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REGULAR MEETING  
BOARD OF DIRECTORS  
**THURSDAY, MARCH 23, 2017 – 6:30PM**  
3 DAIRY LANE, BELMONT CALIFORNIA

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## **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. Introduction of Hunter Crawford-Shelmadine, Junior at Carlmont High School, and MPWD Partner in the 2016/2017 Biotech Institute Mentoring Program

### **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 of January 26, 2017, and Regular Board Meeting of February 23, 2017
- B. Approve Expenditures from February 16, 2017 through March 16, 2017

### **6. HEARINGS AND APPEALS - NONE**

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

- A. Receive Update on Selection Process for the On-Call Engineering Services related to the MPWD 5-Year CIP FY 2016/2017 through FY 2020/2021, including Engineering Services Work Distribution Plan
- B. Receive Progress Report on 2016 COP Financing

**8. REGULAR BUSINESS AGENDA**

- A. Consider Approving the Two-Year MPWD Strategic Plan for 2017-2018, including Mission Statement, Vision Statement, Strategic Goals, and Director Assignments
- B. Receive Report on *City of San Jose v. Superior Court of Santa Clara County*
- C. Discuss Preliminary Water Revenue Requirements for Fiscal Year 2017/2018
- D. Discuss Preliminary Working Draft MPWD Fiscal Year 2017/2018 Operating Budget Summary and Assumptions
- E. BAWSCA Update

**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
- C. Director Reports

**10. FUTURE AGENDA ITEMS**

*Requests from Board members to receive feedback, direct staff to prepare information, and/or request a formal agenda report be prepared and the item placed on a future agenda. No formal action can be taken.*

**11. COMMUNICATIONS**

## **12. CLOSED SESSION**

- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
AND ASSOCIATED NEGOTIATIONS WITH UNREPRESENTED EMPLOYEE  
Government Code §§54957 and 54957.6  
Title: General Manager

## **13. REGULAR BUSINESS**

- A. Oral Report Summarizing the Board's Recommendation regarding the General Manager's Salary Adjustment, and Enact Resolution 2017-06 Approving a Salary Adjustment for the General Manager, effective January 1, 2017, and Corresponding Third Amendment to the General Manager's Employment Agreement

## **14. 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](http://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: April 27, 2017, at 6:30PM***

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

January 26, 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 6:31PM.

**B. Establishment of Quorum:**

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

**ABSENT:** Directors Warden 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 Katie Moorhead, a student at Immaculate Heart of Mary School attending the Board Meeting to participate in the MPWD 2017 Water Awareness Calendar Contest Award Ceremony.

2. **PUBLIC COMMENTS**

None.

3. **ACKNOWLEDGEMENTS/PRESENTATIONS**

**A. Overview of 2017 MPWD Calendar Contest Program and Distribute Calendar to the Board – Tammy Rudock and Jeanette Kalabolas**

**B. Present 2017 MPWD Calendar Contest Awards – President Al Stuebing and Jeanette Kalabolas**

President Stuebing and Jeanette Kalabolas presented the awards for the 2017 annual MPWD water awareness calendar contest. Along with award certificates, the top three winners received gift certificates. The teacher with the most class participation also received a gift certificate. All who participated received a 2017 MPWD calendar. Contest winners:

**Grand Prize Winner:** Luke M., 5<sup>th</sup> Grade, Immaculate Heart of Mary School

**Runner-Up Winner:** Gianna H., 5<sup>th</sup> Grade, Immaculate Heart of Mary School

**Runner-Up Winner:** Abbey L., 5<sup>th</sup> Grade, Immaculate Heart of Mary School

**Award for the class with the most participation** – Mrs. Douglas, 5<sup>th</sup> Grade, Immaculate Heart of Mary School. Her class submitted 30 of the 83 entries we received.

**Nine other honorable mention entries chosen:**

1) Emilia S., 3<sup>rd</sup> Grade, Cipriani Elementary School

- 52 2) Katherine M., 3<sup>rd</sup> Grade, Immaculate Heart of Mary School
- 53 3) Noelle M., 4<sup>th</sup> Grade, Nesbit Elementary School
- 54 4) Lucy W., 5<sup>th</sup> Grade, Immaculate Heart of Mary School
- 55 5) Ruby M., 3<sup>rd</sup> Grade, Cipriani Elementary School
- 56 6) Lochlann M., 3<sup>rd</sup> Grade, Immaculate Heart of Mary School
- 57 7) Zachary A., 5<sup>th</sup> Grade, Immaculate Heart of Mary School
- 58 8) Milan P., 5<sup>th</sup> Grade, Immaculate Heart of Mary School
- 59 9) Sara L., 5<sup>th</sup> Grade, Immaculate Heart of Mary School

60  
61 **C. 15-Minute Refreshment Break**

62 A refreshment break immediately followed the awards presentation to congratulate all of  
63 the MPWD calendar contest participants and their families.

64  
65 President Stuebing reconvened the meeting at 6:52PM.

66  
67 **4. AGENDA REVIEW: ADDITIONS/DELETIONS AND PULLED CONSENT ITEMS**

68 General Manager Rudock corrected the year at the top of the agenda to reflect 2017.

69  
70 **5. CONSENT AGENDA**

71 **A. Approve Minutes for the Regular Board Meeting of December 15, 2016**

72 **B. Approve Expenditures from December 10, 2016 through January 20, 2017**

73 Director Vella moved to approve the minutes for the Regular Board Meeting of  
74 December 15, 2016, as well as the expenditures from December 10, 2016 through  
75 January 20, 2017. Director Linvill seconded, and it was unanimously approved.

76  
77 **6. HEARINGS AND APPEALS**

78 None.

79  
80 **7. REGULAR BUSINESS AGENDA**

81 **A. Consider Resolution 2017-01 Authorizing a Water Service Agreement between the**  
82 **Mid-Peninsula Water District and Davey Glen – Belmont, LLP for Mixed-Use**  
83 **Development located at 400-490 El Camino Real in Belmont, California**

84  
85 General Manager Rudock gave a brief introduction and then passed the discussion to  
86 Operations Manager Ramirez. He opened by introducing Davey Glen-Belmont, LLP  
87 representative, Chris DeHaan, who was present in the audience. Operations Manager  
88 Ramirez briefly described the development project, which will include a complex with  
89 seventy-three (73) residential units and commercial space.

90  
91 Director Vella inquired how the District would handle access to the meters and  
92 Operations Manager Ramirez advised that a separate room with no public access would  
93 house meters and accompanying transmitters. Director Vella further commented that for  
94 security purposes, access should be limited to key codes if possible, as key entry is too  
95 complicated and unsecure. Operations Manager Ramirez advised that he would take  
96 this direction under consideration, as talks had not yet progressed to this stage.

97  
98 Director Linvill asked if meters would be automatically or manually read. Operations  
99 Manager Ramirez clarified that AMI meters would be installed and transmitted  
100 automatically rather than manually read.

102 District Engineer Pakpour commented that this new development marks a change how  
103 the District works with large multi-family development. MPWD will own the service lateral  
104 to the property line and the land owner will own all water related facilities within their  
105 property but excluding the meters which will be owned by the District.  
106

107 Director Vella replied to District Engineer Pakpour's comment that in an effort to clarify  
108 who is responsible for what during a leak, that staff should consider having signage on  
109 the property clarifying ownership of the lines with accompanying contact info for the  
110 parties responsible in the event of an emergency.  
111

112 General Manager Rudock assured the Board that Operations Manager Ramirez and  
113 staff has been very communicative with the developers to date and she expects good  
114 relations to continue through the remainder of the project.  
115

116 Director Linvill moved to adopt Resolution 2017-01 and Director Vella seconded. Roll  
117 call was taken and it was unanimously approved.  
118

119 **B. Consider Resolution 2017-02 Authorizing a Professional Services Contract with**  
120 **Schaaf and Wheeler Consulting Civil Engineers, in the amount of \$87,610, plus a**  
121 **10% Contingency of \$8,700, for a total Budget of \$96,310, for Engineering Design**  
122 **Services Related to the Water Main Replacement Capital Projects along Francis**  
123 **Avenue, Davey Glen Road and Academy Avenue in Coordination with the City of**  
124 **Belmont and its Sewer Replacement Program**

125 Operations Manager Ramirez reported that three previously developed capital  
126 improvement projects have been identified to coincide with the sewer projects identified  
127 by the City of Belmont. Those projects are on Francis Avenue (XX-XX), Davey Glen  
128 (XX-XX) Road and Academy Avenue (XX-XX).  
129

130 District Engineer Pakpour reported on the Scope of Work (Exhibit 1) provided during the  
131 Board meeting. Staff feels the proposed specifications are reasonable. He also shared  
132 that items 2A and 2B under the fee schedule chart reference survey-related tasks and  
133 item 2E is a potholing place holder, as contractor survey may be required in this area.  
134

135 General Manager Rudock advised that she preferred to push the discussion on financing  
136 these projects until next month, as they could be paid out of the pay-go capital.  
137

138 District Engineer Pakpour concluded explaining why the District opted to piggyback on  
139 the City of Belmont's engineering consultant, Schaaf and Wheeler Consulting. Rather  
140 than duplicating the work, it made sense and would save the District a substantial  
141 amount of money to use the same consultant as the City of Belmont's Sewer projects.  
142 The District is currently working with the City of Belmont to develop a master agreement  
143 for these shared projects which will clarify the financial contributions of each agency.  
144

145 Director Vella commented that working together makes sense. He is also open to  
146 considering the pay-go option for these capital projects related to Belmont's sewer  
147 projects. He asked staff why the District standards were changed from PVC to Ductile  
148 Iron Pipe (DIP).  
149

150 District Engineer Pakpour clarified the change was made during the development to the  
151 District specifications and a white report presented to the board during the December  
152 2013 meeting, which outlined the benefits of both types of pipe. He explained that the

153 current District specifications use DIP West of Caltrain tracks due to its ability to  
154 withstand large forces to ground movement and seismic events. East of the tracks the  
155 District uses PVC for its ability to withstand corrosion.  
156

157 Director Linvill moved to adopt Resolution 2017-01 and Director Vella seconded. Roll  
158 call was taken and it was unanimously approved.  
159

### 160 **C. BAWSCA Update**

161 Director Vella reported on the result of the election of officers for 2017. Al Mendall from  
162 the City of Hayward was elected chair and Barbara Pierce from the City of Redwood City  
163 was elected vice-chair. He also advised that the Board meeting location would move  
164 from the Foster City Library to the San Mateo Library. The room is smaller but the cost  
165 is considerably less. In addition, the meeting start time has been moved to 6:30PM. He  
166 also reported there was a large audience, due to the Bay-Delta environmental concerns.  
167 Those who spoke were knowledgeable and most shared a view that more water needs  
168 to remain in the rivers for flow purposes rather than be drawn by agencies with water  
169 rights. Steve Ritchie with SFPUC was also present at the meeting. He reported on  
170 precipitation, snowpack and current water supply projections. Director Vella closed by  
171 sharing an interesting Tuolumne River unimpaired flow fact.  
172

173 General Manager Rudock advised the Board that Howard Jones of the HIA approached  
174 her about requesting BAWSCA's CEO Nicole Sandkulla to speak at the March HIA  
175 meeting scheduled for Thursday, March 2, 2017.  
176

## 177 **8. MANAGER AND BOARD REPORTS**

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

179 General Manager Rudock reported that staff is looking into AB 1661 Sexual Harassment  
180 alternative training options for the Board of Directors. MPWD's water conservation  
181 savings continues to average 24%. She also requested Board direction regarding the  
182 potential for reviewing commercial rate tiers as requested last year by Vice President  
183 Warden. General Manager Rudock reported on a recent rates workshop in Oakland that  
184 she and Administrative Services Manager Pina attended sponsored by ACWA, Raftelis  
185 Financial Consultants, Inc., and Best, Best & Krieger LLP. Good information was shared  
186 and staff is exploring potential options for the MPWD's next financial plan and rates  
187 study.  
188

189 President Stuebing agreed that perhaps it was time to explore other consulting firms for  
190 future rate study services.  
191

192 Regarding Board direction on reviewing or changing commercial rate tiers, District  
193 Counsel Sherman reminded the Board that any rate increases would need to be  
194 compliant with Proposition 218's proportionality requirements. Therefore, any changes  
195 to commercial rates would need to be studied for any impacts on residential rates. As  
196 such, it would be best to study all of the rates at the same time. General Manager  
197 Rudock suggested it should be considered as part of the larger review of MPWD rates  
198 during the next study. The Board agreed.  
199

200 General Manager Rudock informed the Board that the mid-year budget review would be  
201 on the agenda next month. She reminded them that the Employee Appreciation Dinner  
202 has been scheduled for Friday, April 14, 2017 at the Iron Gate Restaurant. She

203 requested that the Board RSVP through District Secretary Pina as soon as possible. In  
204 conclusion she mentioned the following:

- 205
- 206 a) The lawsuit initiated by Samir Shaikh against the MPWD and City of Belmont was
- 207 dismissed by him.
- 208 b) Claims and change orders initiated by R. J. Gordon Construction, Inc., the contractor
- 209 that completed the Alameda de las Pulgas Water Main Replacement project were
- 210 settled for \$55,000. The contractor had requested approximately \$175,000.
- 211 c) Healthcare benefits packages for 2017 were distributed to Directors.
- 212

213 **1. Supplemented by Administrative Services Manager’s Report**

214 District Secretary Pina reported that \$500,000 was transferred to the District’s LAIF  
215 account bringing the new balance to just over \$5 million. She also shared that the  
216 new Springbook billing system is expected to go live in March 2017. General  
217 Manager Rudock added that the MPWD Reserves are fully funded per Board policy  
218 at \$5 million.

219

220 **2. Supplemented by Operations Manager’s Report**

221 District Operations Manager Ramirez reported that maintenance staff was busy over  
222 the holidays due to numerous main breaks. Due to a decrease in demand, four water  
223 storage tanks were taken offline to avoid potential nitrification water quality issues.  
224 They will be cleaned and restored in the spring. Staff has received an official letter  
225 from the state detailing the school lead test program. The District’s Water Quality  
226 Lead Operator Rick Bisio is currently looking into database reporting requirements.

227

228 Director Vella would like to know how much water was lost for the reported main  
229 breaks. District Operations Manager Ramirez explained that there were a few  
230 SFPUC technological glitches in water supply measurements that made it difficult for  
231 staff to determine estimated values of the losses. Director Vella also wondered why  
232 USA tag orders were so high last month. District Operations Manager Ramirez  
233 stated the cause was due to both the City of Belmont and PG&E having a high  
234 volume of projects in the queue.

235

236 **3. Supplemented by District Engineer’s Report**

237 District Engineer Pakpour referenced the Alameda de las Pulgas Water Main  
238 Replacement project settlement of claims and change orders in order to deliver the  
239 project close-out report. As stated by the General Manager, contractor R. J. Gordon  
240 Construction, Inc., agreed to settle its \$175,000 in claims and change orders for  
241 \$55,000. A change order summary was provided under the project update memo  
242 distributed to the Board. Total change orders for the project were approximately 5%  
243 well below the 10% industry underground construction average.

244

245 District Engineer Pakpour further reported that a mandatory pre-proposal meeting  
246 was held for on-call engineering design services for three major water main  
247 replacement capital projects on El Camino Real (XX-XX), Old County Road (XX-XX)  
248 and under Highway 101 at Palo Alto Medical Foundation (XX-XX). The large scale  
249 outreach campaign seemed well received, as eighteen engineering consultants  
250 attended. Contractor statements of qualifications are due February 8, 2017.

251

252 **B. Financial Reports**



253 General Manager Rudock reported that the budget is on target with actual operating  
254 revenues coming in about 5% higher than projected, and expenses holding steady at  
255 50% through December 31, 2016.

256  
257 Director Linvill asked staff if the new financial management system offered built in  
258 standard template financial reports. Secretary Pina replied that she believes so and will  
259 report back to the Board.

260  
261 **C. Director Reports**

262 President Stuebing shared that there is a San Mateo County chapter California Special  
263 District Association Meeting coming up. There were no other Director reports.

264  
265 **9. FUTURE AGENDA BUSINESS ITEMS**

266 None.

267  
268 **10. COMMUNICATIONS**

269 None.

270  
271 **11. CLOSED SESSION**

272 The Board adjourned into Closed Session at 8:22PM to discuss one matter.

273  
274 **A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
275 AND ASSOCIATED NEGOTIATIONS**

276 **Government Code §§54957 and 54957.6**

277 **Title: General Manager**

278  
279 The Board came out of closed session at 8:29PM. District Counsel reported that no action  
280 had been taken.

281  
282 **12. ADJOURNMENT**

283 President Stuebing adjourned the meeting at 8:30PM.

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291 DISTRICT SECRETARY

292 APPROVED:

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296 BOARD PRESIDENT

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

February 23, 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 Director Stuebing at 6:30PM.

**B. Establishment of Quorum:**

**PRESENT:** Director Stuebing, Directors Warden and Vella

**ABSENT:** Directors 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, District Engineer Joubin Pakpour and District Treasurer Jeff Ira.

**C. Pledge of Allegiance** – The Pledge of Allegiance was led by the District Operations Manager Rene Ramirez.

2. **PUBLIC COMMENTS**

Mr. Ahmed Mostafa, a resident at 602 Wessex Way in Belmont, reported that he is upset by the monthly meter charge on his bill. It is a flat rate and he feels that it should be a tiered structure based on customer consumption. He advised that from time to time he receives late notices and thinks the \$40 fee to restore service is too high and he does not understand why MPWD pays a meter reader when he has an auto-read meter. He also shared that he is on a fixed income and wonders why MPWD does not offer a low income assistance program.

General Manager Rudock responded that the District's fixed charge approach is based on the value of the distribution system, which is apportioned to each customer by the meter size, and almost all water suppliers charge this fee. It represents only a small portion of the MPWD's fixed system expenses. She advised that the fee associated with water being shut off for non-payment is extremely low and outdated and needs to be re-evaluated. In addition, she added that once the completion of the AMI system installation is complete, the District could eliminate the meter reader position. However, to date the District is only half way through the project.

Director Warden followed the General Manager's comments that eventually the District will see savings by transitioning to an AMI system. He added that all fees support our system and all customers pay into that system equally. He advised that if Mr. Mostafa had any additional questions that staff or the Board respond to his concerns further at a later date and that he could contact the office to make those arrangements.

52 Director Stuebing concluded the discussion by adding that unfortunately the District's hands  
53 are tied with respect to low income assistance programs given we are a cost-based  
54 organization governed by legal provisions, which require fair and equitable rates among  
55 customers.

56  
57 **3. CLOSED SESSION**

58 **CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION**

59 Government Code §54956.9 Subdivision (b)

60 *Maskay, Inc. d/b/a Eurotech, et al. v. Mid-Peninsula Water District*

61 San Mateo County Case No. 536467

62  
63 Staff reported this item was pulled from the Agenda due to a change in the course of action  
64 that prompted the necessity to meet.

65  
66 **4. AGENDA REVIEW: ADDITIONS/DELETIONS AND PULLED CONSENT ITEMS**

67 None.

68  
69 **5. ACKNOWLEDGEMENTS/PRESENTATIONS**

70 None.

71  
72 **6. CONSENT AGENDA**

73 **A. Approve Minutes for the Special Board Meeting of January 12, 2017, and Regular**  
74 **Board Meeting of January 26, 2017**

75  
76 **B. Approve Expenditures from January 21, 2017 through February 15, 2017**

77 Director Vella moved to approve the minutes for the Special Board Meeting on January  
78 21, 2017 and expenditures from January 21, 2017 through February 15, 2017. Director  
79 Warden seconded, and it was unanimously approved.

80  
81 Approval of the Regular Board Meeting of January 26, 2017 was postponed to the next  
82 Board meeting scheduled for March 23, 2017.

83  
84 **7. HEARINGS AND APPEALS**

85 None

86  
87 **8. MPWD FY 2016-2021 CAPITAL IMPROVEMNET PROGRAM AND 2016 COPs**  
88 **(CERTIFICATES OF PARTICIPATION) FINANCING**

89 **A. Consider Resolution 2017-03 Authorizing the Second Amendment to the**  
90 **Professional Services Contract with the District Engineer, referenced as Contract**  
91 **No. 02-1621-CIP in the amount of \$89,250 for Engineering Design Services related**  
92 **to the Hillcrest Pressure Regulating Station Project**

93 Operations Manager Ramirez reported the Hillcrest Pressure Regulation Station often  
94 wreaks havoc on the system due to pressure fluctuations from SFPUC. There is a  
95 difference between the Engineer's (Pakpour Consulting Group) estimate from the CIP  
96 summary sheets to the current Pakpour Consulting Group proposal, which is attributed  
97 to required surveying work. This project would provide Operations staff some much  
98 needed relief form SCADA false alarms. District Engineer Pakpour noted that the scope  
99 of work outlined would help to better protect Zone 1 from leaks attributed to pressure  
100 spikes.

102 General Manager Rudock added that if the District is going to spend the capital to  
103 replace its mains, then it makes sense that system pumps and regulators be brought up  
104 to par. She also thanked staff for the explanation regarding the increase in engineering  
105 costs associated with the project.  
106

107 Director Vella asked District Operations Manager for spike records along Highway 101.  
108 District Engineer Pakpour confirmed that other agencies along the corridor do have  
109 similar issues, adding that pressure spikes are often hard to track as they get lost in the  
110 tank. However since the District's zone 1 is fed directly from SFPUC, it directly  
111 experiences these pressure fluctuations. Operations Manager Ramirez shared that a  
112 change in two pounds of pressure could make a significant difference. Director Vella  
113 agrees that the system needs fixing. District Engineer Pakpour reported that the project  
114 would also afford the opportunity to investigate the possibility of an intertie with the City  
115 of Redwood City.  
116

117 Director Warden expressed that he was uncomfortable with the procurement process  
118 associated with this project. In the future, he would like to see a project of this scale be  
119 solicited on a competitive basis among qualified engineering consultants. District  
120 Counsel Sherman summarized previous Board discussions wherein it was confirmed  
121 that the District Engineer's contract was solicited pursuant to a competitive process, was  
122 procured in compliance with law, and allows for this type of capital project work to be  
123 performed by the District Engineer.  
124

125 General Manager Rudock assured the Board that staff's utmost priority is to provide the  
126 Board with full transparency with regard to the Certificates of Participation (COP) project  
127 funds. Most recently, staff has undertaken the task of vetting engineering firms to  
128 address the three major upcoming CIP projects as on-call engineers. Staff's intention is  
129 to supply the Board with a quarterly report developed and presented by a consultant,  
130 likely the MPWD's Dissemination Agent, starting in April 2017 through the duration of the  
131 COPs, which will identify all projects costs, including engineering.  
132

133 Director Warden moved to approve Resolution 2017-03 Authorizing the Second  
134 Amendment to the Professional Services Contract with the District Engineer, referenced  
135 as Contract No. 02-1621-CIP in the amount of \$89,250 for Engineering Design Services  
136 related to the Hillcrest Pressure Regulation Station Project, and Director Vella seconded.  
137 Roll call was taken and it was unanimously approved.  
138

139 **B. Receive Progress Report on 2016 COPs Financing**

140 General Manager Rudock reported that to date, delivery costs have been declared and a  
141 copy of the first reimbursement was attached to the staff report. MPWD will submit its  
142 information to recoup Hanson and Bridgett legal costs, which were paid through  
143 December 22, 2016. Staff is collaborating with Bud Levine and the Dissemination Agent  
144 Dan Bergmann to create an adequate quarterly report that is user-friendly.  
145

146 Director Vella commented he does not want any public misconceptions with regard to  
147 how the District is spending these funds; therefore, it is extremely important the District  
148 is clear and concise with its COP spending.  
149

150 Director Warden added that he would like to see staff maintain a strong audit trail.  
151  
152

153 **9. REGULAR BUSINESS AGENDA**

154 **A. Discuss the Concept of a 2-Year Strategic Plan for the MPWD Covering 2017-2018**

155 General Manager Rudock reported that staff met with strategic planning facilitator Julie  
156 Brown and followed up with President Stuebing to discuss the idea of a new 2-year  
157 (rather than 1-year) strategic plan process. This type of transition would allow staff to be  
158 more effective, as long term strategic items could be better plotted and likely achieved  
159 within a 2-year plan.

160  
161 Director Warden advised he is open to the change, as long as there is an annual check-  
162 in. He also suggested that the strategic planning process follow the election cycle.  
163

164 **B. Consider Resolution 2017-04 Authorizing First Amendment to Contract for**  
165 **Professional Services in the total amount of \$100,100 with James Marta &**  
166 **Company for Annual Financial Auditing Services for FYEs June 30, 2018 through**  
167 **June 30, 2022**

168 General Manager Rudock reported that staff agreed with the Board Financial Audit  
169 Committee's recommendation that James Marta & Company's contract for annual  
170 financial auditing services be extended for an additional five (5) years. The firm's pricing  
171 is competitive, their caliber of work is excellent and MPWD has always had a positive  
172 working relationship with them. District Secretary Pina added that they are very  
173 receptive to communications and never bill for questions asked.  
174

175 Director Warden moved to approve Resolution 2017-04 Authorizing First Amendment to  
176 Contract for Professional Services in the total amount of \$100,100 with James Marta &  
177 Company for Annual Financial Auditing Services for FYEs June 30, 2018 through June  
178 30, 2022, and Director Vella seconded. Roll call was taken and it was unanimously  
179 approved.  
180

181 **C. Receive Mid-Year review of FY 2016/2017 Operating and Capital Budgets and**  
182 **Consider Resolution 2017-05 Approving the Amended Budgets**

183 General Manager Rudock reported the first debt services payment is now reflected in the  
184 mid-year budget. There are several significant revisions worth noting to the capital  
185 outlay. Pay-go has been amended to cover another installment of the AMI Meter  
186 Change-Out Program. MPWD is coordinating its water main replacement needs with the  
187 City of Belmont's sewer replacement program by sharing services with engineering firm  
188 Schaff & Wheeler and the MPWD's portion for those services needs to be budgeted.  
189

190 Director Warden commented that although the Folger Project has been taken off the  
191 table, he would like to understand if the abandoned pump station presents a safety  
192 hazard. General Manager Rudock responded that she is being realistic about the  
193 demolition being accomplished by the end of the FY 2016/2017. She followed up that  
194 staff will be coordinating a further recommendation soon on the 1510 Folger property (as  
195 well as the 1513 Folger property) after the real estate valuation is completed and  
196 presented to the Board. Director Warden reported the he would like to see a one page  
197 report written and stamped by a qualified structural engineer that the building is sound in  
198 its current state.  
199

200 Director Vella moved to approve Resolution 2017-05 Approving the Amended FY 2016/2017  
201 Operating and Capital Budgets, and Director Warden seconded. Roll call was taken and it  
202 was unanimously approved.  
203

204 **10. MANAGER AND BOARD REPORTS**

205 **A. General Manager’s Report**

206 General Manager Rudock reported that cumulative water savings to date is 22.4%, while  
207 MPWD’s state conservation standard remains 0%. The San Francisco Public Utilities  
208 Commission’s (SFPUC) Annual Meeting on February 16, 2017, with Wholesale  
209 Customers and Bay Area Water Supply Conservation Agency (BAWSCA) presentation,  
210 was distributed and summarized. She noted that Eric Sandler, SFPUC’s Chief Financial  
211 Officer, stated there would be no projected increase in wholesale rates for the next two  
212 fiscal years. Vice President Warden commented that it would be challenging for the  
213 District to increase rates given that information, or maybe there could be an increase to  
214 the monthly fixed system charge, but not to unit charges. Director Vella agreed that it  
215 would be a break for customers. President Stuebing stated it will be an interesting  
216 discussion when developing options.

217  
218 General Manager Rudock informed the Board that she attended the “Water Now Alliance  
219 Workshop: Conservation a California Way of Life” on February 13, 2017, at the SCVWD  
220 in San Jose, on State Compliance Framework and long-term water use savings. A  
221 summary memo was circulated. The workshop touched on a number of subject – target  
222 dates, water budgets and new standards to certify water efficient technology. How each  
223 agency accomplishes those matters will be through an aggregate approach and up to  
224 them.

225  
226 General Manager Rudock further opened discussion, and was looking for Board  
227 direction, on the District’s current customer leak billing adjustment policy. She shared a  
228 recent conversation she had with a customer. A female professional had been a  
229 customer for 29 years with an excellent account record (electronic debit - no late  
230 payments), but she had experienced a leak at the end of year 2016. Her water loss was  
231 excessive and repairs were achieved within a reasonable timeframe. This particular  
232 customer reached out to express her disappointment in the calculation used to  
233 determine her adjustment and the District’s policy that only two-month’s high use is  
234 taken into consideration for a billing adjustment. MPWD rates are charged for the  
235 average units of the previous 24 month’s consumption and the wholesale rate of \$4.10 is  
236 charged for the excess.

