



REGULAR MEETING
BOARD OF DIRECTORS
THURSDAY, SEPTEMBER 22, 2016 – 6:30PM
3 DAIRY LANE, BELMONT CALIFORNIA

AGENDA

1. OPENING

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

2. PUBLIC COMMENT

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

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

4. ACKNOWLEDGEMENTS/PRESENTATIONS

- A. Brent Chester – D4 Operator Certification from CA Department of Water Resources
- B. Tava Mataele – 10th Service Anniversary

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 August 25, 2016
- B. Approve Expenditures from August 20, 2016 through September 13, 2016

6. HEARINGS AND APPEALS

None.

7. REGULAR BUSINESS AGENDA

- A. Progress Report on MPWD 2016 Strategic Plan and Process Follow-Up Facilitated by Julie Brown

- B. MPWD Capital Improvement Program (CIP):
 - 1. Review CIP Summary and Project Implementation Plan Update
 - 2. Consider Resolution 2016-14 the First Amendment to the Professional Services Contract with the District Engineer, referenced as Contract No. 01-1621-CIP, in the Amount of \$292,155, for Engineering Design Services related to the 2017 Water Main Replacements Project
 - 3. Consider Scheduling a Special Meeting in October 2016 to Consider Approval of Financing Documents for MPWD 5-Year CIP totaling \$20 Million
 - 4. Receive Updated CIP Informational Summary & FAQs
- C. Consider Resolution 2016-15 Authorizing a Water Service Agreement between the Mid-Peninsula Water District and Central Peninsula Development, LLC, for Mixed-Use Development located at 576-600 El Camino Real in Belmont, California
- D. Consider Resolution 2016-16 Requiring Even-Numbered Year Elections for the MPWD Board of Directors in Consolidation with the Statewide General Elections
- E. Consider Resolution 2016-17 Authorizing the Adoption of the San Mateo County Hazard Mitigation Plan Update
- F. Receive Presentation and Review of the New MPWD Personnel Manual, and:
 - 1. Consider Resolution 2016-18 Adopting the Mid-Peninsula Water District Policy Against Unlawful Harassment, Discrimination and Retaliation; and
 - 2. Consider Resolution 2016-19 Approving and Adopting the New Personnel Manual for the Mid-Peninsula Water District, effective September 23, 2016
- G. BAWSCA Update

8. MANAGER'S AND BOARD REPORTS

- A. General Manager's Report, including Water Conservation Progress Report
 - 1. Supplemented by Administrative Services Manager's Report
 - 2. Supplemented by Operations Manager's Report
 - 3. Supplemented by District Engineer's Report
- B. Financial Reports
 - 1. Receive General Manager's Annual Report for Fiscal Year Ended June 30, 2016
- C. Director Reports

9. 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.

10. COMMUNICATIONS

11. ADJOURNMENT

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

ACCESSIBLE PUBLIC MEETINGS

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

Next Board Meeting: October 27, 2016, at 6:30PM

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

August 25, 2016
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 Zucca at 6:30 PM.

B. Pledge of Allegiance – The Pledge of Allegiance was led by District Counsel Cassman.

C. Establishment of Quorum:

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

ABSENT: Director Warden.

A quorum was present.

ALSO PRESENT: General Manager Tammy Rudock, Operations Manager Rene Ramirez, District Counsel Joan Cassman, District Engineer Joubin Pakpour, and District Treasurer Jeff Ira. District Secretary/Administrative Services Manager Candy Pina was absent. General Manager Rudock served as District Secretary for the meeting.

2. PUBLIC COMMENTS

None.

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

Director Vella asked to pull Agenda Item 5.E. for further discussion.

4. ACKNOWLEDGEMENTS/PRESENTATIONS

None.

5. CONSENT AGENDA

A. Approve Minutes for the Special Board Meeting of May 25, 2016

B. Approve Minutes for the Regular Board Meeting of June 23, 2016

C. Approve Minutes for the Regular Board Meeting of July 28, 2016

D. Approve Expenditures from July 21, 2016 through August 19, 2016

E. Approve Resolution 2016-11 Accepting a Grant of Easement from the Crystal Springs Upland School of a 45-square foot Piece of Property Near 8 Davis Drive in Belmont behind the Existing Right-of-Way for the Purpose of Relocating Existing Fire Hydrant #7064

Director Stuebing moved to approve all but Agenda Item 5.E. of the Consent Agenda, Director Vella seconded, and it was unanimously approved.

Director Vella asked for clarification on Agenda Item 5.E. and the language that there would be a minimal cost to the District for the easement. Operations Manager Ramirez explained

51 it was for recording fees paid to San Mateo County which might be approximately \$25.
52 There was discussion about the size of the area needed to relocate the hydrant. It was
53 determined that 45 square feet was more than enough for the hydrant relocation. Director
54 Vella asked for clarification on the non-exclusive easement and what that meant. District
55 Counsel Cassman said that if an accommodation can be made and it does not interfere with
56 the District's rights or ability to accomplish its goals, then the MPWD could grant
57 accommodations.

58
59 Director Vella moved to approve Resolution 2016-11 accepting a Grant of Easement from
60 the Crystal Springs Upland School of a 45-square foot Piece of Property near 8 Davis Drive
61 in Belmont behind the Existing Right-of-Way for the Purpose of Relocating Existing Fire
62 Hydrant #7064, Director Stuebing seconded. Roll call was taken and it was unanimously
63 approved.
64

65 **6. HEARINGS AND APPEALS**

66 None.

67
68 **7. REGULAR BUSINESS AGENDA**

69 **A. MPWD Capital Improvement Program (CIP):**

70 **1. Receive Presentation by District Engineer of Asset Management Analysis for**
71 **MPWD Water Mains and Storage Tanks and Annual Pay-Go Reinvestment**
72 **Requirements**

73 District Engineer Pakpour discussed his report, noting that very little changed from
74 last month. He added Section 5 which included a pay-as-you-go capital needs
75 analysis. He explained the methodology behind the analysis after assessment of the
76 MPWD's water mains and storage tanks. It was determined that there is \$6 million
77 per year of underground pipe work to be accomplished in a pay-as-you-go scenario.
78 It was also determined that there would be \$2 million per year of tank work to be
79 done, not necessarily spending that amount each year, but funds needed to be
80 collected over the years to do the work when it was necessary on a timeline he
81 presented.
82

83 President Zucca agreed that MPWD is clearly behind on needed infrastructure work.
84 He noted that MPWD is not alone in being behind, that this is a nationwide issue.
85 Director Stuebing noted that MPWD needs to manage its funds well, manage
86 projects and make wise choices, and the District needs to continue to keep on top of
87 this.
88

89 District Engineer Pakpour noted there were no pump stations, PRVs, AMI meters, or
90 building/facility work included in the capital assessment analysis. Those are
91 additional items which need to be considered with the infrastructure work.
92

93 **2. Consider Financing Options for the MPWD 5-Year Capital Improvement**
94 **Program and Resolution 2016-12 Authorizing Procurement of \$20,000,000 on**
95 **behalf of the MPWD**

96 Bud Levine of Wulff Hansen, the MPWD's Municipal Finance Advisor, was present
97 along with Edmund Viray. Mr. Levine noted that at this time there are low rates and
98 a very strong bond market. He presented a 10-year treasury chart, along with the
99 Muni Market Bond Status Chart, which included an average interest rate for AAA
100 bonds. He did a comparison between tax exempt and non-tax exempt bond
101 offerings. He discussed the current market, noting the impact of the FOMC (Federal

Open Market Committee Meeting), which causes interest rates to rise and fall based on that meeting. He presented 25-year and 30-year bond charts. He explained the difference between par bonds and premium bonds, and who are issuing each type. He noted that premium bonds are the best right now because when market interest rates go up, the interest for these types of bonds do not. With par bonds, when rates go up or down, so do the bonds. Par bonds are used when interest rates are high and premium bonds are used when interest rates are low. He discussed different options for excess revenues generated each year after the bonds could be called in 10 years.

Director Linvill made the point that when there is excess revenues, the Board could opt to pay the bonds off after the 10-year call option. She also wanted to make sure that staff tracks expenses carefully, and manages the District funds well. Bud Levine noted that the trustee would be managing the funds, which included paying off all project invoices approved by MPWD. So staff would not be handling any of the funds. President Zucca noted that he does not want to reduce the reserves. The rate stabilization fund was discussed and how to use that with the debt financing. There was discussion about how the underwriter would be selected.

Bud Levine discussed other similar bond issuances with other Districts and discussed different scenarios. The examples used showed that premium bonds are desired for investors right now. He then went over the proposed calendar and all the steps needed to accomplish the bond issue. There was clarification on how to pick the trustee bank. It was decided the proposed resolution was premature, and it would be brought back at a later date for consideration when it was more appropriate.

President Zucca clarified with Directors that the MPWD board is moving toward debt financing for its approved 5-Year CIP.

3. Receive Updated CIP Information Summary & FAQs

General Manager Rudock pointed out that the document was updated and the sections were highlighted in yellow. A section was created on the MPWD's website for the 5-Year CIP documents, including the summary.

B. Receive Summary Presentation on 2015 MPWD GASB 45 (OPEB – Other Post-Employment Benefits) Actuarial Valuation Report

General Manager Rudock presented the 2015 GASB 45 Actuarial Valuation Report prepared by Demsey Filliger & Associates. She highlighted the section on Differences from Prior Valuation, which reflected significant changes in the MPWD's Accrued Liability. She noted the surviving spouse benefit for the Tier 1 employees added an increased cost to the MPWD. It had inadvertently been left out of the 2012 actuarial valuation. It increased the cost to the MPWD by \$30,000 per year, for a total of \$600,000 over the next 20 years. She highlighted the Sample Funding Schedules and reported that the MPWD would be using the Constant Percentage Increase model, particularly since that recommended funding contribution fit within the FY 2016/2017 Operating Budget.

C. Discuss Options Regarding Compliance with Senate Bill 415 and Requirement for District Elections To Be Held On Statewide Election Dates

General Manager Rudock reported that the Belmont City Clerk had reached out and inquired about the MPWD's position on moving its elections to even-numbered years. The Board had a preliminary discussion about this last year. District Counsel Cassman explained that SB145 passed, which consolidates elections to occur on even years instead of odd years. This will allow for District elections to combine with state wide elections for the purposes of encouraging higher voter turnout, and also reduce costs for running elections due to economies of scale. The decision needs to be made by 2018, but can be put off until 2022 if there is a viable reason for the delay. Director Vella would like to make sure this decision is made when all board members are present since it would impact each Director.

D. Consider Resolution 2016-13 Rescinding Stage 2 and Authorizing Stage 1 Water Shortage Response of MPWD Water Shortage Contingency Plan

General Manager Rudock summarized the resolution, stating that the MPWD should formally move from Stage 2 to Stage 1 of its WSCP. The SFPUC requested a 10% voluntary reduction in water use from its wholesale customers beginning July 1, 2016. The SFPUC's Regional Water System analysis recently completed in response to the State's request for agency conservation self-certification reflected a stable water supply over the next three (3) years.

General Manager Rudock stated that the move to Stage 1 would include, however, continued prohibitions from the state requiring the MPWD maintain some of its Stage 2 requirements in place. These requirements are included in MPWD's Water Shortage Contingency Plan so the message is consistent.

Director Stuebing moved to approve Resolution 2016-13 Rescinding Stage 2 and Authorizing Stage 1 Water Shortage Response of MPWD Water Shortage Contingency Plan, Director Linvill seconded. Roll call was taken and it was unanimously approved.

8. MANAGER AND BOARD REPORTS

A. General Manager's Report

- Negotiations with the MPWD Employees Association have ended, the Personnel Manual has been completed, and District Counsel has finalized its review of the document. Two meetings were held with the Board's ad hoc committee to discuss the Manual during its draft stages. The final draft of the Manual is now with the typesetter and will be presented for the Board's consideration at the September board meeting.
- Highlighting the water conservation report, we again had a water savings of 23% in July. Jeanette Kalabolas' quarterly report was attached.

1. Supplemented by Administrative Services Manager's Report

In the Administrative Services Manager Pina absence, General Manager Rudock highlighted the following:

- The high balance in cash for August was because the SFPUC water bill was being paid the following week which was over \$400,000.
- Staff has been trained on filling in a template invoice form which helps to streamline Accounts Payable. Staff is doing a good job with this new process.

