies. The manual should be organized into sections so that policies

pertaining to specific areas may be easily located. The following are critical policies that should be developed in the near term, while other policies may be added later:

1. Inventory control policies and procedures.
2. Accounts receivable recognition, bad debt allowance and write-off policies and procedures.
3. Bank reconciliation preparation and review policies and procedures.
4. Board member duties and responsibilities.
5. Budgeting.
6. Travel and reimbursement policies and procedures

The District does have the following policies, however we feel it would be prudent to review and update these policies to ensure they address all keys areas:

1. Purchasing policies to include required authorization, check signing, bid procedures and credit cards.
2. Conflict of interest policy to include current staffing and board members.
3. Investment policy, which should be reviewed and approved annually by the board.
4. Capitalization policies and procedures to include the methodology and lives for each category of capital assets.
5. Records security and retention that includes and references all records and documents of the District.

Corrective Action Plan:

Management agrees with the recommend policy development, including policy updates. A few of the policy recommendations will be included within the internal control policy manual presently under development with the MPWD's consultant, Experis, Inc. This recommendation should be completed by February 28, 2014.

Status:

Management has developed an internal control policies and procedures manual to address, however a board approved policies and procedures manual is still in process.

2013-10 Land Lease Revenues

Observation:

The District currently has nine land lease agreements with various companies. Some of the leases go back many years and the contract files do not all reflect the current terms of the agreement. In addition, there is no process for invoicing or proper tracking for the collection of these revenues.

Recommendations:

Management should provide a summary of capital asset activity to the Board either monthly or quarterly. The summary should include the beginning balance, additions, deletions and ending balance for each major category of assets similar to the capital asset schedule included in the footnotes of the annual audit report.

Corrective Action Plan:

Management should create a schedule of these leases showing the lessee, expiration date, monthly payment amount and a reference to the actual contract. The contract files should have the most recent signed contract and a schedule of contract terms at the front of the file. The leases should be invoiced monthly using the QuickBooks accounting software to ensure proper tracking and prompt collection of these revenues.

Status:

In process.



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

January 12, 2018

To the Board of Directors
Mid-Peninsula Water District
Belmont, California

We have audited the financial statements of Mid-Peninsula Water District as of and for the years ended June 30, 2017 and 2016 and have issued our report thereon dated January 12, 2018. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated July 29, 2013, our responsibility, as described by professional standards, is to form and express an opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Mid-Peninsula Water District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided management recommendations noted during our audit in a separate letter to you dated January 12, 2018.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Mid-Peninsula Water District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended June 30, 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the collectability of accounts receivable, other postemployment benefits liabilities, the net pension liability and related deferred inflows and outflows.

Management's estimate of the collectability of accounts receivable is based on a historical analysis of collections and bad debt. Management's estimate of other postemployment benefits liabilities, the net pension liability and related deferred inflows and outflows are based on actuarial studies performed by independent third parties. We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements are those related to the net pension liability.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We did not identify any uncorrected misstatements as a result of our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached (See attachment B) schedule of audit adjustments were identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Mid-Peninsula Water District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated January 12, 2018.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Mid-Peninsula Water District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Mid-Peninsula Water District's auditors.

New Accounting Standards

See Attachment A

This report is intended solely for the information and use of the Board of Directors and management of Mid-Peninsula Water District and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 12, 2018

Attachment A – Upcoming Changes in Accounting Standards

GASB 75 - Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions

Effective for the fiscal year ending June 30, 2018

This standard establishes new requirements for governments to report a “net OPEB liability” for the unfunded portion of its other postemployment benefits, which includes retiree medical benefits.

Historically, governments have only been required to report a net OPEB liability to the extent that they have not met the annual required contribution (ARC) in any given year. Upon implementation of this standard, governments will be required to report a net OPEB liability based on the current funded status of their OPEB plans. Changes in this liability from year to year will largely be reflected on the income statement, though certain amounts will be deferred and amortized over varying periods.

GASB Statement No. 83, Certain Asset Retirement Obligations

Effective for the fiscal year ending June 30, 2019

This Statement addresses accounting and financial reporting for certain asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset. A government that has legal obligations to perform future asset retirement activities related to its tangible capital assets should recognize a liability based on the guidance in this Statement.

GASB Statement No. 84, Fiduciary Activities

Effective for the fiscal year ending June 30, 2020

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government’s fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 85, Omnibus 2017

Effective for the fiscal year ending June 30, 2018

The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). Specifically, this Statement addresses the following topics:

- Blending a component unit in circumstances in which the primary government is a business-type activity that reports in a single column for financial statement presentation
- Reporting amounts previously reported as goodwill and “negative” goodwill
- Classifying real estate held by insurance entities
- Measuring certain money market investments and participating interest-earning investment contracts at amortized cost
- Timing of the measurement of pension or OPEB liabilities and expenditures recognized in financial statements prepared using the current financial resources measurement focus
- Recognizing on-behalf payments for pensions or OPEB in employer financial statements
- Presenting payroll-related measures in required supplementary information for purposes of reporting by OPEB plans and employers that provide OPEB
- Classifying employer-paid member contributions for OPEB
- Simplifying certain aspects of the alternative measurement method for OPEB
- Accounting and financial reporting for OPEB provided through certain multiple-employer defined benefit OPEB plans.

GASB Statement No. 86, Certain Debt Extinguishment Issues

Effective for the fiscal year ending June 30, 2018

The primary objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources—resources other than the proceeds of refunding debt—are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance.

GASB Statement No. 87, Leases

Effective for the fiscal year ending June 30, 2021

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments’ leasing activities.

Attachment B – Adjusting Journal Entries

Adjusting Journal Entries JE # 1

To correct beginning fund balance for capital contributions

3940	Fund Balance Invest In Ut Plant	242,768.00	
4203	New Construction Revenue		242,768.00
Total		242,768.00	242,768.00

Adjusting Journal Entries JE # 2

To adjust OPEB liability per revised client calculation.

6053	Opeb Expense	26,029.00	
2072	Net Opeb Obligation		26,029.00
Total		26,029.00	26,029.00

Adjusting Journal Entries JE # 3

To adjust Net Pension Liability and deferred inflows/outflows per actuary.

1890	Deferred Outflows	360,857.00	
6055	Net Pension Expense	27,291.00	
2071	Deferred Inflows		113,711.00
2996	Net Pension Liability		274,437.00
Total		388,148.00	388,148.00

Adjusting Journal Entries JE # 4

To adjust fixed assets as of June 30, 2017 PBC

1539	Utility Plant In Svs	58,769.00	
1514	Computer Systems		2,576.00
1700	Construction in Progress		56,193.00
Total		58,769.00	58,769.00



MANAGEMENT REPRESENTATION LETTER

January 12, 2018

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the basic financial statements of Mid-Peninsula Water District as of June 30, 2017 and 2016 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of Mid-Peninsula Water District in conformity with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 12, 2018:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated July 29, 2013, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.

- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available is appropriately disclosed and net position is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:

- The underlying assumptions are reasonable and they appropriately reflect management’s intent and ability to carry out its stated courses of action.
- The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
- The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of allegations of fraud, or suspected fraud, affecting the entity’s financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation and claims whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity’s related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Mid-Peninsula Water District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Mid-Peninsula Water District is contingently liable.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.

- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
- Mid-Peninsula Water District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with GASB Statement No. 45 and 68.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with GASB standards.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances:

Use of a Specialist

We agree with the findings of specialists in evaluating the OPEB and pension liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.



 Tammy Rudock, General Manager



 Candy Pina, Administrative Services Manager



TO: Board of Directors
 FROM: Tammy A. Rudock
 General Manager
 DATE: January 25, 2018

MANAGER'S REPORT

FOLLOW-UP FROM 12/04/17 REGULAR BOARD MEETING

- Agreement signed between the MPWD and City of Belmont regarding the Joint Sewer Rehabilitation Water Main Replacement Project. It is attached for disclosure, and is posted on the MPWD website. A joint press release with the City of Belmont is under development.

WATER CONSERVATION PROGRESS

The reports due November 15th and December 15th to the SWRCB were timely submitted.

2017/2018 MONTH	2017/2018 UNITS	2013 UNITS	PERCENT CHANGE*	CUMULATIVE WATER SAVINGS*	2017/2018 R-GPCD**	2013 R-GPCD
July 2017	132,165	156,081	-15.3%	-15.3%	106.6	122.9
August	130,327	155,788	-16.3%	-15.8%	105.1	122.7
September	119,512	145,551	-17.9%	-16.5%	99.6	118.5
October	120,864	122,117	-1.0%	-12.6%	97.5	96.2
November	85,066	106,535	-20.2%	-14.1%	70.9	86.7
December	80,589	94,062	-14.4%	-14.2%	65.0	74.1
January 2018		84,202				66.3
February		86,478				75.4
March		106,663				84.0
April		120,265				87.9
May		155,736				122.7
June		150,614				122.6

*Compared to 2013.

**R-GPCD = Residential-Gallons per Capita per Day). The SWRCB performance standard for indoor use is 55GPCD.

(Note: The SWRCB formula for calculating the R-GPCD will include factors from the MPWD's 2015 Urban Water Management Plan adopted June 23, 2016: 90% residential use of total production and 26,924 population projection.)

WATER WASTE COMPLAINTS

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	TOTAL
FY 17/18	0	0	0	0	0	1							1
FY 18/19													

Staff's quarterly update on water conservation activities is attached.

HOLIDAY CLOSURE

The MPWD Administration, Customer Services, and Field Operations will be closed on February 19, 2018, for President's Day.

On-call staff will be available for service interruptions and emergencies. Customers may contact the MPWD's 24-hour answering service at 650-591-8941.

3-MONTH "LOOK AHEAD" FOR BOARD MEETINGS

FEBRUARY 22, 2018

- Consider/approve Cash Reserve Policy.
- Consider/approve plan for excess cash reserves, including funding for approved capital projects, full funding of OPEB liability, and pre-funding pension liability (via establishment of PARS PRSP [Pension Rate Stabilization Program]).
- Consider/approve Debt Management Policy.
- Receive structural engineering report on MPWD Dairy Lane facilities.
- FY 2017/2018 mid-year budget review and amendment consideration.

MARCH 22, 2018

- Consider preliminary revenue requirements and proposed water rate adjustments, and whether to hold a special meeting for water rates workshop in April.
- Discuss reorganization for "staffing up" and proposed succession plan.
- Discuss preliminary DRAFT Operating and Capital Budgets for FY 2018/2019.
- Receive BAWSCA report.

APRIL 26, 2018

- Special meeting for water rates workshop.
- Consider/approve water rate adjustments effective July 1, 2018. (Required 30-day notice to ratepayers.)
- Review working DRAFT Operating and Capital Budgets for FY 2018/2019.
- Review proposed updated MPWD Miscellaneous Fees.

UPCOMING MEETINGS/EVENTS

HIA Meeting (Belmont): February 1, 2018

BAWSCA Water Management Meeting (Foster City): February 1, 2018

ACWA JPIA 2018 Spring Conference & Exhibition (Sacramento): May 7-11, 2018

CSDA Special Districts Legislative Days (Sacramento): May 22-23, 2018

CSDA Annual Conference and Exhibition Showcase (Indian Wells): September 24-27, 2018

ACWA JPIA 2018 Fall Conference & Exhibition (San Diego): November 26-30, 2018

ACWA JPIA 2019 Fall Conference & Exhibition (Monterey): May 6-10, 2019

**AGREEMENT REGARDING JOINT SEWER REHABILITATION AND
WATER MAIN REPLACEMENT PROJECT**

This AGREEMENT regarding JOINT SEWER REHABILITATION AND WATER MAIN REPLACEMENT PROJECT (“**Agreement**”) is made and entered into this 4th day of January 2018 (the “**Effective Date**”), by and between the City of Belmont (“**Belmont**”) and the Mid-Peninsula Water District (“**MPWD**”), respectively a municipal corporation and a Special District in the State of California. Belmont and MPWD may be referred to herein individually as a “**Party**” and collectively as the “**Parties**”.

RECITALS

A. Belmont intends to proceed with sewer rehabilitation work in various easements and streets located within the City of Belmont, as described in more detail in Exhibit A, attached hereto and incorporated herein by this reference (the “**Belmont Sewer Rehabilitation Work**”).

B. MPWD intends to proceed with water main replacement work on Francis Avenue, Academy Drive and Davey Glen Road located in the City of Belmont, known as the Francis, Academy & Davey Glen Water Main Replacement Project, as described in more detail in Exhibit B, attached hereto and incorporated herein by this reference (the “**MPWD Water Main Replacement Work**”).

C. Both Belmont and MPWD intend to use local funding sources for Belmont Sewer Rehabilitation Project and MPWD Water Main Replacement Project, respectively.