237  
238 Vice President Warden remarked that he feels the current practice in place is fair and if  
239 procedures have not already been committed to writing, he recommended that staff take  
240 action and do so accordingly, adding he is open to changing the one-time lifetime  
241 adjustment clause suggesting that the subscribed time be shortened to a 5-year period.  
242 President Stuebing and Director Vella acknowledged they were both in agreement with  
243 Director Warden’s comments.

244  
245 **1. Supplemented by Administrative Services Manager’s Report**

246 District Secretary Pina reported that another \$500,000 was transferred into the  
247 District’s LAIF account.

248  
249 **2. Supplemented by Operations Manager’s Report**

250 Operations Manager Ramirez reported there were no system main breaks in  
251 January. Operations staff attended a day-long class on Trench and Excavation  
252 Safety, and the influx of a high number of USA tags continues.

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**3. Supplemented by District Engineer’s Report**

District Engineer Pakpour reported design work for water main projects is on track and construction is slated to start this summer. He shared the results of an annual water rates survey he does for their other water agencies and discussed how they gather the information and details. Some background on the survey was provided as well. Although MPWD rates are currently in the upper quadrant, expectations are that other water suppliers will be updating their rates in the coming year.

General Manager Rudock agreed with District Engineer Pakpour’s anticipation that other water suppliers will increase their rates due to the previous delays in addressing the SFPUC increasing wholesale customer rates. Both President Stuebing and Director Vella shared they would have liked to see MPWD rates lower on the report. District Treasurer Ira remarked that MPWD Board and staff should be proud that they looked forward and stayed on top of necessary rate increases and maintained MPWD’s capital outlay approach. His experience and perception of other local agencies is that deferred costs are delayed until it becomes too late.

District Engineer Pakpour concluded that a full CIP projects staff report will be issued in March. Staff will be interviewing six (6) on-call engineer design firms for the three major water main replacement capital projects next week and have been pleased with the broad spectrum of proposals received.

**B. Financial Reports**

General Manager Rudock reiterated that MPWD financials are on target and in a good position to date.

**C. Director Reports**

Director Vella reported he attended the City of Belmont’s State of the City Address. He noted it was well attended and shared that the new development preview was interesting.

Director Stuebing reported on the California Special District Association (CSDA) meeting he attended with General Manager Rudock. He advised that the San Mateo County Elections Officer made a presentation on the recent all-mail ballot election and the odd-year public agency elections transitions to even-year elections. A CSDA field representative attended the meeting in order to serve as a resource to the local chapter. Joshua Cosgrove is doing a good job as local chairman.

**11. FUTURE AGENDA BUSINESS ITEMS**

General Manager Rudock reported on the March 2017 look-ahead items from her General Manager’s report.

**12. COMMUNICATIONS**

General Manger Rudock presented Director Warden with his healthcare benefits summary packet, which was previously distributed to other Board members in attendance at the February 2017 meeting. She further reminded the Board about the Employee Appreciation Dinner scheduled for Friday, April 14, 2017 and asked that they RSVP as soon as possible.

Director Stuebing inquired about the deadline to submit Form 700’s. District Secretary Pina responded that the deadline to file is April 3, 2017.

306 **13. CLOSED SESSION**

307 The Board adjourned into Closed Session at 8:15PM to discuss one matter.

308

309 **A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**  
310 **AND ASSOCIATED NEGOTIATIONS**

311 **Government Code §§54957 and 54957.6**

312 **Title: General Manager**

313

314 The Board came out of closed session and it was reported that no action had been taken.

315

316 Director Stuebing commented that the evaluation of the General Manager is an integral  
317 responsibility of the Board. Accordingly, the three members of the Board present this  
318 evening decided to continue the matter to a Special Board meeting to be scheduled at the  
319 earliest possible date at which all five members can be present in order to bring the  
320 evaluation to its conclusion.

321

322 **14. ADJOURNMENT**

323 The meeting was adjourned at 8:25PM.

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DISTRICT SECRETARY

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330 APPROVED:

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BOARD PRESIDENT

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# Accounts Payable

## Checks by Date - Summary by Check Date

User: candyp  
 Printed: 3/17/2017 5:57 AM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
31933	AIRGAS	AIRGAS, LLC	02/16/2017	120.93
31934	ATT30348	AT&T	02/16/2017	20.00
31935	BEANMAC	MAC BEAN	02/16/2017	539.86
31936	CGUHLENB	C G UHLENBERG LLP	02/16/2017	1,675.00
31937	CARLHARD	CARLMONT HARDWARE	02/16/2017	10.43
31938	CARQUEST	CARQUEST AUTO PARTS	02/16/2017	7.01
31939	CINTASSA	CINTAS	02/16/2017	367.26
31941	costco	Costco Membership	02/16/2017	110.00
31942	GRANITE	GRANITE ROCK, INC.	02/16/2017	1,208.23
31943	HACHCOMI	HACH COMPANY INC	02/16/2017	116.94
31944	HOMEDEPC	HOME DEPOT	02/16/2017	299.93
31945	INDORAIR	INDOOR AIR DESIGN, INC.	02/16/2017	175.00
31946	DAVIDSON	JOHN T. DAVIDSON	02/16/2017	3,668.00
31947	KIMBALLM	KIMBALL MIDWEST, INC.	02/16/2017	210.00
31948	LINCOLNL	LINCOLN LIFE	02/16/2017	175.00
31949	MCNAMAR	McNAMARA TRANSPORT, INC.	02/16/2017	600.00
31950	OFFICEDE	OFFICE DEPOT, INC.	02/16/2017	68.27
31951	OFFICTEM	OFFICE TEAM	02/16/2017	2,029.89
31952	OREILLYA	OREILLY AUTO PARTS, INC.	02/16/2017	53.64
31953	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	02/16/2017	500.00
31954	PARS	PARS	02/16/2017	300.00
31955	PG&E	PG&E CFM/PPC DEPT	02/16/2017	12,641.22
31956	PRECISE	PRECISE, INC.	02/16/2017	609.12
31957	RANDB	ROBERTS & BRUNE CO. INC.	02/16/2017	820.65
31958	RUDOCK	TAMMY RUDOCK	02/16/2017	89.00
31959	SMELECTR	SAN MATEO ELECTRIC SUPPLY	02/16/2017	39.13
31960	UPS	UPS	02/16/2017	45.61
31961	XIOINC	XIO, INC.	02/16/2017	808.00
Total for 2/16/2017:				27,308.12
142	CALPERS	CALPERS	02/17/2017	2,567.15
143	HEALTHEQ	Health Equity	02/17/2017	406.05
144	ICMACONT	ICMA contributions	02/17/2017	1,823.08
145	WFBUSCAR	WELLS FARGO BUSINESS CARD	02/17/2017	131.43
146	LAIF	LOCAL AGENCY INVESTMENT FUND	02/17/2017	500,000.00
208	ADPPRFEE	ADP Payroll Fees	02/17/2017	165.01
214	WFBUSCAR	WELLS FARGO BUSINESS CARD	02/17/2017	8,178.91
Total for 2/17/2017:				513,271.63
31962	BAWSCA	BAY AREA WATER SUPPLY & CONSER	02/23/2017	100.00
31963	BLUEWALL	BLUEWALL, LLC	02/23/2017	149.95
31964	CINTS	CINTAS CORPORATION	02/23/2017	1,128.45
31965	COMCAST	COMCAST	02/23/2017	318.48
31966	DISMUGS	DISCOUNT MUGS	02/23/2017	1,720.00
31967	LINCOLNL	LINCOLN LIFE	02/23/2017	175.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
31968	MICHAELI	CHRIS MICHAELIS	02/23/2017	401.03
31969	OFFICEDE	OFFICE DEPOT, INC.	02/23/2017	594.14
31970	OFFICTEM	OFFICE TEAM	02/23/2017	1,029.24
31971	PACOFFIC	PACIFIC OFFICE AUTOMATION	02/23/2017	203.09
31972	PIT71896	PITNEY BOWES 371896	02/23/2017	95.20
31973	PRECISE	PRECISE, INC.	02/23/2017	540.80
31974	RICOHPhi	RICOH Philadelphia	02/23/2017	366.66
31975	SFWATER	SAN FRANCISCO WATER DEPT	02/23/2017	333,184.00
31976	SERENDIP	SERENDIPITY SCHOOL	02/23/2017	638.30
31977	STANDINS	STANDARD INSURANCE COMPANY	02/23/2017	780.01
31978	THOMPRED	THOMPSON REUTERS - WEST PMT CE	02/23/2017	82.65
31979	VERIZON	VERIZON WIRELESS	02/23/2017	73.68
Total for 2/23/2017:				341,580.68
209	ADPPRFEE	ADP Payroll Fees	02/24/2017	99.83
210	ACHRETN	ACH Returns	02/24/2017	78.70
Total for 2/24/2017:				178.53
44	ADPPAYRL	adp	02/28/2017	401.03
195	ADPPAYRL	adp	02/28/2017	32,785.18
197	ADPPAYRL	adp	02/28/2017	13,639.46
199	CALPERS	CALPERS	02/28/2017	7,258.27
200	ICMACONT	ICMA contributions	02/28/2017	666.24
201	HEALTHAQ	Health Equity	02/28/2017	702.08
31980	ACCELA	ACCELA, INC. #774375	02/28/2017	45,083.92
31981	AIRGAS	AIRGAS, LLC	02/28/2017	280.61
31982	ATT60197	AT&T 60197	02/28/2017	19.80
31983	BPLANDSC	BAY POINTE LANDSCAPE	02/28/2017	1,050.00
31984	CGUHLENB	C G UHLENBERG LLP	02/28/2017	1,325.00
31985	COMCAST	COMCAST	02/28/2017	260.26
31986	COMCASTB	COMCAST BUSINESS	02/28/2017	628.70
31987	GSFLOWM	GOLDEN STATE FLOW MEASUREMEN	02/28/2017	362.33
31988	HACHCOMI	HACH COMPANY INC	02/28/2017	1,467.61
31989	HMBPAVIN	HALF MOON BAY GRADING & PAVINC	02/28/2017	8,016.30
31990	HOMEDPC	HOME DEPOT	02/28/2017	1,245.79
31991	M&MBACK	M&M BACKFLOW & METER MAINTEN	02/28/2017	1,298.76
31992	MINESAFE	MINE SAFETY APPLIANCES COMPAN	02/28/2017	820.00
31993	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	02/28/2017	500.00
31994	PETCAT	PETERSON CAT	02/28/2017	67.76
31995	RANDB	ROBERTS & BRUNE CO. INC.	02/28/2017	1,957.41
31996	STEPFORD	STEPFORD BUSINESS, INC.	02/28/2017	2,320.00
31997	VALLEYOL	VALLEY OIL COMPANY	02/28/2017	314.11
Total for 2/28/2017:				122,470.62
215	WFBUSCAR	WELLS FARGO BUSINESS CARD	03/02/2017	507.94
216	WFBUSCAR	WELLS FARGO BUSINESS CARD	03/02/2017	319.33
217	CALPERS	CALPERS	03/02/2017	2,567.15
220	CALPERS	CALPERS	03/02/2017	8,210.42
Total for 3/2/2017:				11,604.84
211	ADPPAYRL	adp	03/03/2017	9,692.97
212	ADPPAYRL	adp	03/03/2017	4,827.70

Check No	Vendor No	Vendor Name	Check Date	Check Amount
218	ICMACONT	ICMA contributions	03/03/2017	1,823.08
219	HEALTHEQ	Health Equity	03/03/2017	200.00
Total for 3/3/2017:				16,543.75
31998	ACWA5661	ACWA JPIA	03/09/2017	68,206.03
31999	BPLANDSC	BAY POINTE LANDSCAPE	03/09/2017	1,050.00
32000	BLUELINE	BLUELINE RENTAL	03/09/2017	3,960.11
32001	GRANITE	GRANITE ROCK, INC.	03/09/2017	152.74
32002	HANSONBR	HANSON, BRIDGETT	03/09/2017	3,891.70
32003	HOMEDEPC	HOME DEPOT	03/09/2017	49.82
32004	INTERGAS	Interstate Gas Services, Inc.	03/09/2017	1,600.00
32005	JULBROWN	JULIE M BROWN & ASSOC	03/09/2017	2,458.03
32006	LAKESHO	Lakeshore Hydrant Services Inc.	03/09/2017	2,085.00
32007	LYNGSOMA	LYNGSO GARDEN MATERIAL INC	03/09/2017	23.93
32008	MHN	MHN	03/09/2017	45.54
32009	OFFICTEM	OFFICE TEAM	03/09/2017	914.88
32010	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	03/09/2017	20,085.19
32011	PENBLDG	PENINSULA BUILDING MATERIALS	03/09/2017	788.66
32012	PG&E	PG&E CFM/PPC DEPT	03/09/2017	2,501.81
32013	PINA	CANDY PINA	03/09/2017	64.92
32014	RECOLOGY	RECOLOGY SAN MATEO	03/09/2017	620.05
32015	RANDB	ROBERTS & BRUNE CO. INC.	03/09/2017	386.78
32016	SARCHJOE	JOEL SARCH	03/09/2017	103.36
32017	VANGUARE	VANGUARD CLEANING SYSTEMS, INC	03/09/2017	385.00
32018	VERIZON	VERIZON WIRELESS	03/09/2017	847.96
32019	YOUNG	HENRY YOUNG	03/09/2017	180.00
Total for 3/9/2017:				110,401.51
32020	ATT60197	AT&T 60197	03/16/2017	1,270.24
32021	AWWACER1	CA-NV SECTION	03/16/2017	50.00
32022	CINTS	CINTAS CORPORATION	03/16/2017	752.30
32023	CITYBELM	CITY OF BELMONT	03/16/2017	200.00
32024	COMCAST	COMCAST	03/16/2017	318.48
32025	GRANITE	GRANITE ROCK, INC.	03/16/2017	485.76
32026	HOFFMANA	ANNE HOFFMAN	03/16/2017	638.30
32027	HOMEDEPC	HOME DEPOT	03/16/2017	438.11
32028	INTRBATT	INTERSTATE BATTERY SYSTEM, INC.	03/16/2017	1,139.09
32029	DAVIDSON	JOHN T. DAVIDSON	03/16/2017	2,432.46
32030	KOFFASSO	KOFF & ASSOCIATES INC	03/16/2017	480.00
32031	MATCOTLS	MATCO TOOLS	03/16/2017	1,260.79
32032	OFFICEDE	OFFICE DEPOT, INC.	03/16/2017	382.00
32033	OFFICTEM	OFFICE TEAM	03/16/2017	914.88
32034	OREILLYA	OREILLY AUTO PARTS, INC.	03/16/2017	158.84
32035	PACWEST	PACIFIC WEST SECURITY, INC.	03/16/2017	1,770.00
32036	PG&E	PG&E CFM/PPC DEPT	03/16/2017	57.51
32037	PRECISE	PRECISE, INC.	03/16/2017	1,663.27
32038	RICOHPhi	RICOH Philadelphia	03/16/2017	133.50
32039	SANDIEAR	SANDIE ARNOTT	03/16/2017	3,132.50
32040	SIMPSONM	MILES SIMPSON	03/16/2017	638.30
Total for 3/16/2017:				18,316.33

Check No	Vendor No	Vendor Name	Check Date	Check Amount
Report Total (130 checks):				1,161,676.01



**AGENDA ITEM NO. 7.A.**

DATE: March 23, 2017

TO: Board of Directors

FROM: Tammy Rudock, General Manager  
Rene A. Ramirez, Operations Manager  
Joubin Pakpour, P.E., District Engineer

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**SUBJECT: UPDATE ON SELECTION PROCESS FOR THE ON-CALL ENGINEERING SERVICES RELATED TO THE MPWD 5-YEAR CIP FY2016/2017 THROUGH FY 2020/2021, INCLUDING ENGINEERING SERVICES WORK DISTRIBUTION PLAN**

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**RECOMMENDATION:**

There is no recommendation with this matter. The purpose of this report is to provide an update to the Board on the selection process for On-Call Engineering services as provided by Board direction late last year for the District's five-year capital improvement program.

**FISCAL IMPACT:**

There is no fiscal impact at this time. Staff will soon begin the process of negotiating a scope of work with each of the three firms that has a CIP project associated with it. If and when a scope of work and cost is agreed to, staff will bring to the Board a recommendation to execute a contract for professional services.

**BACKGROUND:**

The District received 10 Statements of Qualifications (SOQ) in response to its Request for Qualifications (RFQ) and staff shortlisted six (6) firms to interview. Following a lengthy process to qualify what staff believes to be the best fit and experienced engineers to assist the District on its five-year capital plan, the following four (4) were selected to be placed on the On-Call list:

- Hydro Science Engineers – for Project CIP 15-75 – El Camino Real WMR;
- Schaff & Wheeler – for CIP Project 15-75 – Old County Road WMR;
- West Yost – for CIP Project 15-72 – State Route 101 Crossing; and
- Mott McDonald – placed on the On-Call list.

Engineering firms interviewed but not selected were:

- Carollo Engineers; and
- NV5.

And the engineers not shortlisted were:

- Bellecci and Associates;
- BKF Engineers;
- MNS Engineers; and
- Freyer Laureta.

**DISCUSSION:**

**SELECTION PROCESS FOR ON-CALL ENGINEERING SERVICES**

Staff felt the best way to describe the process used to select the four (4) firms was to prepare a simple timeline describing the chronological process:

May 26, 2016 - Board approved Resolution No. 2016-06 authorizing a 5-year capital improvement program (CIP) totaling approximately \$20,000,000;

August 25, 2016 – Board adopted Resolution No. 2016-12 authorizing procurement of funding for the MPWD 5-year CIP totaling approximately \$20,000,000;

September 22, 2016 – Staff discussed a CIP work plan with the Board, which included a task to develop and publish a Request for Qualifications for engineering design services (to be known as the 2017 Water Main Design Services ) among several other work plan tasks;

January 3, 2017 – Staff released the 2017 Water Main Design Services Request for Qualifications via local professional clearinghouse and regional list of consultants prepared by the District Engineer;

January 17, 2017 – Staff held a mandatory pre-proposal meeting at the District office. Twenty-two (22) consultants, sixteen (16) prime consultants and six (6) sub-consultants attend;

February 7, 2017 – Ten (10) statements of qualification were received from among those firms in attendance on January 17<sup>th</sup> and the General Manager, District Engineer and Operations Manager (Selection Committee) begin to review, score and rank each statement of qualification received;

February 14, 2017 – Selection Committee met internally and decided to interview the top six (6) ranked SOQs; scoring sheets from each member is tallied and ranked;

February 15, 2017 – Operations Manager (CIP Project Manager) sent letter to six (6) firms invited for an interview: Carollo Engineers, Inc.; HydroScience Engineers, Inc.; Mott-McDonald; NV5, Inc.; Schaaf and Wheeler; and West Yost Associates;

February 15, 2017 – Operations Manager communicated with four (4) firms not shortlisted for interviews: Bellecci and Associates; BKF Engineers; Freyer Laureta, Inc.; and MNS Engineers, Inc.

February 28, 2017 – The Selection Committee conducted formal interviews of the top scoring six (6) engineering firms during a day-long process, which consisted of a 30 minute consultant presentation followed by a 15 minute question and answer period. Four (4) firms stood out above the other two (2);

March 2, 2017 – Operations Manager sent letters of selection to West-Yost Associates for CIP Project 15-72 – State Route 101 Crossing; Schaaf and Wheeler for CIP Project 15-75 - Old County Road Improvements; HydroScience Engineers for CIP Project 15-76 - El Camino Real Improvements; and Mott-McDonald for other potential on-call engineering services needed during the 5-year CIP;

March 2, 2017 – Operations Manager sent letters to Carollo Engineers and NV5, Inc., letting them know they were not selected, but thanking them for their participation, preparation and time for the interview;

March 8, 2017 - Debriefing phone calls were scheduled for the six (6) firms that did not make the on-call list;

March 30, 2017 – A morning scoping meeting has been scheduled with West Yost Associates for the Highway 101 Crossing Project; an afternoon scoping meeting has been scheduled with Schaaf and Wheeler for the Old County Road Project; and

March 31, 2017 – A morning scoping meeting has been scheduled with HydroScience Engineers for the El Camino Real Project.

#### ENGINEERING SERVICES WORK DISTRIBUTION PLAN

Upon completion of the on-call engineering services solicitation process, staff was able to finalize its work plan for CIP engineering services, which is attached for reference.

Last month, District Counsel summarized previous Board discussions wherein it was confirmed that the District Engineer's contract was solicited pursuant to a competitive process, was procured in compliance with law, and allows for this type of capital project work to be performed by the District Engineer.

As described above, following a recent qualification solicitation process, four (4) engineering consultants were selected for on-call services—three (3) for designated projects and any of the four consultants for engineering services as needed.

Staff analyzed the engineering rates provided within the on-call engineering submittals and compared them with the District Engineer’s rates, and that summary is attached for information.

Attachment:                   MPWD 5-Year CIP Engineering Services Work Distribution Plan dated March 16, 2017  
                                      Summary of Engineer Hourly Rates (compared with District Engineer) dated March 2017

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BOARD ACTION: APPROVED:\_\_\_\_\_ DENIED:\_\_\_\_\_ POSTPONED:\_\_\_\_\_ STAFF DIRECTION:\_\_\_\_\_

UNANIMOUS\_\_\_\_\_ STUEBING\_\_\_\_\_ WARDEN\_\_\_\_\_ VELLA\_\_\_\_\_ LINVILL\_\_\_\_\_ ZUCCA\_\_\_\_\_





**ENGINEERING SERVICES WORK DISTRIBUTION PLAN  
5-YEAR CIP  
March 16, 2017**

**Currently Under Contract – District Engineer**

2017 Water Main Replacement Project – Contract No. 01-1621-CIP Mezes Avenue, Folger Drive, Karen Road South Road and Arthur Avenue WMR*	\$ 292,155
Hillcrest Pressure Regulating Station – Contract No. 02-1621-CIP	\$ 89,250

**Future Contracts– District Engineer**

Notre Dame Avenue Loop Closure	\$ 138,000**
Williams Avenue, Ridge Road, Hillman Avenue WMR	\$ 166,000
North Road Cross Country/Davey Glen Road WMR	\$ 124,000
Zone 5 Fire Hydrant Upgrades	\$ 31,000
Civic Lane WMR	\$ 120,000
Monte Cresta Drive/Alhambra Drive WMR	\$ 195,000
Tahoe Drive Area WMR	\$ 94,000
Belmont Canyon Road WMR	\$ 76,000
Cliffside Court WMR	\$ 46,500
North Road WMR	\$ 46,000
<b>Total District Engineer (47%)</b>	<b>\$1,417,905</b>

**Future Contracts – On-Call Engineers**

El Camino Real WMR	\$ 360,000
Old County Road WMR	\$ 510,000
SR 101 Crossing at PAMF	\$ 350,000
Dekoven Tanks Replacement	\$ 400,000
<b>Total On-Call Engineers (53%)</b>	<b>\$1,620,000</b>

\*WMR = Water Main Replacement

\*\*Estimated costs for engineering services (planning, design, and construction management) are from the CIP Summary in the *MPWD Comprehensive System Analysis and CIP FY 2016-2017 Update*. Highlighted estimates are in 2015 dollars.

**From Statement of Qualifications Received by Mid-Peninsula Water District March 2017**

<b>Title</b>	<b>West Yost Associates</b>	<b>Mott McDonald</b>	<b>NV5</b>	<b>BKF</b>	<b>MNS</b>	<b>Carollo</b>	<b>Freyer &amp; Laureta</b>	<b>HydroScience</b>	<b>Schaff &amp; Wheeler</b>	<b>Bellecci</b>
District / Principal Engineer	\$229	\$255	\$198	\$206	\$225	\$284	\$225	\$225	\$225	\$224
Senior Engineer	\$193	\$180	\$176	\$190	\$175	\$262	\$165	\$200	\$215	\$160
Project Engineer II	\$172	\$135	N/A	\$176	\$155	\$243	\$140	\$180	\$180	\$142
Project Engineer I	\$139	\$120	N/A	\$142	\$140	\$205	\$120	\$150	\$160	\$132
Engineering Technician	\$123	\$110	\$105	\$119	\$95	\$126	\$95	\$125	\$135	N/A
Administrative Assistant	\$89	\$80	\$90	\$77	\$70	\$111	\$80	\$70	N/A	\$60
Sub-Consultant Mark Up	10%	10%	10%	10%	15%	10%	10%	10%	10%	10%

<b>Title</b>	<b>Average 10 Firms</b>	<b>PCG last Revised July 2015</b>	<b>\$ Under Average</b>
District / Principal Engineer	\$230	\$155	-\$75
Senior Engineer	\$192	\$140	-\$52
Project Engineer II	\$169	\$125	-\$44
Project Engineer I	\$145	\$115	-\$30
Engineering Technician	\$115	\$90	-\$25
Administrative Assistant	\$81	\$60	-\$21
Sub-Consultant Mark Up		15%	



**AGENDA ITEM NO. 7.B.**

DATE: March 23, 2017  
 TO: Board of Directors  
 FROM: Tammy Rudock, General Manager

**SUBJECT: RECEIVE PROGRESS REPORT ON 2016 COP FINANCING**

**RECOMMENDATION**

Receive progress report on 2016 COP financing for the MPWD FY 2016-2021 CIP.

**FISCAL IMPACT**

<b><i>COPs SOURCE</i></b>	<b><i>PAID THROUGH 03/08/17</i></b>	<b><i>BALANCE</i></b>
Delivery Costs (Estimated at \$365,428)	Req. No. 1 - \$197,742 (12/21/16) Req. No. 2 - \$ 10,383 (03/06/17) TOTAL \$208,125	\$157,303*
Project Funds (Estimated at \$19,143,021)	\$0	\$19,143,021**

\*All delivery costs have been paid, and the balance will be transferred by the Trustee to the COPs Project Funds (by March 31<sup>st</sup>).

\*\*MPWD will submit to recoup engineering design services costs paid for COPs CIP projects totaling \$183,754 (through February 28, 2017).

**DISCUSSION**

A comprehensive quarterly report on the 2016 COP financing for the MPWD FY 2016-2021 CIP, will be presented during the Board's April 27<sup>th</sup> regular meeting. It will cover the period January 1, 2017 through March 31, 2017.

To date the only COP funds that have been expended are the Issuance Costs:

- Requisition No. 1 for Disbursements from Delivery Costs Fund dated December 21, 2016, totaling \$197,742 (provided with last month's report); and
- Requisition No. 2 for Disbursements from Delivery Costs Fund dated March 6, 2017, totaling \$10,382.50 (attached). The Trustee's fees were paid totaling \$2,250.00 and the MPWD was reimbursed for its legal costs paid during the COP sale process totaling \$8,132.50.

The Dissemination Agent, Dan Bergmann, prepared and timely submitted the attached annual Continuing Disclosure report for FYE June 30, 2016.

The following itemized CIP project funds (through February 28, 2017) will be recouped by the MPWD from the COP funds after staff's March 21<sup>st</sup> meeting with Trustee to confirm the payment submittal process.

<b>2016 COPs FUNDED PROJECTS</b>	<b>2015/2016</b>	<b>2016/2017</b>	<b>TOTAL</b>
Arthur Road WMR CIP	\$ -	\$ 14,077	\$ 14,077
Folger Road WMR CIP	\$ -	\$ 13,919	\$ 13,919
Karen Road WMR CIP	\$ 45,144	\$ 30,104	\$ 75,248
Hillcrest Pressure Regulating Station CIP	\$ 919	\$ 8,675	\$ 9,594
Dekoven Tank CIP	\$ 51,157	\$ -	\$ 51,157
Mezes Road WMR CIP	\$ -	\$ 5,946	\$ 5,946
South Road WMR CIP	\$ -	\$ 13,813	\$ 13,813
<b>COPs FUNDED PROJECTS AMOUNT</b>	<b>\$ 97,220</b>	<b>\$ 86,534</b>	<b>\$ 183,754</b>

Bud Levine will attend the April 27<sup>th</sup> regular meeting to present the final report on the financing project to the Board.