2. Supplemented by Operations Manager's Report

Operations Manager Ramirez highlighted the following:

- Three of the MPWD's vehicles now have the new graphics. We have had positive feedback from the staff and community members.
- In July, we received from the City of Belmont's their 65% completed sewer rehabilitation plan, which included needed work at 47 locations. Staff gave them feedback as it related to MPWD on their plans, which they fully accepted. So MPWD will be moving some of its priorities around to coordinate the work in certain areas to take advantage of economies of scale.

3. Supplemented by District Engineer's Report

District Engineer Pakpour reported that the Alameda de las Pulgas water main replacement project is wrapping up. The water main is in service, and school has started. All that is left to do is slurry seal the road, which will be completed next week. The quality of work was good; the contractor was okay to work with. There were 1.7% change orders, and there are issues with the progress payment #3. There are negotiations around the tie-ins, which were not considered by the contractor when formulating their bid. The contractor was off the streets each day during the project by 4:00PM for the most part. A few times they were off the street late due to unforeseen complications. Michael Anderson, MPWD's Inspector, did not have any problems with the contractor while at the site. He felt he received great experience being the inspector on this job. Most items were resolved in the field.

B. Financial Reports

General Manager Rudock summarized the financials. Director Linvill asked that Gross Profit be removed from the last financial report and also that Other Expense be changed to Depreciation.

C. Director Reports

Director Stuebing attended the CSDA meeting. The recent San Mateo County Grand Jury report on local sanitation districts included Westborough Water District, which the Grand Jury concluded should be absorbed into South City. The featured presentation was made by Hilary Papendick on the rising sea levels. They are attributing the rising sea level to weather, and what is referred to as King Tides, which is happening more often. An assessment is to be completed in the fall on this issue. The estimated financial impact is \$24 billion.

President Zucca discussed the Puerto Rico drought, noting they experienced their driest year on record with no hurricanes. The country was out of water every fourth day. They found they have a 60% physical water loss, which they cannot account for.

Director Linvill noted that a colleague sits on a board where they reviewed a loan request for a ski resort and golf course in Montana. Since this state is experiencing a drought, it made it difficult to approve such development. She then said California is not the only place in the world experiencing the drought. It is worldwide. District Treasurer Ira added that the snow pack is reducing, and there are very large floods now.

Director Vella asked that we keep our eyes on the "Restore Hetch Hetchy" group. They are using misinformation to get their points across in litigation against the SFPUC and BAWSCA regarding water supply.

9. FUTURE AGENDA BUSINESS ITEMS

None.

254
255 **10. COMMUNICATIONS**

256 General Manager Rudock noted that our liability insurance now includes cyber insurance at
257 no additional cost to the District.
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259 **11. ADJOURNMENT**

260 Director Stuebing moved to adjourn at 9:18PM, Director Linvill seconded, and it was
261 unanimously approved.
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267 DISTRICT SECRETARY

268 APPROVED:
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272 BOARD PRESIDENT

Accounts Payable

Checks by Date - Summary by Check Date

User: candyp
Printed: 9/15/2016 5:29 PM



| Check No | Vendor No | Vendor Name | Check Date | Check Amount |
|----------------------|-----------|--------------------------------|------------|--------------|
| 72 | CALPERS | CALPERS | 08/22/2016 | 650.00 |
| 73 | HEALTHEQ | Health Equity | 08/22/2016 | 1,515.63 |
| 74 | calpers | CALPERS | 08/22/2016 | 2,443.56 |
| 76 | calpers | CALPERS | 08/22/2016 | 2,526.43 |
| 77 | calpers | CALPERS | 08/22/2016 | 6,938.81 |
| 78 | calpers | CALPERS | 08/22/2016 | 8,210.42 |
| Total for 8/22/2016: | | | | 22,284.85 |
| 79 | ACHRETN | ACH Returns | 08/25/2016 | 224.50 |
| Total for 8/25/2016: | | | | 224.50 |
| 80 | ADPPRFEE | ADP Payroll Fees | 08/26/2016 | 99.83 |
| 81 | BANKMTO1 | Bankcard Mtot Disc | 08/26/2016 | 116.50 |
| Total for 8/26/2016: | | | | 216.33 |
| 31272 | ATT60197 | AT&T 60197 | 08/30/2016 | 1,266.35 |
| 31273 | BLUELINE | BLUELINE RENTAL | 08/30/2016 | 541.35 |
| 31274 | CGUHLENB | C G UHLENBERG LLP | 08/30/2016 | 1,325.00 |
| 31275 | cintassa | CINTAS | 08/30/2016 | 210.88 |
| 31276 | CINTS | CINTAS CORPORATION | 08/30/2016 | 752.52 |
| 31277 | CORIXWAT | CORIX WATER PRODUCTS (US) INC. | 08/30/2016 | 3,759.22 |
| 31278 | EEAPSAFE | EEAP THE SAFETY PEOPLE, INC. | 08/30/2016 | 480.00 |
| 31279 | GRANITE | GRANITE ROCK, INC. | 08/30/2016 | 654.12 |
| 31280 | HOMEDPC | HOME DEPOT | 08/30/2016 | 434.81 |
| 31281 | HOWARDR/ | HOWARD AVENUE RADIATOR AND AI | 08/30/2016 | 110.00 |
| 31282 | KELLYMOR | KELLY-MOORE PAINT CO | 08/30/2016 | 21.91 |
| 31283 | MATAELE | TAVA MATAELE | 08/30/2016 | 33.11 |
| 31284 | MHN | MHN | 08/30/2016 | 45.54 |
| 31285 | NAPAAUTO | NAPA AUTO PARTS | 08/30/2016 | 51.21 |
| 31286 | OFFICEDE | OFFICE DEPOT, INC. | 08/30/2016 | 496.34 |
| 31287 | PACESUPL | PACE SUPPLY CORP | 08/30/2016 | 502.81 |
| 31288 | PG&E | PG&E CFM/PPC DEPT | 08/30/2016 | 14,940.49 |
| 31289 | PRECISE | PRECISE, INC. | 08/30/2016 | 623.48 |
| 31290 | PUMPREPR | PUMP REPAIR SERVICE CO | 08/30/2016 | 65,810.73 |
| 31291 | RICOHPhi | RICOH Philadelphia | 08/30/2016 | 133.81 |
| 31292 | RANDB | ROBERTS & BRUNE CO. INC. | 08/30/2016 | 5,466.69 |
| 31293 | SFWATER | SAN FRANCISCO WATER DEPT | 08/30/2016 | 587,302.00 |
| 31294 | SMELECTR | SAN MATEO ELECTRIC SUPPLY | 08/30/2016 | 15.18 |
| 31295 | STANDINS | STANDARD INSURANCE COMPANY | 08/30/2016 | 780.01 |
| 31296 | ups | UPS | 08/30/2016 | 18.62 |
| 31297 | VALLEYOL | VALLEY OIL COMPANY | 08/30/2016 | 629.89 |
| 31298 | XiOInc | XIO, INC. | 08/30/2016 | 5,000.00 |
| Total for 8/30/2016: | | | | 691,406.07 |

| Check No | Vendor No | Vendor Name | Check Date | Check Amount |
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| 31299 | ACWAJPIA | ACWA/JPIA | 09/13/2016 | 41,079.94 |
| 31300 | ATT60197 | AT&T 60197 | 09/13/2016 | 66.93 |
| 31301 | BPLANDSC | BAY POINTE LANDSCAPE | 09/13/2016 | 1,050.00 |
| 31302 | CINTS | CINTAS CORPORATION | 09/13/2016 | 752.23 |
| 31303 | COMCAST | COMCAST | 09/13/2016 | 260.75 |
| 31304 | CONTINEN | CONTINENTAL UTILITY SOLUTIONS | 09/13/2016 | 1,500.00 |
| 31305 | DESERTDI | DESERT DIAMOND INDUSTRIES LLC | 09/13/2016 | 255.00 |
| 31306 | GSFLOWM | GOLDEN STATE FLOW MEASUREMEN | 09/13/2016 | 2,845.68 |
| 31307 | GRANITE | GRANITE ROCK, INC. | 09/13/2016 | 192.37 |
| 31308 | HACHCOMI | HACH COMPANY INC | 09/13/2016 | 1,066.23 |
| 31309 | HANSONBR | HANSON, BRIDGETT | 09/13/2016 | 10,458.00 |
| 31310 | HOMEDEPC | HOME DEPOT | 09/13/2016 | 208.33 |
| 31311 | INTRBATT | INTERSTATE BATTERY SYSTEM, INC. | 09/13/2016 | 134.01 |
| 31312 | JAMESMAR | JAMES MARTA & COMPANY | 09/13/2016 | 13,500.00 |
| 31313 | DAVIDSON | JOHN T. DAVIDSON | 09/13/2016 | 5,207.74 |
| 31314 | KALABOLA | JEANETTE KALABOLAS | 09/13/2016 | 203.34 |
| 31315 | kimballm | KIMBALL MIDWEST | 09/13/2016 | 1,011.52 |
| 31316 | MATCOTLS | MATCO TOOLS | 09/13/2016 | 344.95 |
| 31317 | MCNAMAR | McNAMARA TRANSPORT, INC. | 09/13/2016 | 800.00 |
| 31318 | OFFICEDE | OFFICE DEPOT, INC. | 09/13/2016 | 60.22 |
| 31319 | PAKPOUR | PAKPOUR CONSULTING GROUP, INC | 09/13/2016 | 26,582.00 |
| 31320 | PG&E | PG&E CFM/PPC DEPT | 09/13/2016 | 369.67 |
| 31321 | RAMIREZ | RENE RAMIREZ | 09/13/2016 | 132.98 |
| 31322 | RECOLOGY | RECOLOGY SAN MATEO | 09/13/2016 | 651.04 |
| 31323 | RICOHPhi | RICOH Philadelphia | 09/13/2016 | 66.07 |
| 31324 | RANDB | ROBERTS & BRUNE CO. INC. | 09/13/2016 | 5,145.14 |
| 31325 | SMENVIRN | SAN MATEO CO. ENVIRO. HEALTH | 09/13/2016 | 321.00 |
| 31326 | SMCEMA | SAN MATEO COUNTY EMERGENCY M | 09/13/2016 | 100.00 |
| 31327 | SFPUCFIN | SFPUC FINANCIAL SERVICES | 09/13/2016 | 5,375.00 |
| 31328 | STATEPLU | STATE PLUMBING AND HEATING SUP | 09/13/2016 | 357.85 |
| 31329 | STEPFORD | STEPFORD BUSINESS, INC. | 09/13/2016 | 3,979.85 |
| 31330 | STEVCRKQ | STEVENS CREEK QUARRY, INC. | 09/13/2016 | 427.31 |
| 31331 | TAPMASTR | TAP MASTER, INC | 09/13/2016 | 960.00 |
| 31332 | TIMBERLI | TIMBERLINE TREE SERVICE, INC. | 09/13/2016 | 5,750.00 |
| 31333 | VALLEYOL | VALLEY OIL COMPANY | 09/13/2016 | 1,029.87 |
| 31334 | VANGUARE | VANGUARD CLEANING SYSTEMS, INC | 09/13/2016 | 385.00 |
| 31335 | VERIZON | VERIZON WIRELESS | 09/13/2016 | 919.83 |
| 31336 | WEMILLER | W. E. MILLER GENERAL CONTRACTO | 09/13/2016 | 430.00 |
| 31337 | WESTERN | WESTERN TRAFFIC | 09/13/2016 | 1,700.00 |
| 31738 | ACWAJPIA | ACWA/JPIA | 09/13/2016 | 250.00 |
| 31739 | AES | ASBURY ENVIRONMENTAL SERVICES | 09/13/2016 | 175.00 |
| 31740 | ATT60197 | AT&T 60197 | 09/13/2016 | 1.10 |
| 31741 | BRAUNSTE | DAVID BRAUNSTEIN | 09/13/2016 | 250.00 |
| 31742 | CARMODYI | BARBARA CARMODY | 09/13/2016 | 294.00 |
| 31743 | CIRIMELL | JOSEPH CIRIMELLI JR | 09/13/2016 | 75.00 |
| 31744 | COMCAST | COMCAST | 09/13/2016 | 635.33 |
| 31745 | DESINGJO | JOHN DESING | 09/13/2016 | 225.00 |
| 31746 | DONGWES | WES DONG | 09/13/2016 | 125.00 |
| 31747 | FAVATMEG | MEGAN FAVAT | 09/13/2016 | 150.00 |
| 31748 | GUTIERRE | OLIVER D. GUTIERREZ | 09/13/2016 | 75.00 |
| 31749 | HOPPELOU | LOUIS HOPPE | 09/13/2016 | 75.00 |
| 31750 | JACQUEME | HENRY JACQUEMET JR | 09/13/2016 | 75.00 |
| 31751 | KNAUTHG | GABY KNAUTH | 09/13/2016 | 200.00 |
| 31752 | LAKEROSE | ROSEMARY LAKE | 09/13/2016 | 75.00 |
| 31753 | MALLOYKE | KEVIN MALLOY | 09/13/2016 | 75.00 |
| 31754 | STEWARTK | KATHLEEN STEWART | 09/13/2016 | 75.00 |

| Check No | Vendor No | Vendor Name | Check Date | Check Amount |
|---------------------------|-----------|--------------------|------------|--------------|
| 31755 | TSANGAN | ANDREA TSANG | 09/13/2016 | 75.00 |
| 31756 | WILLHORS | HORST WILL | 09/13/2016 | 75.00 |
| 31757 | ZAMONICH | CHRISTOPHER ZANONI | 09/13/2016 | 75.00 |
| | | | | <hr/> |
| Total for 9/13/2016: | | | | 138,735.28 |
| | | | | <hr/> |
| | | | | <hr/> |
| Report Total (95 checks): | | | | 852,867.03 |
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| | | | | <hr/> |



AGENDA ITEM NO. 7.A.