D. To more effectively implement their projects and share proportionately in project costs, the Parties desire to coordinate and cooperatively implement the Belmont Sewer Rehabilitation Work and the MPWD Water Main Replacement Work collectively in a Joint Sewer Rehabilitation and Water Main Replacement Project (the “**Project**”) and enter into a single construction contract for the Project.

E. Belmont’s cost components of construction will be a part of the bid documents under a bid schedule known as Schedule A. MPWD cost components of construction will be a part of the bid documents under a bid schedule known as Schedule B. Shared cost components of the Project’s construction between Belmont and MPWD will be known as Schedule C, attached as Exhibit C. With the exception of roadway restoration, the proportional share of Schedule C will be determined by the ratio of Schedule A or B to Total of Schedule A plus B and applying this ratio to those shared cost components. Actual Bid Prices shall be used to determine this ratio.

For Example:	Actual Bid Price for Schedule A	\$700,000
	Actual Bid Price for Schedule B	\$300,000

Ratio to be used to determine share of Schedule C Costs:

City: $\$700,000 / (\$700,000 + \$300,000) = 70\%$

MPWD: $\$300,000 / (\$700,000 + \$300,000) = 30\%$

F. MPWD's responsibility for Street restoration (identified in Schedule D, attached as Exhibit D) will be a fixed amount of \$41,000, which represents the MPWD's calculated value for slurry sealing the streets, striping and the cost of raising water valve cans. The remainder of the street restoration costs will be Belmont's responsibility.

TERMS

NOW, THEREFORE, the Parties in consideration of the mutual promises set forth in this Agreement, agree as follows:

1. Purpose of Agreement. The purpose of this Agreement is for the Parties to cooperatively accomplish the construction of the Project and for each Party to be responsible for the costs of their portion of the Project.

2. Responsibilities of the Parties.

2.1 Belmont. Belmont agrees to do the following:

a) Be responsible for its own design, engineering, administration, inspection, materials and testing costs for the Belmont Sewer Rehabilitation Work;

b) Prepare bid documents, including bid schedule, contract, general conditions, and special provisions for the purpose of entering into a construction contract for the Project;

i. Bid documents will utilize Belmont Standard Specifications;

ii. Belmont reserves discretion as to form and language of bid and contract documents, subject to reasonable review and approval by MPWD in accordance with Section 2.2(c) below;

c) In Project bid documents, require the contractors for the Project to indemnify and hold harmless both Belmont and MPWD and name both Belmont and MPWD as additional insureds, with language that shall be reviewed and reasonably approved by MPWD as provided for in Section 2.2(b);

d) Incorporate Project design, plans, and construction quantities for the MPWD Water Main Replacement Work;

i. Construction quantities for MPWD Water Main Replacement Work will be listed as separate bid items in the bid documents

e) Bid a construction contract for Project; notify MPWD of the lowest responsible bidder submitting a responsive bid for the combined value of Project; notify MPWD if Belmont is dissatisfied with the bids received and intends to reject the lowest bidder

or intends to award a construction contract to the lowest responsible bidder submitting a responsive bid; If Belmont decides to reject lowest bidder, then the project does not move forward; If MPWD rejects their bid schedule (Schedule B), then Belmont can still move forward with their portion of the Project;

f) Administer the Project construction contract in coordination with MPWD construction inspection and management personnel and be responsible for all costs associated with inspection, material testing, and construction management of the Belmont Sewer Rehabilitation Work and Belmont share of Schedule E, and attached as Exhibit E;

g) Provide a monthly financial accounting of the construction contract, and construction management and administration costs of the Project associated with the MPWD Water Main Replacement Work to MPWD (the “**MPWD Costs**”); and

h) Work cooperatively and in good faith with MPWD to execute the Project, including Schedule C cost-sharing in the event of any unforeseen costs related to the Project.

2.2 MPWD. MPWD agrees to do the following:

a) Be responsible for its own design and engineering for the MPWD Water Main Replacement Work, using applicable MPWD technical provisions and standard specifications;

b) Timely provide contract drawings and construction bid quantities for the MPWD Water Main Replacement Work to Belmont to be incorporated into the contract documents for the Project. Such drawings and information shall be consistent with a form to be specified by Belmont; Review and reasonably approve Project bid documents prepared by Belmont as noted in Section 2.1(b) and (c) above in a timely manner;

c) Promptly notify Belmont if MPWD desires to reject Schedule B and its portion of Schedule C with no financial recourse to MPWD. Belmont may choose to move forward with Project;

d) Furnish and identify project inspection personnel, who shall have authority to represent MPWD and inspect the construction of the MPWD Water Main Replacement Work in coordination with Belmont, and be responsible for all costs associated with that inspection;

e) Be responsible for all costs associated with Schedule B and proportional share of Schedule C, with the exception of the street restoration costs, which are covered by Section 2.2(i) below;

f) Be responsible for materials testing, and construction management of the MPWD Water Main Replacement Work and MPWD share of Exhibit E;

g) Reimburse Belmont for the MPWD Costs within 30 days of receiving the financial accounting as provided in Section 2.1(g);

h) Work cooperatively and in good faith with Belmont to execute the Project, including Schedule C cost-sharing in the event of any unforeseen costs related to the Project. [Section 2.1(h)]; and

i) MPWD will be responsible for paying a fixed amount of \$41,000 for street restoration. The remainder of the street restoration costs will be Belmont's responsibility

2.3 True-Up of All Project Costs. After the filing of the Notice of Completion, Belmont and MPWD will carry out a full accounting for all of the costs associated with the Project. Following the full accounting there will be a true-up of the costs associated with the Project and each agency will reimburse the other accordingly.

3. Mutual Indemnification.

3.1 Belmont hereby agrees to indemnify, defend, assume all liability for and hold harmless MPWD and its officers, employees, agents and representatives, to the maximum extent allowed by law, from all actions, claims, suits, penalties, obligations, liabilities, damages to property, costs and expenses (including without limitation any fines, penalties, judgments, actual litigation expenses and attorneys' fees), environmental claims or bodily and/or personal injuries or death to any persons (collectively, "**Claims**"), to the extent arising out of or in any way connected with the Belmont Sewer Rehabilitation Work, except for Claims arising out of the Project construction, which shall be indemnified by the contractors pursuant to Section 2.1(c) above.

3.2 MPWD hereby agrees to indemnify, defend, assume all liability for and hold harmless Belmont and its officers, employees, agents and representatives, to the maximum extent allowed by law, from all actions, claims, suits, penalties, obligations, liabilities, damages to property, costs and expenses (including without limitation any fines, penalties, judgments, actual litigation expenses and attorneys' fees), environmental claims or bodily and/or personal injuries or death to any persons (collectively, "**Claims**"), to the extent arising out of or in any way connected with the MPWD Water Main Replacement Work, except for Claims arising out of the Project construction, which shall be indemnified by the contractors pursuant to Section 2.1(c) above.

4. No Waiver. The waiver by any Party of any breach or violation of any requirement of this Agreement shall not be deemed to be a waiver of any such breach in the future, or of the breach of any other requirement of this Agreement.

5. Notices. Any notice or other communication ("**Notice**") which either Party may desire to give to the other Party under this Agreement must be in writing and may be given by any commercially acceptable means, including via first class Certified Mail, personal delivery or overnight courier, to the Party to whom the Notice is directed at the address of the Party as set forth below, or at any other address as that Party may later designate by Notice. Any Notice shall be deemed received immediately if delivered by hand, on the third day from the date it is postmarked if delivered by first-class mail, Certified and postage prepaid, return receipt requested, and on the next business day if sent via nationally recognized overnight courier.

MPWD: Mid-Peninsula Water District
Attention: General Manager
3 Dairy Lane
Belmont, CA 94002

Belmont: City of Belmont
Attention: City Manager
One Twin Pines Lane
Belmont, CA 94002

6. Interpretation and Venue.

6.1 Interpretation. The headings used herein are for reference only. The terms of the Agreement are set out in the text under the headings. This Agreement shall be governed by the laws of the State of California without regard to the choice of law or conflicts.

6.2 Venue. This Agreement is made in San Mateo County, California. The venue for any legal action in state court filed by any Party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement shall be in the Superior Court of California, County of San Mateo. The venue for any legal action in federal court filed by any Party to this Agreement for the purpose of interpreting or enforcing any provision of this Agreement lying within the jurisdiction of the federal courts shall be the Northern District of California.

7. Third-Party Beneficiaries. Nothing contained in this Agreement shall be construed to create any rights in third parties and the Parties do not intend to create such rights.

8. Incorporation of Recitals. The recitals set forth above are true and correct and are incorporated into this Agreement as though fully set forth herein.

9. Severability. If any provision of this Agreement, or any portion thereof, is found by any court of competent jurisdiction to be unenforceable or invalid for any reason, such provision shall be severable and shall not in any way impair the enforceability of any other provision of this Agreement.

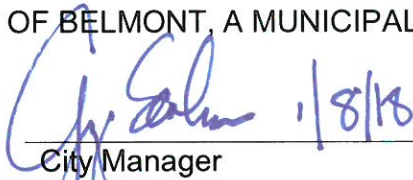
10. Amendment of Agreement. This Agreement may be amended at any time by mutual Agreement of the Parties. Any amendment shall be in writing and signed by all Parties.

11. Termination. Neither Party may terminate this Agreement except due to an uncured material breach of the Agreement by the other Party. In the event of a material breach, the non-breaching Party must provide written notice of the breach to the breaching Party, and the breaching Party shall have thirty (30) calendar days from the date of the notice of material breach to cure. In the event of termination pursuant to this section due to MPWD's breach, MPWD shall pay Belmont for all costs incurred up to the effective date of termination, including costs associated with non-cancellable obligations.

12. Entirety of Contract. This Agreement constitutes the entire Agreement between the Parties relating to the subject of this Agreement and supersedes all previous Agreements, promises, representations, understandings and negotiations, whether written or oral, among the Parties with respect to the subject matter hereof.

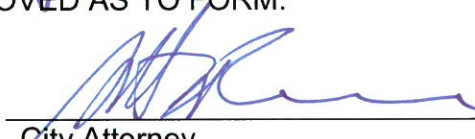
IN WITNESS WHEREOF, this Agreement is executed by the Parties as of the Effective Date.

CITY OF BELMONT, A MUNICIPAL CORPORATION

By:  1/8/18

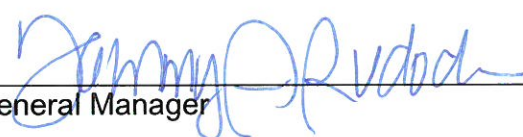
City Manager

APPROVED AS TO FORM:

By: 


City Attorney

MID-PENINSULA WATER DISTRICT, A SPECIAL DISTRICT

By: 

General Manager

APPROVED AS TO FORM:

By: 

District Counsel

**CITY OF BELMONT/MID-PENINSULA WATER DISTRICT
2017 JOINT SEWER/WATER REHABILITATION PROJECT
Engineer's Estimate of Probable Construction Cost - 95% Design**

November 16, 2017

Schedule A

Bid Item No.	Item Description	Unit of Measure	Estimated Quantity	Item Unit Price	Bid Item Extension
DAVEY GLEN - SEWER					
6	Pipe Bursting In Davey Glen	LF	1124	\$210	\$236,040
7	Pipe Bursting In Easement	LF	91	\$220	\$20,020
8	Lateral Reconnection	EA	6	\$1,500	\$9,000
9	Lateral Extension 1235 North Rd	LS	1	\$6,000	\$6,000
10	New Manhole in Easement	EA	1	\$8,000	\$8,000
11	Storm Drain	LF	16	\$340	\$5,440
FRANCIS - SEWER					
12	New 8-inch PVC, Open Trench	LF	792	\$285	\$225,720
13	New Manhole	EA	4	\$7,000	\$28,000
14	Lateral Extension	EA	6	\$3,800	\$22,800
15	Abandon Existing Sewer Main	LF	409	\$20	\$8,180
BELBURN/ACADEMY/VILLA - SEWER					
16	New 8-inch, Open Trench	LF	714	\$290	\$207,060
17	New Manhole	EA	3	\$7,000	\$21,000
18	Lateral Extension	EA	8	\$2,000	\$16,000
19	Abandon Existing Sewer Main	LF	543	\$15	\$8,145
20	Abandon Manhole	EA	1	\$2,500	\$2,500
21	Pipe Burst in Easement	LF	317	\$220	\$69,740
22	Lateral Reconnection	EA	7	\$1,500	\$10,500
23	Manhole Extension	EA	2	\$1,500	\$3,000
SHORING - SEWER FACILITIES					
4	Shoring for All Sewer Facilities	LS	1	\$45,000	\$45,000