Attachments: Requisition No. 2 for Disbursements from Delivery Costs Fund dated March 6, 2017  
MPWD Annual Disclosure Report for COP FYE June 30, 2016

BOARD ACTION: APPROVED: \_\_\_\_\_ DENIED: \_\_\_\_\_ POSTPONED: \_\_\_\_\_ STAFF DIRECTION: \_\_\_\_\_  
UNANIMOUS \_\_\_\_\_ STUEBING \_\_\_\_\_ WARDEN \_\_\_\_\_ VELLA \_\_\_\_\_ LINVILL \_\_\_\_\_ ZUCCA \_\_\_\_\_

**Mid-Peninsula Water District, San Mateo County, California**  
**Annual Report for Certificates of Participation**  
**(2016 Financing Project, CUSIP 59541P)**  
**\$18,570,000**

**Fiscal Year Ending June 30, 2016**

The following data and attachments are submitted by Mid-Peninsula Water District (MPWD) consistent with Appendix D, "Form of Continuing Disclosure Certificate," from the Official Statement (OS) for the Certificates of Participation. Reference letters below correspond with the reference letters of the Appendix D.

**Section 4. Audited Financial Report for Fiscal Year Ending June 30, 2016**

The audited financial reports for the fiscal year ending June 30, 2016, have been submitted separately for Electronic Municipal Market Access (EMMA).

**Section 4. Tables**

The requested tables are shown on the following pages, taken primarily from the OS for this first year of disclosure reporting.

Ten Largest Customers Based on Revenue  
Water Rates  
Revenue and Expense Showing Debt Service Coverage Ratio

**Section 5. Reporting of Listed Events**

There are no listed events to report.

Prepared by: Dan Bergmann  
IGService  
dan@igservice.com  
March 2017

<b>Mid-Peninsula Water District</b>	
<b>Ten Largest Customers<sup>1</sup></b>	
<b>(Fiscal Year ending June 30, 2016)</b>	
<b>Customer</b>	<b>Type of Customer</b>
Accor Economy Lodging	Motel
The Belmont Homeowners	Apartments on Davey Glen Road
Notre Dame	School
McClellan Estate Company	Apartments on Old County Road
Novartis	Pharmaceutical manufacturing
Sequoia High School District	School
McClellan Estate Company	Apartments on Crestview
McClellan Estate Company	Apartments on Crestview
Lesley Terrace	Assisted Living
Silverado Senior Living	Assisted Living

These ten customers collectively account for 7.8 percent of revenue from water sales. The largest contribution for any one customer is less than 1.4 percent.

<sup>1</sup> MPWD has adopted a policy of confidentiality with respect to account information on individual water use; therefore, the table shows the ten largest customers based on revenue, and states the percentage of total revenue they represent. See page 27 of the official statement dated December 7, 2016, from the 2016 Certificates of Participation.

<b>Mid-Peninsula Water District Rate Table</b>				
<b>Rates Effective July 1, 2016 <sup>2</sup></b>				
		<b>Base Rate</b>	<b>SFPUC Wholesale Rate Pass Through<sup>3</sup></b>	<b>Total Rate</b>
<b>Fixed Monthly Charges</b>				
<b>Meter Size</b>	<b>Meter Ratio</b>	<b>\$ / Month</b>		
5/8"	1.00	\$24.00		\$24.00
1"	1.50	36.00		36.00
1 1/2"	2.50	60.00		60.00
2"	4.00	96.00		96.00
3"	6.00	144.00		144.00
4"	10.00	240.00		240.00
6"	25.00	600.00		600.00
<b>Water Consumption Charges</b>				
<b>Residential Rates</b>		<b>\$ / hcf <sup>4</sup></b>		
Tier 1		\$5.30	\$0.32	\$5.62
Tier 2		7.90	0.32	8.22
Tier 3		9.50	0.32	9.82
Tier 4		11.10	0.32	11.42
<b>Commercial Rates</b>				
Tier 1		7.25	0.32	5.62
Tier 2		8.35	0.32	8.67

<sup>2</sup> Source is MPWD Ordinance No. 116, dated April 28, 2016.

<sup>3</sup> The San Francisco Public Utilities Commission (SFPUC) wholesale water rate pass through effective July 1, 2016, equals \$0.32 per hcf based on the incremental difference between the baseline rate of \$3.78 per hcf referenced in MPWD's Proposition 218 Notice and SFPUC's wholesale rate of \$4.10 per hcf adopted on May 10, 2016.

<sup>4</sup> One hundred cubic feet (hcf) equals approximately 748 gallons.

**Mid-Peninsula Water District Revenues, Expenses and Changes in Net Position<sup>5</sup>**

	Fiscal Year			
	2012-13	2013-14	2014-15	2015-16
	Audited	Audited	Audited	Audited
<b>OPERATING REVENUES</b>				
Water service charges	9,023,562	9,748,347	9,269,172	10,103,976
Other revenue	379,852	66,004	70,931	26,107
Total Operating Revenues	9,403,414	9,814,351	9,340,103	10,130,083
<b>OPERATING EXPENSES</b>				
Salaries and benefits	1,896,336	2,214,994	2,258,983	2,293,425
Maintenance and rehabilitation	399,927	460,720	529,883	528,314
Purchased water	4,344,176	4,102,227	4,160,810	4,491,156
Utilities	336,603	303,834	312,784	267,479
Professional services	554,249	386,496	461,682	539,376
Administrative and other	617,416	687,694	665,813	647,516
Depreciation	785,945	837,048	912,979	910,361
Total Operating Expenses	8,934,652	8,993,013	9,302,934	9,677,627
Operating Income/(Loss)	468,762	821,338	37,169	452,456
<b>NON-OPERATING REVENUES</b>				
Rent	171,808	209,518	194,681	170,763
Property taxes	234,629	242,407	259,597	266,341
Insurance claim reimbursement	—	4,726	—	—
Interest income	8,566	11,662	9,751	14,847
Completed projects	64,008	122,203	118,202	—
Total Non-Operating Revenues	479,001	590,516	582,231	451,951
<b>CHANGE IN NET POSITION</b>	947,773	1,411,854	619,400	904,407
NET POSITION, Beginning of Year	17,797,870	18,745,643	18,624,896 <sup>(1)</sup>	19,244,296
NET POSITION, End of Year	18,745,643	20,157,497	19,244,296	20,148,703

(1) For table: Reflects a prior period adjustment of \$(1,532,601) relating to implementation of GASB 68.

<sup>5</sup> Taken from page 39 of the OS.



**\$18,570,000**  
**CERTIFICATES OF PARTICIPATION**  
**(2016 Financing Project)**  
**Evidencing the Direct, Undivided Fractional Interests of the**  
**Owners Thereof in Installment Payments to be Made by the**  
**MID-PENINSULA WATER DISTRICT**  
**(San Mateo County, California)**  
**As the Purchase Price for Certain Property Pursuant to an**  
**Installment Sale Agreement with the**  
**Public Property Financing Corporation of California**


**REQUISITION NO. 2**  
**FOR DISBURSEMENT FROM DELIVERY COSTS FUND**

The undersigned hereby states and certifies:

- (i) That the undersigned is the duly appointed, qualified, and acting General Manager of the Mid-Peninsula Water District, a water district duly organized and existing under the laws of the Constitution and laws of the State of California (the "District"), and as such, is familiar with the facts herein certified and is authorized to certify the same on behalf of the District;
- (ii) That the undersigned is duly designated as a "District Representative" of the District, as such term is defined in that certain Trust Agreement dated as of December 1, 2016 (the "Trust Agreement"), by and among The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), the Public Property Financing Corporation of California, and the District;
- (iii) That, pursuant to Section 3.04 of the Trust Agreement, the undersigned hereby requests the Trustee to disburse from the Delivery Costs Fund established under the Trust Agreement to the payee(s) designated on the attached Exhibit "A", the respective sum set forth opposite each payee, for payment or reimbursement of the Delivery Costs (as such term is defined in the Trust Agreement) described on said Exhibit "A"; and
- (iv) That the amounts to be disbursed herein are for Delivery Costs properly chargeable to the Delivery Costs Fund, and have not been the subject of any previous disbursement requisition pursuant to Section 3.04 of the Trust Agreement.

Dated: March 6, 2017

MID-PENINSULA WATER DISTRICT

BY:   
 Tammy A. Rudock  
 General Manager

**EXHIBIT "A"**  
**REQUISITION NO. 2**  
**DELIVERY COSTS DISBURSEMENTS**

<b>Payee Name and Address</b>	<b>Purpose of Obligation</b>	<b>Amount</b>
The Bank of New York Mellon Trust Company, N.A. c/o Justin Bui 100 Pine Street, Suite 3200 San Francisco, CA 94111 ABA No. 021000018 Account No. 8901245259	Counsel and Custodian Fees, and Trustee Fee for the period December 21, 2016, through December 2017	\$2,250.00
Mid-Peninsula Water District Attention: Tammy Rudock, GM 3 Dairy Lane Belmont, CA 94002	Reimbursement of District Counsel 2016 COP Financing Legal Review Fees for the period September 14, 2016 through December 20, 2016	\$8,132.50



**BNY MELLON**

The Bank of New York Mellon  
Trust Company, N.A.

**INVOICE**

Justin Bui  
100 Pine Street San Francisco, CA 94111, Suite # 3200  
San Francisco, CA 94111

000001

Invoice Number: 252-1993699  
Account Number: MIDPENWD16  
Invoice Date: 23-Dec-16  
Cycle Date: 23-Dec-16  
Administrator: Justin Bui  
Phone Number: 415-263-2416  
Currency: USD

MID-PENINSULA WATER DISTRICT CERTIFICATES OF PARTICIPATION, SERIES 2016

	<u>Quantity</u>	<u>Rate</u>	<u>Proration</u>	<u>Subtotal</u>	<u>Total</u>
<b>One Time Charges</b>					
Counsel Fee				1,000.00	
Custodian Fee				250.00	
Good Faith Custodian Fee					
Trustee Fee				1,000.00	
For the period of December 21, 2016 to December 20, 2017					

Invoice Total:	<u>2,250.00</u>
Satisfied To Date:	<u>0.00</u>
Balance Due:	<u>2,250.00</u>

Terms: Payable upon receipt. Please reference the invoice and account number with your remittance. Our Tax ID Number is 95-3571558. Please fax Taxpayer Certification requests to (732) 667-9576. The Bank of New York Mellon Trust Company, N.A is located at 400 South Hope Street - Suite 400, Los Angeles, CA 90071

Check Payment Instructions:  
The Bank of New York Mellon  
Corporate Trust Department  
P.O. Box 392013  
Pittsburgh, PA 15251-9013  
Please enclose billing stub.

Wire and ACH Payment Instructions:  
The Bank of New York Mellon  
ABA Number 021000018  
Account Number 8901245259

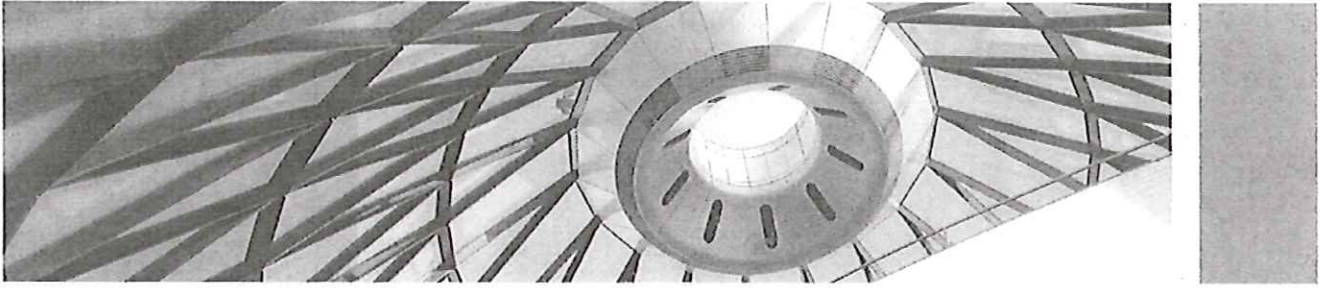
Please reference Invoice Number: 252-1993699

**Billing Stub**

MID-PENINSULA WATER DISTRICT CERTIFICATES OF PARTICIPATION, SERIES 2016

Invoice Number: 252-1993699  
Account Number: MIDPENWD16  
Invoice Date: 23-Dec-16  
Cycle Date: 23-Dec-16  
Administrator: Justin Bui  
Phone Number: 415-263-2416  
Amount: 2,250.00 USD

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# Mid-Peninsula Water District Certificates of Participation, Series 2016

Date: September 7, 2016

**Presented By:**

BNY Mellon Corporate Trust

**Fee Schedule for the following:**

- Trustee
- Paying Agent / Registrar



BNY MELLON

## Fee Schedule

Subject to the Terms and Disclosures below, upon appointment of The Bank of New York Mellon Trust Company, N.A. ("BNYM" or "us" or "affiliates" or "subsidiaries") in the roles as outlined within this Fee Schedule (this "Fee Schedule"), Mid-Peninsula Water District ("Customer") shall be responsible for the payment of the fees, expenses and charges as set forth herein. Fees are payable or accrue at the time of the execution of the governing documents (the "Transaction Documents") in connection with the closing of the transaction (the "Transaction") which is the subject of this Fee Schedule.

### General Fees

<b>Acceptance Fee</b>	<b>Waived</b>
-----------------------	---------------

The Transaction Acceptance Fee is payable at the time of the execution of the governing documents in connection with the closing of the transaction which is the subject of this Agreement (the "Transaction"), and compensates BNYM for the following: review of all supporting documents, initial establishment of the required accounts and Know Your Customer checks.

<b>Annual Trustee Fee</b>	<b>\$1,000</b>
---------------------------	----------------

An annual fee covering the duties and responsibilities related to account administration, which may include maintenance of accounts on various systems and the monitoring of issuer compliance. This fee is payable in advance for the year and shall not be prorated.

<b>Annual Dissemination Agent Fee / if applicable</b>	<b>\$250</b>
---	--------------

An annual charge covering the normal dissemination agent duties that include but are not limited to determining the names and addresses of repositories, annually file the Annual Report, Audited Financial Statement with each National and State repository and upon receipt file a notice of material event to both National and State Repositories.

<b>Activity Fees</b>	
----------------------	--

<b>Investments</b>	<b>\$35</b>
--------------------	-------------

BNYM will charge a \$35 transaction fee for the purchase, sale, or maturity of commercial paper and U.S. treasuries, agencies or draws upon LAIF, CAMP, County Pools, and any investment contracts or agreements.

<b>Requisition / Disbursement Fee – Check or Wire / per transaction</b>	<b>\$35</b>
---	-------------

A fee of \$35 per disbursement will be assessed for each cash disbursement or requisition.

<b>Redemption of Bonds</b>	<b>Per Redemption</b>	<b>\$100</b>
----------------------------	-----------------------	--------------

Call Pricing includes distribution of the call notice to holders of record, redemption processing, and notification to EMMA. Any publication expenses (i.e. Bond Buyer, regional periodical, financial periodicals, etc.) for the call notice will be billed to the Issuer at cost.

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**Arbitrage Rebate** **Please Call For Quote**

Delivered by a highly experienced team of professionals, our arbitrage rebate compliance services are designed to help maximize allowable investment returns on your bond funds and minimize or eliminate your arbitrage liability. When BNYM is the trustee and/or paying agent for your tax-exempt bonds, we simplify the process and provide *seamless* arbitrage reporting and information.

**Investment Compensation**

With respect to investments in money market mutual funds for which BNYM provides shareholder services, BNYM (or its affiliates) may receive fees from the mutual funds (or their affiliates) for shareholder services as set forth in the Authorization and Direction to Invest Cash Balances in Money Market Mutual Funds or other similar fees described in the fund prospectus.

**Investment Agreement/Repurchase/Forward Purchase Agreement / if applicable** **\$500**

BNYM will assess a one-time fee of \$500 covering the review and negotiation of each investment agreement or repurchase agreement and ongoing administration of each agreement. In addition, the fees and expenses of BNYM's Counsel incurred in connection with the review and negotiation will be billed at the actual amount of fees and expenses charged by Counsel.

**Counsel Fees** **Waived without a Legal Opinion  
\$1,000 with a Legal Opinion\***

\*If a legal opinion is to be provided by BNYM internal counsel, Customer will be charged the amount of \$1,000, and such amount will be payable upon the closing of the Transaction. In the event that the Transaction is terminated prior to closing, Customer will remain responsible for charges for BNYM counsel time incurred up to and including the termination date.

**Extraordinary Services/Miscellaneous Fees** **At Cost**

The charges for performing extraordinary or other services not contemplated at the time of the execution of the Transaction Documents or not specifically covered elsewhere in this schedule will be commensurate with the service to be provided and may be charged in BNY Mellon's sole discretion. If it is contemplated that BNY Mellon hold/and or value collateral, additional acceptance, administration and counsel review fees will be applicable to the agreement governing such services. If the bonds are converted to certificated form, additional annual fees will be charged for any applicable tender agent and/or registrar/paying agent services. Additional information will be provided at such time. If all outstanding bonds of a series are defeased or redeemed, or BNY Mellon is removed as paying agent prior to the maturity of the bonds, a termination fee may be assessed at that time.

Miscellaneous fees and expenses may include, but are not necessarily limited to supplemental agreements, tender processing, the preparation and distribution of sinking fund redemption notices, optional redemptions, failed remarketing processing, preparation of special or interim reports, UCC filing fees, auditor confirmation fees, wire transfer fees, Letter of Credit drawdown fees, transaction fees to settle third-party trades, and reconciliation fees to balance trust account balances to third-party investment provider statements. Counsel, accountants, special agents and others will be charged at the actual amount of fees and expenses billed. FDIC or other governmental charges will be passed along as incurred. Reimbursement will be required for any out-of-pocket expenses and will be invoiced to the Customer at cost.

Customer agrees to reimburse BNYM for extraordinary expenses incurred by it in connection with the Transaction to the extent permitted by law.

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Unless specifically listed in this Fee Schedule, the fees, expenses and disbursements of BNYM legal counsel are not included in the charges listed above.

### **Default Administration**

If an event of default occurs under the Transaction Documents, the services of each employee of BNYM administering such default will be charged at the prevailing hourly rate for default administration services as set out from time to time. In addition, all of BNYM's costs and expenses including but not limited to any legal costs, travel costs and applicable taxes shall be charged to Customer.

### **Negative Interest Rates – Charges**

With respect to any funds invested by BNYM in connection with the Transaction, if: (i) any recognized overnight benchmark rate or any official overnight interest rate set by a central bank or other monetary authority is negative or zero; or (ii) any market counterparty or other institution applies a negative interest rate or any related charge to any account or balance of BNYM or any account or balance opened for You by BNYM, BNYM may apply a charge to any of Your accounts or balances. BNYM will give you prompt written notice of the application of any such charges. You acknowledge and agree that the application of such a charge by BNYM may cause the effective interest rate applicable to your account or balance to be negative, notwithstanding that one or more of the rates set by third parties specified in clauses (i) and (ii) above may be positive.

## **Terms and Disclosures**

### **General**

BNYM's final acceptance of its appointment pursuant to the Transaction Documents is subject to the full review and approval of all related documentation and standard Know Your Customer procedures. In the event that this Transaction does not proceed with BNYM in the roles contemplated by this Fee Schedule and the Transaction Documents, Customer will be responsible for payment of any external counsel fees and expenses and out-of-pocket expenses which BNYM may have incurred up to and including the termination date.

Customer shall be responsible for filing any applicable information returns with the U.S. Department of Treasury, Internal Revenue Service in connection with payments made by BNYM to vendors who have not performed services for BNYM's benefit under the various bond or note issuances or other undertakings contemplated by this Fee Schedule.

The Bank of New York Mellon Corporation is a global financial organization that operates in and provides services and products to clients through its affiliates and subsidiaries located in multiple jurisdictions (the "BNY Mellon Group"). The BNY Mellon Group may (i) centralize in one or more affiliates and subsidiaries certain activities (the "Centralized Functions"), including audit, accounting, administration, risk management, legal, compliance, sales, product communication, relationship management, and the compilation and analysis of information and data regarding Customer (which, for purposes of this provision, includes the name and business contact information for Customer employees and representatives) and the accounts established pursuant to the Transaction Documents ("Customer Information") and (ii) use third party service providers to store, maintain and process Customer Information ("Outsourced Functions"). Notwithstanding anything to the contrary contained elsewhere in this Fee Schedule or the Transaction Documents and solely in connection with the Centralized Functions and/or Outsourced Functions, Customer consents to the disclosure of, and authorizes BNY Mellon to disclose, Customer Information to (i) other members of the BNY Mellon Group (and their respective officers, directors and employees) and to (ii) third-party service providers (but solely in connection with Outsourced Functions) who are required to maintain the confidentiality of Customer Information. In addition, the BNY Mellon Group may aggregate Customer Information with other data collected and/or calculated by the BNY Mellon Group, and the BNY Mellon Group will own all such aggregated data, provided that the BNY Mellon Group shall not distribute the aggregated data in a format that identifies Customer Information with Customer specifically. Customer represents that it is authorized to consent to the foregoing and that the disclosure of Customer Information in connection with the Centralized Functions and/or Outsourced Functions does not violate any relevant data protection legislation. Customer also consents to the disclosure of Customer Information to governmental and regulatory authorities in jurisdictions where the BNY Mellon Group operates and otherwise as required by law.

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Please note the fees quoted in this Fee Schedule are based upon the information available at the present time. Further quotes may be provided once the structure of the deal has been finalized. Annual Fees cover a period of one year and any portion thereof and are not subject to pro-rata. Fees may be subject to adjustment during the life of the engagement.

**Advance Fees**

BNYM requires that Customer agree to the fees quoted in this Fee Schedule prior to the commencement of any work or the provision of any services by BNYM in relation to the Transaction. In the event that BNYM provides any services to Customer prior to your agreement to the fees quoted herein, the commencement of such work or the provision of such services shall not be deemed to constitute a waiver of the fees listed in this Fee Schedule. BNYM reserves the right to cease providing services until such time as Customer agrees to the fees quoted herein. BNYM reserves the right to request that any and all fees due and payable pursuant to this Fee Schedule and related in any way to the Transaction are paid in advance (either in whole or in part) prior to the provision of any services.

**Acceptance/Revocation of Offer**

You may agree to the fees quoted herein by (i) executing this Fee Schedule and returning it to us, (ii) closing the Transaction, or (iii) instructing us or continuing to instruct us after receipt of this Fee Schedule. Upon the earlier to occur of (i), (ii) and (iii), the fees quoted herein shall be deemed accepted by you. If you agree to the fees quoted herein, the terms of this Fee Schedule shall supersede any prior fees quoted with respect to the Transaction. BNYM may revoke the terms of this Fee Schedule if the Transaction does not close within three months from the date of this Fee Schedule. Should the Transaction fail to close for any reason, a termination fee equal to BNYM's Acceptance Fee, any external counsel fees, expenses and disbursements and all out-of-pocket expenses will apply.

**Confidential Information**

Except as otherwise provided by law, all information provided to Customer by BNYM must remain confidential and may not be intentionally disclosed, reproduced, copied, published, or displayed in any form to any third party without BNYM's prior written approval.

**Customer Notice Required By the USA Patriot Act**

To help the U.S. government fight the funding of terrorism and money laundering activities, US Federal law requires all financial institutions to obtain, verify and record information that identifies each person (whether an individual or organization) for which a relationship is established. When Customer establishes a relationship with BNYM, we will ask Customer to provide certain information (and documents) that will help us to identify Customer. We will ask for your organization's name, physical address, tax identification or other government registration number and other information that will help us identify Customer. We may also ask for a Certificate of Incorporation or similar document or other pertinent identifying documentation for your type of organization.

**Mid-Peninsula Water District hereby accepts and agrees to the fees and the terms and conditions set forth in this Fee Schedule.**

By: Mid-peninsula Water District  
Name: Jimmy A Rudick (Print name in full)  
Title: General Manager  
Date: 11/3/16

**PRIVATE AND CONFIDENTIAL**

The information contained within this Fee Schedule is the proprietary information of The Bank of New York Mellon and is confidential. Except as otherwise provided by law, this document, either in whole or in part, must not be reproduced or disclosed to others or used for purposes other than that for which it has been supplied without the prior written permission of The Bank of New York Mellon.



March 3, 2017

BNY Mellon, Trustee  
Attention: Justin Bui  
100 Pine Street, Suite 3200  
San Francisco, CA 94111

Re: Reimbursement for Delivery Costs during MPWD 2016 COPs  
Financing paid by the Mid-Peninsula Water District (MPWD)

**BOARD OF  
DIRECTORS**

AL STUEBING  
*President*

DAVE WARDEN  
*Vice-President*

LOUIS J. VELLA  
*Director*

BETTY L. LINVILL  
*Director*

MATTHEW P. ZUCCA  
*Director*

**OFFICERS**

TAMMY RUDOCK  
*General Manager*

CANDY PIÑA  
*District Secretary*

RENE RAMIREZ  
*Operations Manager*

JOAN L. CASSMAN  
*District Counsel*

JOUBIN PAKPOUR  
*District Engineer*

JEFF IRA  
*Treasurer*



**INVOICE**

Hanson Bridgett LLP, District Counsel 2016 COP Financing Legal Review Fees – October 31, 2016	\$2,205.00
Hanson Bridgett LLP, District Counsel 2016 COP Financing Legal Review Fees – November 30, 2016	\$1,595.00
Hanson Bridgett LLP, District Counsel 2016 COP Financing Legal Review Fees – thru December 20, 2016	<u>\$4,332.50</u>
<b>TOTAL</b>	<b><u>\$8,132.50</u></b>

**Remit payment to:**  
Mid-Peninsula Water District  
Attention: Tammy Rudock, General Manager  
3 Dairy Lane  
Belmont, CA 94002

The Bank of New York Mellon  
Post Office Box 11214  
New York, NY 10286-1214



RECEIVED

MAR 13 2017

MID-PENINSULA  
WATER DISTRICT

MID PENINSULA WATER DISTRICT  
ATTN:TAMMY RUDOCK GENERAL MANAGER  
3 DAIRY LANE BELMONT CA 94002

Check Number: 0010150239  
Amount: \$8,132.50  
Payment Date: 03/08/17  
Grp # / Mail code: 1

MID-PEN WD 16 COP DEL CST FD-361686  
3 DAIRY LANE  
3616868400

PRINCIPAL	INCOME	PAYMENT
\$8,132.50	\$0.00	\$8,132.50

MID PENINSULA WATER DISTRICT  
ATTN:TAMMY RUDOCK GENERAL MANAGER  
3 DAIRY LANE BELMONT CA 94002

3PI/WRT2399391 REIMBURSE FOR DELIV  
COST MPWD 2016 COP'S FINANCING  
PAID BY MID-PENINSULA WATER

The check should be detached as indicated and presented to your bank.  
This statement should be retained for your records.

If you have any questions regarding your payment or to change your address please contact us on the web at [www.bnymellon.com](http://www.bnymellon.com)  
or your account officer: JUSTIN BUI  
415.263.2416

A 01515 A 000045/170307 5000045 M000045

DETACH ALONG THIS PERFORATION

DETACH ALONG THIS PERFORATION

The Bank of New York Mellon  
Post Office Box 11214  
New York, NY 10286-1214

Acct. # 3616868400



Check Number: 0010150239  
Check Date: 03/08/17

1-1  
210

Pay this amount: **\*\* Eight Thousand One Hundred Thirty Two and 50/100 Dollars \*\*\*\*\*** \$8,132.50\*\*\*\*\*

Pay to the order of: MID PENINSULA WATER DISTRICT  
ATTN:TAMMY RUDOCK GENERAL MANAGER  
3 DAIRY LANE BELMONT CA 94002

The Bank of New York Mellon  
New York, N.Y.

*Justin Bui*  
AUTHORIZED SIGNATURE



**AGENDA ITEM NO. 8.A.**

DATE: March 23, 2017  
TO: Board of Directors  
FROM: Tammy Rudock, General Manager

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**SUBJECT: CONSIDER APPROVING THE MPWD 2017-2018 STRATEGIC PLAN, INCLUDING MISSION STATEMENT, VISION STATEMENT, STRATEGIC GOALS, AND DIRECTOR ASSIGNMENTS**

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**RECOMMENDATION:**

Approve the MPWD 2017-2018 Strategic Plan, including the Mission Statement, Vision Statement, Strategic Goals, and Directors Assignments.

**FISCAL IMPACT:**

None.

**DISCUSSION:**

A Special Meeting of the Board of Directors was held on January 12<sup>th</sup> as a strategic planning session for 2017. Julie Brown facilitated the planning session.

Staff met with the Board President on February 7<sup>th</sup> and discussed an idea for development of a 2-year strategic plan in order to realistically accomplish the identified actions. Staff also met with Julie Brown on February 10<sup>th</sup> and she agreed that the MPWD has excelled in its growth and development so that it would make sense to consider a multi-year plan in order to achieve success. Last month staff received Board direction to prepare a 2-year strategic plan, which is attached for 2017-2018.