DATE: September 22, 2016
TO: Board of Directors
FROM: Tammy Rudock, General Manager

**SUBJECT: PROGRESS REPORT ON MPWD 2016 STRATEGIC PLAN AND
PROCESS FOLLOW-UP FACILITATED BY JULIE BROWN**

RECOMMENDATION

Receive progress report on MPWD 2016 Strategic Plan and process follow-up facilitated by Julie Brown.

FISCAL IMPACT

Approximately \$1,000 for Julie Brown's professional services.

DISCUSSION

A mid-year progress report on the MPWD's annual strategic plan was recommended and initiated last year. It is a useful exercise.

Attached are the following documents:

1. MPWD 2016 Strategic Plan approved by the Board on February 25, 2016;
2. Progress Report dated September 22, 2016; and
3. 2016 Strategic Plan Progress Checklist and Schedule reflecting a chronological view of action items remaining to be completed.

Staff will present progress highlights at the Board meeting. Of the 31 strategic plan action items for 2016:

- 13 have been completed;
- 2 are anticipated to be completed by the end of 2016;
- 5 are ongoing; and
- 11 are anticipated to carry over into 2017.

Additional significant operational items that have been completed so far in 2016, or are ongoing, include(d):

- Completed Comprehensive System Analysis and Capital Improvement Program (CIP), FY 2016/2017 Update, including a "pay-go" capital replacement analysis, including water main and water storage tanks assessments;

- Completed Alameda de las Pulgas water main replacement project, and currently managing potential contractor claims;
- Developed an extensive CIP Informational Summary and FAQs, and keep it updated and posted to the website;
- Completed AMI installation identified for FY 2015/2016 (mostly commercial in Zone 1);
- Completed Water Finance & Rate Study Update;
- Completed GASB 45 Actuarial Valuation Report for OPEB;
- Completed the MPWD's 2015 UWMP and WSCP within a compressed 6-month schedule for timely submittal to the SWRCB by July 1, 2016;
- Completed SWRCB self-certification for water conservation target for June 2016 through January 2017 program and added monthly reporting;
- Implemented SCADA test system;
- Responded to an increased number of USA locate requests;
- Responded to increased development plan check reviews, meetings and coordination with development teams and City of Belmont Community Development, inspections, and creation of template development agreement;
- Resolved claims and litigation, and continuing to manage unresolved matters;
- Created Annual Planning Schedule for Board;
- Completed 3-D modeling and scaled drawings of MPWD's Diary Lane premises and working on coordinating structural evaluation and ergonomic design for facility rehabilitation and safety upgrades; and
- Completed design and installation of updated MPWD graphics on new vehicles and larger equipment.

Julie Brown will facilitate a dialogue with the Board and staff on the strategic planning process and format in preparation for next year.

Attachments: MPWD 2016 Strategic Plan
Progress Report dated September 22, 2016
2016 Strategic Plan Checklist and Schedule

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

UNANIMOUS_____ ZUCCA_____ WARDEN_____ STUEBING_____ VELLA_____ LINVILL_____



MID-PENINSULA WATER DISTRICT

2016 STRATEGIC PLAN

February 26, 2016

Board of Directors:

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

Appointed Officials:

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

Executive Staff:

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

INTRODUCTION

The Mid-Peninsula Water District (MPWD) holds its special strategic planning session in January of each year.

A special meeting of the Board of Directors was held on January 21, 2016. The planning session was facilitated by consultant, Julie Brown, and she started with identification by Directors and staff of the most notable MPWD 2015 accomplishments. Subsequent discussions centered on enabling Board competencies and areas for development. The following notes reflect those discussions:

2015 Accomplishments of Which We're Most Proud

- Completion of hydraulic water modeling and mapping project; engagement of staff; drove capital improvements
- Morale/atmosphere in district; employee involvement and level of awareness
- Drought response (not originally a priority); ability to respond successfully was significant; proactive; involved community and Directors
- Rigor of the fee and rate study parameters for setting rates; updated development impact fees and success of individual meter installation discussion; ability to draw upon this money → created a foundation
- 6/29 reorganization

Enabling Board Competencies

- Ability to deliberate important issues in a non-confrontational manner; being heard; drawing upon board diversity to make good decisions on complex issues
- Board was involved in a role appropriate manner; policy oriented, focus on timeliness and deliverables
- Flexibility; level of improvement in how we've done our work; honesty and candor
- Board's ability to trust staff to do their jobs; effective communications, candor/honesty from General Manager
- Thoroughness, thoughtfulness of hard decision making
- Courage (individual metering!)
- Effective communication/messaging

Areas for Development

- Communication – ability to understand one another's personality/leadership styles to enhance trust and interactions
- (From a Board perspective) Better understanding of employee roles and responsibilities (in support of determining how to best use resources and talents to meet our goals)
- Delivering messages better to our constituents; promoting ourselves better to the community at large
- Strategic thinking; proactively planning for future (innovative, creative) scenarios and different water models
- Political advocacy – we're leading from behind, reacting to issues with the City of Belmont; leveraging the drought to re-position the District's relationship for effective resource use

Action items were identified by staff and Directors for the 2016 Strategic Plan (attached). Basic measures for success are identified in Attachment 1. As a "look ahead" as compared to 2016, success measures for calendar years 2017 and 2018 are listed in Attachment 2.

For 2016, there were no changes for the MPWD Vision and Mission Statements, and Strategic Goals, and only a few changes to the Director Assignments for 2016 (also attached).

Staff's report dated January 21, 2016, on MPWD 2015 Accomplishments is attached for information at the end of the plan documents.



2016 STRATEGIC PLAN

January 21, 2016

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

| Core Goals | Objectives | 2016 Measures of Success*^ |
|--|--|---|
| Maintain effective working relationships with external agencies | <p>Maintain appropriate agency presence in local, regional and state industry organizations and activities</p> <p>Maintain outreach and project coordination with City of Belmont, City of San Carlos, and the County of San Mateo</p> | <p><u>Action Item 1.A.</u>: Coordinate with Belmont Chamber of Commerce for presentation of annual “State of MPWD” address</p> <p><u>Action Item 1.B.</u>: Continue to coordinate capital projects with cities of Belmont and San Carlos and County of San Mateo</p> <p><u>Action Item 1.C.</u>: Continue to coordinate with City of Belmont’s General Plan update and related development policies</p> |
| Maintain organizational standards that ensure a high level of service orientation for our ratepayers | Provide ratepayers with prompt, professional and courteous service | <u>Action Item 1.D.</u> : Update MPWD website for online bill-pay in conjunction with new Financial Management System |

STRATEGIC ELEMENT #2 – *Resource Management*

| Core Goals | Objectives | 2016 Measures of Success*^ |
|--|--|---|
| Ensure water quality meets desired quality standards | Water quality standards for SWRCB/Division of Drinking Water are met | <u>Action Item 2.A.</u> : Annual CCR by July 1st |
| Develop long-term resource sustainability through energy and water conservation measures | <p>Participate in BAWSCA water supply reliability and water conservation projects</p> <p>Develop plan for meeting SB7X per capita water demand goals (20% reduction by 2020)</p> <p>Monitor fuel and energy use to identify opportunities for improvement efficiencies</p> | <p><u>Action Item 2.B.</u>: Approve and transmit 2015 UWMP by July 1st deadline</p> <p><u>Action Item 2.C.</u>: Recommend customer portal for water savings access and history</p> <p><u>Action Item 2.D.</u>: Develop annual water conservation report</p> <p><u>Action Item 2.E.</u>: Achieve SWRCB water conservation regulation program goals and timely compliance with reporting requirements</p> |

STRATEGIC ELEMENT #3 – *Infrastructure Management and Operations*

| Core Goals | Objectives | 2016 Measures of Success*^ |
|--|--|---|
| Maintain operations and maintenance procedures | Develop standard operating procedures in accordance with best management practices as an organized manual | <p><u>Action Item 3.A.</u>: Complete O&M manual</p> <p><u>Action Item 3.B.</u>: Develop business interruption/resumption procedures to include with Emergency Response Plan</p> |
| Maintain long-term capital improvement plan | Review MPWD infrastructure modeling for assessment of capital improvement priorities, and assess other fixed assets in accordance with best management practices | <p><u>Action Item 3.C.</u>: Finalize implementation of 5-Year CIP</p> <p><u>Action Item 3.D.</u>: Construct Alameda de las Pulgas water main replacement project</p> <p><u>Action Item 3.E.</u>: Construct Karen Road water main replacement project</p> <p><u>Action Item 3.F.</u>: Complete MPWD water system storage analysis</p> <p><u>Action Item 3.G.</u>: Complete seismic evaluation of Dekoven and Hallmark storage tank sites</p> <p><u>Action Item 3.H.</u>: Continue AMI meter change-out program</p> <p><u>Action Item 3.I.</u>: Develop a long-range planning process for GM oversight and management</p> |

STRATEGIC ELEMENT #4 – Human Resources Management

| Core Goals | Objectives | 2016 Measures of Success*^ |
|---|--|--|
| Develop and maintain systems and processes for effective workforce management | <p>Develop/maintain effective workforce to meet organizational needs</p> <p>Maintain:</p> <ul style="list-style-type: none"> ▪ Appropriate communication channels with employees ▪ Positive work environment and employee satisfaction ▪ Organizational human resources policy manual | <p><u>Action Item 4.A.:</u> Approve new MPWD Personnel Manual</p> <p><u>Action Item 4.B.:</u> Update employee position descriptions</p> |
| Develop and maintain Board of Directors procedures for effective and transparent governance | Develop and maintain Board of Directors policies and procedures | <p><u>Action Item 4.C.:</u> Create and approve Board Bylaws</p> <p><u>Action Item 4.D.:</u> Review plan of action for even-year ballot Proposition G</p> <p><u>Action Item 4.E.:</u> Create a development program that will support Board functioning and expertise</p> <p><u>Action Item 4.F.:</u> Administer an MBTI workshop</p> <p><u>Action Item 4.G.:</u> Conduct training session on staff roles and responsibilities</p> <p><u>Action Item 4.H.:</u> Develop a proactive MPWD advocacy plan focusing on common constituent message development and community promotion</p> |

STRATEGIC ELEMENT #5 – Financial Management

| Core Goals | Objectives | 2016 Measures of Success*^ |
|--|--|--|
| Establish and achieve annual budget trends | <p>Complete annual budget process on a timely basis</p> <p>Monitor financial projections for accurate forecasting</p> <p>Maintain/monitor schedules of water rates, water capacity charges, and miscellaneous fees</p> <p>Update, monitor and implement capital plan</p> | <p><u>Action Item 5.A.:</u> After Board approval of fiscal year water rate schedule, develop and transmit water rate adjustment notice to customers</p> <p><u>Action Item 5.B.:</u> Complete development of and implement new financial management system</p> <p><u>Action Item 5.C.:</u> Develop and approve financing options for 5-Year CIP</p> <p><u>Action Item 5.D.:</u> Create plan for development of financial policy manual</p> <p><u>Action Item 5.E.:</u> Identify/evaluate MPWD real properties</p> |