Sewer Only Sub-Total \$952,145

10% Contingency \$95,215

Total \$1,047,360

CITY OF BELMONT/MID-PENINSULA WATER DISTRICT
2017 JOINT SEWER/WATER REHABILITATION PROJECT
Engineer's Estimate of Probable Construction Cost - 95% Design

November 16, 2017

Schedule B

Bid Item No.	Item Description	Unit of Measure	Estimated Quantity	Item Unit Price	Bid Item Extension
DAVEY GLEN - WATER					
24	New 8-inch DIP	LF	1793	\$320	\$573,760
25	Abandon Existing Water Mains	LS	1	\$20,000	\$20,000
26	North Road Modifications	LS	1	\$5,000	\$5,000
27	1-inch Water Service (Type A)	EA	15	\$3,500	\$52,500
28	4-inch Water Service (Type B)	EA	2	\$9,000	\$18,000
29	8-inch Water Connection (Type C)	EA	2	\$5,000	\$10,000
30	1-inch Water Service (Type D)	EA	1	\$1,000	\$1,000
31	Fire Hydrant Replacement (Type E)	EA	8	\$16,000	\$128,000
32	4-inch Connection (Type F)	EA	2	\$6,000	\$12,000
33	2-inch Water Service (Type G)	EA	2	\$4,500	\$9,000
34	4-inch Water Service (Type H)	EA	1	\$3,500	\$3,500
35	6-inch Water Service (Type H)	EA	1	\$4,000	\$4,000
36	8-inch Water Service (Type H)	EA	1	\$5,000	\$5,000
37	Water Service Abandonment (Type I)	EA	1	\$300	\$300
38	6-inch Gate Valve	EA	2	\$2,500	\$5,000
39	8-inch Gate Valve	EA	6	\$3,000	\$18,000
40	Connection at Middle Rd	LS	1	\$8,500	\$8,500
FRANCIS - WATER					
41	New 8-inch DIP	LF	801	\$320	\$256,320
42	Abandon Existing Water Mains	LS	1	\$10,000	\$10,000
43	Fire Hydrant Replacement (Type E)	EA	1	\$8,000	\$8,000
44	1-inch Water Service (Type A)	EA	23	\$3,500	\$80,500
45	4-inch Blow Off Assembly	EA	1	\$6,000	\$6,000
46	Connection at Notre Dame Ave	LS	1	\$12,000	\$12,000
47	Connection at Fairway Dr	LS	1	\$4,000	\$4,000
48	6-inch Gate Valve	EA	2	\$2,500	\$5,000
49	8-inch Gate Valve	EA	4	\$3,000	\$12,000
BELBURN/ACADEMY/VILLA - WATER					
50	New 8-inch DIP	LF	274	\$320	\$87,680
51	Abandon Existing Water Mains	LS	1	\$8,000	\$8,000
52	1-inch Water Service (Type A)	EA	24	\$3,500	\$84,000
53	Academy Cross Connection Abandonment	LS	1	\$5,000	\$5,000
54	Connections at Belburn and Academy	LS	1	\$40,000	\$40,000
55	Connection at Belburn and Villa	LS	1	\$3,500	\$3,500
56	8-inch Gate Valve	EA	4	\$3,000	\$12,000
SHORING - WATER FACILITIES					
4	Shoring for All Water Facilities	LS	1	\$5,000	\$5,000

Sewer Only Sub-Total \$1,512,560

10% Contingency \$151,256

Total \$1,663,816

**CITY OF BELMONT/MID-PENINSULA WATER DISTRICT
2017 JOINT SEWER/WATER REHABILITATION PROJECT
Engineer's Estimate of Probable Construction Cost - 95% Design**

November 16, 2017

Schedule C

Bid Item No.	Item Description	Unit of Measure	Estimated Quantity	Item Unit Price	Bid Item Extension
SHARED COSTS					
1	Mobilization/Demobilization	LS	1	\$200,000	\$200,000
2	Pedestrian and Traffic Control	LS	1	\$50,000	\$50,000
3	SWPP Plan	LS	1	\$7,000	\$7,000

Sewer Only Sub-Total	\$257,000
10% Contingency	\$25,700
Total	\$282,700

CITY OF BELMONT/MID-PENINSULA WATER DISTRICT
2017 JOINT SEWER/WATER REHABILITATION PROJECT
Engineer's Estimate of Probable Construction Cost - 95% Design

November 16, 2017

Schedule D

Bid Item No.	Item Description	Unit of Measure	Estimated Quantity	Item Unit Price	Bid Item Extension
DAVEY GLEN PAVING - INTERSECTION OF MIDDLE ROAD TO STATION 14+46					
57	1" AC Overlay	SF	52420	\$1	\$62,904
58	5' Wide Wedge Grind	LF	3040	\$2	\$6,080
59	Adjust Manholes to Grade	EA	13	\$3500	\$45,500
60	Adjust Monuments	EA	6	\$1500	\$9,000
61	Striping At Middle Rd Intersection	LS	1	\$3,000	\$3,000
62	Striping At Park Parking Area	LS	1	\$4,000	\$4,000
63	Centerline Striping	LF	1423	\$4	\$5,692
64	Parking Stripe	LF	427	\$2	\$854
FRANCIS - PAVING					
70	Francis - 4" AC Replacement	SF	19175	\$4	\$76,700
71	Slurry Seal	SF	2745	\$1	\$2,196
72	Replace Striping	LS	1	\$2000	\$2,000
BELBURN/ACADEMY/VILLA - SEWER					
65	Academy - 2" AC Overlay	SF	14605	\$2	\$27,750
66	10' Wide Wedge Grind	LF	870	\$4	\$3,045
67	Striping	LS	1	\$5,000	\$5,000
68	Belburn - Slurry Seal	LS	13033	\$1	\$10,426
69	Adjust Water Valve	EA	2	\$1,000	\$2,000

Sewer Only Sub-Total	\$266,147
10% Contingency	\$26,615
Total	\$292,762

**CITY OF BELMONT/MID-PENINSULA WATER DISTRICT
2017 JOINT SEWER/WATER REHABILITATION PROJECT**

**Construction Management - Proposed Work Hours and Budget
Tanner Pacific, Inc.**

November 9, 2017

Schedule E

Personnel/Service	Hours and Hourly Rates		Level of Effort Forecast							Close-Out	
	Hours	Rate	Amount	Jan-18	Feb-18	Mar-18	Apr-18	May-18	Jun-18	Jul-18	Aug-18
Tanner Pacific Labor											
Construction											
M. Jaeger - PM	256	\$ 220	\$ 10,000								
D. Jaworski - CM	544	\$ 200	\$ 51,200	16	40	40	40	40	40	24	16
J. Cate - Field Engineer	536	\$ 110	\$ 59,840	24	80	80	80	80	80	80	40
D. Cusack - Inspector	536	\$ 165	\$ 88,440	16	80	80	80	80	80	80	40
			\$ 209,480								
Labor Subtotal			\$ 209,480								
Optional Labor											
Inspection OT	80	\$ 165	\$ 13,200			20	20	20	20		
			\$ 13,200								
Optional Labor Subtotal			\$ 13,200								
Total			\$ 222,680								

Engineer's Estimate \$ 2,500,000
 CM Percentage (w/o OT) 8.4%
 CM Percentage (w/ OT) 8.9%

Notes and Assumptions:

- Start of Services 1-Jan-18
- Construction NTP 1-Feb-18
- Final Acceptance 31-Jul-18

1. Budget is based on FY 17-18 Billing Rates that will remain constant for full period of Contract and a TPI NTP of Jan. 1, 2018
 2. TPI rates include normal operating and office expenses such as telephone, computers, in-house reproduction and travel in the Bay Area in personal vehicles.
 3. Budget is based on a 180 calendar day construction duration (Feb - July 2018). Time extensions may require an amendment to cover the additional costs.
 4. Hours shown in Jan. 2018 for Bid Assistance and Feb. 2018 includes time for Pre-construction meeting, photo/video of pre-construction conditions and other pre-construction services
 5. Budget includes some hours in August 2018 for Close Out services.
 6. Services are provided on an hourly basis. Tanner Pacific, Inc. has no obligation to provide services above the budget without a fee adjustment.
 7. Project involves sewer replacement in busy thoroughfares that could cause work to continue beyond scheduled work hours.
- TPI has included Overtime (OT) hours in the budget for this potential. OT will only be invoiced if the situation actually occurs.



DATE: January 18, 2018
TO: Tammy Rudock, General Manager
FROM: Jeanette Kalabolas, Water Conservation Administrative Specialist

SUBJECT: 2017 FOURTH QUARTER WATER CONSERVATION STAFF REPORT

SUBJECT #1: Community Outreach Photographer

BACKGROUND: Due to the upgrade of the MPWD website and level of marketing that surrounds community outreach staff determined it was time to outsource and obtain professional photography services.

DISCUSSION: In October 2017 the District hired Consultant Israel Solar to attend public events and capture creative moments in an effort to expand the District's photo inventory. Mr. Solar has attended two public events to date. MPWD's SCCLC 2nd Grade field-trip visit, as well as the District's fall 2017 Water Efficient Landscape Course on Edible Gardening. He is also on the schedule to attend the Water Awareness Calendar Award Ceremony this month, Earth Day in April 2018, Public Works Open House in May 2018 and National Night Out in August 2018, as well as any additional community events staff sees fit over the course of 2018. In addition he will be cataloging facilities, job site and city landmark photos. Mr. Solar is based in Redwood City, CA and studied film and art at De Anza College in Cupertino, CA and Academy of Art University in San Francisco, CA. He is a true talent and seasoned professional and staff looks forward to working with him in the coming years.

SUBJECT #2: 2017 Water Awareness Calendar Award Ceremony

BACKGROUND: Each year MPWD sponsors a community school contest grades 3-5 to increase student water savings awareness. Rain or shine, key conservation practices are necessary to assure enough water for the health and well-being of our youth and planet.

DISCUSSION: The deadline to submit entries was November 17, 2017. Five schools participated in this year's contest - Cipriani, Immaculate Heart of Mary, Belmont Oaks Academy, Nesbit Elementary School and San Carlos Charter Learning Center (SCCLC). With SCCLC participating at an honorary capacity given the students do not meet the grade requirement of 3-5. A total of 128 drawings were received and as done in years past 12 winning entries were chosen. Gift awards will be issued as follows: Grand-Prize \$50, plus two Runner-ups at \$25. A token of appreciation in the amount of

\$100.00 will also be presented to the teacher with the most student participation. All will be provided Certificates of Recognition, as well as copies of the finished calendars. A ceremony acknowledging all students whose artwork is featured in the 2018 calendar will take place at this month's board meeting on Thursday, January 25, 2018 at 6:30PM with a brief reception to follow.

SUBJECT #3: Sprinkler Nozzles Rebate Program

BACKGROUND: Several years ago in an ongoing effort to help member agencies save more water Bay Area Water Supply and Conservation Agency (BAWSCA) partnered with FreeSprinklerNozzles.com to make Toro Precision Series Spray Heads available to affiliate communities by adding a new core rebate program to its subscription series.

DISCUSSION: The Sprinkler Nozzle program makes water-saving high-efficiency heads available to customers free of charge. Single, multi-family and commercial accounts are eligible to apply. An applicant completes a form through the programs website and receives a voucher to print. With the voucher in hand, one visits a participating supplier, picks up the number of heads needed, and installs accordingly. Toro Precision Series Spray Nozzles reduce outdoor water use by improving the efficiency of an irrigation system. They are easily retrofitted to most existing pop-up spray heads and require no specialized tools for adjustment. Compared to conventional fixed spray nozzles Toro's improve distribution uniformity, precipitation rate reduction and diminish run-off and nozzles come in both male and female threads in an effort to accommodate as many different brands as possible. MPWD's participation in the program will begin FY 2018/2019.

SUBJECT #4: BAWSCA comments on State Water Resources Control Board (SWRCB) Proposed Permanent Water Use Prohibitions

BACKGROUND: Executive Order (EO) B-37-16 directed the states EO collaborative Agencies to summarize and outline framework for the implementation and incorporation of "Water Conservation as A Way of Life" for all California Urban Water Suppliers effective April 1, 2018. A "Draft" Directive was released November 1, 2017 with a public comment period of November 10 – December 26, 2017.

DISCUSSION: On December 22, 2017 BAWSCA provided comment on the SWRCB's proposed guidelines to permanently prohibit certain wasteful water uses. The letter advised many of the water use prohibitions included in the proposed regulations are already being implemented locally and on a permanent basis by individual BAWSCA member agencies. Additional suggestions included two change remarks with respect to prohibition of irrigation of public medians and parkways—remove reference to "landscaped area" between the street and sidewalk, and specify that the prohibition is applicable to potable water only; and three measureable rainfall change recommendations within a 48-hour period—consider a general guideline for measurable rainfall rather than a specific quantity, include an exemption for newly seeded turf that serves a neighborhood or community function, and specify that the prohibition is applicable to potable water only. In addition to these handful of technical comments provided, BAWSCA also shared its intent to submit a future letter, jointly with the San Francisco Public Utilities Commission, regarding the application of the Reasonable Use

Doctrine to declare certain water uses and practices per se “wasteful and unreasonable use” by means of a permanent statewide regulation.