The three-year success measures Attachment #2 was eliminated for the 2017-2018 Strategic Plan. It did not seem useful since the plan was expanded to a two-year format.

Attachment: MPWD 2017-2018 Strategic Plan, including Mission Statement, Vision Statement, and Strategic Goals, 2017 Director Assignments, and 2016 MPWD Accomplishments

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BOARD ACTION: APPROVED:\_\_\_ DENIED:\_\_\_ POSTPONED:\_\_\_ STAFF DIRECTION:\_\_\_

UNANIMOUS\_\_\_ STUEBING\_\_\_ WARDEN\_\_\_ VELLA\_\_\_ LINVILL\_\_\_ ZUCCA\_\_\_



# MID-PENINSULA WATER DISTRICT

## ***2017-2018 STRATEGIC PLAN***

*March 23, 2017*

Board of Directors:

Al Stuebing, President  
Dave Warden, Vice President  
Louis Vella, Director  
Betty L. Linvill, Director  
Matt Zucca, Director

Appointed Officials:

Joan Cassman, District Counsel  
Joubin Pakpour, District Engineer  
Jeff Ira, District Treasurer

Executive Staff:

Tammy Rudock, General Manager  
Candy Pina, Board Secretary/Administrative Services Manager  
Rene Ramirez, Operations Manager

## **INTRODUCTION**

The Mid-Peninsula Water District (MPWD) Board of Directors holds its special strategic planning session in January of each year, and this year it was on January 12, 2017. The planning session was facilitated by consultant, Julie Brown, and she started with identification by Directors and staff of the most notable MPWD 2016 accomplishments:

- MPWD Personnel Manual
- Completion of 2016 capital projects
- Rates planning process
- Operational improvements, specifically Alameda de las Pulgas water main replacement and Buckland Tanks
- No major worker's compensation issues—employees seem satisfied, happy and valued
- No significant project over-runs—staff showed expertise, institutional knowledge and managed work exceptionally
- Staff's handling of Certificates of Participation (COP) sale process for the MPWD 5-Year CIP, resulting in significant infrastructure dollars received and an outstanding credit rating (AA by S&P)
- Completion of the hydraulic model process and update, including staff collaboration and agreement on priorities
- Outstanding communications to and with board/management, staff, customers and other stakeholders
- Improved relations with City partners
- Relationships with consultants
- Improved and resourceful website

Action items were identified and discussed by staff and Directors for the 2017 Strategic Plan. Subsequently, given the nature of the action items and timing required to complete them, staff recommended and the Board approved a two-year Strategic Plan for 2017-2018, which is attached. Strategic items are prioritized in 2017 and outlined as action items in 2018. Basic measures for success are identified in Attachment 1.

For 2017, there were no changes for the MPWD Vision and Mission Statements, and Strategic Goals, and only one change to the Director Assignments for 2017 (also attached).

Staff's report dated January 12, 2017, on MPWD 2016 Accomplishments is attached for information at the end of the plan documents.



## 2017-2018 STRATEGIC PLAN

January 12, 2017

### STRATEGIC ELEMENT #1 – *External Relationships and Customer Service*

Core Goals/Objectives	2017 Measures of Success*	2018 Measures of Success
<p><b>Goal:</b> Maintain effective working relationships with external agencies</p> <p><b>Objectives:</b> <i>Maintain appropriate agency presence in local, regional and state industry organizations and activities</i></p> <p><i>Maintain outreach and project coordination with City of Belmont, City of San Carlos, and the County of San Mateo</i></p>	<p><b>Priority No. 11:</b> Coordinate with Belmont Chamber of Commerce for presentation of annual “State of the District” address.</p>	<p><b>Action Item 1.A.:</b> Coordinate with Belmont Chamber of Commerce for presentation of annual “State of MPWD” address.</p> <p><b>Action Item 1.B.:</b> Develop Coordination Agreement between MPWD and City of Belmont for long-term strategy.</p>
<p><b>Goal:</b> Maintain organizational standards that ensure a high level of service orientation for our ratepayers</p> <p><b>Objective:</b> <i>Provide ratepayers with prompt, professional and courteous service</i></p>	<p><b>Priority No. 10:</b> Update MPWD website, including online bill-pay in conjunction with new Financial Management System. Report on update.</p>	<p><b>Action Item 1.C.:</b> Maintain current, user-friendly and resourceful website.</p>

**STRATEGIC ELEMENT #2 – Resource Management**

Core Goals/Objectives	2017 Measures of Success*	2018 Measures of Success
<p><u>Goal:</u> Ensure water quality meets desired quality standards</p> <p><u>Objective:</u> <i>Water quality standards for SWRCB/Division of Drinking Water are met</i></p>	<p><b>Priority No. 13:</b> Annual CCR by July 1<sup>st</sup>.</p>	<p><b>Action Item 2.A.:</b> Annual CCR by July 1<sup>st</sup>.</p>
<p><u>Goal:</u> Develop long-term resource sustainability through energy and water conservation measures</p> <p><u>Objectives:</u> <i>Participate in BAWSCA water supply reliability and water conservation projects</i></p> <p><i>Develop plan for meeting SB7X per capita water demand goals (20% reduction by 2020)</i></p> <p><i>Monitor fuel and energy use to identify opportunities for improvement efficiencies</i></p>	<p><b>Priority No. 6:</b> Achieve SWRCB water conservation regulation program goals and timely compliance with reporting requirements, including annual Water Conservation Report to customers by September 30<sup>th</sup>.</p> <p><b>Priority No. 9:</b> Complete implementation of Sensus Customer Portal.</p>	<p><b>Action Item 2.B.:</b> Comply with DDW/SWRCB regulations: Long-Term Urban Water Conservation Policy – “A California Way of Life”.</p> <p><b>Action Item 2.C.:</b> Annual Water Conservation Report to customers by September 30<sup>th</sup>.</p>

**STRATEGIC ELEMENT #3 – Infrastructure Management and Operations**

Core Goals/Objectives	2017 Measures of Success*	2018 Measures of Success
<p><u>Goal:</u> Maintain operations and maintenance procedures</p> <p><u>Objective:</u> <i>Develop standard operating procedures in accordance with best management practices as an organized manual</i></p>	<p><b>Priority No. 17:</b> Continue development of O&amp;M Manual.</p>	<p><u>Action Item 3.A.:</u> Continue development of O&amp;M manual.</p> <p><u>Action Item 3.B.:</u> Develop business interruption/resumption procedures to include with Emergency Response Plan.</p>
<p><u>Goal:</u> Maintain long-term capital improvement plan</p> <p><u>Objective:</u> <i>Review MPWD infrastructure modeling for assessment of capital improvement priorities, and assess other fixed assets in accordance with best management practices</i></p>	<p><b>Priority No. 1:</b> 5-Year CIP (2016 COP)</p> <p>A. Construct water main replacements:</p> <ol style="list-style-type: none"> <li>1. Karen Road;</li> <li>2. Mezes Avenue;</li> <li>3. Arthur Avenue;</li> <li>4. South Road; and</li> <li>5. Folger Drive.</li> </ol> <p>B. Construct Hillcrest Regulating Station.</p> <p>C. Engineering design:</p> <ol style="list-style-type: none"> <li>1. Notre Dame Avenue Loop Closure;</li> <li>2. North Road Cross Country/Davey Glen Road Improvements;</li> <li>3. Civic Lane Improvements; and</li> <li>4. Tahoe Drive Area Improvements.</li> </ol> <p>D. Solicit SOQs for engineering design/construction management services for Old County Road WMR, SR 101 Crossing at PAMF Hospital, El Camino Real WMR; and Dekoven Tanks Replacement.</p> <p>E. Solicit proposals from contractors for water main replacement construction services.</p> <p>F. Solicit proposals from consultants for project inspection services.</p> <p>G. Initiate engineering design (2-year process):</p> <ol style="list-style-type: none"> <li>1. Old County Road WMR;</li> <li>2. El Camino WMR; and</li> <li>3. Dekoven Tanks Replacement.</li> </ol> <p><b>Priority No. 2:</b> Coordinate capital improvement projects with Belmont Public Works Department and its Sewer Replacement CIP and create a funding plan.</p> <ol style="list-style-type: none"> <li>A. Francis (CIP #15-51) \$425,000;</li> <li>B. Davey Glenn (CIP# 15-43) \$680,000; and</li> <li>C. Academy (CIP# 15-53) \$270,000.</li> </ol>	<p><u>Action Item 3.C.:</u> 5-Year CIP (2016 COP)</p> <p>A. Construct water main replacements:</p> <ol style="list-style-type: none"> <li>1. Notre Dame Avenue Loop Closure;</li> <li>2. North Road Cross Country/Davey Glen Road WMR;</li> <li>3. Civic Lane WMR; and</li> <li>4. Tahoe Drive WMR.</li> </ol> <p>B. Engineering design:</p> <ol style="list-style-type: none"> <li>1. Dekoven Tank Utilization Project;</li> <li>2. Belmont Canyon Road WMR;</li> <li>3. Old County Road WMR; and</li> <li>4. Dekoven Tanks Replacement.</li> </ol> <p>C. Initiate engineering design (2-year process):</p> <ol style="list-style-type: none"> <li>1. El Camino Real WMR.</li> </ol> <p><u>Action Item 3.D.:</u> Continue AMI meter change-out program.</p> <p><u>Action Item 3.E.:</u> Demolish abandoned pump station at 1510 Folger.</p> <p><u>Action Item 3.F.:</u> Initiate rehabilitation projects at MPWD Operations Center at 3 Dairy Lane: Roof, plumbing, security, and flooring.</p>



<b>Core Goals/Objectives</b>	<b>2017 Measures of Success*</b>	<b>2018 Measures of Success</b>
	<p><b>Priority No. 3:</b> Continue AMI meter change-out program.</p> <p><b>Priority No. 4:</b> Complete structural evaluation of abandoned pump station at 1510 Folger.</p> <p><b>Priority No. 5:</b> Complete structural and seismic evaluation of MPWD Operations Center at 3 Dairy Lane.</p>	

**STRATEGIC ELEMENT #4 – Human Resources Management**

<b>Core Goals/Objectives</b>	<b>2017 Measures of Success*</b>	<b>2018 Measures of Success</b>
<p><u>Goal:</u> Develop and maintain systems and processes for effective workforce management</p> <p><u>Objectives:</u> <i>Develop/maintain effective workforce to meet organizational needs</i></p> <p><u>Maintain:</u></p> <ul style="list-style-type: none"> <li>▪ <i>Appropriate communication channels with employees</i></li> <li>▪ <i>Positive work environment and employee satisfaction</i></li> <li>▪ <i>Organizational human resources policy manual</i></li> </ul>	<p><b>Priority No. 12:</b> Approve updated employee position descriptions and present organizational overview to Board of Directors regarding staff roles and responsibilities.</p>	<p><u>Action Item 4.A.:</u> Review MPWD Personnel Manual for necessary updates/revisions.</p> <p><u>Action Item 4.B.:</u> Update employee performance evaluation tool.</p> <p><u>Action Item 4.C.:</u> Total compensation study due by March 31, 2018.</p> <p><u>Action Item 4.D.:</u> Labor negotiations; letter Agreement with MPWDEA expires September 25, 2018.</p>
<p><u>Goal:</u> Develop and maintain Board of Directors procedures for effective and transparent governance</p> <p><u>Objective:</u> <i>Develop and maintain Board of Directors policies and procedures</i></p>	<p><b>Priority No. 18:</b> Develop bylaws for Board of Directors.</p>	

**STRATEGIC ELEMENT #5 – Financial Management**

<b>Core Goals/Objectives</b>	<b>2017 Measures of Success*</b>	<b>2018 Measures of Success</b>
<p><u>Goal:</u> Establish and achieve annual budget trends</p> <p><u>Objectives:</u> <i>Complete annual budget process on a timely basis</i></p> <p><i>Monitor financial projections for accurate forecasting</i></p> <p><i>Maintain/monitor schedules of water rates, water capacity charges, and miscellaneous fees</i></p> <p><i>Update, monitor and implement capital plan</i></p>	<p><b>Priority No. 7:</b> Develop quarterly audit report on 2016 COP financial status.</p> <p><b>Priority No. 8:</b> Complete implementation of and transition to Accela/Springbrook Financial Management System (FMS), including new accounting and billing systems, including online bill-pay.</p> <p><b>Priority No. 14:</b> Renew financial auditor’s contract.</p> <p><b>Priority No. 15:</b> Initiate development of MPWD Financial Control Policy Manual, including the following policies: A. Debt management policy, including identification/evaluation of MPWD real properties; B. Reserve policy update (2007); C. Investment policy update (2007); D. Purchasing policy update (2005);</p> <p><b>Priority No. 16:</b> Create and present annual analysis of water rates within the Regional Water System.</p>	<p><b>Action Item 5.A.:</b> Continue quarterly reporting on 2016 COP financial status.</p> <p><b>Action Item 5.B.:</b> Continue development of MPWD Financial Control Policy Manual, including the following policies: A. Accounts payable/receivable policy; B. Billing/Invoicing policy; C. Cash disbursement (check-writing) policy; D. Customer Billing policy; and E. Credit card management policy.</p> <p><b>Action Item 5.C.:</b> Annual analysis of water rates within the Regional Water System.</p> <p><b>Action Item 5.D.:</b> Cost-of-service fees review and update.</p> <p><b>Action Item 5.E.:</b> Review capacity charges and water demand offset fees and consider CPI adjustments.</p> <p><b>Action Item 5.F.:</b> Solicit RFPs for Finance Plan and Rates Study to be completed by December 31, 2019.</p> <p><b>Action Item 5.G.:</b> Develop records/email retention policy.</p>



## 2017-2018 STRATEGIC PLAN

### ATTACHMENT #1 BASIC MEASURES OF SUCCESS

STRATEGIC ELEMENTS	CORE GOALS	BASIC MEASURES OF SUCCESS
<p>#1 – External Relationships and Customer Service</p>	<p>Maintain effective working relationships with external agencies</p> <p>Maintain organizational standards that ensure a high level of service orientation for our ratepayers</p>	<p>External relationships:</p> <ul style="list-style-type: none"> <li>▪ Attend HIA meetings</li> <li>▪ Attend neighborhood meetings as appropriate</li> <li>▪ Maintain presence at LAFCO meetings</li> <li>▪ Attend local community City Council meetings</li> <li>▪ Attend ACWA JPIA and Region 5 meetings</li> <li>▪ Attend San Mateo CSDA meetings</li> <li>▪ Attend SFPUC meetings</li> <li>▪ Attend BAWSCA meetings</li> <li>▪ Attend Belmont Operational coordination meetings</li> </ul> <p>Conduct at least one community education event with BAWSCA</p> <p>Provide timely and useful customer communications</p> <p>Monitor customer satisfaction via a measurable survey</p> <p>Proactive MPWD advocacy focusing on common constituent message development and community promotion</p>
<p>#2 – Resource Management</p>	<p>Ensure water quality meets desired quality standards</p> <p>Develop long-term resource sustainability through energy and water conservation measures</p>	<ul style="list-style-type: none"> <li>▪ Routine water testing and monitoring should meet SWRCB/Department of Drinking Water standards</li> <li>▪ Prepare and transmit timely CCR</li> <li>▪ Implement feasible water quality inspection recommendations</li> <li>▪ Maintain active involvement in BAWSCA water supply reliability and water conservation project activity</li> <li>▪ Continue water use efficiency messaging to meet regional and statewide water conservation goals</li> <li>▪ Support continued off-peak hour pumping</li> <li>▪ Explore use of solar power as market costs drop</li> </ul>

STRATEGIC ELEMENTS	CORE GOALS	BASIC MEASURES OF SUCCESS
#3 – Infrastructure Management and Operations	<p>Maintain operations and maintenance procedures</p> <p>Maintain long-term capital improvement plan</p>	<p>Monitor O&amp;M procedures and revise as appropriate</p> <p>Continue coordination of CIP with City of Belmont and City of San Carlos</p>
#4 – Human Resources Management	<p>Develop and maintain systems and processes for effective workforce management</p> <p>Develop and maintain Board of Directors procedures for effective and transparent governance</p>	<ul style="list-style-type: none"> <li>▪ Monitor recruitment/retention levers for funding/implementation action</li> <li>▪ Review recruitment /hiring process plans</li> <li>▪ Meet and confer with MPWD Employee Association as applicable</li> <li>▪ Maintain organization chart</li> <li>▪ Create organizational succession plan</li> <li>▪ Plan annual training plan/calendar around available budget funds</li> <li>▪ Regular GM/staff meetings and communications</li> <li>▪ Develop/update and maintain administrative procedures</li> <li>▪ Recognize employee service milestones</li> <li>▪ Celebrate employee accomplishments</li> <li>▪ Monitor staff job satisfaction</li> <li>▪ Review Employee Safety and Loss Prevention Program</li> <li>▪ Fiscal Year safety incident and loss prevention report to Board</li> </ul> <p>Create/maintain/update Board of Directors policies</p> <p>Review Annual Planning Schedule for Board of Directors for updates</p>
#5 – Financial Management	<p>Establish and achieve annual budget trends</p>	<p>Review proposed fiscal year SFPUC water rate charges and consider MPWD water rate adjustment</p> <p>Budget process addressing District priorities completed by June 30</p> <p>Review performance on a monthly basis so that targeted allocation is achieved</p> <p>Comprehensive budget document, including charts/graphs</p> <p>Apply for budget and/or financial transparency certification</p> <p>Incorporate capital plan priorities in annual budget</p> <p>Incorporate modeling into annual budgeting process; use tools to develop scenario that can be used as operating circumstances change</p>



January 12, 2017

### **MISSION STATEMENT**

The mission of the Mid-Peninsula Water District is to deliver a safe, high quality, reliable supply of water for current and future generations in a cost effective, environmentally sensitive and efficient manner.

### **VISION STATEMENT**

The MPWD strives to be recognized by our ratepayers, the community we serve, and other agencies for our outstanding service and enlightened water conservation programs. We will employ innovative approaches to water and energy sustainability to achieve cutting edge environmental efficiency and a competitive rate structure. We will commit ourselves to provide community information and water education.

### **STRATEGIC GOALS**

1. To effectively manage the water resources, demands and infrastructure for the District.
2. To operate the District at the highest level of service to ratepayers at the lowest expense.
3. To maintain an environment that fosters open and candid communication with the community, ratepayers, staff, and directors.
4. To keep current with water issues and industry best management standards.



January 12, 2017

## DIRECTOR ASSIGNMENTS

ASSIGNMENT	2017
ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)/REGION 5	All
ACWA/JOINT POWERS INSURANCE AUTHORITY (JPIA)	Al Stuebing Dave Warden
BAY AREA WATER SUPPLY & CONSERVATION AGENCY (BAWSCA)	Louis Vella
SAN MATEO CHAPTER -CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)	Al Stuebing
GENERAL MANAGER PERFORMANCE EVALUATION	Al Stuebing Louis Vella
HARBOR INDUSTRIAL ASSOCIATION (HIA)	Al Stuebing Dave Warden
FINANCIAL AUDIT COMMITTEE	Betty Linvill Dave Warden
BOARD BYLAWS COMMITTEE	Betty Linvill Dave Warden
BELMONT CHAMBER OF COMMERCE	All



DATE: December 9, 2016

TO: MPWD Board of Directors

FROM: Tammy Rudock  
General Manager

RE: Summary of Significant 2016 MPWD Accomplishments

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## SIGNIFICANT MPWD ACCOMPLISHMENTS IN 2016

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### **1. FINANCE**

- A. Updated the Water Financial Plan & Rates Study for FY 2016/2017, for consideration in adoption of planned rate increases effective July 1, 2016, including pass-through of SFPUC's \$0.32 CCF wholesale customer increase. The MPWD's water finance plan and cash flow projections were modified as a result of this review.
- B. Positive Financial Audit for FYE 2015/2016 and solid financial management of the MPWD's resources. Successfully managed the MPWD through another year with declining water commodity revenues as a result of the customer water conservation achievements. Delivered second GM annual report to the Board on September 22, 2016, to summarize the fiscal year-end financial status and narrow down the "big picture" reviewed by the auditor each year.
- C. Received AA rating from S&P after developing a thorough prospectus (Preliminary Official Statement) for the MPWD's \$20 million debt financing package (CIP funding).

### **2. CAPITAL**

- A. Published MPWD's *Comprehensive System Analysis and Capital Improvement Program, FY 2016/2017 Update*, including completion of a follow-up "pay-go" analysis. (This document replaced the 2008 BKF Water Distribution Master Plan Update.)
- B. The Board of Directors, staff, and the District Engineer developed the MPWD's 5-Year CIP totaling \$20 million, which was approved on May 26, 2016. Informational summary and FAQs were created and maintained throughout the process and posted to the website.
- C. Authorized and initiated debt financing process for funding the MPWD CIP. Staff and the Municipal Finance team created the MPWD's Preliminary Official Statement.
- D. Completed the sale of COPs (Certificates of Participation) on December 7, 2016, and received nationwide competitive bid proposals from seven (7) prominent investors. The



COPs were awarded to the lowest bidder, Citigroup Global Markets, Inc. It's TIC (True Interest Cost) bid was 3.641519.

- E. Completed analysis of MPWD water storage capacity. (Board received presentation on February 25, 2016).
- F. Completed the following capital projects:
  - i. Alameda de las Pulgas Water Main Replacement capital project, in spite of "last-minute" traffic detour plan revision requested by the City of Belmont;
  - ii. Hallmark tank site seismic evaluation and strategy development report, including updated recommendations;
  - iii. Dekoven tank site seismic evaluation and strategy development report, including recommendation;
  - iv. AMI installation in Zone 1; and
  - v. Purchased and installed replacement printer/copier/scanner.
- G. The following capital projects were initiated and are in progress:
  - i. SCADA replacement project; and
  - ii. Comprehensive Financial Management System replacement.

### **3. ORGANIZATION/OPERATIONS**

- A. Adopted new MPWD Personnel Manual effective September 23, 2016. All employee acknowledgments were signed.
- B. Completed GASB 45 OPEB (Other Post-Employment Benefits) Actuarial Valuation, including the provision for surviving spouse benefits for Tier 1 employees.
- C. Adopted the San Mateo County Hazard Mitigation Plan Update on September 22, 2016.
- D. Updated and managed the MPWD website to keep it resourceful.
- E. Continued communication sessions and safety meetings with staff (twice monthly).
- F. No worker's compensation claims were filed by employees during this rating period.
- G. Managed litigation filed against the MPWD along with liability carriers and defense teams. There was nominal financial exposure (insurance deductible) to the MPWD.
- H. Managed liability and property claims with minimal to no loss to the MPWD.

### **4. WATER CONSERVATION/EFFICIENCY**

- A. Developed and adopted MPWD WELO (Water Efficient Landscaping Ordinance) effective February 1, 2016.
- B. Exceeded the MPWD's 20% water conservation target (achieved -25.4%) mandated by the State Water Resources Control Board for program year ending February 2016, while maintaining customer satisfaction in the delivery of MPWD services. Thereafter, the MPWD's target was a voluntary 10% like the rest of the San Francisco Regional Water System. Through November 30th, customers achieved -23.7% in water savings. There were 23 water waste complaints in 2016 through November 30<sup>th</sup>, which were resolved.
- C. Created and adopted 2015 MPWD Urban Water Management Plan and Water Shortage Contingency Plan effective July 1, 2016.

- D. Participated in numerous community events, including Belmont National Night Out, Belmont Earth Day, San Carlos Earth Day, and Belmont Public Works Day to maintain water efficiency awareness.
- E. Co-sponsored three community education events with BAWSCA at MPWD:
  - i. *Xeriscaping and Hydrozoning* (April 9, 2016);
  - ii. *Soils and Invasive Species* (May 7, 2016); and
  - iii. *Drip Irrigation* (October 22, 2016)

## **5. BOARD OF DIRECTORS**

- A. Created professional report format for adopted MPWD 2016 Strategic Plan and supporting documents.
- B. Developed Annual Planning Schedule for Board of Directors. Approved on April 28, 2016.
- C. Coordinated Board development activity:
  - i. “State of the District Address” delivered on April 27, 2016, followed by open house and reception;
  - ii. Completed Myers-Briggs Type Indicator Assessment, including Communication and Leadership Dynamics session on May 25, 2016; and
  - iii. Consolidated MPWD Board elections with even-numbered statewide elections on September 22, 2016.



**AGENDA ITEM NO. 8.B.**

DATE: March 23, 2017  
TO: Board of Directors  
FROM: Joan Cassman, District Counsel  
Tammy Rudock, General Manager

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**SUBJECT: RECEIVE REPORT ON *CITY OF SAN JOSE V. SUPERIOR COURT OF SANTA CLARA COUNTY***

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**RECOMMENDATION**

Receive summary report by District Counsel on the California Supreme Court decision in *City of San Jose v. Superior Court of Santa Clara County* regarding treatment of public records on private accounts and devices, and discuss practical impacts for public agencies and options and recommendations for facilitating compliance with the court's holding.

**FISCAL IMPACT**

None at this time; however, depending on Board direction, there may be approximately \$10,000 to \$15,000 in potential future operational costs to purchase and program MPWD-owned devices for Directors to use during their service to the MPWD in order to facilitate compliance with the requirements of the Public Records Act.

**DISCUSSION**

The March 3<sup>rd</sup> alert prepared by the Government Practice Group at Hanson Bridgett LLP covering the California Supreme Court's ruling in the *City of San Jose* case is attached for reference. District Counsel Joan Cassman will facilitate a discussion about the ruling during the Board meeting, including impacts for public agencies and options and recommendations for facilitating compliance with the court's holding, while minimizing the administrative burdens on staff and Directors.

Attachment: Hanson Bridgett LLP *California Supreme Court Case Alert: Public Records on Private Accounts* dated March 3, 2017

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BOARD ACTION: APPROVED:\_\_\_\_\_ DENIED:\_\_\_\_\_ POSTPONED:\_\_\_\_\_ STAFF DIRECTION:\_\_\_\_\_

UNANIMOUS\_\_\_\_\_ STUEBING\_\_\_\_\_ WARDEN\_\_\_\_\_ VELLA \_\_\_\_\_ LINVILL\_\_\_\_\_ ZUCCA\_\_\_\_\_

## California Supreme Court Case Alert: Public Records on Private Accounts

On March 2, 2017, the California Supreme Court determined that when a public employee uses a personal account to communicate about the conduct of public business, the communications are subject to disclosure under the California Public Records Act (CPRA), if those communications are not otherwise exempt from disclosure. In a unanimous opinion, the Court in [\*City of San Jose v. Superior Court of Santa Clara County\*](#) announced that to shield communications from disclosure simply because the communication was conducted on a personal account would impermissibly permit a public agency to evade the CPRA's reach.

In June 2009, an individual requested disclosure of 32 categories of public records from the City of San Jose, its redevelopment agency, the agency's executive director, other elected officials, and staff. The request included emails and text messages sent or received using personal accounts. The City refused to produce electronic communications to or from individuals' personal accounts arguing that such communications were not public records because they were not within the public entity's custody or control.

The Court applied a four-part test to determine whether communications could qualify as "public records" subject to the CPRA despite being sent to or from a private personal account: "It is (1) a writing, (2) with content relating to the conduct of the public's business, which is (3) prepared by, or (4) owned, used, or retained by any state or local agency." In applying this test, the Court rejected the argument that only materials in an agency's possession are public records. Rather, the Court held that disclosable public records could exist outside an agency's control because (i) records outside an agency's possession may be "used" by the agency and (ii) a communication "prepared by" an individual officer or employee is "prepared by" the agency itself, given that an agency can only act through individuals.

Transparency and public accountability, the Court concluded, outweigh individual employees' privacy rights. The public must have access to public records so it can verify that government officials are acting responsibly and are held accountable to the public they serve. Otherwise, government officials could hide their most sensitive discussions on private accounts.

by Patrick T. Miyaki & Steven D. Miller & Catherine J. Groves



Ultimately, the Court concluded that so long as the content of the record relates to the public's business, the Court found insignificant the location of the record – in particular whether it was stored on a public or private account. "[A] document's status as public or confidential does not turn on the arbitrary circumstance of where the document is located."

Public agencies will now need to focus even more sharply on the content of communications in order to determine whether a record is a "public record" subject to disclosure under the CPRA. Agencies may need to produce records stored on personal accounts and on private devices.

### **Practical Impacts for Public Agencies.**

This case will present significant burdens for a public agency seeking to comply with the CPRA. The Supreme Court did not require San Jose to follow any specific procedures. Rather it remanded the case to the lower court to determine what specifically would be required under the facts and circumstances of the situation in San Jose. As a result, while there are some practical next steps for agencies to consider, there are also numerous unknowns.