2016 STRATEGIC PLAN

ATTACHMENT #1 BASIC MEASURES OF SUCCESS

| STRATEGIC ELEMENTS | CORE GOALS | BASIC MEASURES OF SUCCESS |
|--|--|---|
| #1 – External Relationships and Customer Service | <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"> ▪ Attend HIA meetings ▪ Attend neighborhood meetings as appropriate ▪ Maintain presence at LAFCO meetings ▪ Attend local community City Council meetings ▪ Attend ACWA JPIA and Region 5 meetings ▪ Attend San Mateo CSDA meetings ▪ Attend SFPUC meetings ▪ Attend BAWSCA meetings ▪ Attend Belmont Operational coordination meetings <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> |
| #2 – Resource Management | <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"> ▪ Routine water testing and monitoring should meet SWRCB/Department of Drinking Water standards ▪ Prepare and transmit timely CCR ▪ Implement feasible water quality inspection recommendations <p>Maintain active involvement in BAWSCA water supply reliability and water conservation project activity</p> <p>Continue water use efficiency messaging to meet regional and statewide water conservation goals</p> <p>Support continued off-peak hour pumping</p> <p>Explore use of solar power as market costs drop</p> |
| #3 – Infrastructure Management | Maintain operations and | Monitor O&M procedures and revise as appropriate |

| STRATEGIC ELEMENTS | CORE GOALS | BASIC MEASURES OF SUCCESS |
|---------------------------------|---|---|
| and Operations | <p>maintenance procedures</p> <p>Maintain long-term capital improvement plan</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"> ▪ Monitor recruitment/retention levers for funding/implementation action ▪ Review recruitment /hiring process plans ▪ Meet and confer with MPWD Employee Association as applicable ▪ Maintain organization chart ▪ Create organizational succession plan ▪ Plan annual training plan/calendar around available budget funds ▪ Regular GM/staff meetings and communications ▪ Develop/update and maintain administrative procedures ▪ Recognize employee service milestones ▪ Celebrate employee accomplishments ▪ Monitor staff job satisfaction ▪ Review Employee Safety and Loss Prevention Program ▪ Fiscal Year safety incident and loss prevention report to Board <p>Create/maintain/update Board of Directors policies</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 and fund 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> |



2016 STRATEGIC PLAN

ATTACHMENT #2 2016/2017/2018 SUCCESS MEASURES

| STRATEGIC ELEMENTS AND CORE GOALS | 2016 MEASURES OF SUCCESS | 2017 MEASURES OF SUCCESS | 2018 MEASURES OF SUCCESS |
|---|--|--|--|
| #1 – External Relationships and Customer Service Maintain effective working relationships with external agencies Maintain organizational standards that ensure a high level of service orientation for our ratepayers | <u>Action Item 1.A.:</u> Coordinate with Belmont Chamber of Commerce for presentation of annual “State of MPWD” address <u>Action Item 1.B.:</u> Continue to coordinate capital projects with cities of Belmont and San Carlos and County of San Mateo <u>Action Item 1.C.:</u> Continue to coordinate with City of Belmont’s General Plan update and related development policies <u>Action Item 1.D.:</u> Update MPWD website for online bill-pay in conjunction with new Financial Management System | Annual “State of MPWD” Address Continue coordination with cities of Belmont and San Carlos and County of San Mateo Review/Update MPWD website | Annual “State of MPWD” Address Continue coordination with cities of Belmont and San Carlos and County of San Mateo Review/Update MPWD website |
| #2 – Resource Management Ensure water quality meets desired quality standards Develop long-term resource sustainability through energy and water conservation measures | <u>Action Item 2.A.:</u> Annual CCR by July 1 st <u>Action Item 2.B.:</u> Approve and transmit 2015 UWMP by July 1st deadline <u>Action Item 2.C.:</u> Recommend customer portal for water savings access and history <u>Action Item 2.D.:</u> Develop and distribute annual Water Conservation Report by August 31 st | Annual CCR by July 1 st Annual Water Conservation Report by August 31 st Comply with SWRCB water conservation regulation program requirements | Annual CCR by July 1 st Annual Water Conservation Report by August 31 st Comply with SWRCB water conservation regulation program requirements |

| STRATEGIC ELEMENTS AND CORE GOALS | 2016 MEASURES OF SUCCESS | 2017 MEASURES OF SUCCESS | 2018 MEASURES OF SUCCESS |
|--|---|--|--|
| | <u>Action Item 2.E.</u> : Achieve SWRCB water conservation regulation program goals and timely compliance with reporting requirements | | |
| #3 – Infrastructure Management and Operations Maintain operations and maintenance procedures Maintain long-term capital improvement plan | <u>Action Item 3.A.</u> : Complete O&M manual <u>Action Item 3.B.</u> : Develop business interruption/resumption procedures to include with Emergency Response Plan (ERP) <u>Action Item 3.C.</u> : Finalize implementation of 5-Year CIP <u>Action Item 3.D.</u> : Construct Alameda de las Pulgas water main replacement project <u>Action Item 3.E.</u> : Construct Karen Road water main replacement project <u>Action Item 3.F.</u> : Complete MPWD water system storage analysis <u>Action Item 3.G.</u> : Complete seismic evaluation of Dekoven and Hallmark storage tank sites <u>Action Item 3.H.</u> : Continue AMI meter change-out program <u>Action Item 3.I.</u> : Develop a long-range planning process for GM oversight and management | Review/Update ERP Review/Update CIP Construct identified capital projects Complete AMI meter installation Create long-range plan for MPWD Corrosion control survey/repair | Review/Update ERP Review/Update CIP Review/Update long-range plan for MPWD Leak detection survey/repair |
| #4 – Human Resources Management Develop and maintain systems and processes for effective workforce management Develop and maintain Board of Directors procedures for effective and transparent governance | <u>Action Item 4.A.</u> : Approve new MPWD Personnel Manual <u>Action Item 4.B.</u> : Update employee position descriptions <u>Action Item 4.C.</u> : Create and approve Board Bylaws <u>Action Item 4.D.</u> : Review plan of action for even-year ballot Proposition G <u>Action Item 4.E.</u> : Create a development program that will | Review/Update Board Bylaws Continue Board development program Review MPWD Advocacy Plan | Review/Update Board Bylaws Continued Board development program Review MPWD Advocacy Plan Review/Update Personnel Manual Conduct total compensation study |



January 21, 2016

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 21, 2016

DIRECTOR ASSIGNMENTS

| ASSIGNMENT | 2016 |
|--|------------------------------|
| 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 Dave Warden |
| GENERAL MANAGER PERFORMANCE EVALUATION | Al Stuebing Louis Vella |
| HARBOR INDUSTRIAL ASSOCIATION (HIA) | Matt Zucca Dave Warden |
| FINANCIAL AUDIT COMMITTEE | Betty Linvill Dave Warden |
| BOARD BYLAWS COMMITTEE | Betty Linvill Dave Warden |
| BELMONT CHAMBER OF COMMERCE | All |



DATE: January 21, 2016

TO: MPWD Board of Directors

FROM: Tammy Rudock
General Manager

RE: Summary of Significant 2015 MPWD Accomplishments

MEMORANDUM

SIGNIFICANT MPWD ACCOMPLISHMENTS IN 2015:

1. Completed Water Hydraulic Model and developed 5-Year CIP, and capital project summary.
2. Adopted Water Capacity Charges, including Water Demand Offset fees.
3. Completed Financial Plan & Rates Study and adopted 5-year rate increase plan, including Emergency Water Conservation rates.
4. Launched new MPWD website.
5. Completed \$2 million in capital improvement projects and outlays.
6. Positive Financial Audit for FYE 2014/2015 and solid financial management of the MPWD's resources.
7. Positive reorganization effective June 29, 2015.

1. WATER HYDRAULIC MODEL AND 5-YEAR CIP DEVELOPMENT

As reported, a team of long-time MPWD Operators, Management, and the District Engineer, worked over 18 months creating the water hydraulic model, which is an essential tool for the MPWD. It allowed for significant team building throughout the process and operational changes as new things were learned. Also notable was the institutional knowledge that now has its place in the model rather than walking around in the minds or notebooks of senior staff.

More importantly, development of the water hydraulic model allowed for a thorough and systematic review and testing of the MPWD water system, and hands-on identification of much needed capital replacement and rehabilitation projects. Continuing as a team, Operations staff ranked each project based on agreed upon industry rating criteria. That resulted in the 5-Year Capital Improvement Program (CIP) now being considered by the Board.

ADOPTED WATER CAPACITY CHARGES, INCLUDING WATER DEMAND OFFSET FEES

When staff noticed development increasing in Belmont and San Carlos last year, I felt it responsible to consider revision of the MPWD's 20+-year-old rates and fees charges. I felt it was important to conduct this study early so that the MPWD could be ready for permitting new development in a timely manner and protect the existing ratepayers that have paid to operate and maintain the MPWD system all these years.

Additionally, since the MPWD was dealing with the serious CA drought and statewide water conservation regulations, it was appropriate to consider fees that would be a resource to offset the new water demand as a result of the development. Staff wanted to keep it simple so we created new Water Demand Offset fees that provide additional funding of the MPWD's water conservation rebate programs.

The Board was thoughtful during its deliberation on these issues—taking the time over several months for discussion and input. Staff invited developers into the Board's discussion so that there was stakeholder involvement. It was a very transparent process.

These updated Water Capacity charges and new Water Demand Offset fees appropriately level the playing field between existing customers and new development. They will enhance the MPWD's revenues and fund greater water conservation rebate programs, which will lessen the burden on the ratepayers.

2. COMPLETED FINANCIAL PLAN & RATES STUDY AND ADOPTED 5-YEAR RATE INCREASE PLAN, INCLUDING EMERGENCY WATER CONSERVATION RATES

The continued water conservation efforts by MPWD customers as a result of the continued drought resulted in a significant reduction in FY 2014/2015 Operating Revenues (\$1.4 million). Obviously, the related water purchases from the SFPUC were also less, resulting in decreased Operating Expenditures totaling \$860K. That meant that the SFPUC had to increase their water rates to wholesale customers and by 28% (effective July 1, 2015), which meant probably for the first time in MPWD's history it had to consider a double-digit rate increase. Staff was fully cognizant of the concerns of the Board and importance of ensuring thorough financial review and projections that were reliable and sensible.

Staff worked with Bartle Wells for several months and found it extremely challenging that even with prudent financial management and cost savings measures implemented that the MPWD would require an 18% rate increase effective July 1, 2015. That meant the Prop 218 hearing notice would be a very important tool in communicating with our customers. Staff believes the notice delivered to customers was superior. It has actually been requested for use a few times as a template.

Also important was staff's recommendation to step out of the industry box and implement increases to the MPWD's monthly fixed system charges. It is time to change water rate structures!! Volumetric charges have possibly lived their useful life and water system managers should work with their governing bodies and be proactive in evolving with the changing times by working toward fixed system charges that are ultimately covered 100% within the rate structure. I hope that continues at the MPWD.

The communications staff had with customers were constant and daunting throughout the year—both residential and commercial—about the sharp increase in water rates when they are meeting the MPWD’s water conservation target?! I felt it a leadership priority to ensure that communications were open and honest with customers and I believe that has gone a long way. Amazingly, we have received very few complaints about the rate increase when compared to last year’s 9% rate increase.

Finally, because the Proposition 218 process is time-consuming and cumbersome, staff introduced the concept of and created Emergency Water Conservation Rates for implementation as needed. We wanted to be proactive in case the CA drought continued and became more severe and SWRCB increased the MPWD water conservation target. For ease in administration and consistency in policy, staff and Bartle Wells aligned the rates with the MPWD’s WSCP (Water Shortage Contingency Plan).

3. LAUNCHED NEW MPWD WEBSITE

The new MPWD website was launched earlier this year and it has received a lot of compliments! This project came in well under budget, and while delayed almost a year because of the unexpected death of the consultant, Connie Davidson, we regrouped with one of her associates and got it completed.

Staff and I will meet after the New Year and create procedures now that it’s been functional almost a year. I would also like to consider more data placement for transparency but want to make sure we proactively organize and manage the data. It is also important to coordinate with the implementation of the new Financial Management System (FMS) next year to avoid too much reconstruction on the website.

Staff has purchased an optical scanner so that we can begin scanning documents that can be searched more easily, and that will be an added benefit to the website once organized.