SUBJECT #5: Bay Area Water Conservation Coordinators (BAWCC) Quarterly Meeting

BACKGROUND: A group encompassing northern California City and water supply agency professionals was formed in 2010 to meet and discuss on a regular basis area and state conservation and use efficiency issues.

DISCUSSION: A Northern California regional meeting was held on Thursday, November 9, 2017 from 10AM–3PM. It was hosted by the City of Napa at the County Library. Topics included: Napa and Sonoma County Irrigation evaluation services, 2017 WaterSmart Innovations Conference highlights, Climate Change impacts on Water Resources, New and Improved Qualified Water Efficient Landscaper (QWEL) Program, Water Conservation Programs for Commercial Kitchens, and 2018 “Making Water Conservation a California Way of Life” legislative outlook/bay area perspective. The meeting concluded with a walking tour of the Napa River/Napa Creek Flood Protection Project and Oxbow Commons Bypass Channel. The next meeting is scheduled to take place May 2018 and will be hosted by BAWSCA in San Mateo, CA.

SUBJECT #6: The American Water Works Association (AWWA) State of the Water Industry (SOTWI) Study

BACKGROUND: Since 2004 AWWA has conducted an annual SOTWI survey to identify and track significant challenges facing the water industry and to provide data and analyses to support water professionals as they develop strategies to address these issues.

DISCUSSION: MPWD was invited to participate in the 2018 study. Each year the AWWA selects service providers to participate in a random survey that takes approximately 10-20 minutes to complete. Responses are voluntary and kept strictly confidential. Statistics are then gathered and analyzed and findings released via a formal report. Each year polls close year-end and results are posted the following spring online through AWWA’s website and scheduled to print in one of AWWA’s summer editions of its publication, *The Journal*. Content focuses on but is not limited annually to the following categories: current health of the industry, forward progression, identification of the top five most important issues, capital and infrastructure hardships, changes in water sales, rate increase perception, climate variables, communication challenges and important regulatory concerns.



TO: Board of Directors
 FROM: Candy Pina
 DATE: January 25, 2018

ADMINISTRATIVE SERVICES MANAGER'S REPORT

FINANCIAL REPORTING:

1) **Schedule of Cash and Investments:**

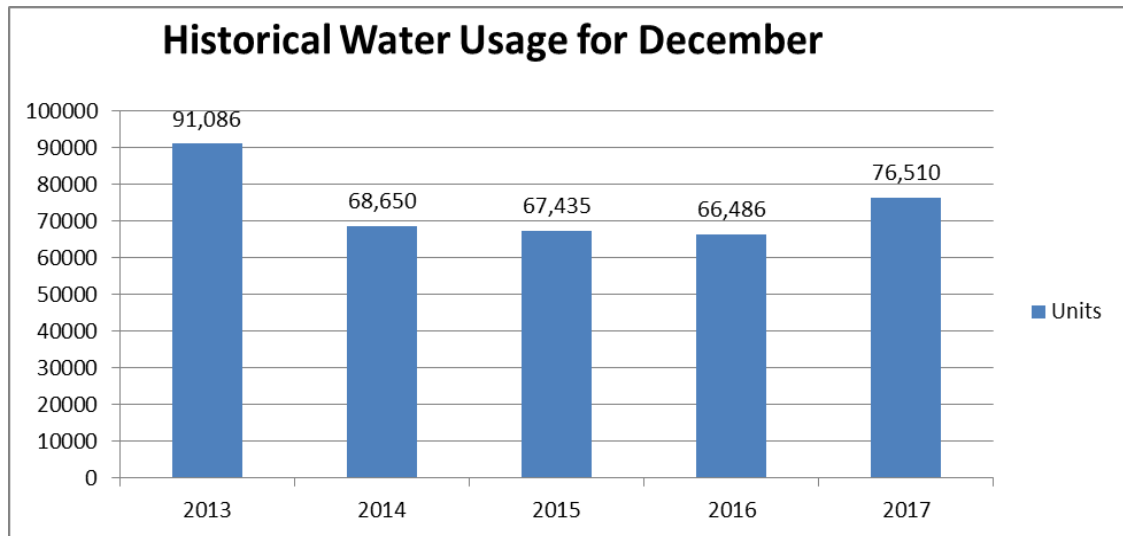
SCHEDULE OF CASH AND INVESTMENTS		
CASH ACCOUNT	BALANCE @ 12/31/17	BALANCE @ 01/18/17
PETTY CASH	\$400	\$400
CASH DRAWER	\$200	\$200
WELLS FARGO CHECKING	\$138,942	\$240,229
LAIF	\$6,454,854	\$6,554,854
BNY INSTALLMENT ACCOUNT	\$364,419	\$364,419
TOTAL	\$6,958,815	\$7,160,102

Month End Balance of PARS/OPEB for both November 2017 (December 2017 report not available): \$888,613.56. Total Net Earnings of \$9,531.54 reported for October and November combined.

MPWD RESERVE FUNDS				
Reserve Account	Balance @ 12/31/2015	Balance @ 12/31/2016	Balance @ 12/31/2017	Budget for Reserve Policy
Capital Reserves	\$ 892,186	\$ 2,061,323	\$ 3,954,854	\$ 2,500,000
Emergency Reserves	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Working Capital Reserves	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
TOTAL RESERVE FUNDS	\$ 3,392,186	\$ 4,561,323	\$ 6,454,854	\$ 5,000,000

Water Revenue Report:

WATER REVENUES for FISCAL YEAR 2017/2018					
Month	Total Units	Water Commodity Charges	Fixed System Charges	Total Water Revenues	Misc Rev
JUL	117,761	991,424.67	221,479.51	1,212,904.18	1,263.43
AUG	124,029	1,058,492.93	221,538.81	1,280,031.74	1,262.50
SEP	127,050	1,086,959.69	221,731.22	1,308,690.91	1,262.50
OCT	117,970	969,366.58	220,229.28	1,189,595.86	1,270.47
NOV	100,278	842,727.91	221,252.40	1,063,980.31	1,257.50
DEC	76,510	597,628.22	221,492.48	819,120.70	1,276.32
TOTAL	663,598	5,546,600.00	1,327,723.70	6,874,323.70	7,592.72



CONFERENCES, TRAINING, & MEETINGS:

- 1) Jeanette Kalabolas: 12/14/17 – BAWSCA Water Resources Committee Meeting
- 2) Jeanette Kalabolas: 01/10/18 – BAWSCA Conservation Strategic Plan Workshop
- 3) Candy Pina: 01/12/18 – Leadership Essentials Webinar
- 4) Candy Pina: 01/12/18 – Meeting with Dan Bergmann on COP reporting
- 5) Candy Pina: 01/19/17 – Meeting with Jennifer Dermon on Financials

TEAM BUILDING ACTIVITIES:

We started a new trivia contest and are learning all kinds of facts.



TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager
DATE: January 25, 2018

OPERATIONS REPORT – December

Projects:

- We are still waiting for the dust to settle on the lawsuit so that staff can replace the last meter in Zone 1. As noted before, their water continues to be metered;
- Held a construction progress meeting with Stoloski & Gonzalez attended by District Engineer and District staff;
- Met with PAMF officials to discuss alternative pipeline easement alternatives due to their tree planting in the District's existing easement for a new pipeline – it went well;
- Held a brief and succinct meeting with Hydrosience Engineers to provide them with some constructive criticism on their basis of design report;
- Work on 1-inch service upgrade for 300 Hiller;
- Work on 1-inch service upgrade for 2603 Cipriani;
- Work on 1-inch service upgrade for 1600 Prospect;
- Work on 1-inch service upgrade for 2689 Comstock Circle;
- Work on 1-inch service upgrade for 2827 Wemberly;
- Work on and complete all work on a 1-inch service upgrade for 2828 Hallmark;
- Work on and complete all work on two separate 1-inch service upgrades for 2221 and 2227 Thurm; and
- During December we were unable to install any meters. The total since June 2nd remains at 455 AMI meters, or about 25% of Zone 2.

Maintenance:

- Responded to and completed 249 USA (underground service alerts) requests and identified infrastructure before digging in the streets or easements. Last month we marked 217 locations;
- Read meters in zones without AMI;
- Performed routine maintenance to system regulators;
- Repaired a service line struck by a contractor on Old County Road – billed contractor;
- Outsourced several larger than normal road repairs; gathered them for economy of scale pricing and contractor availability; and reporting out to the Board per policy since collectively they exceeded the General Manager's signature authority of \$25,000, but were as a result of exigent circumstances and repairs:

- Water main break on Sharon near Alameda de las Pulgas; from March 2017 where we lost 127,000 gallons; replaced road surface (150' x 10' x 6"); 60 lf of sidewalk and almost 100 lf of valley gutter. Cost = \$28,887.
 - Water main break at 1701 North near Hillman; from October 2017 where we lost 80,000 gallons; replaced road surface (60' x 20.6' x 6"). Cost = \$16,470.
 - Water main break on Hastings Drive near Carlmont; from November 2017 where we lost 152,000 gallons; replaced road surface (80' x 14' x 6") made more difficult due to use of petro-mat under asphalt. Cost = \$27,844.
 - Following replacement of a leaking gate valve to a fire hydrant at 1574 Winding Way, staff found that the "tee" before the gate valve had leaded joints. Staff documented the leaded joints on the Form 1 and removed the pipe and tee with the leaded joints. This particular section of water main was under a rolled gutter and driveway, which required replacement of some 30 feet of gutter, 13 foot of sidewalk and a partial replacement of a driveway covering an area of 30' x 9'. Cost = \$11,323.
- Collected a requisite 44 water samples for bacteriological testing – all samples were normal and showed no signs of coliform bacteria;
 - Continued to routinely monitor water system dead-ends continued for disinfectant residual; and
 - Monitored for signs of nitrification within our tanks, sample stations and dead ends continues as a part of regular water quality monitoring. One of two tanks at the following tank sites were removed from service for maintenance work and to maintain water quality: Buckland, Exbourne and Dekoven.

System Repairs:

Date	Location	Event	Material	Installation Date	Estimated Water Loss (Gals.)
12/9	1011 Muir Way	Main Break	CIP	1957	<5,000

Development:

Staff is currently working with developers on 42 development projects:

Mixed Use Commercial/Residential:

- 576-600 El Camino Real – Fees paid, awaiting scheduling request from contractor;
- 400-490 El Camino Real –Awaiting request for meter installations;
- 1325 Old County Rd – Contacted by City, tentative plans;
- 800 Belmont Ave – Contacted by developer tentative plans ;
- 815 Old County Rd – Contacted by developer tentative plans; and
- 400 Industrial – Plans approved, awaiting fee payment.

Commercial:

- 539 Harbor Blvd. – Updated installation quote;
- 700 Island Parkway – Installation Complete;
- 1201 Shoreway Road – Awaiting scheduling from contractor;
- 1477 El Camino Real – Currently reviewing their plans;
- 699 Ralston Ave – Installation complete;
- 940 Ralston Ave - Fee schedule provided to developer;
- Belmont Ave Parcel APN's – (2) awaiting plans;
- 1500 Ralston – Currently reviewing plans; and
- 2200 Carlmont Drive – Currently reviewing their plans.

Residential/Multi-Family:

- 1829 Oak Knoll - Currently reviewing their plans;
- 1600 Prospect - Installation complete;
- 10 Notre Dame Place – Installation scheduled;
- 2603 Cipriani - Installation complete;
- 2828 Hallmark - Installation complete;
- 2827 Wemberly - Installation complete;
- 1906 Bishop – Installation complete;
- 1919 Oak Knoll Dr. – Currently reviewing their plans;
- 1942 Bayview – Installation complete;
- 2515 Carlmont Dr - Currently reviewing their plans;
- 1105 Tahoe – Developer requesting fire flow;
- 300 Hiller St - Installed;
- 2009 Mezes – Currently reviewing their plans;
- 2723 Monserat – Currently reviewing their plans;
- 796 Miramar Terrace - Currently reviewing their plans;
- 2114 Cipriani – Currently reviewing their plans;
- Bishop Road development - Currently reviewing their plans;
- 2620 Ponce – Currently reviewing their plans;
- 1320 Talbryn Lane development- currently reviewing their plans;
- 2712 Comstock – Currently reviewing their plans;
- 2689 Comstock – Installed;
- 2128 Pullman Ave - Installed;
- 909 Ruth - Installed;
- 2227 Thurm Ave – Installed;
- 2221 Thurm Ave – Installed;
- 3918 Christian Dr – Plans approved; and
- 3900 Marsten – Currently reviewing their plans.