- The Court suggested new procedures that a public agency could undertake to comply with this new ruling. For example, the Court suggested that an agency could fulfill its responsibilities under CPRA by "reasonably rely[ing] on employees to search their own personal files, accounts, and devices for responsive material" so long as the agency obtained an affidavit from the employee that included facts sufficient to show that any withheld information was not a public record under the CPRA. Obtaining an affidavit from all employees or officials whose records are sought will no doubt be burdensome for a public agency and challenging for its officials and employees. Agencies should develop policies requiring assistance from employees and officials in responding to records requests, and should prepare in advance the form of an affidavit that will satisfy the Court's guidance.
- Of potentially more practical benefit, the Court also appeared to endorse a public agency's effort to minimize the impacts of this decision by adopting policies that would require officials and employees always to use agency accounts for agency business and keep non-agency personal communications segregated on personal accounts (and private devices). An immediate step in response to this landscape-altering decision, therefore, is for any public agency that does not already do so to create official public email accounts for its employees and officials. This has long been prudent advice but now may become a necessity in responding to requests under the CPRA.
- Searching for text messages in response to records requests is likely to become standard operating procedure. Public agencies should anticipate the need for more staff time to respond to records requests that now will involve examination of private accounts.
- Agencies that do not already do so should now consider the pros and cons of providing certain officials and employees with agency-owned devices – if only to make it easier to search for responsive records in response to a records request.
- Public agencies will have to wrestle with some unknown questions not addressed by the Court:
  - Under the Court's content-focused analysis, a continuing challenge, but made more difficult now by the need to examine previously private communications, will be to undergo the case-by-case determination of whether a particular communication in fact relates to the public's business. For example, the Court distinguished between a public employee's complaining to a spouse that "my

coworker is an idiot" (likely not a public record) and the same email to a superior (likely a disclosable public record). Depending on the circumstances, it may be difficult to determine whether a communication between public officials and members of the public on the public official's private email account has "content relating to the conduct of the public's business" rendering it disclosable under this opinion.

- Communications that may already be in the public sphere – for example tweets and social media posts – are likely disclosable records under the content-focused court's ruling. Public agencies may now need to consider how to locate such records in response to CPRA requests.
- How do records retention requirements for public agencies apply to communications from private accounts or on personal devices—in other words, what happens if an agency employee or official deletes emails or text messages that would otherwise have been "public records" under the Court's new standards?

Hanson Bridgett's Government Group is continuing to monitor this case and its aftermath. There is no doubt that this case presents novel questions that will be difficult to answer in the abstract and that will depend on specific facts and circumstances. Even then, some questions may be difficult to answer with certainty until the law evolves. We will keep you posted on developments as they occur.

For more information, please contact:

**Patrick T. Miyaki**, Partner  
415-995-5048  
pmiyaki@hansonbridgett.com

**Steven D. Miller**, Partner  
415-995-5831  
smiller@hansonbridgett.com

**Catherine J. Groves**, Associate  
415-995-5171  
cgroves@hansonbridgett.com



**AGENDA ITEM NO. 8.C.**

DATE: March 23, 2017  
TO: Board of Directors  
FROM: Tammy Rudock, General Manager

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**SUBJECT: DISCUSS PRELIMINARY WATER REVENUE REQUIREMENTS FOR FISCAL YEAR 2017/2018**

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**RECOMMENDATION:**

Discuss preliminary water revenue requirements for Fiscal Year 2017/2018.

**FISCAL IMPACT:**

Preliminary discussion at this time—fiscal impact to be determined.

**BACKGROUND:**

The SFPUC's Annual Meeting for Wholesale Customers and BAWSCA was held on February 16, 2017, wherein projected water rate increases were discussed. Attached for reference are SFPUC's PowerPoint slides numbered 79-90 regarding its budget and water rate projections. Last month, staff presented a summary of the SFPUC annual meeting.

**At the present time, the projected SFPUC wholesale water rate increase is 0% effective July 1, 2017!!** In other words, SFPUC's per unit wholesale water rate will remain \$4.10CCF for FY 2017/2018, which will be confirmed at the SFPUC's water rate hearing scheduled on May 9, 2017. There were three major reasons cited for the SFPUC 0% wholesale rate projection for FY 2017/2018:

- Debt service savings to the wholesale customers from a recent significant SFPUC bond refunding (\$45 million savings during life of bond);
- Wholesale water sales projections above budget (117.5 MGD vs. 107 MGD for estimated \$18.7 million above plan); and
- Balancing account projected \$41 million owed to wholesale customers that will be used to smooth rates over three years per the Water Supply Agreement.

MPWD's Proposition 218 notice (attached) sent to all customers last year proposed a 6% water rate adjustment effective July 1, 2017. Last year the MPWD approved the minor adjustment to the monthly fixed system charge and the final tier breakpoint transition, and passed through the \$0.32 SFPUC increase to its projected wholesale rate.

**DISCUSSION:**

As a result of the ongoing drought in California and MPWD’s reduced revenue stream from customers’ continued water use efficiency, last year on April 24, 2016, Bartle Wells Associates (BWA) updated the MPWD financial plan and projections (as presented in the MPWD Water Rates Study & Financial Plan dated May 26, 2015.) Attached for purposes of discussion are the following pages from the BWA updated financial plan:

- Table 3 – *MPWD Adopted Water Rates;*
- Table 4 – *MPWD Water Rates with SFPUC Wholesale Rate Pass-Through for FY 2016/2017; and*
- *MPWD Cash Flow Projections for FY 2015/2016 through FY 2023/2024.*

Finally, attached for reference is page 40 from the MPWD’s 2016 COP Official Statement reflecting the *Projected Revenues, Expenditures, and Debt Service Coverage for FY 2016/2017 to FY 2020/2021.*

Staff will reference preliminary options for the Board’s discussion during the preliminary FY 2017/2018 budget review.

Attachments: SFPUC’s PowerPoint slides numbered 79-90 from the 2017 Annual Meeting for Wholesale Customers and BAWSCA  
 MPWD’s Proposition 218 Rates Notice (May 2015)  
 From the BWA Updated Financial Plan for the MPWD dated April 24, 2016:

- *Table 3 – MPWD Adopted Water Rates;*
- *Table 4 – MPWD Water Rates with SFPUC Wholesale Rate Pass-Through for FY 2016/2017; and*
- *MPWD Cash Flow Projections for FY 2015/2016 through FY 2023/2024;*

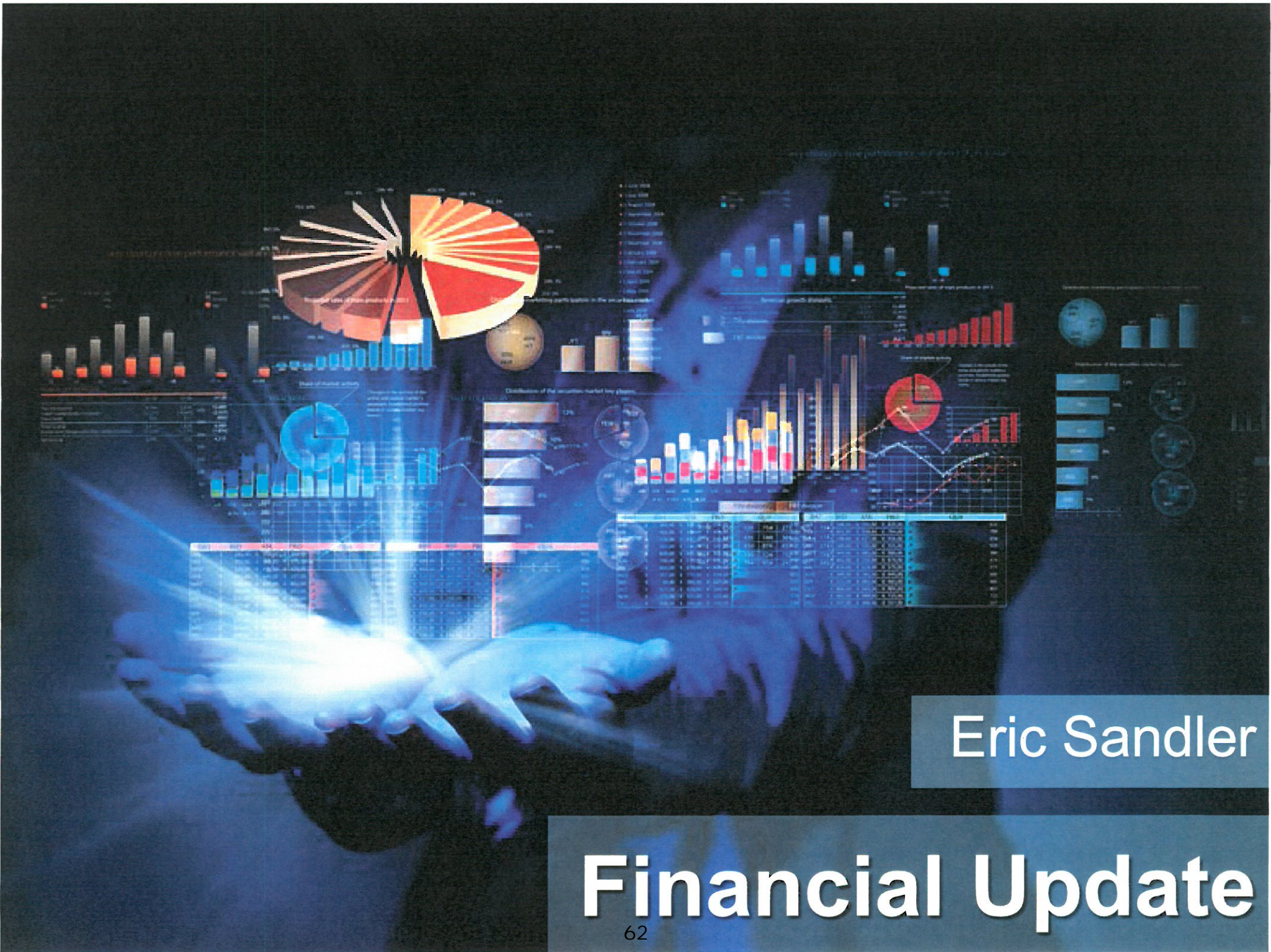
Page 40 from the MPWD’s 2016 COP Official Statement reflecting the *Projected Revenues, Expenditures, and Debt Service Coverage for FYs 2016/2017 to 2020/2021*

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BOARD ACTION: A PPROVED:\_\_\_\_\_ DENIED:\_\_\_\_\_ POSTPONED:\_\_\_\_\_ STAFF DIRECTION:\_\_\_\_\_

UNANIMOUS\_\_\_\_\_ STUEBING\_\_\_\_\_ WARDEN\_\_\_\_\_ VELLA\_\_\_\_\_ LINVILL\_\_\_\_\_ ZUCCA\_\_\_\_\_





Eric Sandler

# Financial Update

# Finance Update

- FY 2015-16 Compliance Audit
- FY 2016-17 Water Enterprise Results
- Financial Projection & Revenue Requirement
- FY 2017-18 Wholesale Rates



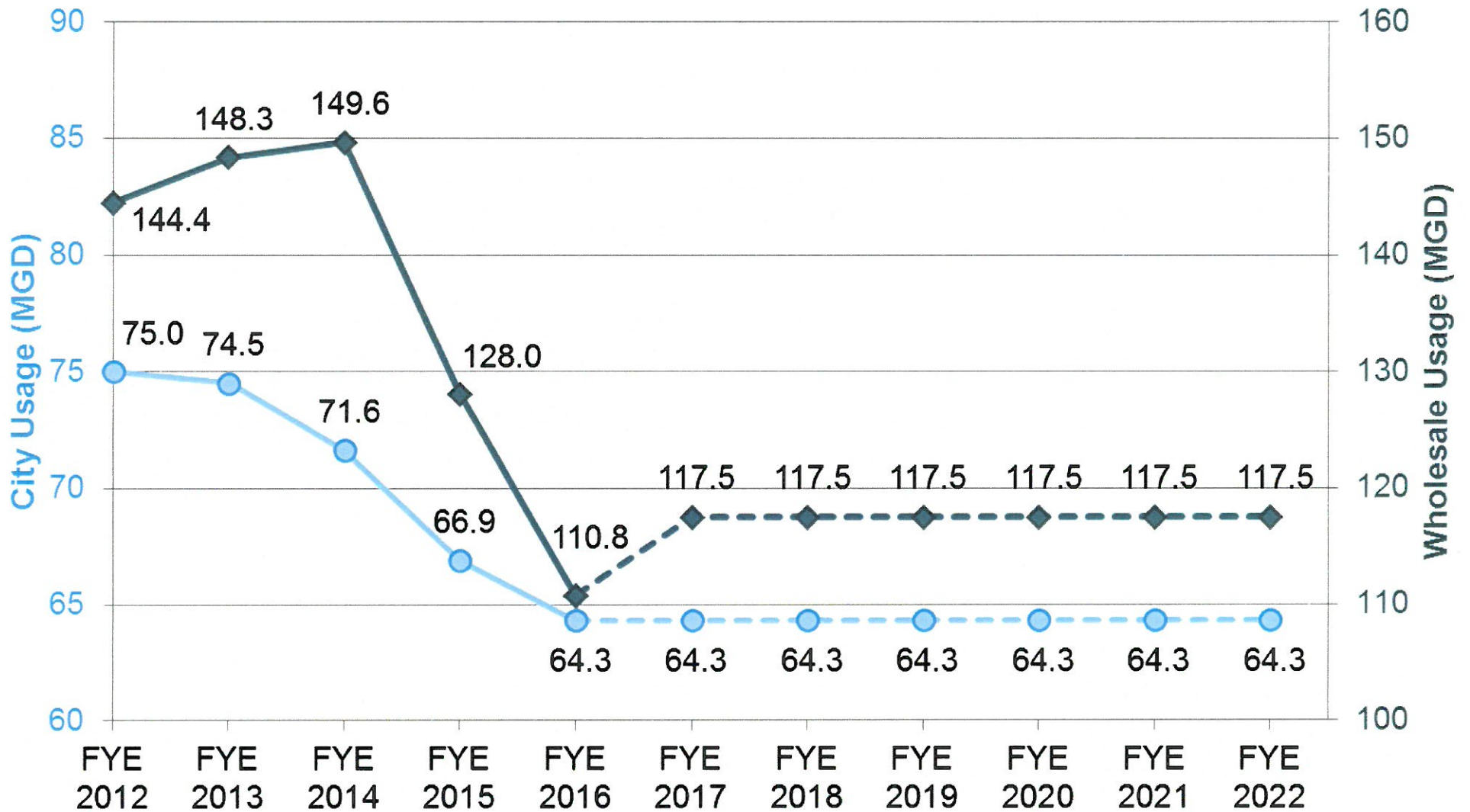
# FY 2015-16 Compliance Audit

- Report will be issued in mid-February and posted on [sfwater.org](http://sfwater.org)
  - Compliance audit adjustments reduced balancing account by \$280K (0.1% of the WRR)
- **Balancing Account as of 6/30/16**
  - Beginning balance - \$26.6M owed to Wholesale Customers
  - Ending balance - \$15.7M owed to Wholesale Customers

# FY 2016-17 Water Enterprise Results

- 2016A refunding bond provided debt service savings:
  - \$10 million savings for wholesale customers in FY 2016-17
  - \$45 million savings for wholesale customers during life of the bond
- Sales projections above budget
  - Wholesale sales projected at 117.5 MGD vs. 107 MGD used in rate setting
  - Wholesale water revenue estimated \$18.7 million above plan
- Balancing Account projection for 6/30/17
  - \$41.1 million owed to Wholesale Customers
  - Will be used to smooth rates over 3 years per WSA

# Water Sales: Actuals and Projections



# Water Enterprise Financial Plan

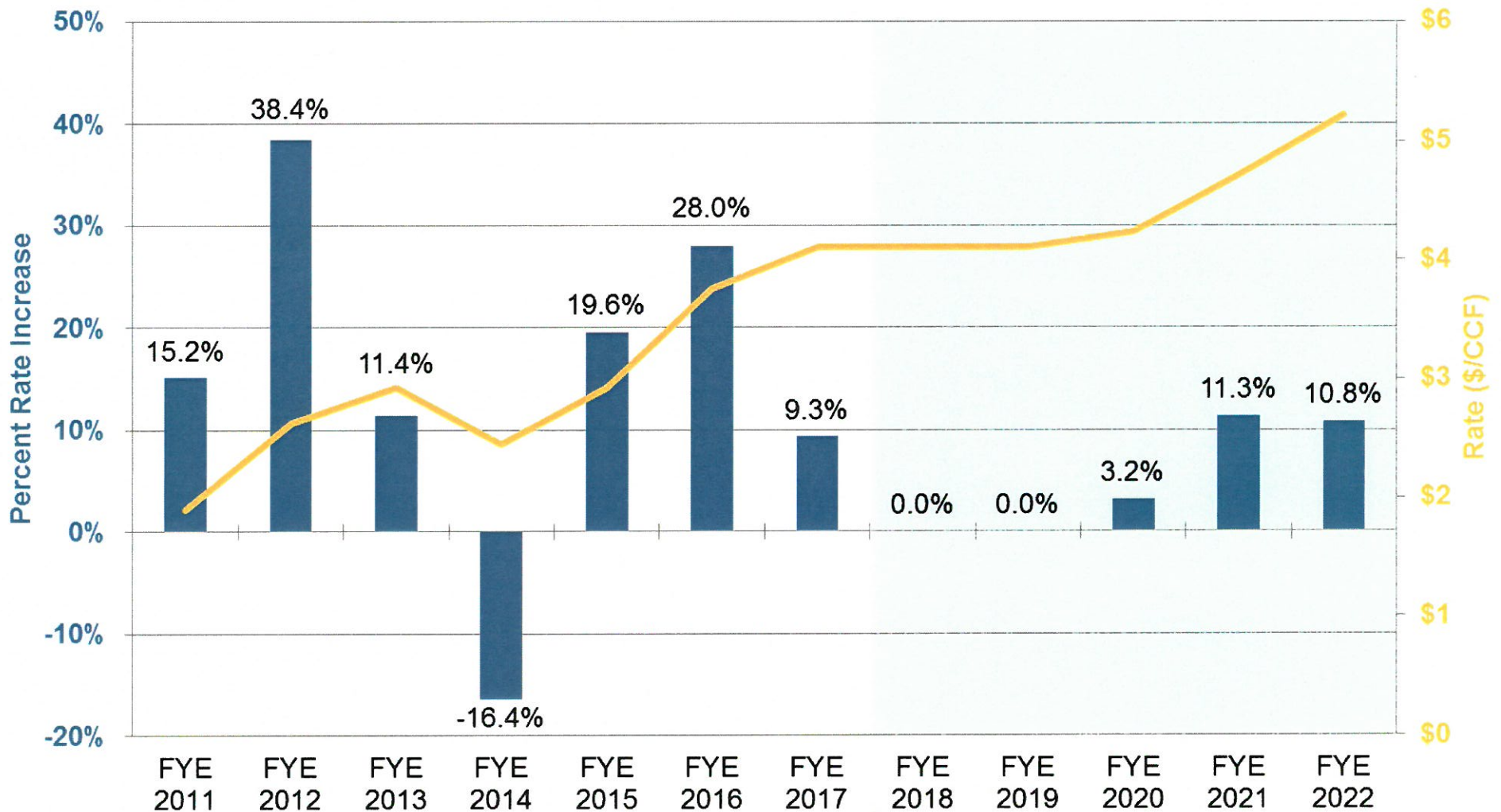
(\$M)	FYE 2017	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
<b>Beginning Fund Balance</b>	\$ 149.5	\$ 174.2	\$ 179.5	\$ 150.7	\$ 132.3	\$ 130.0
<b>Sources</b>						
Retail Water Sales	234.1	250.4	278.0	305.8	333.3	363.3
Wholesale						
Wholesale Share of Operating Costs	109.7	99.4	95.4	97.7	107.7	110.9
Wholesale Share of Capital & Debt	128.0	140.0	144.0	149.2	164.4	190.4
Wholesale Water Sales	237.7	239.4	239.4	246.9	272.1	301.3
Other Miscellaneous Income	53.0	50.4	51.1	51.3	51.9	52.3
<b>Total Sources</b>	<b>\$ 524.7</b>	<b>\$ 540.2</b>	<b>\$ 568.5</b>	<b>\$ 604.0</b>	<b>\$ 657.3</b>	<b>\$ 716.9</b>
<b>Uses</b>						
Operations & Maintenance	212.8	217.6	226.1	230.1	234.0	239.7
Hetchy Transfer	34.6	32.6	33.6	34.6	35.6	36.7
Debt Service	230.0	260.7	284.9	305.8	352.2	396.5
Revenue-Funded Capital - Retail	10.8	10.8	19.3	19.3	32.6	42.1
Revenue-Funded Capital - Wholesale	11.9	18.0	33.5	33.5	7.3	7.4
<b>Total Uses</b>	<b>\$ 500.1</b>	<b>\$ 539.8</b>	<b>\$ 597.4</b>	<b>\$ 623.2</b>	<b>\$ 661.8</b>	<b>\$ 722.4</b>
<b>Net Revenues</b>	<b>\$ 24.6</b>	<b>\$ 0.4</b>	<b>\$ (29.0)</b>	<b>\$ (19.3)</b>	<b>\$ (4.6)</b>	<b>\$ (5.4)</b>
<b>Ending Fund Balance</b>	<b>\$ 174.1</b>	<b>\$ 174.7</b>	<b>\$ 150.5</b>	<b>\$ 131.4</b>	<b>\$ 127.8</b>	<b>\$ 124.5</b>
<b>Rate Increase - Retail</b>	10.0%	7.0%	11.0%	10.0%	9.0%	9.0%
<b>Rate Increase - Wholesale</b>	9.3%	0.0%	0.0%	3.2%	11.3%	10.8%
<b>Fund Balance as % of Operating Expenses</b>	70%	72%	58%	50%	48%	45%
<b>Debt Service Coverage (Current)</b>	1.28	1.15	1.11	1.13	1.12	1.13
<b>Debt Service Coverage (Indenture)</b>	1.81	1.81	1.74	1.63	1.50	1.46
<b>Water Sales - Retail (MGD)</b>	59.3	59.3	59.3	59.3	59.3	59.3
<b>Water Sales - Wholesale (MGD)</b>	117.5	117.5	117.5	117.5	117.5	117.5

# Wholesale Revenue Requirement

(\$M)	FYE 2018	FYE 2019	FYE 2020	FYE 2021	FYE 2022
Operating Costs	99.2	103.5	104.7	107.7	110.8
Debt Service	120.6	121.5	125.3	155.9	181.7
Revenue-Funded Capital	<u>19.1</u>	<u>34.6</u>	<u>34.6</u>	<u>8.5</u>	<u>8.5</u>
<b>Subtotal WRR</b>	<b>\$239.0</b>	<b>\$259.6</b>	<b>\$264.6</b>	<b>\$272.1</b>	<b>\$301.1</b>
Balancing Account Applied	(4.1)	(20.6)	(18.1)	0.0	1.9
Debt Service Coverage	<u>4.8</u>	<u>0.2</u>	<u>0.9</u>	<u>2.2</u>	<u>0.8</u>
<b>Total</b>	<b>\$239.6</b>	<b>\$239.3</b>	<b>\$247.4</b>	<b>\$274.4</b>	<b>\$303.7</b>
Wholesale Rate Increase	0.0%	0.0%	3.2%	11.3%	10.8%
Rate (\$/CCF)	\$4.10	\$4.10	\$4.23	\$4.71	\$5.22
Usage Basis (MGD)	117.5	117.5	117.5	117.5	117.5

# Wholesale Rates

## Historic and Projected Rate Changes





# Wholesale Rates

## Historic and Projected Rate Changes

Actual

Projected

Fiscal Year	FYE 2017 Projection	
FYE 2010	15.7%	\$1.65
FYE 2011	15.2%	\$1.90
FYE 2012	38.4%	\$2.63
FYE 2013	11.4%	\$2.93
FYE 2014	-16.4%	\$2.45
FYE 2015	19.6%	\$2.93
FYE 2016	28.0%	\$3.75
FYE 2017	9.3%	\$4.10
FYE 2018	0.0%	\$4.10
FYE 2019	0.0%	\$4.10
FYE 2020	3.2%	\$4.23
FYE 2021	11.3%	\$4.71
FYE 2022	10.8%	\$5.22
FYE 2023	7.7%	\$5.62
FYE 2024	3.9%	\$5.84
FYE 2025	4.8%	\$6.12
FYE 2026	3.8%	\$6.35
FYE 2027	0.2%	\$6.36

# Water Enterprise Historic and Projected Rate Changes

Actual

Projected

Fiscal Year	Wholesale	Retail
FYE 2010	15.7%	15.0%
FYE 2011	15.2%	15.0%
FYE 2012	38.4%	12.5%
FYE 2013	11.4%	12.5%
FYE 2014	-16.4%	6.5%
FYE 2015	19.6%	12.0%
FYE 2016	28.0%	12.0%
FYE 2017	9.3%	10.0%
FYE 2018	0.0%	7.0%
FYE 2019	0.0%	11.0%
FYE 2020	3.2%	10.0%
FYE 2021	11.3%	9.0%
FYE 2022	10.8%	9.0%
FYE 2023	7.7%	10.0%
FYE 2024	3.9%	9.0%
FYE 2025	4.8%	2.0%
FYE 2026	3.8%	3.0%
FYE 2027	0.2%	0.0%
<b>CAGR</b>	<b>7.8%</b>	<b>8.3%</b>

# FY 2017-18 Wholesale Rates

- **No increase in wholesale rates**
- Rate projection: \$4.10/CCF
  - Lower than \$4.37 projected in April 2016
  - Lowest end of December 2016 rate range
- Rate does not include BAWSCA Bond Surcharge: flat amount of \$24.7M each year (\$2.1M per month)

# SFPUC FY 2017-18 Wholesale Water Rate Hearing

May 9, 2017 1:30pm

San Francisco City Hall

1 Dr. Carlton B. Goodlett Place

Room 400





## Notice of Public Hearing on Proposed Water Rate Increases

Dear Property Owner or Customer,

Mid-Peninsula Water District (MPWD) is a community-owned and governed public agency that provides water service to Belmont, San Carlos, and surrounding areas in San Mateo County. This notice is being sent to inform you that MPWD is proposing to increase water rates over the next five (5) years and adopt Water Shortage Emergency Rates designed to recover costs of providing service during periods of drought and reduced water sales. MPWD will hold a public hearing on the proposed rates as follows:

**Date:** Thursday, June 25, 2015  
**Time:** 6:30PM  
**Place:** Mid-Peninsula Water District  
3 Dairy Lane  
Belmont, CA 94002

MPWD relies primarily on revenues from water service charges to fund its costs of providing water service. As such, water rates must be set at levels adequate to fund the costs of operating and maintaining the water system, pay for wholesale water supplied by the San Francisco Public Utilities Commission (SFPUC), and fund necessary capital investments to keep the water system in good operating condition.

### WHY ARE WATER RATE INCREASES NEEDED?

The proposed rate adjustments are needed to pay for increasing costs of water supply purchased from the SFPUC, fund MPWD capital improvement needs, and keep rates aligned with the cost of providing service. Key factors driving the need for water rate increases include:

- **Pay for Wholesale Water Rates Increases** – MPWD relies on imported water from the SFPUC for 100% of its supply. The SFPUC is in the process of completing a \$4.8 billion capital program of seismic upgrades and reliability enhancements to the aging Hetch-Hetchy regional water system. To help fund these capital upgrades, the SFPUC has doubled its wholesale water rates over the past five (5) years and is planning to increase wholesale rates by an additional 61% over the next five (5) years, including a proposed 28% increase effective July 1, 2015.
- **Address MPWD Infrastructure Deficiencies and Replace Aging Water Distribution Pipelines** – Approximately 60% of the MPWD's water pipelines are over 50 years old and approaching the end of their useful lives. Some are undersized for current fire flow requirements. The majority of the water pipeline system lacks seismic restraints. Additional revenues are needed to address existing system deficiencies, improve fire flow and service reliability, and adequately fund a long-term capital improvement program to replace aging and substandard water distribution pipelines with seismically resilient facilities.

### WHAT IS THE MPWD DOING TO KEEP COSTS DOWN?

MPWD has implemented a number of cost-cutting measures over the years and remains committed to providing high-quality water service as cost-efficiently as possible. Operating expenses, including personnel costs, have increased very little over the past few years as a result of continued budget reductions, cost-containment, and financial controls. It is the MPWD's policy that operating cost savings are reinvested back into the system through capital infrastructure replacement, rehabilitation, or improvement.