Staff’s goal is to proactively manage and maintain the website so that information does not go stale or is updated frequently to keep visitors interested in coming back.

4. COMPLETED \$2 MILLION IN CAPITAL IMPROVEMENT PROJECTS AND OUTLAYS

The following Capital Projects/Outlays were completed in 2015 (totaling \$2.2 million):

- A. Buckland Tanks Replacement - \$1 million
- B. Phased Meter Change-Out Program - \$532,000
- C. Belburn Water Main Replacement - \$506,000
- D. Notre Dame/Folger Tie-In - \$92,000
- E. SCADA Replacement - \$15,000
- F. Fleet Replacement (Two Plug-In Vehicles) - \$46,000

Because of the reduced Operating Revenues, we used approximately \$1 million of our Capital Reserves to complete these projects. We maintained our commitment and funded them through completion. They were all important infrastructure and outlay investments.

5. POSITIVE FINANCIAL AUDIT FOR FYE 2014/2015 AND SOLID FINANCIAL MANAGEMENT OF THE MPWD'S RESOURCES

The Financial Audit for FYE 2014/2015 was positive. The good news reported last year by David Becker, CPA was that the MPWD remained financially strong and there were very few recommendations for Management. The one outstanding item that I consider significant is the Financial Internal Control policy manual development. It is actually in process and will be prioritized after the implementation of the new FMS.

During 2015, staff was guided to enhanced financial management controls resulting in the creation of new monthly financial graphs monitoring water revenues vs. water purchases (water conservation response), and the following table for a quick trend review of the reserves balances by the Board and ratepayers:

| | June 30, 2013 | June 30, 2014 | June 30, 2015 |
|---------------------------------|---------------|---------------|---------------|
| Capital Reserves | \$2,117,717 | \$1,876,967 | \$ 887,031 |
| Emergency Reserves | \$1,000,000 | \$2,000,000 | \$2,000,000 |
| Working Capital Reserves | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| TOTAL | \$3,617,717 | \$4,376,967 | \$3,387,031 |

I delivered my first annual GM report to the Board on September 24, 2015, to summarize the end of fiscal year financial status. It was useful to narrow down the “big picture” that is reviewed by the auditor each year and provide a financial snapshot of the MPWD.

Staff did a really good job this year managing claims and litigation. All claims were minor (resulting from water main breaks) and settled. Two lawsuits were dismissed without any payment by the MPWD to the plaintiffs.

Loss prevention was ZERO:

- NO measurable property losses;
- NO employee on-the-job injuries or accidents; and
- NO Worker's Compensation claims.

The Board has seen the PARS OPEB trust account managed well, and FY 2015/2016 is the first year that the full ARC (Annual Required Contribution) is being funded. That means that liability is being responsibly managed as the Board directed.

I'd like to recognize cost savings achieved:

- 2015 is the first benefits year that the MPWD will experience the reduction in active employee and Director healthcare costs as a result of transitioning to the Consumer Driven Health Plan (CDHP) and HSA (Health Savings Account). Almost \$30K per year will be realized.
- FY 2015/2016 transition to ACWA/JPIA property/liability/worker's compensation insurance programs. Approximately \$40K per fiscal year will be realized. Candy Pina deserves the credit because she did the majority of the hard work in getting this accomplished.
- FY 2015/2016 estimated power cost savings around \$30K-\$40K as a result of a thorough analysis by Michael Anderson, Field Operations Supervisor of the MPWD's annual power costs, and an increased shift in pumping operations from peak to off-peak hours.

6. POSITIVE REORGANIZATION EFFECTIVE JUNE 29, 2015

The June 29, 2015 reorganization approved by the Board was a significant accomplishment for the MPWD. It better organized the Operations team and created an Operations management position for enhanced leadership and opportunities for succession planning.

Rene Ramirez was hired as Operations Manager and has integrated well within our organization. The Operations team is very responsive to him and his management style. I'm proud to have him as a member of my executive team.

PROGRESS REPORT

2016 STRATEGIC PLAN *(Approved February 25, 2016)*

STRATEGIC ELEMENT #1 – External Relationships and Customer Service

| Core Goals | Objectives | 2016 Measures of Success*^ | Progress Report | Completion Status |
|--|--|---|--|---|
| Maintain effective working relationships with external agencies | <p>Maintain appropriate agency presence in local, regional and state industry organizations and activities</p> <p>Maintain outreach and project coordination with City of Belmont, City of San Carlos, and the County of San Mateo</p> | <p><u>Action Item 1.A.</u>: Coordinate with Belmont Chamber of Commerce for presentation of annual “State of MPWD” address</p> <p><u>Action Item 1.B.</u>: Continue to coordinate capital projects with cities of Belmont and San Carlos and County of San Mateo</p> <p><u>Action Item 1.C.</u>: Continue to coordinate with City of Belmont’s General Plan update and related development policies</p> | <p><u>Action Item 1.A.</u>: Prepared by President Zucca and delivered on April 27, 2016. Open house followed at MPWD. Posted video on website.</p> <p><u>Action Item 1.B.</u>: Continued quarterly coordination meetings with City of Belmont Public Works staff. Met with San Carlos and San Mateo County as needed.</p> <p><u>Action Item 1.C.</u>: Coordinated reviews and comments with City of Belmont. Provided approved MPWD 2015 UWMP and WSCP for attachment to General Plan.</p> | <p>COMPLETED</p> <p>Ongoing</p> <p>Ongoing until City of Belmont General Plan is adopted</p> |
| Maintain organizational standards that ensure a high level of service orientation for our ratepayers | Provide ratepayers with prompt, professional and courteous service | <u>Action Item 1.D.</u> : Update MPWD website for online bill-pay in conjunction with new Financial Management System | <u>Action Item 1.D.</u> : In process. Staff is currently working with professional consultants, Accela and Springbrook, to complete implementation of the accounting package and will work on the billing system next. | <u>Anticipated Completion</u> : March 31, 2017 |

STRATEGIC ELEMENT #2 – Resource Management

| Core Goals | Objectives | 2016 Measures of Success*^ | Progress Report | Completion Status |
|--|--|---|--|--|
| Ensure water quality meets desired quality standards | Water quality standards for SWRCB/Division of Drinking Water are met | <u>Action Item 2.A.</u> : Annual CCR by July 1st | <u>Action Item 2.A.</u> : Completed and mailed to customers in late June 2016. Posted to the MPWD website by July 1, 2016. | COMPLETED |
| Develop long-term resource sustainability through energy and water conservation measures | <p>Participate in BAWSCA water supply reliability and water conservation projects</p> <p>Develop plan for meeting SB7X per capita water demand goals (20% reduction by 2020)</p> <p>Monitor fuel and energy use to identify opportunities for improvement efficiencies</p> | <p><u>Action Item 2.B.</u>: Approve and transmit 2015 UWMP by July 1st deadline</p> <p><u>Action Item 2.C.</u>: Recommend customer portal for water savings access and history</p> <p><u>Action Item 2.D.</u>: Develop annual water conservation report</p> | <p><u>Action Item 2.B.</u>: Staff worked with consultant, ManageWater Now, over a 6-month period (beginning January 2016) and developed the 2015 UWMP and a new, more user-friendly WSCP. Progress reports were delivered to the Board each month. Public hearings were held on May 26, 2016, and June 23, 2016. The plans were adopted by the Board on June 23, 2016, and timely transmitted to the State by the July 1, 2016, deadline, and posted at the MPWD website.</p> <p><u>Action Item 2.C.</u>: In process. Project is budgeted and staff is working with Sensus for coordination with IT and implementation.</p> <p><u>Action Item 2.D.</u>: The first Water Conservation Report for FY 2014/2015 was distributed with the MPWD <i>Waterline</i> Winter 2015/2016 issue in January 2016. The FY 2015/2016 report is in process and intended to be delivered to customers with the MPWD <i>Waterline</i> Fall or Winter 2016/2017 issue.</p> | <p>COMPLETED</p> <p><u>Anticipated Completion:</u> March 31, 2017</p> <p>COMPLETED</p> |

| Core Goals | Objectives | 2016 Measures of Success*^ | Progress Report | Completion Status |
|------------|------------|---|---|-------------------------|
| | | <p><u>Action Item 2.E.</u>: Achieve SWRCB water conservation regulation program goals and timely compliance with reporting requirements</p> | <p><u>Action Item 2.E.</u>: MPWD customers not only achieved the SWRCB water conservation program target of 20% but EXCEEDED it! Monthly reporting was timely submitted to the SWRCB and MPWD Board. The MPWD's self-certification was submitted on June 20, 2016, (conservation target 0%) for the new SWRCB program standards for June 2016 through January 2017.</p> | <p>COMPLETED</p> |

STRATEGIC ELEMENT #3 – *Infrastructure Management and Operations*

| Core Goals | Objectives | 2016 Measures of Success*^ | Progress Report | Completion Status |
|--|--|--|---|---|
| Maintain operations and maintenance procedures | Develop standard operating procedures in accordance with best management practices as an organized manual | <p><u>Action Item 3.A.</u>: Complete O&M manual</p> <p><u>Action Item 3.B.</u>: Develop business interruption/resumption procedures to include with Emergency Response Plan</p> | <p><u>Action Item 3.A.</u>: In process. The Operations team continued its development of procedures for operational activities. Staff provided progress reports.</p> <p><u>Action Item 3.B.</u>: Will not be completed as planned by December 31, 2016.</p> | <p>Ongoing</p> <p><u>Anticipated Completion</u>: June 30, 2017</p> |
| Maintain long-term capital improvement plan | Review MPWD infrastructure modeling for assessment of capital improvement priorities, and assess other fixed assets in accordance with best management practices | <p><u>Action Item 3.C.</u>: Finalize implementation of 5-Year CIP</p> <p><u>Action Item 3.D.</u>: Construct Alameda de las Pulgas water main replacement project</p> <p><u>Action Item 3.E.</u>: Construct Karen Road water main replacement project</p> | <p><u>Action Item 3.C.</u>: In process. Since November 2015, the Board has discussed program, scheduling, and financing options for implementation of a 5-year CIP. Staff developed an Informational Summary and FAQs regarding the proposed MPWD CIP, which was posted to the website. The Board approved a \$20 million 5-Year CIP on May 23, 2016.</p> <p><u>Action Item 3.D.</u>: Construction completed, except for roadway striping. District Engineer delivered monthly progress reports.</p> <p><u>Action Item 3.E.</u>: Engineering design substantially completed (80%). Staff and District Engineer scheduled to meet on September 28, 2016, to finalize plans. This water main replacement will be bundled with others in the 5-Year CIP for construction cost savings.</p> | <p><u>Anticipated Completion</u>: Debit financing - November 30, 2016</p> <p>COMPLETED</p> <p><u>Anticipated Completion</u>: August 31, 2017</p> |

| Core Goals | Objectives | 2016 Measures of Success*^ | Progress Report | Completion Status |
|------------|------------|--|--|--|
| | | <p><u>Action Item 3.F.</u>: Complete MPWD water system storage analysis</p> <p><u>Action Item 3.G.</u>: Complete seismic evaluation of Dekoven and Hallmark storage tank sites</p> <p><u>Action Item 3.H.</u>: Continue AMI meter change-out program</p> <p><u>Action Item 3.I.</u>: Develop a long-range planning process for GM oversight and management</p> | <p><u>Action Item 3.F.</u>: Completed and provided and reported to Board on February 25, 2016.</p> <p><u>Action Item 3.G.</u>: Completed and provided and reported to Board on April 28, 2016, for Dekoven tank site, and July 28, 2016, for Hallmark tank site. Additional services were approved by the Board for the Hallmark tank site that should be completed by November 30, 2016.</p> <p><u>Action Item 3.H.</u>: Completed installation of AMI meters budgeted in FY 2015/2016. Staff provided monthly progress reports to the Board.</p> <p><u>Action Item 3.I.</u>: Will not be completed as planned by December 31, 2016. Staff will seek Board input and further direction.</p> | <p>COMPLETED</p> <p>COMPLETED</p> <p>COMPLETED</p> <p><u>Anticipated Completion:</u> March 31, 2017</p> |