Administration:

- Held meeting to discuss the On-Call Schedule for 2018 with staff eligible to be On-Call (i.e. staff with a minimum D-2 WDO certificate and a demonstrated ability to respond appropriately to different situations);
- Attended BAWSCA Manager's meeting;

- Attended District employee meeting with a representative from ACWA JPIA;
- Attended the regular District safety meeting;
- With the Holidays at the end of the year, many people were off and District operated with short staff;
- Attended an 811 Excavation Safety Course held by PG&E;
- Enjoyed a District employee luncheon to celebrate 5-year anniversaries for: Tammy, Candy and Laura;
- Continue to actively managing five (5) engineering design contracts related to the CIP; and
- Continued to actively manage power use during pumping operations.



MEMO

Agency: Mid-Peninsula Water District **Date** January 19, 2018
Attn: Board of Directors
Project Name: Karen, Mezes, Arthur, South & Folger Water Main Improvements **Project No.** 10012.16
Reference: Project Update
From: Joubin Pakpour, P.E. – District Engineer *JP*

Construction Status

During November, all the tie-ins along the South Road were completed. The 8-inch PVC water main is now fully in service and all the service connections are transferred from the 4-inch to the 8-inch water main. During December Stoloski & Gonzalez (S&G) moved to Folger Road and was able to install approximately 800 LF of 10-inch water main along Folger Drive and 100 LF of 8-inch water main along Folger Court. During the last week of November and again the last two weeks of December, S&G added additional crews, while one crew was wrapping up the remaining work on South Road the main crew was on Folger Drive.

Project Schedule

Remaining work on South Road includes installation of a fire hydrant, air release valve, meters' retaining walls and finishing the road restoration including, slurry seal, roadway striping, sidewalks and resident landscaping around the new water meter boxes. Remaining work on Folger Road including, tie-ins, transferring service connection, installation of a fire hydrant, air release valve, finishing the road restoration including, slurry seal, roadway striping, sidewalks and resident landscaping around the new water meter boxes.

Because of a few rainy days, unforeseen utility crossing, and slower construction progress, S&G is slightly behind schedule. S&G is trying to get back on schedule by adding additional crews.

Change Orders

We anticipate one change order for December which will include a few items primarily due to unforeseen site conditions such as unknown/unmarked underground utilities and encountering rock in the trench. We are currently in negotiations with the contractor and will bring the final approved amount to the board next month.

Request for Progress Payment No. 3

As of December 31, 2017, S&G completed 32% of the contractual work (**\$648,891.00**). Enclosed please find Progress Payment No.3 due S&G for this period for **\$260,757.00** (value of work, less 5% retention). The work performed to date has been satisfactory, and payment is recommended.

	Current Month	Total	
Original Contract Amount		\$ 2,055,271.00	
Approved Change Orders	\$ 0.00	\$ 0.00	0%
Final Contract Amount		\$ 2,055,271.00	
Previously Paid		\$ 374,410.00	
Current Request (<i>Less Retention</i>)	\$ 260,757.00	\$ 616,446.00	
Retention	\$ 13,724.00	\$ 32,445.00	
Total Value of Work Completed	\$ 274,481.00	\$ 648,891.00	32%
Total Remaining on Contract		\$ 1,467,340.00	68%

**Karen, Mezes, Arthur, South Folger Water Main Improvements
Progress Payment No. 03
Breakdown Summary**

Karen Road	Current	Total	
Original Contract Amount		\$438,196	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$0.00	
Previously Paid		\$0.00	
Current Request (Less Retention)	\$0.00	\$0.00	
Retention	\$0.00	\$0.00	
Total Value of Work Completed	\$0.00	\$0.00	0%
Total Remaining on Contract		\$418,446.00	95%

Mezes Ave	Current	Total	
Original Contract Amount		\$235,278.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$0.00	
Previously Paid		\$0.00	
Current Request (Less Retention)	\$0.00	\$0.00	
Retention	\$0.00	\$0.00	
Total Value of Work Completed	\$0.00	\$0.00	0%
Total Remaining on Contract		\$230,778.00	98%

Arthur Ave	Current	Total	
Original Contract Amount		\$553,771.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$0.00	
Previously Paid		\$0.00	
Current Request (Less Retention)	\$0.00	\$0.00	
Retention	\$0.00	\$0.00	
Total Value of Work Completed	\$0.00	\$0.00	0%
Total Remaining on Contract		\$538,521.00	97%

South Road	Current	Total	
Original Contract Amount		\$366,929.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$366,929.00	
Previously Paid		\$313,450.00	
Current Request (less Retention)	\$0.00	\$297,777.00	
Retention	\$0.00	\$15,673.00	
Total Value of Work Completed	\$0.00	\$313,450.00	89%
Total Remaining on Contract		\$38,229.00	11%

Folger Drive	Current	Total	
Original Contract Amount		\$461,097.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$461,097.00	
Previously Paid		\$60,960.00	
Current Request (Less Retention)	\$260,757.00	\$318,669.00	
Retention	\$13,724.00	\$16,772.00	
Total Value of Work Completed	\$274,481.00	\$335,441.00	75%
Total Remaining on Contract		\$110,406.00	24%

Total (All Projects)	Current	Total	
Original Contract Amount		\$2,055,271.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$2,055,271.00	
Previously Paid		\$374,410.00	
Current Request (Less Retention)	\$260,757.00	\$616,446.00	
Retention	\$13,724.00	\$32,445.00	
Total Value of Work Completed	\$274,481.00	\$648,891.00	32%
Total Remaining on Contract		\$1,406,380.00	68%

Bid Item	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
		Unit	Unit Price	Qty.	Total Price	Qty.	Unit Price	Total Price	Qty.	Unit Price	Total Price	Qty.	Amount Earned	%	Qty.	Amount Earned	%	Qty.	Amount Earned	%
1	8" Fusible C900 PVC	LF	\$ 203	972	\$ 197,316.00	0	\$ 203	\$ -	972	\$ 203.00	\$ 197,316.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
2	8-inch Class 350 DIP	LF	\$ 309	1,563	\$ 482,967.00	0	\$ 309	\$ -	1,563	\$ 309.00	\$ 482,967.00	129	\$ 39,861.00	8%	0	\$ -	0%	129	\$ 39,861.00	8%
3	10-inch Class 350 DIP	LF	\$ 336	785	\$ 263,760.00	0	\$ 336	\$ -	785	\$ 336.00	\$ 263,760.00	595	\$ 199,920.00	76%	160	\$ 53,760.00	20%	755	\$ 253,680.00	96%
4	Dairy Lane - Fire Service Tie-in at Sta. 10+00 (Detail A)	LS	\$ 6,500	1	\$ 6,500.00	0	\$ 6,500	\$ -	1	\$ 6,500.00	\$ 6,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
5	Karen Road/O'Neill Avenue - Tie-in to 8" PVC at Sta. 11+79 (Detail B)	LS	\$ 8,500	1	\$ 8,500.00	0	\$ 8,500	\$ -	1	\$ 8,500.00	\$ 8,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
6	Karen Road/O'Neill Avenue - Tie-in to 12" ACP at Sta. 12+12 (Detail C)	LS	\$ 6,500	1	\$ 6,500.00	0	\$ 6,500	\$ -	1	\$ 6,500.00	\$ 6,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
7	Karen Road - Fire Service Tie-in at Sta. 13+97	LS	\$ 7,000	1	\$ 7,000.00	0	\$ 7,000	\$ -	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
8	Karen Road/Harbor Blvd - Tie-in to 12" ACP at Sta. 19+72 (Detail D)	LS	\$ 19,000	1	\$ 19,000.00	0	\$ 19,000	\$ -	1	\$ 19,000.00	\$ 19,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
9	Mezes Avenue - Tie-in to 6" CIP, Sta. 10+00 to 10+15 (Detail E)	LS	\$ 12,000	1	\$ 12,000.00	0	\$ 12,000	\$ -	1	\$ 12,000.00	\$ 12,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
10	Mezes Avenue - Tie-in to 6" CIP, Sta. 13+45 to 13+55 (Detail F)	LS	\$ 10,500	1	\$ 10,500.00	0	\$ 10,500	\$ -	1	\$ 10,500.00	\$ 10,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
11	Mezes Avenue/Lyon Avenue - Tie-in to 4" PVC, Sta. 20+59 to 20+88 (Detail G)	LS	\$ 23,000	1	\$ 23,000.00	0	\$ 23,000	\$ -	1	\$ 23,000.00	\$ 23,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
12	Arthur Avenue - Tie-in to 8" CIP, Sta. 10+00 to 10+10 (Detail H)	LS	\$ 10,900	1	\$ 10,900.00	0	\$ 10,900	\$ -	1	\$ 10,900.00	\$ 10,900.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
13	Arthur Avenue/Coronet Blvd - Tie-in to 8" CIP at Sta. 10+54 (Detail I)	LS	\$ 15,600	1	\$ 15,600.00	0	\$ 15,600	\$ -	1	\$ 15,600.00	\$ 15,600.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
14	Arthur Avenue/Covington Road - 6" DIP Modification (Detail J)	LS	\$ 12,700	1	\$ 12,700.00	0	\$ 12,700	\$ -	1	\$ 12,700.00	\$ 12,700.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
15	Arthur Avenue/Alameda de las Pulgas - Tie-in to 8" CIP at Sta. 20+93 (Detail K)	LS	\$ 16,000	1	\$ 16,000.00	0	\$ 16,000	\$ -	1	\$ 16,000.00	\$ 16,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
16	Middle Road/Notre Dame Avenue - 6"/8" CIP Tie-ins (Detail L)	LS	\$ 29,000	1	\$ 29,000.00	0	\$ 29,000	\$ -	1	\$ 29,000.00	\$ 29,000.00	0	\$ -	0%	1	\$ 29,000.00	100%	1	\$ 29,000.00	100%
17	South Road/Middle Road - 6" CIP Tie-in (Detail M)	LS	\$ 32,000	1	\$ 32,000.00	0	\$ 32,000	\$ -	1	\$ 32,000.00	\$ 32,000.00	0	\$ -	0%	1	\$ 32,000.00	100%	1	\$ 32,000.00	100%
18	South Road/Debbie Lane - 6" CIP Tie-in (Detail N)	LS	\$ 35,400	1	\$ 35,400.00	0	\$ 35,400	\$ -	1	\$ 35,400.00	\$ 35,400.00	0	\$ -	0%	1	\$ 35,400.00	100%	1	\$ 35,400.00	100%
19	South Road/Hainline Drive - 4" CIP Tie-in (Detail O)	LS	\$ 21,000	1	\$ 21,000.00	0	\$ 21,000	\$ -	1	\$ 21,000.00	\$ 21,000.00	0	\$ -	0%	1	\$ 21,000.00	100%	1	\$ 21,000.00	100%
20	South Road/Korbel Way - 4" CIP Tie-in (Detail P)	LS	\$ 18,000	1	\$ 18,000.00	0	\$ 18,000	\$ -	1	\$ 18,000.00	\$ 18,000.00	0	\$ -	0%	1	\$ 18,000.00	100%	1	\$ 18,000.00	100%
21	South Road Vannier Drive - 4" CIP Tie-in (Detail Q)	LS	\$ 18,500	1	\$ 18,500.00	0	\$ 18,500	\$ -	1	\$ 18,500.00	\$ 18,500.00	0	\$ -	0%	1	\$ 18,500.00	100%	1	\$ 18,500.00	100%
22	South Road/College View Way - 8" ACP Tie-in (Detail R)	LS	\$ 22,000	1	\$ 22,000.00	0	\$ 22,000	\$ -	1	\$ 22,000.00	\$ 22,000.00	0	\$ -	0%	1	\$ 22,000.00	100%	1	\$ 22,000.00	100%
23	Folger Drive - Tie-in to 10" DIP, Sta: 10+00 to 10+10 (Detail S)	LS	\$ 6,000	1	\$ 6,000.00	0	\$ 6,000	\$ -	1	\$ 6,000.00	\$ 6,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
24	Folger Drive/Notre Dame Avenue - Tie-in to 6" CIP, Sta. 17+95 to 18+00 (Detail T)	LS	\$ 7,000	1	\$ 7,000.00	0	\$ 7,000	\$ -	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
25	10" Gate Valve	EA	\$ 3,600	5	\$ 18,000.00	0	\$ 3,600	\$ -	5	\$ 3,600.00	\$ 18,000.00	2	\$ 7,200.00	40%	2	\$ 7,200.00	40%	4	\$ 14,400.00	80%
26	8" Gate Valve	EA	\$ 2,500	42	\$ 105,000.00	0	\$ 2,500	\$ -	42	\$ 2,500.00	\$ 105,000.00	1	\$ 2,500.00	2%	20	\$ 50,000.00	48%	21	\$ 52,500.00	50%
27	8" Fire Service Connection (Assembly)	EA	\$ 17,500	1	\$ 17,500.00	0	\$ 17,500	\$ -	1	\$ 17,500.00	\$ 17,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
28	6" Fire Hydrant Assembly	EA	\$ 12,500	12	\$ 150,000.00	0	\$ 12,500	\$ -	12	\$ 12,500.00	\$ 150,000.00	2	\$ 25,000.00	17%	2	\$ 25,000.00	17%	4	\$ 50,000.00	33%
29	Fire Hydrant Bollard	EA	\$ 400	20	\$ 8,000.00	0	\$ 400	\$ -	20	\$ 400.00	\$ 8,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%