**PROPOSED WATER RATES**

MPWD is proposing to phase in a series of water rate increases over the next five (5) years as shown in the table below. A larger rate increase is needed the first year (effective July 1, 2015) due to SFPUC’s proposed 28% wholesale water rate increase planned for July 1, 2015. MPWD water service charges include two components: 1) Fixed Monthly Charges based on meter size, plus 2) Water Consumption Charges based on metered water use. Water Consumption Charges for single family residences are billed according to a 4-tiered rate structure based on the MPWD’s cost-of-service analysis, including water cost recovery calculations attributable to each tier, with water first billed in Tier 1 and subsequently billed in higher tiers as water use increases. Water Consumption Charges for all other customers are billed according to a 2-tiered rate structure. Water Consumption Charges are billed per hundred cubic feet (hcf), with 1 hcf equal to approximately 748 gallons of water.

<b>Proposed Water Rates</b>						
<b>Current Rates</b>	<b>Effective on water bills sent on or after:</b>					
	<b>July 1 2015</b>	<b>July 1 2016</b>	<b>July 1 2017</b>	<b>July 1 2018</b>	<b>July 1 2019</b>	
<b>FIXED MONTHLY CHARGES</b>						
<i>Fixed monthly charge based on meter size</i>						
<u>Meter Size</u>						
5/8-inch	\$18.43	\$22.00	\$24.00	\$26.00	\$28.00	\$30.00
1-inch	27.65	33.00	36.00	39.00	42.00	45.00
1 1/2-inch	46.08	55.00	60.00	65.00	70.00	75.00
2-inch	73.73	88.00	96.00	104.00	112.00	120.00
3-inch	110.59	132.00	144.00	156.00	168.00	180.00
4-inch	184.31	220.00	240.00	260.00	280.00	300.00
6-inch	460.79	550.00	600.00	650.00	700.00	750.00
<b>WATER CONSUMPTION CHARGES</b>						
<i>Billed based on monthly metered water use (\$/hcf)*</i>						
<b>Single Family Residential Customers</b>						
<u>Water Usage Billed in Tier</u>						
Tier 1	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf
Tier 2	3 - 10 hcf	3 - 9 hcf	3 - 8 hcf	3 - 8 hcf	3 - 8 hcf	3 - 8 hcf
Tier 3	11 - 25 hcf	10 - 22 hcf	9 - 20 hcf	9 - 20 hcf	9 - 20 hcf	9 - 20 hcf
Tier 4	Over 25 hcf	Over 22 hcf	Over 20 hcf	Over 20 hcf	Over 20 hcf	Over 20 hcf
<u>Water Consumption Charge per Tier</u>						
Tier 1	\$4.20	\$5.00	\$5.30	\$5.60	\$5.90	\$6.25
Tier 2	6.46	7.50	7.90	8.30	8.65	9.00
Tier 3	7.75	9.00	9.50	10.00	10.50	11.00
Tier 4	9.04	10.50	11.10	11.70	12.35	13.00
<b>All Other Customers</b>						
Tier 1	0 - 5 hcf	\$5.81	\$7.00	\$7.25	\$7.50	\$7.75
Tier 2	Over 5 hcf	6.78	8.00	8.35	8.70	9.10

\* 1 hcf = one hundred cubic feet or approximately 748 gallons.

**Sample Bill Calculation for a Typical Single Family Home**

Effective July 1, 2015, the monthly bill for a typical single family home with a standard 5/8-inch water meter using 8 hcf of water per month (approximately 200 gallons per day) would be calculated as follows:

Fixed Monthly Charge	Water Consumption Charges			Total Monthly Bill
<u>5/8" Meter</u>	<u>First 2 hcf x \$5.00</u>	<u>Next 6 hcf x \$7.50</u>	<u>Subtotal</u>	<u>\$22.00 + \$55.00</u>
\$22.00	\$10.00	\$45.00	\$55.00	\$77.00

The proposed rates assume that the SFPUC will increase its wholesale water rates on July 1 each year from the current level of \$2.93 per hcf to \$3.75 per hcf in 2015, \$3.78 per hcf in 2016, \$3.79 per hcf in 2017, \$4.31 per hcf in 2018, and \$4.72 per hcf in 2019. Pursuant to California Government Code 53756, the MPWD is proposing to pass-through any additional increases in SFPUC wholesale water rates above these projected SFPUC rates. Future pass-throughs will be implemented by increasing the MPWD’s proposed Water Consumption Charges by exact amount of the increase in cents per hcf in excess of the assumed SFPUC wholesale rates.

For example, if the SFPUC raises its wholesale water rate to \$4.51 per hcf on July 1, 2018, the MPWD would be authorized to increase its Water Consumption Charges by an additional \$0.20 per hcf on or after July 1, 2018. Prior to initiating a pass-through for SFPUC wholesale rates, the MPWD will send notification to all customers at least 30 days prior to implementation.

**NEW STATE DROUGHT REGULATIONS AND WATER SHORTAGE EMERGENCY RATES**

California is experiencing one of the most serious droughts on record. On April 1, 2015 the Governor issued an Executive Order directing the State Water Resources Control Board (SWRCB) to implement mandatory water conservation regulations to reduce water usage by 25% statewide. To achieve these savings, the SWRCB is expediting emergency regulations to set water conservation targets for communities around the State. Agencies that fail to achieve the required reductions could be subject to penalties of up to \$10,000 per day. Based on the State’s draft proposal, the MPWD would be required to reduce water demand by 20% from demand in calendar year 2013. *Thanks to MPWD customer conservation efforts, the MPWD is already more than half-way toward meeting the State’s proposed 20% cutback target for MPWD.*

In order to help MPWD recover its costs of service and remain financially stable during periods of emergency water shortages and reduced water sales, MPWD is proposing to authorize the implementation of Water Shortage Emergency Rates. These emergency rates would be implemented in response to escalating drought conditions and water supply shortages, or in response to additional State-mandated cutbacks in water use in excess of 20%, and would replace MPWD’s regular Water Consumption Charges. Water Shortage Emergency Rates may be implemented upon declaration of a water shortage emergency pursuant to Water Code Section 350 and/or Water Code Section 31026. Prior to initiating Water Shortage Emergency Rates, MPWD will send notification to all customers at least 30 days prior to implementation.

The proposed Water Shortage Emergency Rates may be implemented by authorization of MPWD’s Board of Directors up to the maximum levels shown on the table below, which correspond with a 50% cutback in water demand from usage in 2013. *No changes are proposed to Single Family Residential Tier 1 for the Water Shortage Emergency Rates.*

<b>Proposed Maximum Water Shortage Emergency Rates</b>					
<b>Maximum rates effective on or after:</b>					
	<b>July 1 2015</b>	<b>July 1 2016</b>	<b>July 1 2017</b>	<b>July 1 2018</b>	<b>July 1 2019</b>
<b>WATER SHORTAGE EMERGENCY RATES (CONSUMPTION CHARGES)</b>					
<i>Billed based on monthly metered water use (\$/hcf)*</i>					
<u>Single Family Residential Rate Tiers</u>					
Tier 1	\$5.00	\$5.30	\$5.60	\$5.90	\$6.25
Tier 2	9.90	10.57	11.15	11.72	12.14
Tier 3	11.88	12.71	13.43	14.23	14.83
Tier 4	13.86	14.85	15.72	16.74	17.53
<u>All Other Rate Tiers</u>					
Tier 1	\$9.24	\$9.70	\$10.07	\$10.50	\$10.79
Tier 2	10.56	11.17	11.69	12.33	12.81

\* 1 hcf = one hundred cubic feet or approximately 748 gallons.

Based on same levels of water use per tier as shown in Proposed Water Rates table.

## WHAT CAN CUSTOMERS DO TO MINIMIZE THE IMPACT OF RATE INCREASES?

To minimize the impact of the proposed rate increases, customers are encouraged to continue conserving and to further reduce indoor and outdoor water use where possible. As a member of the Bay Area Water Supply and Conservation Agency, the MPWD offers rebates for 1) high-efficiency toilets, 2) high-efficiency washing machines, 3) rain barrels, and 4) transitioning turf lawns to drought tolerant landscaping. For more information on any of these rebate programs or other water conservation opportunities, please visit the MPWD website at [www.midpeninsulawater.org](http://www.midpeninsulawater.org) or contact the MPWD at (650) 591-8941.

## HOW TO SUBMIT A WRITTEN PROTEST

Property owners and customers may file written protests against the proposed rate increases. Pursuant to California law, protests must be submitted in writing and must 1) identify the affected property or properties, such as by address, Assessor's Parcel Number, or customer account number, 2) include the name and signature of the customer or property owner submitting the protest, and 3) indicate opposition to the proposed water rate increases. Protests submitted by e-mail, facsimile or other electronic means will not be accepted. One written protest counted per parcel. The proposed rates cannot be adopted if written protests are received from a majority of affected parcels. Written protests can be mailed to: Mid-Peninsula Water District, Post Office Box 129, Belmont, CA 94002, or can be submitted to the MPWD at its headquarters located at 3 Dairy Lane in Belmont. All written protests must be submitted prior to the close of the Public Hearing on June 25, 2015.

# *If Everyone Saves a Little, We All Save a Lot!*



The California drought is hard,  
but using water efficiently is easy!  
Discover how MPWD can help you:

- ✓ WATER SAVING TIPS
- ✓ WATER CONSERVATION KITS
- ✓ VALUABLE REBATE PROGRAMS



[www.MidPeninsulaWater.org](http://www.MidPeninsulaWater.org)

Safe, quality water with friendly, professional service



Table 3  
 Mid-Peninsula Water District  
 Adopted Water Rates

Phase In Increases to Fixed Monthly Charges  
 Small Reduction in Tier Breakpoints Over 2 Years

		July 1 2015	July 1 2016	July 1 2017	July 1 2018	July 1 2019
<b>Fixed Monthly Charges</b>						
<i>Billed based on meter size</i>						
<u>Meter</u>	<u>Meter Ratio</u>					
5/8"	1.00	\$22.00	\$24.00	\$26.00	\$28.00	\$30.00
1"	1.50	33.00	36.00	39.00	42.00	45.00
1 1/2"	2.50	55.00	60.00	65.00	70.00	75.00
2"	4.00	88.00	96.00	104.00	112.00	120.00
3"	6.00	132.00	144.00	156.00	168.00	180.00
4"	10.00	220.00	240.00	260.00	280.00	300.00
6"	25.00	550.00	600.00	650.00	700.00	750.00
<b>Water Consumption Charges</b>						
<i>Billed based on monthly metered water use (\$/hcf)*</i>						
<u>Residential Use per Tier</u>						
Tier 1		0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf
Tier 2		3 - 9 hcf	3 - 8 hcf	3 - 8 hcf	3 - 8 hcf	3 - 8 hcf
Tier 3		10 - 22 hcf	9 - 20 hcf	9 - 20 hcf	9 - 20 hcf	9 - 20 hcf
Tier 4		>22 hcf	>20 hcf	>20 hcf	>20 hcf	>20 hcf
<u>Residential Rate Tiers</u>						
Tier 1		\$5.00	\$5.30	\$5.60	\$5.90	\$6.25
Tier 2		7.50	7.90	8.30	8.65	9.00
Tier 3		9.00	9.50	10.00	10.50	11.00
Tier 4		10.50	11.10	11.70	12.35	13.00
<u>Commercial Rate Tiers</u>						
Tier 1	0 - 5 hcf	\$7.00	\$7.25	\$7.50	\$7.75	\$8.00
Tier 2	Over 5 hcf	8.00	8.35	8.70	9.10	9.50
* 1 hcf = one hundred cubic feet or approximately 748 gallons.						

Table 4  
 Mid-Peninsula Water District  
 Water Rates with SFPUC Wholesale Rate Pass-Through for 2016/17

<b>2016/17 Rates With SFPUC Wholesale Pass-Through</b>					
		<b>Current Water Rates</b>	<b>Proposed Rates Effective July 1, 2016</b>		
			<b>Adopted Rates</b>	<b>+ SFPUC Add'l Pass-Through</b>	<b>Rate With Pass-Through</b>
<b>Water Consumption Charges</b>					
<i>Billed based on monthly metered water use (\$/hcf)*</i>					
<b>Residential Rate Tiers</b>					
Tier 1		\$5.00	\$5.30	\$0.32	\$5.62
Tier 2		7.50	7.90	0.32	8.22
Tier 3		9.00	9.50	0.32	9.82
Tier 4		10.50	11.10	0.32	11.42
<b>Commercial Rate Tiers</b>					
Tier 1	0 - 5 hcf	\$7.00	\$7.25	\$0.32	\$7.57
Tier 2	Over 5 hcf	8.00	8.35	0.32	8.67
* 1 hcf = one hundred cubic feet or approximately 748 gallons.					

	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
	Adopted	Adopted	Adopted	Adopted	Adopted	Projected	Projected	Projected	Projected
Overall Rate Adjustments	18%	6%	6%	6%	6%	8%	6%	6%	5%
Growth in Service Connections	5	30	20	2	2	2	2	2	2
Water System Capacity Charge	\$9,375	\$9,560	\$9,750	\$9,950	\$10,150	\$10,350	\$10,560	\$10,770	\$10,990
Change in Water Sales	-13.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Change in Sales Revenues	-14.63%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Total Water Sales (hcf)	1,052,000	1,052,000	1,052,000	1,052,000	1,052,000	1,052,000	1,052,000	1,052,000	1,052,000
SFPUC Water Supply (hcf) +7%		1,125,600	1,125,600	1,125,600	1,125,600	1,125,600	1,125,600	1,125,600	1,125,600
Prior SFPUC Rate per hcf	\$3.75	\$3.78	\$3.79	\$4.31	\$4.72	\$4.74	\$4.90	\$5.03	\$5.17
Revised SFPUC Rate per hcf	\$3.75	\$4.10	\$4.28	\$4.68	\$5.33	\$5.34	\$5.49	\$5.89	\$6.11
SFPUC Add'l Rate Pass-Through	-	0.32	0.49	0.37	0.61				
Interest Earnings Rate	0.30%	0.50%	0.75%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Cost Escalation	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
<b>Beginning Fund Reserves</b>	<b>\$3,387,000</b>	\$3,046,000	\$3,108,000	\$3,135,000	\$3,152,000	\$3,232,000	\$3,273,000	\$3,348,000	\$3,425,000
<b>REVENUES</b>									
Monthly Service Charges	2,460,000	2,684,000	2,908,000	3,132,000	3,356,000	3,625,000	3,844,000	4,076,000	4,281,000
Water Sales	7,250,000	7,737,000	8,093,000	8,461,000	8,842,000	9,549,000	10,122,000	10,729,000	11,265,000
Add'l Revs from Pass-Through	0	337,000	515,000	389,000	642,000	0	0	0	0
Subtotal Rate Revenues	9,710,000	10,758,000	11,516,000	11,982,000	12,840,000	13,174,000	13,966,000	14,805,000	15,546,000
Interest Revenue	10,000	15,000	23,000	31,000	32,000	32,000	33,000	33,000	34,000
Lease of Physical Property	150,000	155,000	160,000	165,000	170,000	175,000	180,000	185,000	191,000
Property Taxes	245,000	252,000	260,000	268,000	276,000	284,000	293,000	302,000	311,000
Capacity Charges	235,000	287,000	195,000	20,000	20,000	21,000	21,000	22,000	22,000
Other/Miscellaneous Revenues	50,000	50,000	52,000	54,000	56,000	58,000	60,000	62,000	64,000
<b>Total Revenues</b>	<b>10,400,000</b>	<b>11,517,000</b>	<b>12,206,000</b>	<b>12,520,000</b>	<b>13,394,000</b>	<b>13,744,000</b>	<b>14,553,000</b>	<b>15,409,000</b>	<b>16,168,000</b>
Debt Proceeds		15,000,000							
<b>EXPENSES</b>									
<u>Operating &amp; Maintenance</u>	<u>Revised</u>	<u>Revised</u>							
Personnel Costs	2,500,000	2,800,000	2,912,000	3,028,000	3,149,000	3,275,000	3,406,000	3,542,000	3,684,000
SFPUC Water Purchases	4,130,000	4,680,000	4,900,000	5,328,000	6,034,000	6,110,000	6,265,000	6,690,000	6,955,000
BAWSCA Bond Surcharge	461,000	475,000	490,000	490,000	490,000	490,000	490,000	490,000	490,000
Maintenance & Repair	500,000	500,000	520,000	541,000	563,000	586,000	609,000	633,000	658,000
Utilities	300,000	300,000	312,000	324,000	337,000	350,000	364,000	379,000	394,000
Professional Services	550,000	500,000	520,000	541,000	563,000	586,000	609,000	633,000	658,000
Wtr Conservation Prog & Rebates	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000	130,000
Other Operating Costs	600,000	625,000	650,000	676,000	703,000	731,000	760,000	790,000	822,000
Subtotal	9,171,000	10,010,000	10,434,000	11,058,000	11,969,000	12,258,000	12,633,000	13,287,000	13,791,000
Debt Service (20-Years, 3.25%)		1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000	1,045,000
Capital Improvements	1,570,000	400,000	700,000	400,000	300,000	400,000	800,000	1,000,000	1,300,000
<b>Total Expenses</b>	<b>10,741,000</b>	<b>11,455,000</b>	<b>12,179,000</b>	<b>12,503,000</b>	<b>13,314,000</b>	<b>13,703,000</b>	<b>14,478,000</b>	<b>15,332,000</b>	<b>16,136,000</b>
<b>Revenues Less Expenses</b>	<b>(341,000)</b>	<b>62,000</b>	<b>27,000</b>	<b>17,000</b>	<b>80,000</b>	<b>41,000</b>	<b>75,000</b>	<b>77,000</b>	<b>32,000</b>
<b>Ending Fund Reserves</b>	<b>3,046,000</b>	<b>3,108,000</b>	<b>3,135,000</b>	<b>3,152,000</b>	<b>3,232,000</b>	<b>3,273,000</b>	<b>3,348,000</b>	<b>3,425,000</b>	<b>3,457,000</b>
Debt Service Coverage		1.44	1.70	1.40	1.36	1.42	1.84	2.03	2.27

## Projected Operating Results of the District

Estimated projected operating results and debt service coverage for the District for the current and next eight Fiscal Years are set forth below. Certain assumptions have been made by the District in the development of the projections. Many of these assumptions are reflected in the projections. While the District believes its assumptions are reasonable, there can be no assurance that the assumed conditions will in fact occur. The District's projections may be affected (favorably or unfavorably) by unforeseen future events. Therefore, the results projected below cannot be assured.

### PROJECTED REVENUES, EXPENDITURES AND DEBT SERVICE COVERAGE FISCAL YEARS 2016-17 TO 2020-21

	Fiscal Year Ending June 30,				
	2016-17	2017-18	2018-19	2019-20	2020-21
<b>REVENUES</b>					
Water Sales (1)	\$8,074,000	\$8,608,000	\$8,850,000	\$9,484,000	\$9,549,000
Monthly Service Charges (1)	2,684,000	2,908,000	3,132,000	3,356,000	3,625,000
Interest Earnings	15,000	23,000	31,000	32,000	32,000
Lease Revenue (2)	155,000	160,000	165,000	170,000	175,000
Property Tax Revenue	252,000	260,000	268,000	276,000	284,000
Capacity Charges	287,000	195,000	20,000	20,000	21,000
Miscellaneous Revenues	50,000	52,000	54,000	56,000	58,000
<b>Total Revenues</b>	<b>11,517,000</b>	<b>12,206,000</b>	<b>12,520,000</b>	<b>13,394,000</b>	<b>13,744,000</b>
<b>EXPENSES</b>					
Water Purchase	5,155,000	5,390,000	5,818,000	6,524,000	6,600,000
Personnel Costs	2,800,000	2,912,000	3,028,000	3,149,000	3,275,000
Maintenance and Repair	500,000	520,000	541,000	563,000	586,000
Utilities	300,000	312,000	324,000	337,000	350,000
Professional Services	500,000	520,000	541,000	563,000	586,000
Water Conservation Program/Rebates	130,000	130,000	130,000	130,000	130,000
Other Operating Costs (3)	625,000	650,000	676,000	703,000	731,000
<b>Total Expenses</b>	<b>10,010,000</b>	<b>10,434,000</b>	<b>11,058,000</b>	<b>11,969,000</b>	<b>12,258,000</b>
<b>Net Revenues Available for Debt Service</b>	<b>1,507,000</b>	<b>1,772,000</b>	<b>1,462,000</b>	<b>1,425,000</b>	<b>1,486,000</b>
<b>Debt Service</b>	<b>330,133</b>	<b>1,051,500</b>	<b>1,068,300</b>	<b>1,069,200</b>	<b>1,069,500</b>
<b>Debt Service Coverage</b>	<b>4.56x</b>	<b>1.68x</b>	<b>1.37x</b>	<b>1.33x</b>	<b>1.39x</b>
<b>Revenues Remaining After Debt Service</b>	<b>1,176,867</b>	<b>720,500</b>	<b>393,700</b>	<b>355,800</b>	<b>416,500</b>

Source: Mid-Peninsula Water District

(1) Revenues assume a 6% rate increases in each year 2016-17 through 2019-20 and an 8% increase in 2020-21.

(2) Includes lease revenues from cellular towers/equipment.

(3) Includes Administrative and equipment expenditures, including office supplies, liability and property insurance, postage, printing, equipment service/maintenance, computer supplies, security and safety, customer credit card service fees, government fees, licenses, membership dues and publications, BAWSCA membership assessments, software licenses, and cross connection inspection fees.



**AGENDA ITEM NO. 8.D.**

DATE: March 23, 2017

TO: Board of Directors

FROM: Tammy Rudock, General Manager  
Candy Pina, Administrative Services Manager  
Rene Ramirez, Operations Manager

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**SUBJECT: DISCUSS PRELIMINARY WORKING DRAFT MPWD FISCAL YEAR 2017/2018 OPERATING BUDGET SUMMARY AND ASSUMPTIONS**

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**RECOMMENDATION:**

Discuss PRELIMINARY WORKING DRAFT MPWD Fiscal Year 2017/2018 Operating Budget Summary and assumptions.

**FISCAL IMPACT:**

Preliminary discussion at this time—fiscal impact to be determined.

**BACKGROUND:**

**RATES**

The MPWD completed a Water Rates Study & Financial Plan in 2015. The cash flow projections were updated last year and presented to the Board on April 24, 2016.

The MPWD complied with Proposition 218 in 2015 and a 5-year plan of proposed water rates, including provisions for pass thru of increased SFPUC wholesale water costs and emergency water shortage rates, was adopted by the Board on June 25, 2015.

Last year, the Board adopted the proposed water rate increases to the fixed system charges and the final tier breakpoint transition and included a pass-through of the SFPUC's \$0.32CCF increase over its projected wholesale water rates projection for FY 2016/2017.

This year, the SFPUC has projected a 0% increase in its wholesale customer water rates. That means SFPUC's wholesale unit price will remain at \$4.10CCF.

**2016 COP DEBT FINANCING FOR 5-YEAR CIP**

The MPWD established its 5-Year CIP last year and received COP proceeds totaling \$18,570,000 from a sale in December 2016. Semi-annual debt service installment payments are due on May 15<sup>th</sup> and November 15<sup>th</sup> each year for a total of \$1,051,500 in FY 2016/2017.

**DISCUSSION:**

Attached are two PRELIMINARY WORKING DRAFT summary scenarios for FY 2017/2018 operations—one with the proposed 6% water rate adjustment **only** to Fixed System Charges (highlighted in green at the top of the page), and the other scenario looks at a draft budget with no projected water rate adjustments (highlighted in yellow at the top of the page).

This is an early look at next fiscal year’s MPWD Operations based upon the following assumptions:

- Projected water commodity charges based upon actual sales/use increases (5% higher than projected for FY 2016/2017). *[Note: \$8.6 million were the projected water sales in the 2016 MPWD Finance & Rate Plan Update and MPWD 2016 COP Official Statement, which included the proposed 6% increase to commodity charges.]*
- 6% water rate adjustment to Fixed System Charges proposed in the attached scenario highlighted at the top of the page in green. 0% projected water rate adjustments in the attached scenario highlighted in yellow at the top of the page.
- Projected capacity revenues based upon known “pipeline” Belmont projects.
- Increased Salaries & Wages and Payroll Taxes & Benefits by 3%.
- Increased Purchased Water based upon actual purchases (3% higher than projected for FY 2016/2017). *[Note: \$5.2 million were the projected water purchases in the 2016 MPWD Finance & Rate Plan Update and MPWD 2016 COP Official Statement, which included the proposed 6% increase.]*
- Projected 3% CPI (Consumer Price Index) on relevant account line items.
- Minimal reduction in Professional Services; work plan in progress.
- Maintained Training/Travel & Recruitment account line as amended at mid-year.
- Projected a full year of Debt Service expense totaling \$1,051,500 from the MPWD 2016 COP Official Statement.
- Increased Depreciation per accounting principles.

This is the first of several FY 2017/2018 budget discussions in the coming months. Staff continues to work on refining the line-by-line budget items for the next DRAFT.

Staff is seeking input from the Board for further FY 2017/2018 budget preparation.