STRATEGIC ELEMENT #4 – *Human Resources Management*

[illegible]

| Core Goals | Objectives | 2016 Measures of Success*^ | Progress Report | Completion Status |
|------------|------------|---|---|--|
| | | <p><u>Action Item 4.E.:</u> Create a development program that will support Board functioning and expertise</p> <p><u>Action Item 4.F.:</u> Administer an MBTI workshop</p> <p><u>Action Item 4.G.:</u> Conduct training session on staff roles and responsibilities</p> <p><u>Action Item 4.H.:</u> Develop a proactive MPWD advocacy plan focusing on common constituent message development and community promotion</p> | <p><u>Action Item 4.E.:</u> Staff will seek Board input and further direction on creating a development program.</p> <p><u>Action Item 4.F.:</u> Completed the MBTI assessment and discussed results during a Special Board Meeting and workshop on May 25, 2016.</p> <p><u>Action Item 4.G.:</u> In process and will be coordinated with completion of KOFF & Associates Classification Study and Board's consideration of updated employee position descriptions.</p> <p><u>Action Item 4.H.:</u> In process. Staff and consultant, John Davidson d/b/a Jrocket77 Marketing & Design, have continued its commitment to quality customer messaging and promotion and consistent branding of the MPWD, including water conservation and community education workshops messages, press releases, updated vehicle graphics and installation, and website revisions.</p> | <p>Ongoing</p> <p>COMPLETED</p> <p><u>Anticipated Completion:</u> January 31, 2017</p> <p>Ongoing</p> |

STRATEGIC ELEMENT #5 – Financial Management

| Core Goals | Objectives | 2016 Measures of Success*^ | Progress Report | Completion Status |
|--|--|---|--|---|
| Establish and achieve annual budget trends | <p>Complete annual budget process on a timely basis</p> <p>Monitor financial projections for accurate forecasting</p> <p>Maintain/monitor schedules of water rates, water capacity charges, and miscellaneous fees</p> <p>Update, monitor and implement capital plan</p> | <p><u>Action Item 5.A.:</u> After Board approval of fiscal year water rate schedule, develop and transmit water rate adjustment notice to customers</p> <p><u>Action Item 5.B.:</u> Complete development of and implement new financial management system</p> <p><u>Action Item 5.C.:</u> Develop and approve financing options for 5-Year CIP</p> <p><u>Action Item 5.D.:</u> Create plan for development of financial policy manual</p> | <p><u>Action Item 5.A.:</u> Staff worked with consultant, Bartle Wells & Associates, to review the MPWD's finance projections for FY 2016/2017 that resulted in a Water Finance & Rate Update delivered to the Board at its regular meeting on April 24, 2016. A rates notice was prepared and transmitted to customers in June 2016. It was posted to the MPWD website and included within the FY 2016/2017 budget document.</p> <p><u>Action Item 5.B.:</u> In process. Accounting program implemented in late August 2016. Utility billing program is next. Monthly progress reports provided to the Board.</p> <p><u>Action Item 5.C.:</u> In process. Since November 2015, the Board has discussed program, scheduling, and financing options for implementation of a 5-year CIP. Staff developed an Informational Summary and FAQs regarding the proposed MPWD CIP, which was posted to the website. The Board approved a \$20 million 5-Year CIP on May 23, 2016.</p> <p><u>Action Item 5.D.:</u> In process concurrently with implementation of new Financial Management System.</p> | <p>COMPLETED</p> <p><u>Anticipated Completion:</u> June 30, 2017</p> <p><u>Anticipated Completion:</u> Debit financing - November 30, 2016</p> <p><u>Anticipated Completion:</u> June 30, 2017</p> |

| Core Goals | Objectives | 2016 Measures of Success*^ | Progress Report | Completion Status |
|------------|------------|--|---|---|
| | | <u>Action Item 5.E.</u> : Identify/evaluate MPWD real properties | <u>Action Item 5.E.</u> : In process. Staff is reviewing its list of real properties to ensure it is complete. These will be included within the asset management program as part of the new Financial Management System. | <u>Anticipated Completion</u> : March 31, 2017 |

**2016 STRATEGIC PLAN
PROGRESS CHECKLIST SCHEDULE**

| TARGET COMPLETION DATE | ACTION |
|---------------------------------------|--|
| November 30, 2016 | <ul style="list-style-type: none"> ▪ <u>Action Item 3.C.</u>: Finalize implementation of a 5-Year CIP ▪ <u>Action Item 5.C.</u>: Develop and approve financing options for 5-Year CIP |
| January 31, 2017 | <ul style="list-style-type: none"> ▪ <u>Action Item 4.B.</u>: Update employee position descriptions ▪ <u>Action Item 4.C.</u>: Create and approve Board Bylaws ▪ <u>Action Item 4.G.</u>: Conduct training session on staff roles and responsibilities |
| March 31, 2017 | <ul style="list-style-type: none"> ▪ <u>Action Item 1.D.</u>: Update MPWD website for online bill-pay in conjunction with new financial management system ▪ <u>Action Item 2.C.</u>: Recommend customer portal for water savings access and history ▪ <u>Action Item 3.I.</u>: Develop a long-range planning process for GM oversight and management ▪ <u>Action Item 5.E.</u>: Identify/evaluate MPWD real properties |
| June 30, 2017 | <ul style="list-style-type: none"> ▪ <u>Action Item 3.B.</u>: Develop business interruption/resumption procedures to include within Emergency Response Plan ▪ <u>Action Item 5.B.</u>: Complete development of and implement new financial management system ▪ <u>Action Item 5.D.</u>: Create plan for development of financial policy manual |
| August 31, 2017 | <ul style="list-style-type: none"> ▪ <u>Action Item 3.E.</u>: Construct Karen Road water main replacement project |



AGENDA ITEM NO. 7.B.1.

DATE: September 22, 2016

TO: Board of Directors

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

**SUBJECT: REVIEW CIP SUMMARY AND PROJECT IMPLEMENTATION PLAN
UPDATE**

RECOMMENDATION:

Review CIP Summary and project implementation plan.

FISCAL IMPACT:

None.

DISCUSSION:

The Board adopted a 5-Year CIP at its June 23, 2016 regular meeting and directed staff to develop a plan to execute the projects. Staff and the District Engineer worked together and recently updated the attached CIP Summary that now includes FY 2016/2017. This summary is Appendix "A" within the MPWD Comprehensive System Analysis and CIP, FY 2016/2017 Update, adopted by the Board.

As Operations Manager Rene Ramirez will report in the next agenda item, the plan is to develop engineering plans and specifications in one fiscal year or two, depending on the size of the project, and construction in the following year or two, again depending on the size of the project. Part of the plan also included combining some projects to be efficient and provide an economy of scale for bidding and construction purposes as just discussed.

The proposed CIP work plan includes:

1. Engineering design and project management services with the District Engineer for five (5) water main replacement projects (as will be discussed in the next agenda item) for bundled bidding and construction during the Summer 2017;

2. Develop and publish a Request for Proposals for engineering structural design, of the Dekoven Tanks Replacement project.
3. Develop and publish a Request for Qualifications for engineering design services for El Camino Real Improvements, Old County Road Improvements, and SR 101 Crossing at PAMF Hospital projects.
4. Develop and publish a Request for Qualifications for contractors for water main replacement projects.
5. Potentially develop and publish a Request for Proposals for project inspection services.

Attachment: CIP Summary – Appendix A from MPWD Comprehensive System Analysis and CIP, FY 2016-2017 Update

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

UNANIMOUS_____ ZUCCA_____ WARDEN_____ STUEBING_____ VELLA_____ LINVILL_____

Mid-Peninsula Water District
Capital Improvement Program Summary

| Priority | Project Number | DSA | Zone | Project Name | Quantity | | | Construction | Planning, Design & CM | Contingency | 2015 Dollars | Running Total | | | 104.0% | 108.2% | 112.5% | 117.0% | |
|----------|----------------|-----|------|--|----------|-----|-----|--------------|-----------------------|-------------|--------------|---------------|-----------|-------------|-------------|-------------|-------------|-------------|--------------|
| | | | | | LF | SRV | HYD | | | | | | 2016-2017 | 2017-2018 | 2018-2019 | 2019-2020 | 2020-2021 | 2021-2022 | Total |
| 1 | 15-14 | 017 | 3 | Mezes Avenue Improvements | 310 | 10 | 1 | \$ 122,500 | \$ 37,000 | \$ 15,500 | \$ 175,000 | \$ 175,000 | \$25,000 | \$150,000 | | | | | \$150,000 |
| 3 | 15-76 | 081 | 1 | El Camino Real Improvements | 4100 | 23 | 12 | \$ 1,463,000 | \$ 360,000 | \$ 277,000 | \$ 2,100,000 | \$ 2,275,000 | | | \$150,000 | \$150,000 | \$2,024,755 | | \$2,324,755 |
| 4 | 15-65 | n/a | 2 | Folger Drive Improvements | 830 | 12 | 3 | \$ 306,000 | \$ 77,000 | \$ 37,000 | \$ 420,000 | \$ 2,695,000 | \$60,000 | \$360,000 | | | | | \$420,000 |
| 5 | 15-73 | 078 | 1 | Karen Road Improvements | 800 | 9 | 2 | \$ 307,000 | \$ 80,000 | \$ 38,000 | \$ 425,000 | \$ 3,120,000 | \$50,000 | \$375,000 | | | | | \$375,000 |
| 6 | 15-10 | 013 | 3 | Notre Dame Avenue Loop Closure | 2230 | 29 | 3 | \$ 689,500 | \$ 138,000 | \$ 82,500 | \$ 910,000 | \$ 4,030,000 | | \$110,000 | \$832,000 | | | | \$942,000 |
| 7 | 15-44 | 045 | 2 | South Road Abandonment | 0 | 19 | 3 | \$ 302,000 | \$ 75,000 | \$ 38,000 | \$ 415,000 | \$ 4,445,000 | \$60,000 | \$355,000 | | | | | \$415,000 |
| 8 | 15-22 | 025 | 3 | Arthur Avenue Improvements | 880 | 15 | 2 | \$ 345,000 | \$ 87,000 | \$ 43,000 | \$ 475,000 | \$ 4,920,000 | \$50,000 | \$425,000 | | | | | \$425,000 |
| 9 | 15-16 | 019 | 3 | Williams Avenue, Ridge Road, Hillman Avenue Improvements | 2460 | 59 | 4 | \$ 834,000 | \$ 166,000 | \$ 100,000 | \$ 1,100,000 | \$ 6,020,000 | | | | | \$150,000 | \$1,111,366 | \$1,261,366 |
| 10 | 15-43 | 044 | 2 | North Road Cross Country / Davey Glen Road Improvements | 1400 | 17 | 5 | \$ 496,000 | \$ 124,000 | \$ 60,000 | \$ 680,000 | \$ 6,700,000 | | \$100,000 | \$603,200 | | | | \$703,200 |
| 11 | 15-06 | n/a | 5 | Zone 5 Fire Hydrant Upgrades | 0 | 0 | 7 | \$ 105,000 | \$ 31,000 | \$ 14,000 | \$ 150,000 | \$ 6,850,000 | | | \$156,000 | | | | \$156,000 |
| 12 | 15-78 | 083 | 1 | Civic Lane Improvements | 1800 | 20 | 5 | \$ 605,000 | \$ 120,000 | \$ 75,000 | \$ 800,000 | \$ 7,650,000 | | \$100,000 | \$728,000 | | | | \$828,000 |
| 13 | 15-17 | 020 | 3 | Monte Cresta Drive / Alhambra Drive Improvements | 2250 | 48 | 5 | \$ 781,500 | \$ 195,000 | \$ 98,500 | \$ 1,075,000 | \$ 8,725,000 | | | | | \$175,000 | \$1,052,873 | \$1,227,873 |
| 14 | 15-87 | n/a | 1 | Hillcrest Pressure Regulating Station | 0 | 0 | 0 | \$ 250,000 | \$ 65,000 | \$ 30,000 | \$ 345,000 | \$ 9,070,000 | \$40,000 | \$305,000 | | | | | \$305,000 |
| 15 | 15-09 | 012 | 3 | Dekoven Tank Utilization Project | 2300 | 14 | 2 | \$ 782,000 | \$ 158,000 | \$ 95,000 | \$ 1,035,000 | \$ 10,105,000 | | | \$150,000 | \$957,216 | | | \$1,107,216 |
| 16 | 15-28 | 030 | 7 | Tahoe Drive Area Improvements | 900 | 28 | 4 | \$ 369,000 | \$ 94,000 | \$ 47,000 | \$ 510,000 | \$ 10,615,000 | | \$80,000 | \$447,200 | | | | \$527,200 |
| 17 | 15-29 | 031 | 7 | Belmont Canyon Road Improvements | 900 | 17 | 2 | \$ 306,000 | \$ 76,000 | \$ 38,000 | \$ 420,000 | \$ 11,035,000 | | | \$65,000 | \$383,968 | | | \$448,968 |
| 18 | 15-38 | 040 | 8 | Cliffside Court Improvements | 330 | 14 | 2 | \$ 154,500 | \$ 46,500 | \$ 19,000 | \$ 220,000 | \$ 11,255,000 | | | | \$40,000 | \$202,476 | | \$242,476 |
| 19 | 15-42 | 043 | 2 | North Road Improvements | 0 | 19 | 1 | \$ 152,000 | \$ 46,000 | \$ 22,000 | \$ 220,000 | \$ 11,475,000 | | | | \$40,000 | \$202,476 | | \$242,476 |
| 20 | 15-75 | 080 | 1 | Old County Road Improvements | 5500 | 111 | 26 | \$ 2,580,500 | \$ 510,000 | \$ 309,500 | \$ 3,400,000 | \$ 14,875,000 | | \$200,000 | \$300,000 | \$3,136,640 | | | \$3,636,640 |
| 21 | 15-72 | 077 | 1 | SR 101 Crossing at PAMF Hospital | 2300 | 0 | 2 | \$ 1,040,000 | \$ 350,000 | \$ 280,000 | \$ 1,670,000 | \$ 16,545,000 | | | | \$100,000 | \$200,000 | \$1,602,706 | \$1,902,706 |
| 22 | 15-89 | n/a | 3 | Dekoven Tanks Replacement | 0 | 0 | 0 | \$ 2,500,000 | \$ 400,000 | \$ 600,000 | \$ 3,500,000 | \$ 20,045,000 | | \$200,000 | \$300,000 | \$3,244,800 | | | \$3,744,800 |
| | | | | | | | | | | | | | \$285,000 | \$2,760,000 | \$3,731,400 | \$8,052,624 | \$2,954,706 | \$3,766,945 | \$21,385,675 |