Bid Item	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
		Unit	Unit Price	Qty.	Total Price	Qty.	Unit Price	Total Price	Qty.	Unit Price	Total Price	Qty.	Amount Earned	%	Qty.	Amount Earned	%	Qty.	Amount Earned	%
30	Fire Hydrant Retaining Wall	EA	\$ 3,900	1	\$ 3,900.00	0	\$ 3,900	\$ -	1	\$ 3,900.00	\$ 3,900.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
31	2" Blow-Off Assembly	EA	\$ 4,200	1	\$ 4,200.00	0	\$ 4,200	\$ -	1	\$ 4,200.00	\$ 4,200.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
32	1" Combination Air Valve	EA	\$ 3,100	1	\$ 3,100.00	0	\$ 3,100	\$ -	1	\$ 3,100.00	\$ 3,100.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
33	8" PRV Station	LS	\$ 31,000	1	\$ 31,000.00	0	\$ 31,000	\$ -	1	\$ 31,000.00	\$ 31,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
34	Anode Test Station	EA	\$ 1,400	11	\$ 15,400.00	0	\$ 1,400	\$ -	11	\$ 1,400.00	\$ 15,400.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
35	2" Service Connection to Existing Meter	EA	\$ 3,700	1	\$ 3,700.00	0	\$ 3,700	\$ -	1	\$ 3,700.00	\$ 3,700.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
36	1.5" Service Connection	EA	\$ 3,500	1	\$ 3,500.00	0	\$ 3,500	\$ -	1	\$ 3,500.00	\$ 3,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
37	1" Service Connection with 2" Service line	EA	\$ 3,200	1	\$ 3,200.00	0	\$ 3,200	\$ -	1	\$ 3,200.00	\$ 3,200.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
38	1" or 5/8" Service Connection	EA	\$ 3,100	68	\$ 210,800.00	0	\$ 3,100	\$ -	68	\$ 3,100.00	\$ 210,800.00	0	\$ -	0%	18	\$ 55,800.00	26%	18	\$ 55,800.00	26%
39	Residential PRV	EA	\$ 400	3	\$ 1,200.00	0	\$ 400	\$ -	3	\$ 400.00	\$ 1,200.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
40	Service Meter Retaining Wall	EA	\$ 1,100	5	\$ 5,500.00	0	\$ 1,100	\$ -	5	\$ 1,100.00	\$ 5,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
41	Abandon Existing Fire Hydrant Assembly	EA	\$ 800	7	\$ 5,600.00	0	\$ 800	\$ -	7	\$ 800.00	\$ 5,600.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
42	Abandon Existing Gate Valve/Blow-Off	EA	\$ 450	25	\$ 11,250.00	0	\$ 450	\$ -	25	\$ 450.00	\$ 11,250.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
43	Traffic Striping and Markings	LS	\$ 25,000	1	\$ 25,000.00	0	\$ 25,000	\$ -	1	\$ 25,000.00	\$ 25,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
44	Type II Slurry Seal	SF	\$ 0.39	120,200	\$ 46,878.00	0	\$ 0.39	\$ -	120,200	\$ 0.39	\$ 46,878.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
45	4" deeplift Pavement Repair at Karen Road	SF	\$ 12	2,900	\$ 34,800.00	0	\$ 12	\$ -	2,900	\$ 12.00	\$ 34,800.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
46	Traffic Control	LS	\$ 45,000	1	\$ 45,000.00	0	\$ 45,000	\$ -	1	\$ 45,000.00	\$ 45,000.00	0	\$ -	0%	0.15	\$ 6,750.00	15%	0.15	\$ 6,750.00	15%
47	Street Sweeping	EA	\$ 600	36	\$ 21,600.00	0	\$ 600	\$ -	36	\$ 600.00	\$ 21,600.00	0	\$ -	0%	0	\$ -				
	Contract Amount				\$2,055,271.00			\$0.00			\$2,055,271.00									
	Amount Earned											\$274,481.00	13%		\$374,410.00	18%		\$648,891.00	32%	
	Retention (5%)											(\$13,724.00)			(\$18,721.00)			(\$32,445.00)		
	Amount Due											\$260,757.00						\$616,446.00		
	Amount Remaining on Contract																	\$1,406,380.00	68%	

Prepared By
gp
Joubin Pakpour, P.E.
District Engineer

Amount Remaining on Contract	\$1,406,380.00	68%
Total Retention Being Held	(\$32,445.00)	

**Karen, Mezes, Arthur, South & Folger Water Main Improvements
Mid-Peninsula Water District, Belmont, CA
December 1, 2017 thru December 31, 2017**



December, 2017 - Pipe Installation (Folger Drive & Folger Court)



**Karen, Mezes, Arthur, South & Folger Water Main Improvements
Mid-Peninsula Water District, Belmont, CA
December 1, 2017 thru December 31, 2017**



Abandoned Pipes in the Trench (Folger Drive)

**Karen, Mezes, Arthur, South & Folger Water Main Improvements
Mid-Peninsula Water District, Belmont, CA
December 1, 2017 thru December 31, 2017**



Dec 11, 2017 - Three Valves Set at Intersection of Folger Drive and Folger Court



Dec 08, 2017—Old and New Fire Hydrant (Folger Drive)

**Karen, Mezes, Arthur, South & Folger Water Main Improvements
Mid-Peninsula Water District, Belmont, CA
December 1, 2017 thru December 31, 2017**



Dec 12 Thru Dec 14, and Dec 19 thru Dec 21, 2017— Rock in the Trench
(Folger Drive and Folger Court)

**MID-PENINSULA WATER DISTRICT
BUDGET FOR YEAR 2016-2017
SUMMARY**

DESCRIPTION	APPROVED FY 2017-2018 BUDGET \$	ACTUALS 7/1/2017 12/31/17	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 50.4%
				Y-T-D % OF BUDGET
OPERATING REVENUE				
WATER COMMODITY CHARGES	8,500,000	5,546,600	2,953,400	65.3%
FIXED SYSTEM CHARGES	2,663,720	1,327,724	1,335,996	49.8%
FIRE SERVICE CHARGES	14,000	7,593	6,407	54.2%
SERVICE LINE & INSTALLATION CHARGES	10,000	-	10,000	NA
WATER SYSTEM CAPACITY CHARGES	200,000	252,492	(52,492)	126.2%
WATER DEMAND OFFSET CHARGES	10,000	31,156	(21,156)	311.6%
MISCELLANEOUS CHARGES	10,000	101,361	(91,361)	1013.6%
INTEREST REVENUE - LAIF	10,000	31,022	(21,022)	310.2%
LEASE OF PHYSICAL PROPERTY	150,000	76,137	73,863	50.8%
PROPERTY TAX REVENUE	260,000	102,109	157,891	39.3%
TOTAL OPERATING REVENUE	11,827,720	7,476,194	4,351,526	63.2%
OPERATING EXPENDITURES (OP EXP)				
SALARIES & WAGES	1,718,225	716,163	1,002,062	41.7%
PAYROLL TAXES & BENEFITS	1,204,893	519,099	685,794	43.1%
PURCHASED WATER	5,234,856	3,107,370	2,127,486	59.4%
OUTREACH & EDUCATION	116,900	18,474	98,426	15.8%
M&R - OPS SYSTEM	389,598	240,850	148,748	61.8%
M&R - FACILITIES & EQUIPMENT	166,860	69,292	97,568	41.5%
MAJOR MAINTENANCE	30,000	-	30,000	NA
OFFICE SUPPLIES & EQUIPMENT	314,755	137,570	177,185	43.7%
MEMBERSHIP & GOV FEES	208,613	117,150	91,463	56.2%
BAD DEBT & CLAIMS	37,000	(1,753)	38,753	-4.7%
UTILITIES	301,687	127,443	174,244	42.2%
PROFESSIONAL SERVICES	458,660	178,409	280,251	38.9%
TRAINING/TRAVEL & RECRUITMENT	45,000	18,281	26,719	40.6%
RESTRICTED EARNINGS	10,000	31,022	(21,022)	310.2%
DEBT SERVICE TRUSTEE FEES & EXPENSES	-	1,700	(1,700)	NA
DEBT SERVICE 2016 COPs	1,045,865	670,759	375,106	64.1%
TOTAL OP EXP LESS DEPRECIATION (DEPREC)	11,282,912	5,951,829	5,331,083	52.8%
TOTAL OP REVENUE LESS OP EXP & DEPREC	544,808	1,524,365	(979,557)	279.8%
DEPRECIATION	1,050,000	422,869	627,131	40.3%
TOTAL OP REVENUE LESS OP EXP	(505,192)	1,101,496	(1,606,688)	-218.0%
NET TRANSFERS TO CAPITAL	505,192	(1,101,496)	1,606,688	-218.0%
NET RESULTS OF OPERATIONS	-	-	-	

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2016-2017
DETAILED**

Target YTD % 50.4%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 12/31/2017	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
4010	WATER COMMODITY CHARGES (A)	8,500,000	5,546,600.17	2,953,400	65.3%
4020	FIXED SYSTEM CHARGES	2,663,720	1,327,723.70	1,335,996	49.8%
4030	FIRE SERVICE CHARGES	14,000	7,592.72	6,407	54.2%
4050	SERVICE LINE & INSTALLATION CHARGES	10,000	-	10,000	NA
4060	WATER SYSTEM CAPACITY CHARGES (B)	200,000	252,492	(52,492)	126.2%
4070	WATER DEMAND OFFSET CHARGES (B)	10,000	31,156	(21,156)	311.6%
4090	MISCELLANEOUS REVENUES (C)	<u>10,000</u>	<u>90,161</u>	<u>(80,161)</u>	901.6%
4000	TOTAL WATER AND FEE CHARGES	<u>11,407,720</u>	<u>7,255,726</u>	<u>4,151,994</u>	63.6%
4102	Interest Revenue- LAIF (D)	<u>10,000</u>	<u>31,022</u>	<u>(21,022)</u>	310.2%
4100	INTEREST REVENUE	<u>10,000</u>	<u>31,022</u>	<u>(21,022)</u>	310.2%
4201	Lease of Physical Property	150,000	76,137	73,863	50.8%
4202	Property Tax Revenue (E)	260,000	102,109	157,891	39.3%
4208	Landscape Plan Permit Review	<u>-</u>	<u>11,200</u>	<u>(11,200)</u>	NA
4200	OTHER REVENUE	<u>410,000</u>	<u>189,446</u>	<u>220,554</u>	46.2%
4000	TOTAL OPERATING REVENUE	<u>11,827,720</u>	<u>7,476,194</u>	<u>4,351,526</u>	63.2%
6011	Salaries & Wages	1,622,250	688,845	933,405	45.0%
6012	Director Compensation	11,000	4,400	6,600	40.0%
6017	Capital Salaries & Wages	<u>-</u>	<u>75,605</u>	<u>(75,605)</u>	NA
6010	GROSS REGULAR WAGES	<u>1,633,250</u>	<u>768,850</u>	<u>864,400</u>	47.1%
6017	CAPITAL SALARY & WAGES reversed	<u>-</u>	<u>(75,605)</u>	<u>75,605</u>	
6021	Overtime Labor	46,865	8,220	38,645	17.5%
6022	Standby Labor	<u>38,110</u>	<u>14,698</u>	<u>23,412</u>	38.6%
6020	SUB-TOTAL SALARY & WAGES	<u>1,718,225</u>	<u>716,163</u>	<u>1,002,062</u>	41.7%
6031	FICA/Medicare PR Tax	135,445	54,041	81,404	39.9%
6038	ACWA Health Care	329,600	172,428	157,172	52.3%
6039	ACWA Dental	31,930	12,984	18,946	40.7%
6040	ACWA Vision	4,481	2,257	2,224	50.4%
6041	ACWA Life/AD&D	4,326	2,006	2,320	46.4%
6042	Standard LDL/SDL Disability	12,772	4,704	8,068	36.8%
6043	Workers' Comp Insurance	50,400	16,537	33,863	32.8%
6044	Unemployment	1,030	-	1,030	NA
6045	CALPERS Retirement - ER 2%@55	242,050	121,481	120,569	50.2%
6054	CAPITAL PAYROLL TAXES & BENEFITS	<u>114</u>	<u>-</u>	<u>753</u>	N/A