Attachments:                    PRELIMINARY WORKING DRAFT MPWD Operations Budget for FY 2017/2018 with 6% increase to Fixed System Charges in revenues (highlighted in green at top)  
PRELIMINARY WORKING DRAFT MPWD Operations Budget for FY 2017/2018 without any rate adjustments in revenues (highlighted in yellow at top)

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BOARD ACTION: A PPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_  
UNANIMOUS\_\_\_\_ STUEBING\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_ LINVILL\_\_\_\_ ZUCCA\_\_\_\_

**PRELIMINARY WORKING DRAFT WITH 0% RATE INCREASE**

**MID-PENINSULA WATER DISTRICT  
BUDGET FOR YEAR 2017-2018  
SUMMARY**

3/16/2017

DESCRIPTION	FY 2015-2016 ACTUAL \$	APPROVED AMENDED FY 2016-2017 BUDGETED	ACTUALS 7/1/16-2/28/17	PROPOSED FY 2017-2018 BUDGET \$	Increase (Decrease)	% Change	
<b>OPERATING REVENUE</b>							
WATER COMMODITY CHARGES	7,433,821	8,100,000	5,815,644	8,500,000	400,000	4.9%	Use Increase
FIXED SYSTEM CHARGES	2,452,298	2,663,720	1,787,044	2,663,720	-	0.0%	
FIRE SERVICE CHARGES	14,650	14,400	9,563	14,000	(400)	-2.8%	
SERVICE LINE & INSTALLATION CHARGES	-	25,000	1,813	10,000	(15,000)	-60.0%	
WATER SYSTEM CAPACITY CHARGES	-	200,000	-	200,000	-	0.0%	
WATER DEMAND OFFSET CHARGES	-	10,000	-	10,000	-	0.0%	
MISCELLANEOUS	11,060	10,000	4,260	10,000	-	0.0%	
INTEREST REVENUE - LAIF	14,847	20,000	16,853	10,000	(10,000)	-50.0%	
LEASE OF PHYSICAL PROPERTY	170,763	200,000	96,774	150,000	(50,000)	-25.0%	
PROPERTY TAX REVENUE	266,341	255,000	400	260,000	5,000	2.0%	
<b>TOTAL OPERATING REVENUE</b>	<b>10,363,780</b>	<b>11,498,120</b>	<b>7,732,351</b>	<b>11,827,720</b>	<b>329,600</b>	2.9%	
<b>OPERATING EXPENDITURES</b>							
SALARIES & WAGES	1,519,614	1,668,500	1,062,091	1,718,225	49,725	3.0%	
PAYROLL TAXES & BENEFITS	827,215	1,163,800	733,762	1,202,102	38,302	3.3%	
PURCHASED WATER	4,491,157	4,976,000	3,500,814	5,234,856	258,856	5.2%	
OUTREACH & EDUCATION	119,470	116,900	2,813	116,900	-	0.0%	
M&R - OPS SYSTEM	367,496	378,250	200,028	389,598	11,348	3.0%	
M&R - FACILITIES & EQUIPMENT	134,261	162,000	72,597	166,860	4,860	3.0%	
SYSTEM SURVEYS	31,545	12,000	591	30,000	18,000	150.0%	
ADMINISTRATION & EQUIPMENT	257,563	348,500	184,450	314,755	(33,745)	-9.7%	
MEMBERSHIP & GOV FEES	180,815	197,500	107,885	203,425	5,925	3.0%	
BAD DEBT & CLAIMS	8,888	37,000	16,921	37,000	-	0.0%	
UTILITIES	267,479	292,900	169,453	301,687	8,787	3.0%	
PROFESSIONAL SERVICES	539,375	473,900	263,140	461,450	(12,450)	-2.6%	
TRAINING/TRAVEL & RECRUITMENT	22,577	45,000	24,724	45,000	-	0.0%	
RESTRICTED EARNINGS	-	20,000	16,853	20,000	-	0.0%	
RESERVES	-	-	-	-	-	NA	
DEBT SERVICE	-	508,267	508,267	1,051,500	537,600	105.8%	
DEPRECIATION	910,362	950,000	167,563	1,050,000	100,000	10.5%	
<b>TOTAL OPERATING EXPENDITURES</b>	<b>9,677,816</b>	<b>11,350,517</b>	<b>7,031,951</b>	<b>12,343,358</b>	<b>987,208</b>	8.7%	
<b>OPERATING REVENUE LESS EXPENDITURES</b>	<b>685,964</b>	<b>147,603</b>	<b>700,400</b>	<b>(515,638)</b>	<b>(657,608)</b>	-445.5%	
<b>NET TRANSFERS TO CAPITAL</b>	<b>(685,964)</b>	<b>(147,603)</b>	<b>(700,400)</b>	<b>515,638</b>	<b>657,608</b>	-445.5%	
<b>NET RESULTS OF OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>DEBT SERVICE COVERAGE</b>				<b>1.51</b>			

**MID-PENINSULA WATER DISTRICT  
BUDGET FOR YEAR 2017-2018  
SUMMARY**

3/16/2017

DESCRIPTION	FY 2015-2016 ACTUAL \$	APPROVED AMENDED FY 2016-2017 BUDGETED	ACTUALS 7/1/16-2/28/17	PROPOSED FY 2017-2018 BUDGET \$	Increase (Decrease)	% Change	
<b>OPERATING REVENUE</b>							
WATER COMMODITY CHARGES	7,433,821	8,100,000	5,815,644	8,500,000	400,000	4.9%	Use Increase
FIXED SYSTEM CHARGES	2,452,298	2,663,720	1,787,044	2,823,543	159,823	6.0%	Rate Increase
FIRE SERVICE CHARGES	14,650	14,400	9,563	14,000	(400)	-2.8%	
SERVICE LINE & INSTALLATION CHARGES	-	25,000	1,813	10,000	(15,000)	-60.0%	
WATER SYSTEM CAPACITY CHARGES	-	200,000	-	200,000	-	0.0%	
WATER DEMAND OFFSET CHARGES	-	10,000	-	10,000	-	0.0%	
MISCELLANEOUS	11,060	10,000	4,260	10,000	-	0.0%	
INTEREST REVENUE - LAIF	14,847	20,000	16,853	10,000	(10,000)	-50.0%	
LEASE OF PHYSICAL PROPERTY	170,763	200,000	96,774	150,000	(50,000)	-25.0%	
PROPERTY TAX REVENUE	266,341	255,000	400	260,000	5,000	2.0%	
<b>TOTAL OPERATING REVENUE</b>	<b>10,363,780</b>	<b>11,498,120</b>	<b>7,732,351</b>	<b>11,987,543</b>	<b>489,423</b>	<b>4.3%</b>	
<b>OPERATING EXPENDITURES</b>							
SALARIES & WAGES	1,519,614	1,668,500	1,062,091	1,718,225	49,725	3.0%	
PAYROLL TAXES & BENEFITS	827,215	1,163,800	733,762	1,202,102	38,302	3.3%	
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M&R - OPS SYSTEM	367,496	378,250	200,028	389,598	11,348	3.0%	
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ADMINISTRATION & EQUIPMENT	257,563	348,500	184,450	314,755	(33,745)	-9.7%	
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PROFESSIONAL SERVICES	539,375	473,900	263,140	461,450	(12,450)	-2.6%	
TRAINING/TRAVEL & RECRUITMENT	22,577	45,000	24,724	45,000	-	0.0%	
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RESERVES	-	-	-	-	-	NA	
DEBT SERVICE	-	508,267	508,267	1,051,500	537,600	105.8%	
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<b>TOTAL OPERATING EXPENDITURES</b>	<b>9,677,816</b>	<b>11,350,517</b>	<b>7,031,951</b>	<b>12,343,358</b>	<b>987,208</b>	<b>8.7%</b>	
<b>OPERATING REVENUE LESS EXPENDITURES</b>	<b>685,964</b>	<b>147,603</b>	<b>700,400</b>	<b>(355,814)</b>	<b>(497,784)</b>	<b>-337.2%</b>	
<b>NET TRANSFERS TO CAPITAL</b>	<b>(685,964)</b>	<b>(147,603)</b>	<b>(700,400)</b>	<b>355,814</b>	<b>497,784</b>	<b>-337.2%</b>	
<b>NET RESULTS OF OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>		
<b>DEBT SERVICE COVERAGE</b>				<b>1.66</b>			





TO: Board of Directors  
FROM: Tammy A. Rudock  
General Manager  
DATE: March 23, 2017

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## MANAGER'S REPORT

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### **FOLLOW-UP FROM 02/23/17 REGULAR BOARD MEETING**

- Second Amendment to the Contract for Professional Services with the District Engineer, referenced as Contract No. 02-1621-CIP in the amount of \$89,250 for Engineering Design Services related to the Hillcrest Pressure Regulating Station Project was executed.
- First Amendment to the Contract for Professional Services in the total amount of \$100,100 with James Marta & Company for Annual Financial Auditing Services for FYEs June 30, 2016 through June 30, 2022 was executed.
- Approved FY 2016/2017 Mid-Year Operating and Capital Budgets in queue to be posted to the MPWD website.
- Special Board Meeting was scheduled for March 20<sup>th</sup> to complete the General Manager Performance Evaluation.

### **WATER CONSERVATION PROGRESS – SUMMARY REPORT**

Per the Board's direction, the MPWD monthly progress report on water conservation progress was condensed to the following summary format:



The report due March 15<sup>th</sup> to the SWRCB was timely submitted. February's total water consumption was 67,762 units, the lowest in MPWD history since 1962! The reduction (compared with January 2013) measured -21.6%.



Last month's R-GPCD was 60.5 (as compared to January 2013 R-GPCD of 75.4).



Cumulative water reduction equals 22.3% for 2016/2017 (compared to 2013).



There were no water waste complaints last month. The total number of water waste complaints through February 28, 2017 was 23.

The SWRCB extended the water conservation drought regulations through May 2017 when they will meet again to discuss it.

### **3-MONTH “LOOK AHEAD” FOR BOARD MEETINGS**

#### APRIL 2017

- SPECIAL MEETING (as necessary):
  - Water rates workshop.
  
- REGULAR MEETING:
  - Approve water rate adjustments effective July 1<sup>st</sup>. (Required 30-day notice to ratepayers.)
  - Review working DRAFT Operating Budget for FY 2017/2018.
  - Review working DRAFT Capital budget for FY 2017/2018.
  - Review working DRAFT COPs CIP Budget for FY 2016/2017 through FY 2021/2022.
  - Consider proposed Reimbursement Agreement between the MPWD and the California High-Speed Rail Authority.
  - Approved General Manager annual performance assessment process and tool.

#### May 2017

- Consider final DRAFT Operating Budget for FY 2017/2018.
- Consider final DRAFT Capital Budgets for FY 2017/2018.
- Receive BAWSCA Report.

#### June 2017

- Adopt fiscal year Operating Budget. Post to website.
- Adopt fiscal year Capital Budget. Post to website.

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### **UPCOMING MEETINGS/EVENTS**

BAWSCA Water Management Meeting (Foster City): April 6, 2017

HIA Meeting (Belmont): April 6, 2017

ACWA JPIA 2017 Spring Conference & Exhibition (Monterey): May 9-12, 2017

CSDA *Special Districts Legislative Days* (Sacramento): May 16-17, 2017

CSDA Annual Conference (Monterey): September 25-28, 2017

ACWA JPIA 2017 Fall Conference & Exhibition (Anaheim): November 27, 2017-December 1, 2017

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

## MEETINGS

DATE	EVENT
February 21 <sup>st</sup>	Participated with Operations team and District Engineer in reviewing the MPWD Construction Standards & Specifications for update.
February 22 <sup>nd</sup>	Attended San Mateo Employer Advisory Council training on Fair Pay Act in Foster City.
February 23 <sup>rd</sup>	Attended safety session with staff and facilitated GM rap session.
February 28 <sup>th</sup>	<p>Participated on interview panel with Operations Manager and District Engineer of six (6) selected engineering teams that presented how best they could provide on-call engineering services for projects within the MPWD 5-Year CIP.</p> <p>Met with Cornerstone Structural Engineering Group at 1510 Folger for onsite inspection of abandoned pump station in preparation of submittal for formal structural evaluation and report. Also toured 3 Dairy Lane premises in preparation for structural and seismic evaluation.</p>
March 1 <sup>st</sup>	<p>Breakfast meeting with Hunter, CHS Junior and Biotech Institute Mentoring partner.</p> <p>Conducted one-on-one meetings with MPWD leadership team members regarding upcoming training in May.</p> <p>Conference call with Dan Bergmann, Dissemination Agent, and Administrative Services Manager regarding Annual COP Disclosure Report for FYE June 30, 2016.</p>
March 2 <sup>nd</sup>	<p>Attended BAWSCA Water Management Representatives meeting in Foster City.</p> <p>Attended HIA meeting in Belmont.</p> <p>Conducted one-on-one meetings with MPWD leadership team members regarding upcoming training in May.</p>
March 3 <sup>rd</sup>	Debriefing with Operations standby team regarding fire hydrant incident on Harbor.
March 7 <sup>th</sup>	Attended CA Water Institute at Fresno State and PPIC Water Policy Center Event: <i>Water Stress and a Changing San Joaquin Valley</i> in Clovis.
March 9 <sup>th</sup>	<p>Participated in ACCELA Billing System Report on-site training.</p> <p>Attended safety session with staff and facilitated GM rap session.</p>
March 10 <sup>th</sup>	<p>Participated with Operations team and District Engineering in reviewing 80% engineering design plans for 2017 Water Mains Replacement Project.</p> <p>Attended SAMCEDA Annual Innovation Awards Luncheon at Oracle in Belmont as a guest of Hanson Bridgett LLP.</p>
March 13 <sup>th</sup>	Conference call with District Treasurer and Administrative Services Manager regarding balance sheet financials.
March 14 <sup>th</sup>	Agenda review meeting with Board President.
March 15 <sup>th</sup>	<p>Attended CSDA: Prop 26, Prop 218, and Rate Setting in Oakland.</p> <p>Attended APWA (American Public Works Association) San Jose Chapter lunch meeting and represented the MPWD as the featured agency.</p>



TO: Board of Directors

FROM: Candy Pina

DATE: March 23, 2017

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## ADMINISTRATIVE SERVICES MANAGER'S REPORT

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### CONFERENCES, TRAINING, & MEETINGS:

- 1) Jeanette Kalabolas: 03/01/17 – Leadership Team Training Introduction Meeting with General Manager
- 2) Misty Malczon: 03/01/17 – Leadership Team Training Introduction Meeting with General Manager
- 3) Misty Malczon/Candy Pina: 03/01,15,22/17 – Weekly project status update with Springbrook
- 4) Candy Pina: 03/01/17 – Leadership Team Training Introduction Meeting with General Manager
- 5) Jeanette Kalabolas/Laura Ravella: 03/06/17 – Utility Billing Training with Springbrook
- 6) Candy Pina: 03/07/17 – Utility Billing Training with Springbrook
- 7) Jeanette Kalabolas: 03/07/17 – AWWA Water TAP Wave 3 Meeting
- 8) Misty Malczon: 03/07-09/17 – Springbrook On-Site Utility Billing Training
- 9) Misty Malczon: 03/09/17 – Pacific Office Automation Tech Expo re: Printers
- 10) Candy Pina: 03/09&23/17 – Lunch with colleague from Woodside City re: Springbrook collaboration
- 11) Jeanette Kalabolas: 03/09/17 – BAWSCA WRC Meeting
- 12) Candy Pina: 03/13/17 – Meeting with Jennifer Dermon, CPA and District Treasurer representative, to review financial reporting for month
- 13) Candy Pina: 03/14/17 – CalPERS Plan for Retirement Class
- 14) Candy Pina: 03/15/17 – CSDA Workshop: Prop 26, Prop 218, and Rate Setting
- 15) Candy Pina: 03/21/17 – BNY Mellon Trust Company MWPD CIP Financing Team Meeting
- 16) All staff: 03/22/17 – CPR Training
- 17) Misty Malczon/Jeanette Kalabolas/Laura Ravella/Candy Pina: 03/22-31/17 – Springbrook Go-Live – All Hands on Deck

**FINANCIAL REPORTING:**

1) Schedule of Cash and Investments:

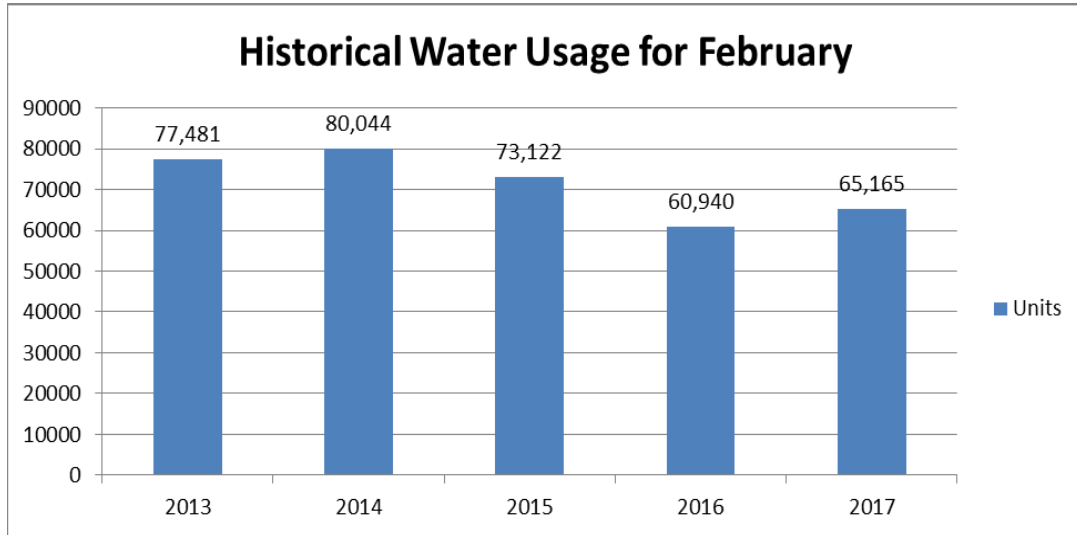
<b>SCHEDULE OF CASH AND INVESTMENTS</b>		
<b>CASH ACCOUNT</b>	<b>BALANCE @ 02/28/17</b>	<b>BALANCE 03/17/17</b>
PETTY CASH	400	400
CASH DRAWER	200	200
WELLS FARGO CHECKING	\$ 174,527	\$ 203,344
LAIF	\$ 5,568,454	\$ 5,568,454
<b>TOTAL</b>	<b>\$ 5,743,581</b>	<b>\$ 5,772,398</b>

Month End Balance of PARS/OPEB for January 2017 (February 2017 report not available): \$714,389.49. An overall increase in Net Earnings of \$7,484.43 was reported, which included contributions of \$36,234.00.

<b>MPWD RESERVE FUNDS</b>				
<b>Reserve Account</b>	<b>Balance @ 02/28/2015</b>	<b>Balance @ 02/28/2016</b>	<b>Balance @ 02/28/2017</b>	<b>Budget for Reserve Policy</b>
Capital Reserves	\$ 1,134,676	\$ 1,295,326	\$ 3,068,454	\$ 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
<b>TOTAL RESERVE FUNDS</b>	<b>\$ 3,634,676</b>	<b>\$ 3,795,326</b>	<b>\$ 5,568,454</b>	<b>\$ 5,000,000</b>

2) Water Revenue Report:

<b>WATER REVENUES for FISCAL YEAR 2016/2017</b>					
<b>Month</b>	<b>Total Units</b>	<b>Water Commodity Charges</b>	<b>Fixed System Charges</b>	<b>Total Water Revenues</b>	<b>Misc Rev</b>
JUL	111,110	851,106.50	205,631.47	1,056,737.97	1,242.50
AUG	113,341	952,329.97	224,247.06	1,176,577.03	1,240.00
SEP	112,591	947,559.51	224,661.20	1,172,220.71	1,248.75
OCT	101,247	843,144.88	224,835.59	1,067,980.47	1,248.75
NOV	76,838	620,687.41	224,770.69	845,458.10	1,650.67
DEC	66,486	528,797.12	224,159.45	752,956.57	1,256.25
JAN	67,261	535,555.46	225,127.94	760,683.40	1,258.75
FEB	65,165	517,527.50	224,774.40	742,301.90	1,268.75
<b>TOTAL</b>	<b>714,039</b>	<b>5,796,708.35</b>	<b>1,778,207.80</b>	<b>7,574,916.15</b>	<b>10,414.42</b>



**SPRINGBROOK PROGRESS:**

Beginning the week of March 20<sup>th</sup>, staff will no longer enter data into the CUSI billing system. We will be keeping records of all transactions. GO-LIVE in the new Utility Billing system will occur the week of March 27<sup>th</sup>. All data from the prior week will be entered into the new system manually. Deanne Langreder from Springbrook will be on site through the entire process, and will make sure all customer accounts have been successfully pulled over and updated. There will be additional on-site training the week of April 3<sup>rd</sup> as well. Because we own the prior CUSI system, we will have access to old data records. We made sure to pull all records on customers back to the year 2013 for the purposes of complying with water conservation reporting mandated by the state.

Lastly, we have follow-up training on the financial management system planned in June 2017. Staff responsible for tracking budget line items will have the opportunity to create reports, which will assist them in managing their budget accounts, and all staff will be given the opportunity to view other reports they may be interested in seeing. So rather than going to administrative staff to see information, they can look it up themselves.

### SPRINGBROOK IMPLEMENTATION SCHEDULE - PRELIMINARY

DATE		Task	Work Complete
Start	End		
4/11/2016	4/13/2016	Overview training for Finance - Billing System and Chart of Accounts	x
5/9/2016	5/13/2016	Finance Conversion - General Ledger and Accounts Payable data review	x
8/8/2016	8/12/2016	Finance Go Live	x
8/22/2016	8/24/2016	Project Management Set-up and go-live	x
9/5/2016	9/15/2016	Bank Reconciliation Configuration and go-live	x
9/5/2016	9/15/2016	Ancillaries - AR - setups	x
9/19/2016	9/19/2016	Fixed Assets - Go Live	x
1/11/2017	11/19/2017	Utility Billing Data Conversion	x
3/6/2017	3/10/2017	Utility Billing - On-Site Parallel Processing	x
3/27/2017	3/31/2017	Utility Billing - On-Site Go Live	x
4/3/2017	4/7/2017	Utility Billing - Post Go Live Refresher Training	

**TEAM BUILDING ACTIVITIES:**

Birthdays continued to be celebrated.



TO: Board of Directors  
FROM: Rene A. Ramirez, Operations Manager  
DATE: March 23, 2017

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## OPERATIONS REPORT – February 2017

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### **Projects:**

- No change here - through December staff has installed a total of 513 AMI meters throughout Zone 1 with 1 left to fit. The last meter is at a site where there is ongoing litigation and we are holding off until the issue is settled. Their water is still metered;
- Following Board approval in January, issued a notice to proceed to Schaaf and Wheeler to design the water improvements for the three CIP projects; Davey Glenn 15-43, Francis Ave/Court 15-51 and Academy Ave 15-53, which coincide with City of Belmont sewer improvements on same streets;
- Relocated two – 2-inch meters and provided a 6-inch fire service for 700 Island Parkway (Autobahn Motors);
- Upgrade service lines for 1557 Vine Street and 1906 Bishop were completed as well as repairs to street;
- Deliberate steps moving forward and we are getting closer - AMI: Staff continues to work with Sensus Metering and Continentals Utility Billing to set up files for the new Sensus AMI customer portal conversion. Customer Portal developed on Sensus side, awaiting conversion to new billing system for configuration.

### **Maintenance:**

- Responded to and completed 197 USA (underground service alerts) requests and identified infrastructure before digging in the streets or easements. Last month we marked 239 locations. An average month is approximately 140 requests;
- Changed out 4 failed AMI transmitters returned for repair under full warranty;
- Completed efforts to rebuild system regulator valves;
- Read meters in zones without AMI;
- Made efforts to move water in areas with dead-ends to improve water quality during wet weather events;
- Made repairs to CIP water main breaks on San Juan and Karen Road (Karen Road is a part of the 2017 water system improvements from the CIP);
- Repaired a copper service leak on Buckland;



- As the weather cleared near the end of the month, staff was able to go back into areas where repairs were made to construct permanent surfaces, i.e. sidewalk and street repairs;
- Collected a requisite 44 water samples for bacteriological testing – all samples were normal and showed no signs of coliform bacteria;
- Continue to routinely monitor water system dead-ends continued for disinfectant residual; and
- Monitoring for signs of nitrification within our tanks, sample stations and dead ends continues as a part of regular water quality monitoring.

**System Repairs:**

Location	Event	Material	Installation Date	Estimated Water Loss (Gals.)
3033 San Juan	Main Break	CIP	1950	15,500
45 Karen Rd	Main Break	CIP	1952	240,000
815 Buckland	Service Leak	Copper	1954	1,000

**Development:**

Staff is currently working with developers on 22 development projects:

**Mixed Use Commercial/Residential:**

- o 576-600 El Camino Real – currently reviewing their plans; and
- o 400-490 El Camino Real – Plans signed, preconstruction meeting re-scheduled.

**Commercial:**

- o 539 Harbor Blvd. – updated installation quote;
- o 700 Island Parkway – water and fire service complete;
- o 1201 Shoreway Road – currently reviewing their plans;
- o 1477 El Camino Real – currently reviewing their plans; and
- o 699 Ralston Ave – currently reviewing their plans.
- o 2525 Buena Vista– Provided installation Quote.

**Residential/Multi-Family:**

- o 1807 Bayview – Installation complete;
- o 1001 Notre Dame – currently reviewing their plans;
- o 2828 Monte Cresta – installation scheduled;
- o 905 South Rd - currently reviewing their plans;
- o 1221 Elmer St – installation complete, awaiting backflow certification;
- o 10 Notre Dame Place - currently reviewing their plans;
- o 1906 Bishop – installation scheduled;
- o 1919 Oak Knoll Dr. – currently reviewing their plans;
- o 1942 Bayview – currently reviewing their plans;

- 1557 Vine St. – installed;
- 2904-2906 San Juan – fees paid, awaiting scheduling;
- 796 Miramar Terrace - currently reviewing their plans;
- Bishop Road development - currently reviewing their plans;
- 1320 Talbryn Lane development- awaiting plans;

**Administration:**

- Seven members of Operations participated in a week-long hands-on backflow prevention class here on District property, six (6) will be attempting to attain state certification;
- Four staff members have passed the state's certification exam for backflow tester. One has yet to take test and one will be re-taking exam;
- Staff working on a Position Description Questionnaire as part of a consultant's project for the District;
- Communicated with City of Belmont consultant, HydroScience regarding their proposed solution to a sewer improvement in close proximity to our facility;
- Developed a list of 16 questions, from which three were selected, to be used for the six engineering firms interviewed at the end of February;
- Received 10 statements of qualifications from engineering firms interested in the On-Call Engineer for our CIP;
- The On-Call Engineer selection committee comprised of the General Manager, District Engineer and Operations Manager met to rank the 10 statements of qualifications received – a decision was made to short-list six (6) for an interview;
- Letters were sent to four engineering firms not selected for the short list and interview, and they were offered a debriefing conversation in March, all accepted;
- Letters were sent to six engineering firms inviting them for an interview on February 28. All accepted and interviews conducted on that date;
- Met with Developer of 400 El Camino Real to receive payment for fees and provide a signed set of approved water improvements for the development;
- Holding a weekly water math session with interested staff in preparation for state certification exam;
- Set up meeting with the Sequoia Union High School District in March to sample Carlmont High School for lead; and
- Continued to actively manage power use during pumping operations.

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

DESCRIPTION	APPROVED MID-YEAR FY 2016-2017 BUDGET \$	ACTUAL 7/1/16 2/28/17	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 66.6%
				Y-T-D % OF BUDGET
OPERATING REVENUE				
WATER COMMODITY CHARGES	8,100,000	5,815,644	2,284,356	71.8%
FIXED SYSTEM CHARGES	2,663,720	1,787,044	876,676	67.1%
FIRE SERVICE CHARGES	14,400	9,563	4,837	66.4%
SERVICE LINE & INSTALLATION CHARGES	25,000	1,813	23,187	7.3%
WATER SYSTEM CAPACITY CHARGES	200,000	-	200,000	NA
WATER DEMAND OFFSET CHARGES	10,000	-	10,000	NA
MISCELLANEOUS CHARGES	10,000	4,660	5,340	46.6%
INTEREST REVENUE - LAIF	20,000	16,853	3,147	84.3%
LEASE OF PHYSICAL PROPERTY	200,000	96,774	103,226	48.4%
PROPERTY TAX REVENUE	255,000	213,127	41,873	83.6%
<b>TOTAL OPERATING REVENUE</b>	<b>11,498,120</b>	<b>7,945,479</b>	<b>3,552,641</b>	69.1%
<b>OPERATING EXPENDITURES</b>				
SALARIES & WAGES	1,668,500	1,062,091	606,409	63.7%
PAYROLL TAXES & BENEFITS	1,163,800	706,087	457,713	60.7%
PURCHASED WATER	4,976,000	3,500,814	1,475,186	70.4%
OUTREACH & EDUCATION	116,900	2,813	114,087	2.4%
M&R - OPS SYSTEM	378,250	200,028	178,222	52.9%
M&R - FACILITIES & EQUIPMENT	162,000	72,597	89,403	44.8%
MAJOR MAINTENANCE	12,000	591	11,409	4.9%
OFFICE SUPPLIES & EQUIPMENT	348,500	184,450	164,050	52.9%
MEMBERSHIP & GOV FEES	197,500	107,885	89,615	54.6%
BAD DEBT & CLAIMS	37,000	16,921	20,079	45.7%
UTILITIES	292,900	169,453	123,447	57.9%
PROFESSIONAL SERVICES	473,900	263,140	210,760	55.5%
TRAINING/TRAVEL & RECRUITMENT	45,000	24,724	20,276	54.9%
RESTRICTED EARNINGS	20,000	16,853	3,147	84.3%
RESERVES	-	-	-	NA
DEPRECIATION	950,000	620,423	329,577	65.3%
DEBT SERVICE 2016 COPs	508,267	167,563	340,704	33.0%
<b>TOTAL OPERATING EXPENDITURES</b>	<b>11,350,517</b>	<b>7,116,431</b>	<b>4,234,086</b>	62.7%
<b>OPERATING REVENUE LESS EXPENDITURES</b>	<b>147,603</b>	<b>829,047</b>	<b>(681,444)</b>	561.7%
<b>NET TRANSFERS TO CAPITAL</b>	<b>(147,603)</b>	<b>(829,047)</b>	<b>681,444</b>	561.7%
<b>NET RESULTS OF OPERATIONS</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>OPERATING EXPENDITURES LESS DEPRECIATION</b>	<b>10,842,250</b>	<b>6,948,869</b>	<b>3,893,381</b>	64.1%

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2016-2017 BUDGET \$	ACTUAL 7/1/2016 2/28/2017	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 66.6%
					Y-T-D % OF BUDGET
4010	WATER COMMODITY CHARGES (A)	8,100,000	5,815,644	2,284,356	71.8%
4020	FIXED SYSTEM CHARGES	2,663,720	1,787,044	876,676	67.1%
4030	FIRE SERVICE CHARGES	14,400	9,563	4,837	66.4%
4050	SERVICE LINE & INSTALLATION CHARGES	25,000	1,813	23,187	7.3%
4060	WATER SYSTEM CAPACITY CHARGES	200,000	-	200,000	NA
4070	WATER DEMAND OFFSET CHARGES	10,000	-	10,000	NA
4090	MISCELLANEOUS REVENUES	10,000	4,260	5,740	42.6%
4000	TOTAL WATER AND FEE CHARGES	<b>11,023,120</b>	<b>7,618,325</b>	<b>3,404,795</b>	69.1%
4102	Interest Revenue- LAIF (B)	20,000	16,853	3,147	84.3%
4100	INTEREST REVENUE	<b>20,000</b>	<b>16,853</b>	<b>3,147</b>	84.3%
4201	Lease of Physical Property	200,000	96,774	103,226	48.4%
4202	Property Tax Revenue (C)	255,000	213,127	41,873	83.6%
4208	Landscape Plan Permit Review	-	400	(400)	NA
4200	OTHER REVENUE	<b>455,000</b>	<b>310,302</b>	<b>144,698</b>	68.2%
4000	TOTAL OPERATING REVENUE	<b>11,498,120</b>	<b>7,945,479</b>	<b>3,552,641</b>	69.1%
6011	Salaries & Wages	1,575,000	1,011,019	563,981	64.2%
6012	Director Compensation	11,000	4,400	6,600	40.0%
6017	Capital Salaries & Wages	-	53,359	(53,359)	NA
6010	GROSS REGULAR WAGES	<b>1,586,000</b>	<b>1,068,778</b>	<b>517,222</b>	67.4%
6017	CAPITAL SALARY & WAGES reversed	-	(53,359)	53,359	N/A
6021	Overtime Labor	45,500	24,130	21,370	53.0%
6022	Standby Labor	37,000	22,542	14,458	60.9%
6020	SUB-TOTAL SALARY & WAGES	<b>1,668,500</b>	<b>1,062,091</b>	<b>606,409</b>	63.7%
6031	FICA/Medicare PR Tax	131,500	70,568	60,932	53.7%
6038	ACWA Health Care	320,000	213,294	106,706	66.7%
6039	ACWA Dental	31,000	16,659	14,341	53.7%
6040	ACWA Vision	4,350	2,899	1,451	66.7%
6041	ACWA Life/AD&D	4,200	2,819	1,381	67.1%
6042	Standard LDL/SDL Disability	12,400	6,688	5,712	53.9%
6043	Workers' Comp Insurance	50,400	24,045	26,355	47.7%