AGENDA ITEM NO. 7.B.2.

DATE: September 22, 2016
TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager

SUBJECT: CONSIDER RESOLUTION NO. 2016-14 AUTHORIZING THE FIRST AMENDMENT TO THE PROFESSIONAL SERVICES CONTRACT WITH THE DISTRICT ENGINEER, REFERENCED AS CONTRACT NO. 01-1621-CP IN THE AMOUNT OF \$292,155, FOR ENGINEERING DESIGN SERVICES RELATED TO THE 2017 WATER MAIN REPLACEMENT PROJECTS

RECOMMENDATION:

Adopt Resolution 2016-14, which authorizes an amendment totaling \$292,155 to the District Engineer's contract for professional engineering design services for 2017 water main replacement projects on Karen Road, Mezes Avenue, Arthur Avenue, South Road, and Folger Drive, programmed within the MPWD 5-Year CIP FY 2016/2017 through FY 2020/2021, and to be referred to as the 2017 Water Main Improvements Project.

FISCAL IMPACT:

The attached proposal from the District Engineer dated September 8, 2016, proposes to prepare plans, specifications, provide construction support and provide funding for sub-consultants to gather field information for the five (5) capital projects, minus expenses to date for professional services rendered on the Karen Road Improvements. The total proposal cost is \$292,155. *(The construction cost estimate for the five projects, including contingency but not engineering, is \$1.554 million in 2015 dollars).* Funding for the District Engineer and sub-consultant services would come from MPWD reserves until the debt financing is completed later this year when the MPWD reserves could be reimbursed.

DISCUSSION:

The Board adopted a five-year Capital Improvement Plan (CIP) at their June 2016 meeting and also directed staff to develop a "game plan" to execute the improvements. Staff and the District Engineer have developed such a plan that entails developing plans and specifications in one fiscal year or two, depending on the size of the project, and construction in the following year or two, again depending on the size of the project.

Part of the plan also included combining some projects to be efficient and provide an economy of scale for bidding and construction purposes as just discussed.

The first improvement project from the CIP recognizes five (5) high-priority projects from the list and is being called the 2017 Water Main Improvements Project. The five projects propose to make water system improvements on Karen Road, Mezes Avenue, Arthur Avenue, South Road and Folger Drive. Project descriptions are attached for reference.

The District Engineer's contract defines any engineering or construction management support greater than \$100,000 as Major Improvement Projects, and requires them to submit a proposal.

A proposal from the District Engineer was received by staff on September 8, 2016 and details the type of improvements to be made at each of the five (5) locations. Their proposal goes on to describe a topographic survey, utility coordination, plan and specification preparation, process for bid documents, advertisement, construction support and record drawing, their proposed budget, and schedule. The intent is to have plans and specifications ready in the Spring of 2017 with construction starting at the very onset of FY 2017-2018. Their proposal is about \$25,000 less than their estimate for professional services from the individual projects described in the CIP. At this stage, the estimated construction cost of the 2017 Water Main Improvement Project is \$1.554 million in 2015 dollars.

Attachments: Resolution No. 2016-14
Proposal from Pakpour Consulting Group dated September 8, 2016
Contract No. 01-1621-CIP First Amendment to Contract for Professional Services
Five Programmed Project Descriptions

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

UNANIMOUS_____ ZUCCA_____ WARDEN_____ STUEBING_____ VELLA_____ LINVILL_____

RESOLUTION NO. 2016-14

**AUTHORIZING THE FIRST AMENDMENT TO THE PROFESSIONAL SERVICES
CONTRACT WITH THE DISTRICT ENGINEER, REFERENCED AS
CONTRACT NO. 01-1621-CIP, IN THE AMOUNT OF \$292,155,
FOR ENGINEERING SERVICES RELATED TO
THE 2017 WATER MAIN IMPROVEMENTS PROJECT**

*** * ***

MID-PENINSULA WATER DISTRICT

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

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

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

WHEREAS, the 2017 Water Main Improvements Project includes five (5) water system improvement projects as follows: Karen Road Improvements, Mezes Avenue Improvements, Arthur Avenue Improvements, South Road Abandonment, and Folger Drive Improvements, and which are derived from the MPWD's 5-Year CIP for Fiscal Years 2016/2017 through 2020/2021; and

WHEREAS, the District proposes an Amendment to the Contract for the purpose of engaging the District Engineer to prepare plans, specifications, cost estimates and construction support of the 2017 Water Main Improvements Project.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby authorizes an Amendment to the Contract with the District Engineer, referenced as

Contract No. 01-2016-CIP, for District Engineer services related to the 2017 Water Main Improvements Project.

REGULARLY passed and adopted this 22nd day of September, 2016.

AYES:

NOES:

ABSTAINS:

ABSENT:

PRESIDENT

ATTEST:

SECRETARY OF THE BOARD

CONTRACT NO. 01-1621-CIP
FIRST AMENDMENT TO
CONTRACT FOR PROFESSIONAL SERVICES

THIS FIRST AMENDMENT TO CONTRACT FOR PROFESSIONAL SERVICES, (HEREINAFTER REFERRED TO AS "CONTRACT NO. 01-2016-CIP"), is made as of the 22nd day of September, 2016, by and between the MID-PENINSULA WATER DISTRICT (hereinafter referred to as "DISTRICT") and PAKPOUR CONSULTING GROUP, INC. (hereinafter referred to as "ENGINEER").

- A. The Parties entered into a Contract for Professional Services ("Contract") on June 25, 2015, under which Engineer provides professional engineering services in connection with the planning, design, construction, management, and operation of the DISTRICT's water system, including optional services related to major improvement projects costing over \$100,000.
- B. The DISTRICT desires Engineer to provide support services related to the District's 2017 Water Main Improvements Project, as more particularly described in the ENGINEER's proposal dated September 8, 2016, a copy of which is attached hereto and incorporated herein as Attachment "A" to this First Amendment, which services generally include the preparation of plans, specifications, cost estimates and construction support for the five (5) following MPWD Capital Improvement Program FY 2016-2017 Update projects:
 - 15-73 Karen Road Improvements
 - 15-14 Mezes Avenue Improvements
 - 15-22 Arthur Avenue Improvements
 - 15-44 South Road Abandonment
 - 15-65 Folger Drive Improvements

NOW THEREFORE, THE PARTIES AGREE AS FOLLOWS:

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

IN WITNESS WHEREOF, this First Amendment to the Contract, referenced as Contract No. 01-2016-CIP, is entered into as of the date first written above by the duly authorized representatives of the parties.

MID-PENINSULA WATER DISTRICT

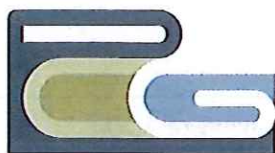
PAKPOUR CONSULTING GROUP, INC.

BY: _____
Tammy A. Rudock, General Manager

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

APPROVED AS TO FORM:

District Counsel



Pakpour Consulting Group, Inc.

September 8, 2016

10012.16

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

**Subject: Proposal to Prepare Plans, Specifications and Cost Estimate
Karen, Mezes, Arthur, South and Folger Water Main Improvement Project**

Dear Tammy,

Pakpour Consulting Group (PCG) is pleased to provide the following proposal to prepare plans, specifications, cost estimate and construction support for the above mentioned projects as part of 2017 Water Main Improvement.

1. Karen Road is a private road located between Harbor Boulevard and O'Neill Avenue, has two parallel water mains, an 800 LF of 8" cast iron (CI) installed in 1952 and an 800 LF of 12" asbestos cement (AC) installed in 1957. The 8" CI is primarily used for hydrants and service connections. The District reported several leaks and subsequent repairs along the 8" CIP. Hydraulic analysis indicates the parallel water mains can be reduced to one 8" water main with no affects on fire flows.

This project will replace the 8" CI and 12" AC with a single 8" fusible polyvinylchloride (FPVC) eliminating the parallel water mains. The existing 12" AC will be used as a sleeve for the new 8" FPVC reducing construction impacts along Karen Road. In addition, 200 LF of 6" AC along Dairy Lane, installed in 1960, will also be replaced with 8" PVC as part of this project. (CIP# 15-73).

This project is 80% complete. At this time, PCG is coordinating with Caltrans to obtain an encroachment permit.

2. Mezes Avenue water is currently provided through a single 310 LF of 4" CI water main from Lyon Avenue. It then transitions to a 415 LF of 6" CI with dead end. Fire flows on this street are below the recommended 1,500 gpm at 20 psi recommendation due to the 4" bottleneck. In additions, the 4" CI was installed in 1960 and is more than 50 years old.

This project will replace the undersize water main with a new 8" Ductile Iron (DI), which will increase available fire flows to more than 190% of current flows. (CIP# 15-14)

3. Arthur Avenue water is provided through two dead end CI water mains: a 4" CI Zone 2 from Alameda de las Pulgas and a 6" CI Zone 3 from Coronet Boulevard. These mains which were



Installed in 1950s are incapable of providing the minimum recommended fire flows of 1,500 gpm at 20 psi.

This project will replace the undersize water mains with a new 8" DI, which will increase available fire flows to more than 280% of current flows. In addition, the Zone 2 water main will be abandoned and the Zone 3 water main extended to Alameda de las Pulgas and connected to Zone 2 with an 8" pressure reducing valve (PRV). (CIP# 15-22)

4. Folger Drive water mains are comprised of 350 LF of 10" PVC and 700 LF of 6" CI. The 10" PVC was installed in 1987 and the 6" CI in 1935, one of the oldest water mains in the District. Due to age, the District has reported several leaks on the 6" CI.

This project will replace the 6" CI water main with a new 10" DI. This project will also abandon the water main within the abandoned Forger Pump Station and replace 130 LF of 6" CI on Folger Court, which was installed in 1959, with a new 8" DI. (CIP# 15-65)

5. South Road between Notre Dame Avenue and College View Way has 1,325 LF of Parallel 4" CI and 8" PVC water mains. The 4" CI and 8" PVC were installed in 1940 and 1983 respectively. According to the District GIS all branches of the South Road including, Middle Road, Debbie Lane, Hainline Drive, Korbet Way, Vannier Drive and College View Way are connected to the 4" CI water main thereby restricting water flow and reducing fire flows to those areas. Fire flows in the immediate area, under existing conditions, are below minimum recommendations of 1,500 gpm at 20 psi.