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2016-2017
DETAILED**

Target YTD %
50.4%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 12/31/2017	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
6046	Retirees' ACWA Health Care	57,680	31,569	26,111	54.7%
6047	Directors' ACWA Health Care	111,240	58,149	53,091	52.3%
6049	Medical Reimbursement	1,030	273	757	26.5%
6050	Employee Service Recognition	10,000	3,563	6,437	35.6%
6051	Safety Incentive Program	7,416	2,314	5,102	31.2%
6052	Uniforms (F)	25,493	15,489	10,004	60.8%
6053	PARS OPEB Expense	180,000	21,303	158,697	11.8%
6030	SUB-TOTAL PAYROLL TAXES & BENEFITS	1,204,893	519,852	685,041	43.1%
6054	CAPITAL PAYROLL TAXES & BENEFITS	-	(753)	753	N/A
6000	PERSONNEL COSTS	2,923,118	1,235,262	1,687,856	42.3%
6101	SFPUC Treated Water (A)	4,700,000	2,823,678	1,876,322	60.1%
6102	BAWSCA (Debt Service Surcharges)	476,000	244,560	231,440	51.4%
6103	Rates Stabilization	58,856	-	58,856	NA
6104	SFPUC Water Service Charge	-	39,132	(39,132)	N/A
6100	PURCHASED WATER	5,234,856	3,107,370	2,127,486	59.4%
6301	Water Conservation Program	7,200	2,100	5,100	29.2%
6302	School Conservation Program (G)	7,200	10,129	(2,929)	140.7%
6303	Public Outreach & Education	25,750	3,294	22,456	12.8%
6305	HET Rebates	19,750	1,482	18,268	7.5%
6306	Washing Machine Rebates	13,750	-	13,750	NA
6307	Lawn-Be-Gone Rebates	38,100	1,439	36,661	3.8%
6308	Rain Barrel Rebates	5,150	29	5,121	0.6%
6304	TOTAL WATER CONSERVATION REBATES	76,750	2,950	73,800	3.8%
6300	OUTREACH/EDUCATION	116,900	18,474	98,426	15.8%
6401	Water Quality	69,010	14,065	54,945	20.4%
6402	Pumping	65,148	2,658	62,490	4.1%
6403	Storage Tanks	10,300	244	10,056	2.4%
6404	Mains/Distribution	103,000	147,927	(44,927)	143.6%
6405	Meters & Service (H)	30,900	33,733	(2,833)	109.2%
6406	Fire Hydrants (I)	31,930	28,334	3,596	88.7%
6407	Regulator Stations	6,180	1,705	4,475	27.6%
6408	Safety	32,960	3,590	29,370	10.9%
6409	SCADA Maintenance	15,450	7,361	8,089	47.6%
6410	Generator Maintenance	24,720	1,233	23,487	5.0%
6400	M&R - OPS SYSTEMS	389,598	240,850	148,748	61.8%
6501	M&R-Buildings&Grounds	95,790	43,727	52,063	45.6%
6502	M&R- Equipment&Tools (J)	21,630	5,984	15,646	27.7%
6503	M&R- Vehicles & Large Equipment	19,570	9,986	9,584	51.0%
6504	M&R - Fuel	29,870	9,595	20,275	32.1%
6500	M&R - FACILITIES & EQUIPMENT	166,860	69,292	97,568	41.5%
6601	Cathodic Protection Survey	-	-	-	NA

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2016-2017
DETAILED**

Target YTD % 50.4%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 12/31/2017	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
6602	Leak Detection Survey	30,000	-	30,000	NA
6600	MAJOR MAINTENANCE	30,000	-	30,000	NA
6701	Office Supplies	15,450	3,854	11,596	24.9%
6702	Insurance- Liability/Vehicles	90,381	35,911	54,470	39.7%
6703	Postage	8,240	1,295	6,945	15.7%
6704	Printing/Printing Supplies	15,450	3,670	11,780	23.8%
6705	Equipment Services/Maintenance	58,453	6,296	52,157	10.8%
6706	Computer Supplies & Upgrades (K)	15,193	15,002	191	98.7%
6707	Security & Safety	11,073	2,312	8,761	20.9%
6708	Other Fees	515	-	515	NA
6709	Customer Credit Card Svs Fees (L)	100,000	69,229	30,771	69.2%
6700	OFFICE SUPPLIES & EQUIP	314,755	137,570	177,185	43.7%
6801	Dues & Publications	40,685	11,975	28,710	29.4%
6802	Gov't Fees & Licenses	54,848	12,354	42,494	22.5%
6803	BAWSCA Membership Assessments	76,000	36,302	39,698	47.8%
6804	Env Health - Cross Connection Inspection	31,930	16,350	15,580	51.2%
6805	Software License (M)	5,150	40,169	(35,019)	780.0%
6800	MEMBERSHIP & GOV FEES	208,613	117,150	91,463	56.2%
6901	Bad Debt (N)	7,000	(1,180)	8,180	-16.9%
6902	Claims (O)	30,000	(573)	30,573	-1.9%
6900	BAD DEBT & CLAIMS	37,000	(1,753)	38,753	-4.7%
7001	Utilities-Internet/Cable	12,462	3,734	8,728	30.0%
7002	Utilities-Cellular Telephones	12,206	5,612	6,594	46.0%
7003	Utilities-Electric-Pumping	226,600	91,061	135,539	40.2%
7004	Utilities-Electric-Bldgs&Grounds	24,720	12,219	12,501	49.4%
7005	Utilities-Telephones (P)	18,025	11,683	6,342	64.8%
7006	Utilities-Sewer - NPDES	7,674	3,134	4,540	40.8%
7000	UTILITIES	301,687	127,443	174,244	42.2%
7101	Prof Serv - District Counsel	90,000	31,109	58,891	34.6%
7102	Prof Serv - District Engineer	80,000	23,943	56,057	29.9%
7103	Prof Serv - IT	19,750	7,280	12,470	36.9%
7104	Prof Serv- Annual Finance Audit (O)	19,000	15,050	3,950	79.2%
7105	Prof Serv - Mngmt Consult	-	-	-	NA
7106	Prof Serv- Accounting & Payroll	21,750	10,407	11,343	47.8%
7107	Prof Serv- Customer Billing	72,250	35,221	37,029	48.7%
7109	Prof Serv - Answering Svs	5,000	1,686	3,314	33.7%
7110	Prof Serv - Miscellaneous	147,210	53,114	94,096	36.1%
7111	Prof Serv - District Treasurer	3,700	600	3,100	16.2%
7100	PROFESSIONAL SERVICES	458,660	178,409	280,251	38.9%
7201	Director Travel	116 5,000	2,733	2,267	54.7%
7202	Director Expense	1,000	-	1,000	NA

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2016-2017
DETAILED**

Target YTD % 50.4%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 12/31/2017	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
7203	Elections	-	-	-	NA
7204	Employee Travel/Training	32,000	14,287	17,713	44.6%
7205	Meetings Expense	7,000	1,260	5,740	18.0%
7200	TRAINING & TRAVEL	45,000	18,281	26,719	40.6%
7302	Restricted Earnings Expense - Interest LAIF (D)	10,000	31,022	(21,022)	310.2%
7300	RESTRICTED EARNINGS EXPENSE	10,000	31,022	(21,022)	310.2%
8001	Working Reserves: Capital	-	-	-	NA
8002	Working Reserves: Operating	-	-	-	NA
8000	RESERVES	-	-	-	NA
9010	DEPRECIATION	1,050,000	422,869	627,131	40.3%
9011	DEBT SERVICE TRUSTEE FEES & EXPENSES	-	1,700	(1,700)	NA
9012	DEBT SERVICE 2017-2018 COPs	1,045,865	670,759	375,106	64.1%
SUB-TOTAL - OPERATING EXPENSES		9,409,794	5,139,436	4,270,358	54.6%
TOTAL OPERATING EXPENSES		12,332,912	6,374,698	5,958,214	51.7%
NET OPERATING SURPLUS/(LOSS)					
TRANSFER TO CAPITAL		(505,192)	1,101,496	(1,606,688)	-218.0%

- (A) Water revenues are at 65.3% and water purchases are at 60.1%. Water revenues is a preliminary number. Revenue does not include the second half of the month.
- (B) Six (6) meter upgrades & new services closed & revenue recognized accordingly.
- (C) Vehicle expenses related to nine (9) AMI Meter Upgrade projects generate revenue totaling \$46,605.
- (D) Increased reserves generating more interest revenue.
- (E) Receive property tax revenue in Dec 2017 & April 2018
- (F) Staff work boots totaling \$3,540.
- (G) Water education kit purchased from BAWSCA totaling \$2,611.
- (H) Large Meter testing services totaling \$13,800.
- (I) Purchase of hydrants totaling \$31,694.
- (J) Recognized small tools with Meter Installation and upgrade projects, so reduced expense (moved to FA), totaling \$3,769.
- (K) Battery Back Up & New Printer purchased totaling \$3,040.
- (L) Higher credit card fees than in prior months due to higher revenues and payments made through credit card fees.
- (M) Accela (Springbrook) software license \$2619/month. Need to adjust this at mid-year budget review.
- (N) Reversing Bad Debt sent to collections 4 years ago.
- (O) Settlement claims paid by ACWA-JPIA for various expenses related to claims.
- (P) Scada Phone Line costs higher than anticipated. Will adjust at mid-year.
- (Q) Financial Audit payment for field work almost completed.

**MID-PENINSULA WATER DISTRICT
STATEMENT OF REVENUES & EXPENSES
PREVIOUS YEAR COMPARISON**

	Jul 17 -Dec 17	Jul 16 - Dec 16	\$ Change	% Change
Ordinary Income/Expense				
Income				
OPERATING REVENUE	7,255,725.84	6,113,128.83	1,142,597.01	18.69%
INTEREST INCOME	112,938.22	3,890.37	109,047.85	2,803.02%
OTHER INCOME	189,445.76	198,445.47	-8,999.71	-4.54%
Total Income	<u>7,558,109.82</u>	<u>6,315,464.67</u>	<u>1,242,645.15</u>	<u>19.68%</u>
Expense				
PERSONNEL COSTS	1,235,261.80	1,331,983.80	-96,722.00	-7.26%
PURCHASED WATER	3,107,370.20	2,821,227.13	286,143.07	10.14%
OUTREACH/EDUCATION	18,473.95	21,428.82	-2,954.87	-13.79%
M&4 - OPS SYSTEMS	240,850.33	144,826.84	96,023.49	66.3%
FACILITIES & EQUIPMENT	69,291.85	60,986.16	8,305.69	13.62%
MAJOR MAINTENANCE	0.00	590.74	-590.74	-100.0%
OFFICE SUPPLIES & EQUIPMENT	137,569.69	137,962.80	-393.11	-0.29%
MEMBERSHIP & GOV FEES	117,149.63	80,149.16	37,000.47	46.17%
BAD DEBT & CLAIMS	-1,752.98	3,813.70	-5,566.68	-145.97%
UTILITIES	127,443.43	131,342.58	-3,899.15	-2.97%
PROFESSIONAL SERVICES	178,408.67	208,983.39	-30,574.72	-14.63%
TRAINING & TRAVEL	18,281.07	16,773.72	1,507.35	8.99%
Total Expense	<u>5,248,347.64</u>	<u>4,960,068.84</u>	<u>288,278.80</u>	<u>5.81%</u>
Net Ordinary Income	<u>2,309,762.18</u>	<u>1,355,395.83</u>	<u>954,366.35</u>	<u>70.41%</u>
Other Income/Expense				
Other Expense				
DEPRECIATION	422,869.00	475,513.32	-52,644.32	-11.07%
DEBT SERVICE TRUSTEE FEES & EXPENSES	1,700.00	0.00	1,700.00	100.0%
DEBT SERVICE PRINCIPAL PAYMENT	315,000.00			
COP Financing Costs	355,758.96	0.00	355,758.96	100.0%
Total Other Expense	<u>1,095,327.96</u>	<u>475,513.32</u>	<u>619,814.64</u>	<u>130.3%</u>
Net Revenue/(Expenses)	<u>1,214,434.22</u>	<u>879,882.51</u>	<u>334,551.71</u>	<u>38.0%</u>

RECONCILIATION TO OPERATING BUDGET

Adjustments to Increase Net Operating Surplus

Interest Income - LAIF & COP Interest	<u>-112,938.22</u>
Total Adjustments to Increase Net Operating Surplus	<u>-112,938.22</u>