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

Target YTD % 66.6%
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ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2016-2017 BUDGET \$	ACTUAL 7/1/2016 2/28/2017	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
6044	Unemployment	1,000	-	1,000	NA
6045	CALPERS Retirement - ER 2%@55	235,000	129,280	105,720	55.0%
6054	CAPITAL PAYROLL TAXES & BENEFITS	-	27,675	(27,675)	N/A
6046	Retirees' ACWA Health Care	56,000	42,200	13,800	75.4%
6047	Directors' ACWA Health Care	108,000	74,776	33,224	69.2%
6049	Medical Reimbursement	1,000	410	590	41.0%
6050	Employee Service Recognition	7,000	2,898	4,102	41.4%
6051	Safety Incentive Program	7,200	4,800	2,400	66.7%
6052	Uniforms	24,750	17,725	7,025	71.6%
6053	PARS OPEB Expense	170,000	97,024	72,976	57.1%
6030	<b>SUB-TOTAL PAYROLL TAXES &amp; BENEFITS</b>	<b>1,163,800</b>	<b>733,762</b>	<b>430,038</b>	63.0%
6054	<b>CAPITAL PAYROLL TAXES &amp; BENEFITS</b>	-	(27,675)	27,675	N/A
6000	<b>PERSONNEL COSTS</b>	<b>2,832,300</b>	<b>1,768,178</b>	<b>1,064,122</b>	62.4%
6101	SFPUC Treated Water (A)	4,441,144	3,138,192	1,302,952	70.7%
6102	BAWSCA (Debt Service Surcharges)	476,000	316,968	159,032	66.6%
6103	Rates Stabilization	58,856	-	58,856	NA
6104	SFPUC Water Service Charge	-	45,654	(45,654)	N/A
6100	<b>PURCHASED WATER</b>	<b>4,976,000</b>	<b>3,500,814</b>	<b>1,475,186</b>	70.4%
6301	Water Conservation Program	7,200	904	6,296	12.6%
6302	School Conservation Program	7,200	491	6,709	6.8%
6303	Public Outreach & Education	25,750	8,796	16,954	34.2%
6305	HET Rebates (D)	19,750	(9,974)	29,724	-50.5%
6306	Washing Machine Rebates (D)	13,750	(4,103)	17,853	-29.8%
6307	Lawn-Be-Gone Rebates	38,100	6,026	32,074	15.8%
6308	Rain Barrel Rebates	5,150	673	4,477	13.1%
6304	<b>TOTAL WATER CONSERVATION REBATES</b>	<b>76,750</b>	<b>(7,378)</b>	<b>84,128</b>	-9.6%
6300	<b>OUTREACH/EDUCATION</b>	<b>116,900</b>	<b>2,813</b>	<b>114,087</b>	2.4%
6401	Water Quality	67,000	46,782	20,218	69.8%
6402	Pumping	63,250	10,666	52,584	16.9%
6403	Storage Tanks	10,000	1,246	8,754	12.5%
6404	Mains/Distribution	100,000	67,940	32,060	67.9%
6405	Meters & Service	30,000	18,985	11,015	63.3%
6406	Fire Hydrants (E)	31,000	23,995	7,005	77.4%
6407	Regulator Stations	6,000	78	5,922	1.3%
6408	Safety	32,000	10,864	21,136	33.9%
6409	SCADA Maintenance	15,000	7,252	7,748	NA
6410	Generator Maintenance	24,000	12,222		
6400	<b>M&amp;R - OPS SYSTEMS</b>	<b>378,250</b>	<b>200,028</b>	<b>178,222</b>	52.9%
6501	M&R-Buildings&Grounds	93,000	39,263	53,737	42.2%

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2016-2017 BUDGET \$	ACTUAL 7/1/2016 2/28/2017	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 66.6% Y-T-D % OF BUDGET
6502	M&R- Equipment&Tools	21,000	10,239	10,761	48.8%
6503	M&R- Vehicles & Large Equipment	19,000	11,223	7,777	59.1%
6504	M&R - Fuel	29,000	11,871	17,129	40.9%
<b>6500</b>	<b>M&amp;R - FACILITIES &amp; EQUIPMENT</b>	<b>162,000</b>	<b>72,597</b>	<b>89,403</b>	<b>44.8%</b>
6601	Cathodic Protection Survey	12,000	241	11,759	NA
6602	Leak Detection Survey	-	350	(350)	NA
<b>6600</b>	<b>MAJOR MAINTENANCE</b>	<b>12,000</b>	<b>591</b>	<b>11,409</b>	<b>4.9%</b>
6701	Office Supplies	15,000	7,831	7,169	52.2%
6702	Insurance- Liability/Vehicles	87,750	43,051	44,699	49.1%
6703	Postage (F)	8,000	6,785	1,215	84.8%
6704	Printing/Printing Supplies	15,000	9,704	5,296	64.7%
6705	Equipment Services/Maintenance	56,750	13,869	42,881	24.4%
6706	Computer Supplies & Upgrades	14,750	8,292	6,458	56.2%
6707	Security & Safety	10,750	2,173	8,577	20.2%
6708	Other Fees	500	16	484	3.3%
6709	Customer Credit Card Svs Fees	140,000	92,728	47,272	66.2%
<b>6700</b>	<b>OFFICE SUPPLIES &amp; EQUIP</b>	<b>348,500</b>	<b>184,450</b>	<b>164,050</b>	<b>52.9%</b>
6801	Dues & Publications	39,500	25,790	13,710	65.3%
6802	Gov't Fees & Licenses	53,250	13,676	39,574	25.7%
6803	BAWSCA Membership Assessments	68,750	47,459	21,291	69.0%
6804	Env Health - Cross Connection Inspection	31,000	20,000	11,000	64.5%
6805	Software License	5,000	960	4,040	19.2%
<b>6800</b>	<b>MEMBERSHIP &amp; GOV FEES</b>	<b>197,500</b>	<b>107,885</b>	<b>89,615</b>	<b>54.6%</b>
6901	Bad Debt	7,000	3,199	3,801	45.7%
6902	Claims	30,000	13,722	16,278	45.7%
<b>6900</b>	<b>BAD DEBT &amp; CLAIMS</b>	<b>37,000</b>	<b>16,921</b>	<b>20,079</b>	<b>45.7%</b>
7001	Utilities-Internet/Cable	12,100	7,620	4,480	63.0%
7002	Utilities-Cellular Telephones	11,850	6,940	4,910	58.6%
7003	Utilities-Electric-Pumping	220,000	121,998	98,002	55.5%
7004	Utilities-Electric-Bldgs&Grounds	24,000	16,309	7,691	68.0%
7005	Utilities-Telephones	17,500	12,408	5,092	70.9%
7006	Utilities-Sewer - NPDES	7,450	4,177	3,273	56.1%
<b>7000</b>	<b>UTILITIES</b>	<b>292,900</b>	<b>169,453</b>	<b>123,447</b>	<b>57.9%</b>
7101	Prof Serv - District Counsel	90,000	43,672	46,329	48.5%
7102	Prof Serv - District Engineer	80,000	41,967	38,033	52.5%
7103	Prof Serv - IT	19,750	13,793	5,957	69.8%
7104	Prof Serv- Annual Finance Audit (G)	17,700	17,700	-	100.0%

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

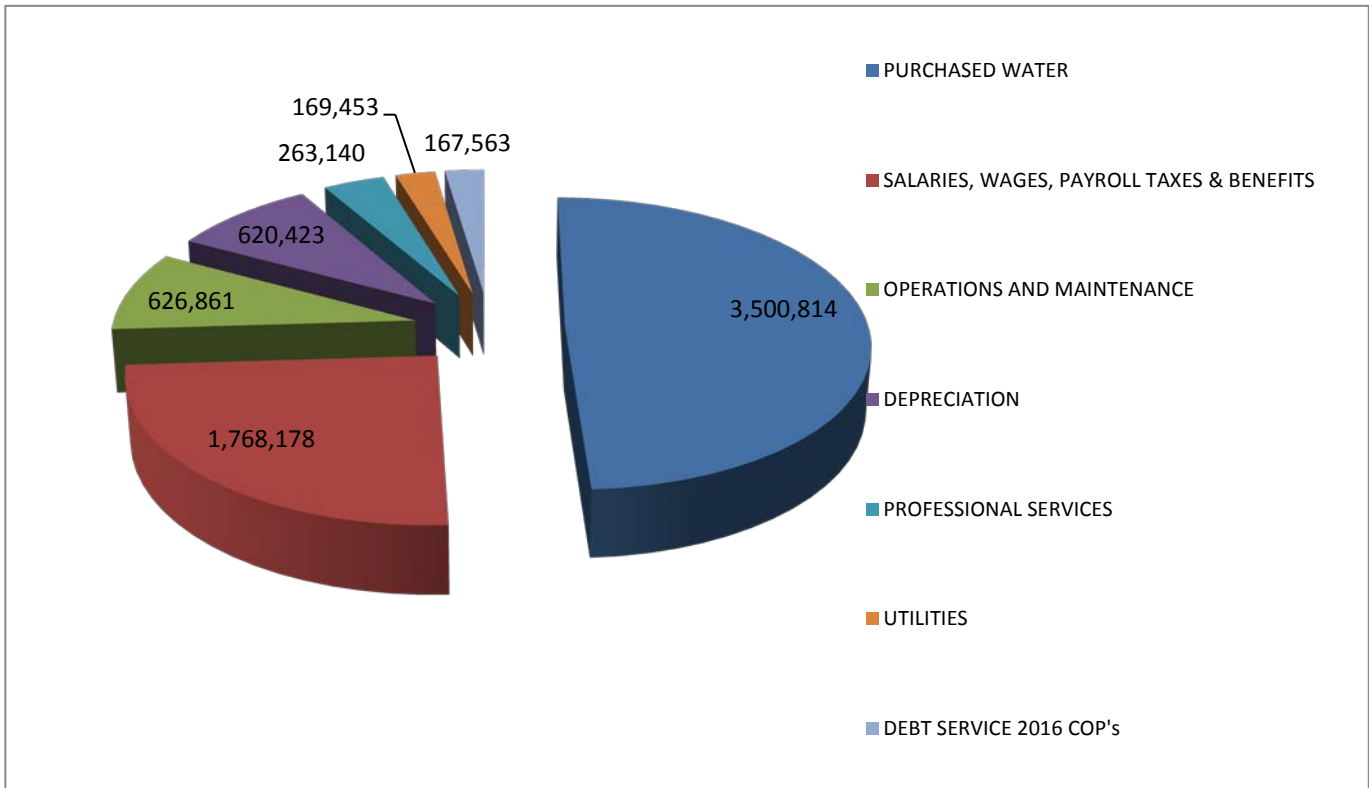
ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2016-2017 BUDGET \$	ACTUAL 7/1/2016 2/28/2017	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 66.6% Y-T-D % OF BUDGET
7105	Prof Serv - Mngmt Consult	-	-	-	NA
7106	Prof Serv- Accounting & Payroll (H)	21,750	17,396	4,354	80.0%
7107	Prof Serv- Customer Billing	72,250	45,258	26,992	62.6%
7109	Prof Serv - Answering Svs	8,750	5,645	3,105	64.5%
7110	Prof Serv - Miscellaneous	160,000	76,211	83,789	47.6%
7111	Prof Serv - District Treasurer	3,700	1,500	2,200	40.5%
<b>7100</b>	<b>PROFESSIONAL SERVICES</b>	<b>473,900</b>	<b>263,140</b>	<b>210,760</b>	<b>55.5%</b>
7201	Director Travel	5,000	-	5,000	NA
7202	Director Expense	1,000	125	875	12.5%
7203	Elections	-	-	-	NA
7204	Employee Travel/Training	32,000	20,032	11,968	62.6%
7205	Meetings Expense	7,000	4,567	2,433	65.2%
<b>7200</b>	<b>TRAINING &amp; TRAVEL</b>	<b>45,000</b>	<b>24,724</b>	<b>20,276</b>	<b>54.9%</b>
7302	Restricted Earnings Expense - Interest LAIF	20,000	16,853	3,147	84.3%
<b>7300</b>	<b>RESTRICTED EARNINGS EXPENSE</b>	<b>20,000</b>	<b>16,853</b>	<b>3,147</b>	<b>84.3%</b>
8001	Working Reserves: Capital	-	-	-	NA
8002	Working Reserves: Operating	-	-	-	NA
<b>8000</b>	<b>RESERVES</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>NA</b>
9010	DEPRECIATION	950,000	620,423	329,577	65.3%
9011	DEBT SERVICE 2016 COPs (I)	508,267	167,563	340,704	33.0%
<b>SUB-TOTAL - OPERATING EXPENSES</b>		<b>8,518,217</b>	<b>5,348,254</b>	<b>3,169,963</b>	<b>62.8%</b>
<b>TOTAL OPERATING EXPENSES</b>		<b>11,350,517</b>	<b>7,116,431</b>	<b>4,234,086</b>	<b>62.7%</b>
<b>NET OPERATING SURPLUS/(LOSS) TRANSFER TO CAPITAL</b>		<b>147,603</b>	<b>829,047</b>	<b>(681,444)</b>	<b>561.7%</b>

- (A) Water revenues are at 71.8% and water purchases are at 70.7%.
- (B) Increased reserves generating more interest revenue.
- (C) Property tax revenue received sooner than anticipated.
- (D) Round 3 BAWSCA Grant HET rebates \$16,997; WMRP \$4,133.
- (E) Four fire hydrants purchased totaling \$8,526.
- (F) Under budgeted postage for general mailing.
- (G) Audit completed.
- (H) State Controller's Annual Report totaling \$1675
- (I) Accrued Interest to be paid on Debt Service in May 2017.

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

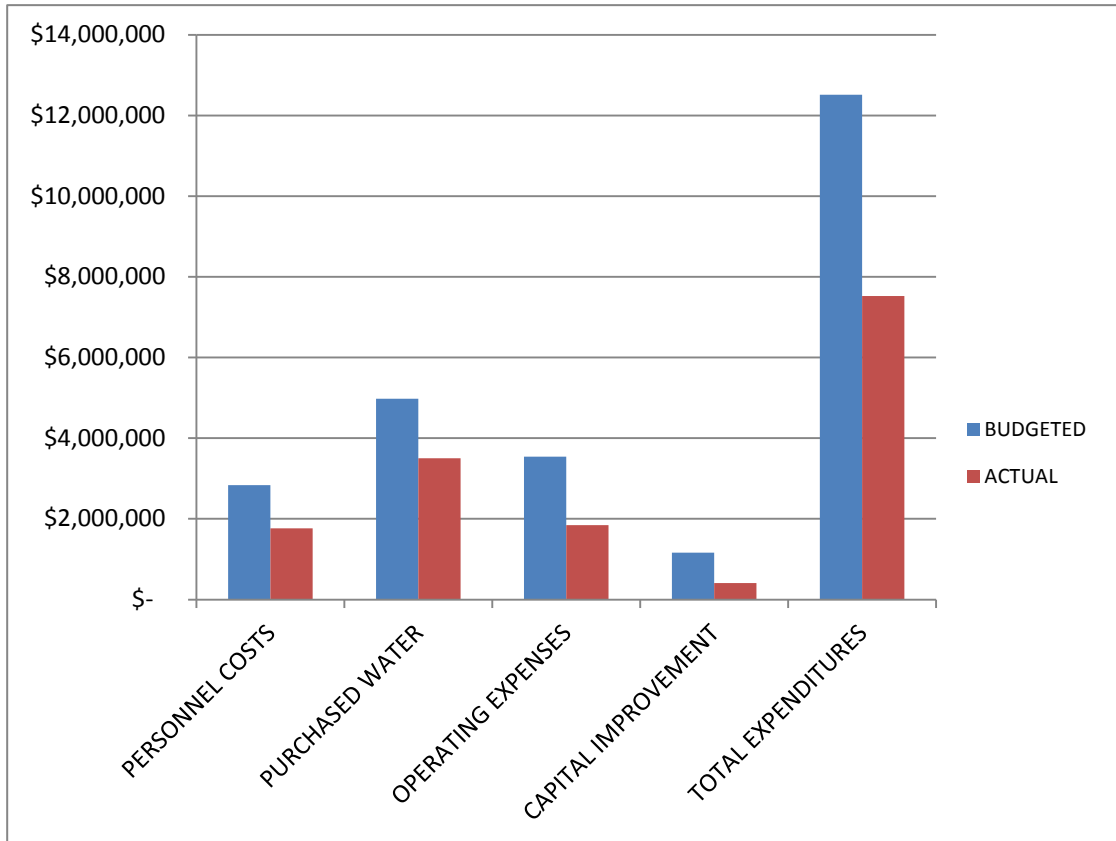
**Feb-17**

<b>OPERATING EXPENDITURES</b>	<b>ACTUAL \$</b>	<b>% OF TOTAL</b>
PURCHASED WATER	3,500,814	49.2%
SALARIES, WAGES, PAYROLL TAXES & BENEFITS	1,768,178	24.8%
OPERATIONS AND MAINTENANCE	626,861	8.8%
DEPRECIATION	620,423	8.7%
PROFESSIONAL SERVICES	263,140	3.7%
UTILITIES	169,453	2.4%
DEBT SERVICE 2016 COP's	167,563	2.4%
<b>TOTAL OPERATING EXPENDITURES</b>	<b><u>7,116,431</u></b>	<b><u>100%</u></b>





## 2014/2015 BUDGET vs ACTUAL TOTAL EXPENDITURES Feb-17



	BUDGETED	ACTUAL	BUDGETED % OF TOTAL	ACTUAL % OF TOTAL
<b>TOTAL EXPENDITURES</b>				
PERSONNEL COSTS	\$ 2,832,300	\$ 1,768,178	23%	24%
PURCHASED WATER	\$ 4,976,000	\$ 3,500,814	40%	47%
OPERATING EXPENSES	\$ 3,542,217	\$ 1,847,440	28%	25%
CAPITAL IMPROVEMENT	\$ 1,158,708	\$ 407,101	9%	5%
<b>TOTAL EXPENDITURES</b>	<b>\$ 12,509,225</b>	<b>\$ 7,523,533</b>	<b>100%</b>	<b>100%</b>

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

DESCRIPTION	APPROVED MID-YEAR FY 2016-2017 BUDGET \$	ACTUAL 7/1/2016 2/28/2017	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 66.6%
				Y-T-D % OF BUDGET
<b>CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)</b>				
AMI Meter Change Out Program	600,000	2,188	597,812	0.4%
Engineering Design Services for WMR Belmont Sewer Coordination	100,000	-		
Alameda de las Pulgas Water Main Replacement Project - CIP	243,708	243,708	-	100.0%
<b>CAPITAL IMPROVEMENTS - WIP TOTAL</b>	<b>943,708</b>	<b>245,896</b>	<b>697,812</b>	26.1%
<b>CAPITAL OUTLAY</b>				
Financial Management System (FMS) - Comprehensive Replacement	95,000	71,863	23,137	75.6%
Implementation of Sensus Consumer Portal	70,000	64,855	5,145	92.7%
Miscellaneous Capital Outlay/Projects (A)	50,000	24,488	25,512	49.0%
<b>CAPITAL OUTLAY TOTAL</b>	<b>215,000</b>	<b>161,206</b>	<b>53,794</b>	75.0%
<b>CAPITAL IMPROVEMENTS &amp; CAPITAL OUTLAY TOTAL</b>	<b>1,158,708</b>	<b>407,101</b>	<b>751,607</b>	35.1%
DEPRECIATION	950,000	620,423	329,577	65.3%
TRANSFER FROM OPS	147,603	829,047	(681,444)	561.7%
TRANSFER (TO)/FROM CAPITAL RESERVES	61,105	(1,042,370)	1,103,475	-1705.9%
CAPITAL OUTLAY/CAPITAL PROJECTS	(1,158,708)	(407,101)	(751,607)	35.1%
<b>NET RESULTS OF CAPITAL</b>	<b>-</b>	<b>(0)</b>	<b>0</b>	N/A

(A) Hallmark Tank Retrofit Project

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

	Jul 16 - Feb 17	Jul 15 - Feb 16	\$ Change	% Change
Ordinary Income/Expense				
Income				
4000 · OPERATING REVENUE	7,618,324.63	6,045,353.44	1,572,971.19	26.02%
4100 · INTEREST INCOME	16,852.59	7,242.05	9,610.54	132.71%
4200 · OTHER INCOME	310,301.69	302,583.45	7,718.24	2.55%
Total Income	<u>7,945,478.91</u>	<u>6,355,178.94</u>	<u>1,590,299.97</u>	<u>25.02%</u>
Expense				
6000 · PERSONNEL COSTS	1,768,177.84	1,626,939.86	141,237.98	8.68%
6100 · PURCHASED WATER	3,500,813.53	3,004,332.77	496,480.76	16.53%
6300 · OUTREACH/EDUCATION	2,812.88	76,187.27	-73,374.39	-96.31%
6400 · M&R - OPS SYSTEMS	200,028.34	188,927.02	11,101.32	5.88%
6500 · M&R - FACILITIES & EQUIPMENT	72,596.65	68,398.00	4,198.65	6.14%
6600 · MAJOR MAINTENANCE	590.74	700.00	-109.26	-15.61%
6700 · OFFICE SUPPLIES & EQUIPMENT	184,449.67	172,769.09	11,680.58	6.76%
6800 · MEMBERSHIP & GOV FEES	107,884.53	117,119.46	-9,234.93	-7.89%
6900 · BAD DEBT & CLAIMS	16,921.12	7,847.39	9,073.73	115.63%
7000 · UTILITIES	169,452.75	176,519.51	-7,066.76	-4.0%
7100 · PROFESSIONAL SERVICES	263,140.20	283,964.92	-20,824.72	-7.33%
7200 · TRAINING & TRAVEL	24,724.39	12,797.91	11,926.48	93.19%
Total Expense	<u>6,311,592.64</u>	<u>5,736,503.20</u>	<u>575,089.44</u>	<u>10.03%</u>
Net Ordinary Income	<u>1,633,886.27</u>	<u>618,675.74</u>	<u>1,015,210.53</u>	<u>164.09%</u>
Other Income/Expense				
Other Expense				
9000 · DEPRECIATION	620,423.31	552,997.05	67,426.26	12.19%
COP Financing Costs	479,731.41	0.00	479,731.41	100.0%
Total Other Expense	<u>1,100,154.72</u>	<u>552,997.05</u>	<u>547,157.67</u>	<u>98.9%</u>
7302 · RESTRICTED EARNINGS EXPENSE - INTEREST LAIF *	16,852.59	7,242.05	9,610.54	132.7%
Total Restricted Earnings Expense	<u>16,852.59</u>	<u>7,242.05</u>	<u>9,610.54</u>	<u>132.7%</u>
Net Revenue/(Expenses)	<u>516,878.96</u>	<u>58,436.64</u>	<u>458,442.32</u>	<u>784.5%</u>

**RECONCILIATION TO OPERATING BUDGET**

**Adjustments to Increase Net Operating Surplus**

Underwriting Fee	114,426.48
COP Issuance Cost	197,742.00
Interest earnings on Cash with Fiscal Agent	0.00
<b>Total Adjustments to Increase Net Operating Surplus</b>	<u>312,168.48</u>

**Net Revenue/(Expenses)** 516,878.96

**Net Operating Surplus/(Loss) Transfer to Capital** 829,047.44

\* Prior year amounts have been adjusted in accordance with current year presentation.

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

	28-Feb-17	28-Feb-16	\$ Change	% Change
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Total Checking/Savings	25,139,978.18	4,059,907.46	21,080,070.72	519.23%
Total Accounts Receivable	764,333.36	18,283.30	746,050.06	4,080.5%
Other Current Assets				
Inventory (A)	0.00	158,736.70	-158,736.70	-100.0%
Other Current Assets	236,473.18	306,094.24	-69,621.06	-22.75%
Total Other Current Assets	236,473.18	464,830.94	-228,357.76	-49.13%
<b>TOTAL CURRENT ASSETS</b>	<b>26,140,784.72</b>	<b>4,543,021.70</b>	<b>21,597,763.02</b>	<b>475.41%</b>
<b>FIXED ASSETS</b>				
Fixed Assets	42,010,899.48	41,552,844.60	458,054.88	1.1%
Accumulated Depreciation	-26,384,515.28	-25,406,726.85	-977,788.43	-3.85%
Construction in Progress	235,222.17	340,494.73	-105,272.56	-30.92%
<b>TOTAL FIXED ASSETS</b>	<b>15,861,606.37</b>	<b>16,486,612.48</b>	<b>-625,006.11</b>	<b>-3.79%</b>
<b>TOTAL OTHER ASSETS</b>	<b>442,276.00</b>	<b>203,461.00</b>	<b>238,815.00</b>	<b>117.38%</b>
<b>TOTAL ASSETS</b>	<b>42,444,667.09</b>	<b>21,233,095.18</b>	<b>21,211,571.91</b>	<b>99.9%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Total Accounts Payable	116,969.20	75,676.12	41,293.08	54.57%
Total Other Current Liabilities (B)	673,138.10	724,645.24	-51,507.14	-7.11%
<b>TOTAL CURRENT LIABILITIES</b>	<b>790,107.30</b>	<b>800,321.36</b>	<b>-10,214.06</b>	<b>-1.28%</b>
<b>LONG TERM LIABILITIES</b>				
Total COP Financing Debt (C)	18,255,000.00	0.00	18,255,000.00	100.0%
Total Debt Premium (C)	930,626.90	0.00	930,626.90	100.0%
Total Other Long Term Liabilities	1,351,457.45	1,122,799.45	228,658.00	20.37%
<b>TOTAL LONG TERM LIABILITIES (B)</b>	<b>20,537,084.35</b>	<b>1,122,799.45</b>	<b>19,414,284.90</b>	<b>1,729.1%</b>
<b>TOTAL LIABILITIES</b>	<b>21,327,191.65</b>	<b>1,923,120.81</b>	<b>19,404,070.84</b>	<b>1,008.99%</b>
<b>EQUITY</b>				
3000 - Opening Bal Equity	0.00	144.00	-144.00	-100.0%
<b>3800 - RESERVES *</b>	<b>5,568,453.80</b>	<b>3,795,326.04</b>	<b>1,773,127.76</b>	<b>46.72%</b>
3940 - Fund Bal Invest in Util Plant	15,861,606.37	16,467,502.23	-605,895.86	-3.68%
Net Assets (B)	-312,584.73	-952,997.90	640,413.17	67.2%
<b>TOTAL EQUITY</b>	<b>21,117,475.44</b>	<b>19,309,974.37</b>	<b>1,807,501.07</b>	<b>9.36%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>42,444,667.09</b>	<b>21,233,095.18</b>	<b>21,211,571.91</b>	<b>99.9%</b>
	<b>Balance @</b>	<b>Balance @</b>	<b>Balance @</b>	<b>Budget for</b>
	<b>Feb 2015</b>	<b>Feb 2016</b>	<b>Feb 2017</b>	<b>Reserve</b>
<b>* RESERVES</b>				<b>Policy</b>
Capital Reserves	1,134,676	1,295,326	3,068,454	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
<b>TOTAL RESERVE FUNDS</b>	<b>3,634,676</b>	<b>3,795,326</b>	<b>5,568,454</b>	<b>5,000,000</b>

(A) Change in Capitalization/Inventory Policy. Inventory less than \$5,000 were expensed last fiscal year.

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

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