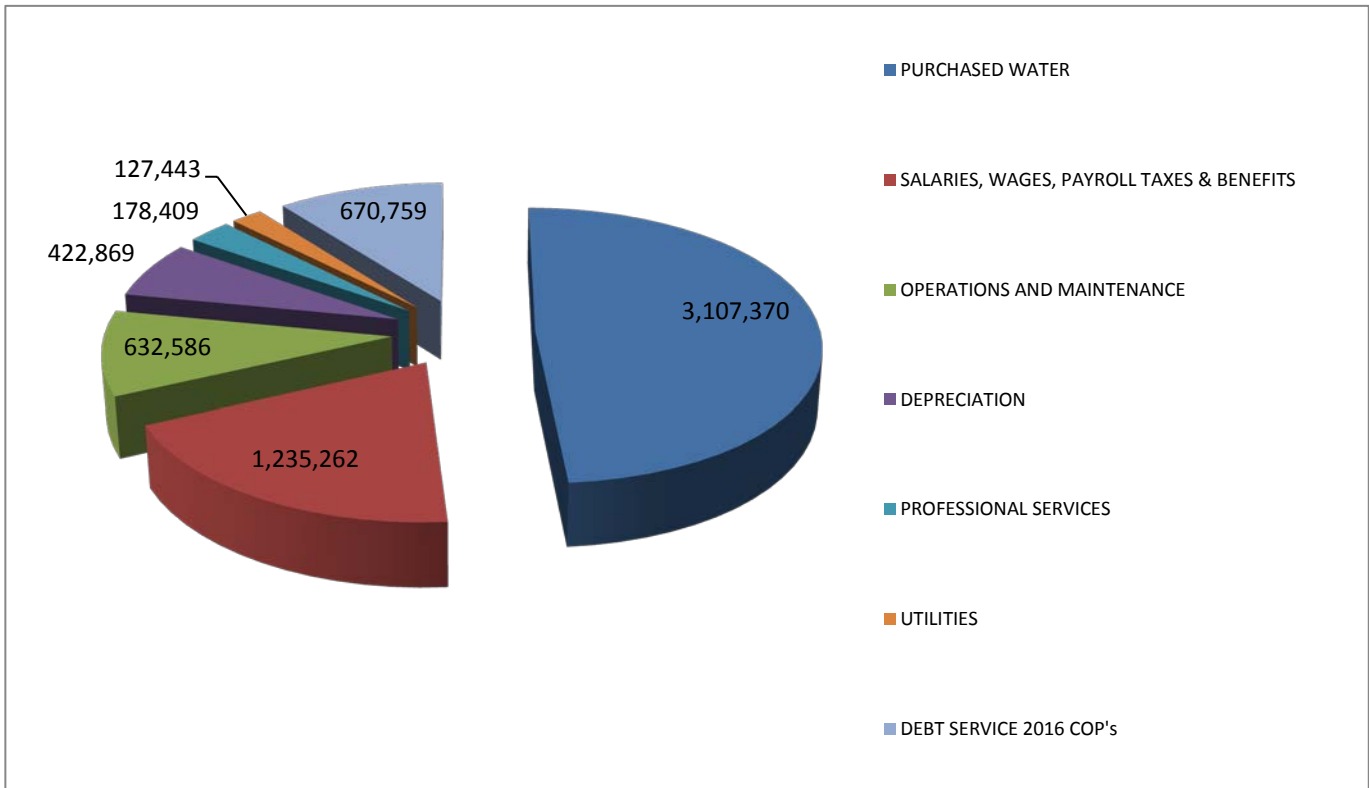
Net Revenue/(Expenses) 1,214,434.22

Net Operating Surplus/(Loss) Transfer to Capital 1,101,496.00

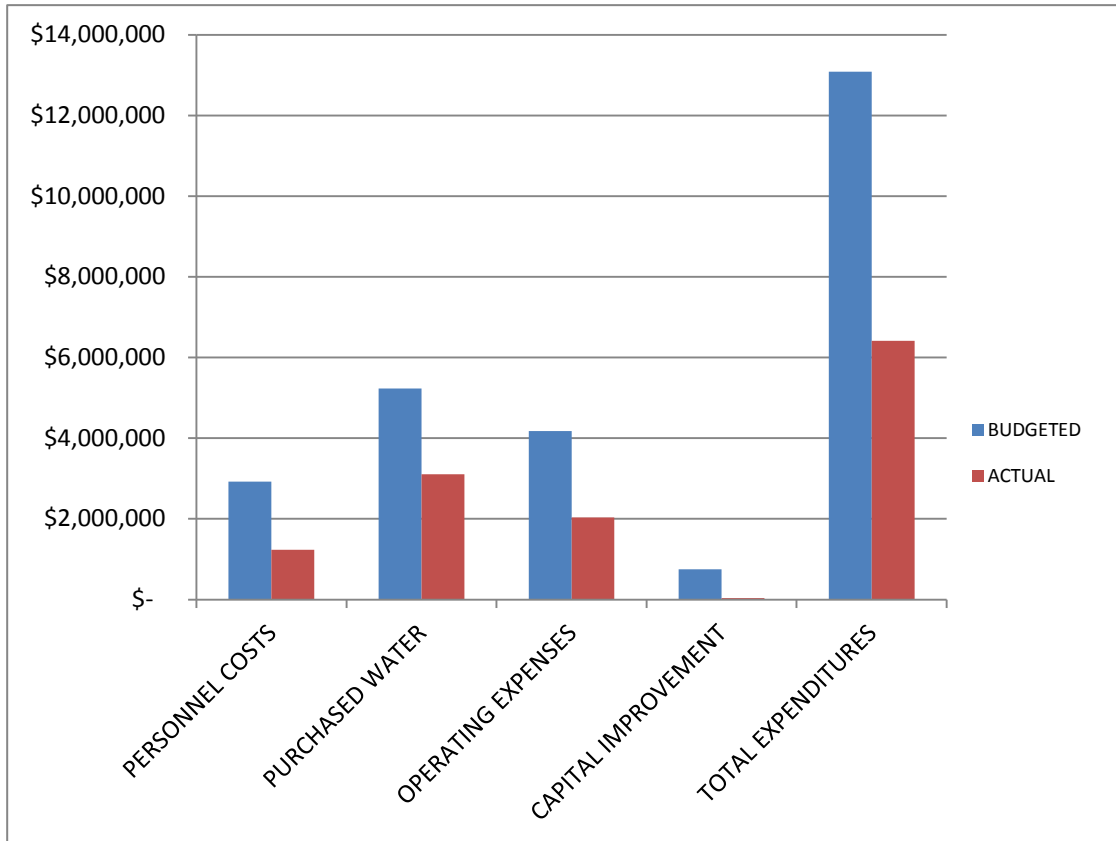
**MID-PENINSULA WATER DISTRICT
ACTUAL OPERATING EXPENDITURES SUMMARY**

Dec-17

OPERATING EXPENDITURES	ACTUAL \$	% OF TOTAL
PURCHASED WATER	3,107,370	48.7%
SALARIES, WAGES, PAYROLL TAXES & BENEFITS	1,235,262	19.4%
OPERATIONS AND MAINTENANCE	632,586	9.9%
DEPRECIATION	422,869	6.6%
PROFESSIONAL SERVICES	178,409	2.8%
UTILITIES	127,443	2.0%
DEBT SERVICE 2016 COP's	670,759	10.5%
TOTAL OPERATING EXPENDITURES	<u>6,374,698</u>	<u>100%</u>



2016/2017 BUDGET vs ACTUAL TOTAL EXPENDITURES Dec-17



	BUDGETED	ACTUAL	BUDGETED % OF TOTAL	ACTUAL % OF TOTAL
TOTAL EXPENDITURES				
PERSONNEL COSTS	\$ 2,923,118	\$ 1,235,262	22%	19%
PURCHASED WATER	\$ 5,234,856	\$ 3,107,370	40%	48%
OPERATING EXPENSES	\$ 4,174,938	\$ 2,032,066	32%	32%
CAPITAL IMPROVEMENT	\$ 751,930	\$ 37,510	6%	1%
TOTAL EXPENDITURES	\$ 13,084,842	\$ 6,412,208	100%	100%

**MID-PENINSULA WATER DISTRICT
BUDGET FOR FY 2016-2017
Capital Projects**

DESCRIPTION	APPROVED FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 12/31/2017	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 50.4%
				Y-T-D % OF BUDGET
CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)				
CIP 15-51 Francis Improvements	425,790	11,594	414,196	2.7%
CIP 15-53 Academy Improvements	276,140	7,412	268,728	2.7%
AMI Meter Change Out Program	-	-	0	N/A
CAPITAL IMPROVEMENTS - WIP TOTAL	701,930	19,006	682,924	2.7%
CAPITAL OUTLAY				
Miscellaneous Capital Outlay/Projects (A)	50,000	18,504	31,496	37.0%
CAPITAL OUTLAY TOTAL	50,000	18,504	31,496	37.0%
CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL	751,930	37,510	714,420	5.0%
DEPRECIATION	1,050,000	422,869	627,131	40.3%
TRANSFER FROM OPS	(505,192)	1,101,496	(1,606,688)	-218.0%
TRANSFER (TO)/FROM CAPITAL RESERVES	207,122	(1,486,855)	1,693,977	-717.9%
CAPITAL OUTLAY/CAPITAL PROJECTS	(751,930)	(37,510)	(714,420)	5.0%
NET RESULTS OF CAPITAL	-	0	(0)	N/A

(A) Purchased Canon Copier to replace leased Ricoh Copier.

**MID-PENINSULA WATER DISTRICT
STATEMENT OF NET POSITION
PREVIOUS YEAR COMPARISON**

	31-Dec-17	31-Dec-16	\$ Change	% Change
ASSETS				
CURRENT ASSETS				
Total Checking/Savings	6,973,157.48	5,588,122.22	1,385,035.26	24.79%
Total COP Funds	18,221,985.06	0.00	0.00	100.0%
Total Accounts Receivable	978,098.81	776,891.95	201,206.86	25.9%
Total Other Current Assets	260,414.46	122,253.00	138,161.46	113.01%
TOTAL CURRENT ASSETS	26,433,655.81	6,487,267.17	19,946,388.64	307.47%
FIXED ASSETS				
Fixed Assets	43,831,405.12	41,945,459.35	1,885,945.77	4.5%
Accumulated Depreciation	-27,090,909.74	-26,239,605.29	-851,304.45	-3.24%
Construction in Progress	1,876,754.50	1,843,806.81	32,947.69	1.79%
TOTAL FIXED ASSETS	18,617,249.88	17,549,660.87	1,067,589.01	6.08%
TOTAL OTHER ASSETS	803,133.00	501,512.38	301,620.62	60.14%
TOTAL ASSETS	45,854,038.69	24,538,440.42	21,315,598.27	86.87%
LIABILITIES & EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Total Accounts Payable	454,771.18	497,246.84	-42,475.66	-8.54%
Total Other Current Liabilities	1,983,818.14	923,302.43	1,060,515.71	114.86%
TOTAL CURRENT LIABILITIES	2,438,589.32	1,420,549.27	1,018,040.05	71.67%
LONG TERM LIABILITIES				
Total COP Financing Debt (B)	17,910,000.00	0.00	17,910,000.00	100.0%
Total COP Premium (B)	904,558.90	0.00	904,558.90	100.0%
Total Other Long Term Liabilities (B)	1,765,634.45	1,351,457.45	414,177.00	30.65%
TOTAL LONG TERM LIABILITIES	20,580,193.35	1,351,457.45	19,228,735.90	1,422.82%
TOTAL LIABILITIES	23,018,782.67	2,772,006.72	20,246,775.95	730.4%
EQUITY				
3000 - Opening Bal Equity	0.00	0.00	0.00	0.0%
3800 - RESERVES *	6,454,853.91	4,561,323.04	1,893,530.87	41.51%
3940 - Fund Bal Invest in Util Plant	18,617,249.88	17,751,260.07	865,989.81	4.88%
Net Assets (A)	-2,236,847.77	-546,149.41	-1,690,698.36	-309.57%
TOTAL EQUITY	22,835,256.02	21,766,433.70	1,068,822.32	4.91%
TOTAL LIABILITIES & EQUITY	45,854,038.69	24,538,440.42	21,315,598.27	86.87%

	Balance @ Dec 2015	Balance @ Dec 2016	Balance @ Dec 2017	Budget for Reserve Policy
* RESERVES				
Capital Reserves	892,186	2,061,323	3,954,854	2,500,000
Emergency Reserves	2,000,000	2,000,000	2,000,000	2,000,000
Working Capital Reserves	500,000	500,000	500,000	500,000
TOTAL RESERVE FUNDS	3,392,186	4,561,323	6,454,854	5,000,000

(A) CalPERS Net Pension Liability - GASB 68 requirement.

(B) COP Financing Debt and Debt Premium total \$19,185,626.90.