This project will abandon the 4" CI and reconnects all the branches on this stretch of water main to the 8" PVC, which will increase the maximum available fire flows to more than 170% with an average of 57% of current flows. (CIP# 15-44)

1.0 Meetings and Field Investigation with District Staff

PCG will conduct meetings and field investigations with District staff during the design phase.

2.0 Topographic Survey & Utility Coordination

PCG along with our subconsultant, Triad Holmes & Associates, will research District, City, County and State records for "As-Built" Improvement plans, reports, studies and other data that may be pertinent to the project. Local agencies in the area that have recently completed similar projects will be contacted for input. Potholing of critical utility crossings will be done during the design phase to resolve potential conflicts.

Project Utility Notices will be sent out to all utilities and services operating in the area informing them of the project, requesting plans of their facilities, and their requirements for construction near them. Plan copies will be submitted to them for review and comment at each milestone. We will coordinate with the various utility companies to resolve potential conflicts. PCG will also coordinate with Caltrans for obtaining encroachment permits for Karen Road project.

Topography will be established and tied to horizontal and vertical control by our subconsultant, Triad Holmes. The scope of the survey work will consist of providing reference points, topographic information, establishment and listing of benchmarks and field monuments, site data control, and utility



location and invert elevations. Existing right-of-way and adjoining property information will be obtained and shown on the project base map.

3.0 80% Plans, Specifications

The 80% progress plans and preliminary technical specifications will be prepared per District standards. The design drawings will be prepared in AutoCAD 2016. The plans and specifications will be submitted for review to the District. PCG will participate fully in the review process.

4.0 100% Plans, Specifications, and Cost Estimates

The 80% plans and specifications submitted will be carried to 100% completion by adding details, additional notes, and addressing District and other agency comments. The specifications will be in Microsoft Word 2007 format and will be incorporated into the District's "boilerplate" to produce final bid documents. Bid quantities will be estimated for each item of work and a cost estimate prepared based on unit prices for each item. Unit prices will be determined based on recent bid tabulations from similar projects, job cost media such as Means, and discussions with local contractors.

5.0 Bid Documents (Final Plans, Specifications, and Cost Estimates)

Upon receiving review comments from the District, each comment will be reviewed, discussed, and addressed in writing. Appropriate modifications will be made to the plans, technical specifications, and cost estimates. The plans and specifications will be finalized for the project including all notes/details and incorporating all comments received. A construction phasing schedule will also be prepared in order to minimize the water delivery interruption.

6.0 Advertisement/Award Period

PCG will administer the Advertisement and Award process on behalf of the District and will include written responses to bidder's inquiries, preparation of contract addenda, and attendance at a pre-bid conference and site visit.

7.0 Construction Support and Record Drawings

PCG will provide construction support to the District consisting of submittal reviews and shop drawings for compliance with the contract documents. PCG will also respond to Request for Information (RFI) during the construction phase, attend progress meetings, and provide on-site inspections at the District's request.

PCG will prepare and submit Record Drawings ("As Builts") based upon the Contractor's marked up plans. The Contractor's marked up plans will be reviewed by PCG concurrently with the project inspector to ensure an accurate representation of the "As Built" water mains.



Proposed Budget

| TASK | DESCRIPTION | District Engineer | | Project Engineer II | | Project Engineer I | | TOTALS | |
|-------------|--|-------------------|----------|---------------------|----------|--------------------|-----------|--------|-----------|
| | | HR | COST | HR | COST | HR | COST | HRS | COST |
| | | | \$155 | | \$125 | | \$115 | | |
| 1.0 | Meetings/Field Investigation with District Staff | 35 | \$5,425 | 20 | \$2,500 | 100 | \$11,500 | 155 | \$19,425 |
| 2.0 | Utility Coordination - Permits | 40 | \$6,200 | 30 | \$3,750 | 100 | \$11,500 | 170 | \$21,450 |
| 3.0 | 80% Plans | 50 | \$7,750 | 20 | \$2,500 | 130 | \$14,950 | 200 | \$25,200 |
| 4.0 | 100% PS&E | 30 | \$4,650 | 20 | \$2,500 | 160 | \$18,400 | 210 | \$25,550 |
| 5.0 | Final PS&E | 60 | \$9,300 | 30 | \$3,750 | 130 | \$14,950 | 220 | \$28,000 |
| 6.0 | Advertise / Award Period | 40 | \$6,200 | 20 | \$2,500 | 80 | \$9,200 | 140 | \$17,900 |
| 7.0 | Construction Support/Record Drawing | 60 | \$9,300 | 40 | \$5,000 | 250 | \$28,750 | 350 | \$43,050 |
| Total Labor | | 315 | \$48,825 | 180 | \$22,500 | 950 | \$109,250 | 1445 | \$180,575 |

| | |
|--|----------|
| Topographic Survey | \$55,000 |
| Potholing (estimated 15 pothole per each site) | \$75,000 |
| CCTV (Karen Road Site) | \$5,000 |
| 5% Direct Expense Fee (Mileage, Copies, Plots, Etc.) | \$15,779 |

| | |
|--|------------|
| Subtract Amount Used on Karen Road Project as of August 31, 2016 | (\$39,199) |
|--|------------|

| | |
|--------------------|-----------|
| Total Project Cost | \$292,155 |
|--------------------|-----------|

The total CIP budget for Planning, Design, and Construction Support (CIP# 15-14, 15-22, 15-44, 15-65 and 15-73) is \$356,000. Packaging all five projects into one single project will save approximately \$25,000 in design and construction support cost.

Karen Road Water Main Replacement Project is 80% complete. At this time, PCG is coordinating with Caltrans to obtain an encroachment permit.

Proposed Schedule

| | |
|---------------------------------|-------------------|
| Notice to Proceed | September 1, 2016 |
| 60% Submittal | January 20, 2017 |
| 100% Submittal | February 17, 2017 |
| Final Submittal | April 27, 2017 |
| Advertise Project (for 3 Weeks) | April 27, 2017 |
| Award Project | May 25, 2017 |
| Start Construction | July 3, 2017 |



We look forward to assisting the District with this project. Please do not hesitate to contact me at (925) 224-7717 should you have any questions.

Very truly yours,

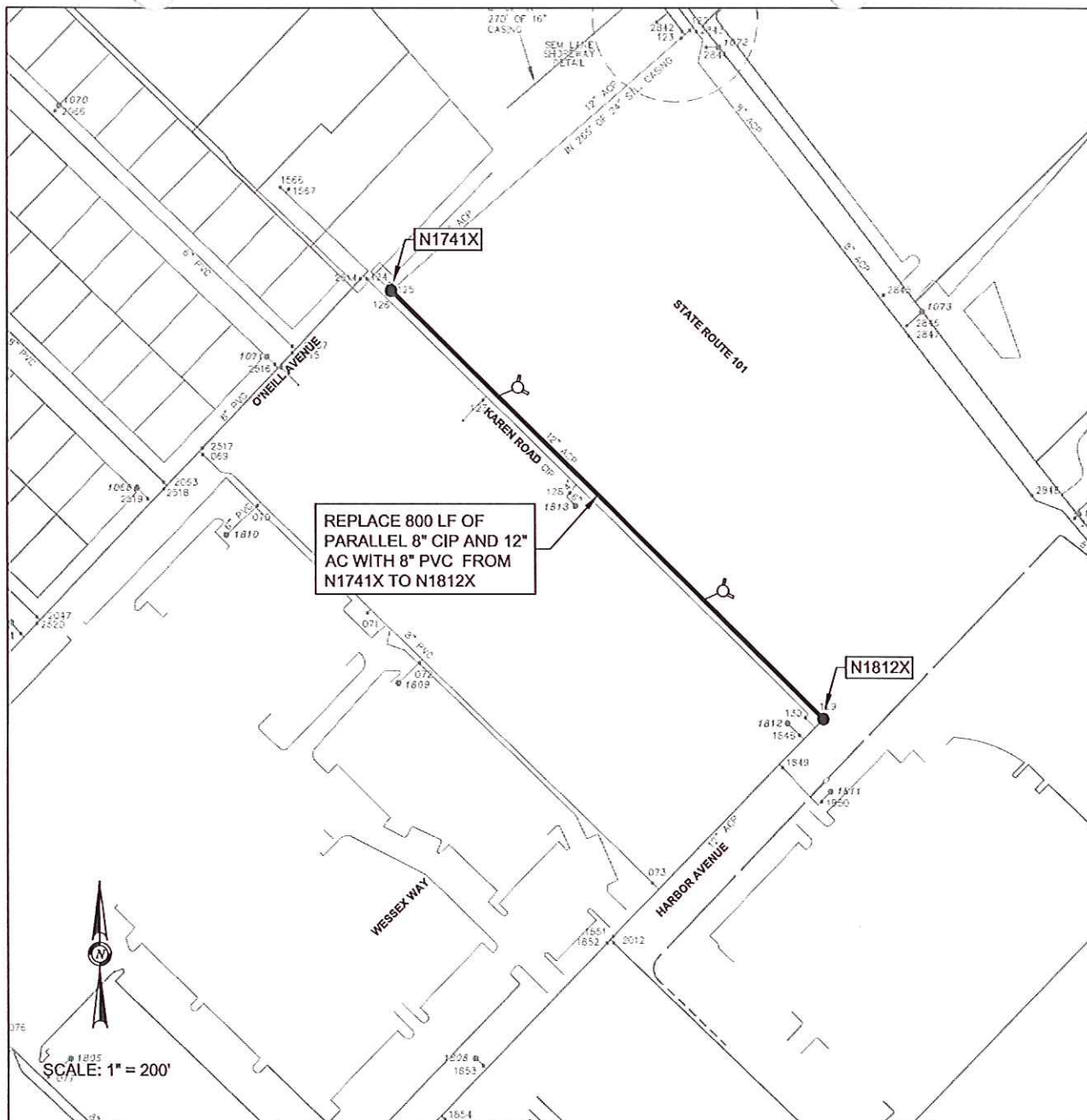
Pakpour Consulting Group, Inc.

A handwritten signature in blue ink, consisting of several fluid, overlapping strokes that form a stylized representation of the name Joubin Pakpour.

Joubin Pakpour, P.E.
Principal Engineer

J:\Projects\MPWD - 10012.00\16 - Karen Road Water Main Improvement\Contract\Agency\16-MPWD-Rudock-15.09.03-Water Main Improvements Proposal.doc





KAREN ROAD IMPROVEMENTS

PROJECT BACKGROUND

Karen Road is located immediately parallel to SR 101 between Harbor Boulevard and O'Neill Avenue and has two parallel water mains: an 800 LF 8" cast iron (CIP) installed in 1952 and an 800 LF 12" asbestos cement (AC) installed in 1957. The 12" AC is part of a continuous 12" transmission main serving Zone 1 on the eastern side of SR 101 whereas the 8" CIP is primarily used for the hydrants and service connections. The District has reported several leaks and subsequent repairs along the 8" CIP. Hydraulic analysis indicates the parallel water mains can be reduced to a single 8" water main with no affects on fire flows. In addition, with the likelihood of the 12" AC SR 101 crossing being relocated to the PAMF easement (CIP 15-72), there is no need for an additional 12" along Karen Road. Distribution System Analysis No. 078

PROPOSED IMPROVEMENTS

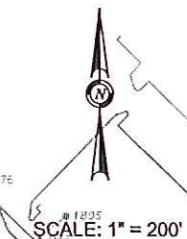
Replace 800 LF of parallel 12" AC and 8" CIP with a new single 8" PVC
 Replace 2 fire hydrant assemblies
 Replace 9 service connections
 Cathodic protection of all metallic fittings/materials

PROJECT BENEFITS

The Karen Road Improvements replaces two old and aging water mains prone to leaks and service repairs, and minimizes maintenance.

PROJECT BUDGET

| | |
|--|-------------------|
| 800 LF - 8" PVC @ \$250/LF | \$ 200,000 |
| Abandon 12" AC @ \$20,000/LS | \$ 20,000 |
| Abandon 8" CIP @ \$20,000/LS | \$ 20,000 |
| Caltrans Coordination @ \$10,000/LS | \$ 10,000 |
| 2 Fire Hydrants @ \$15,000/EA | \$ 30,000 |
| 9 Service Connections @ \$3,000/EA | \$ 27,000 |
| Subtotal Construction | \$ 307,000 |
| Planning, Design, & Construction Support | \$ 80,000 |
| Contingency (±10%) | \$ 38,000 |
| Project Budget | \$ 425,000 |



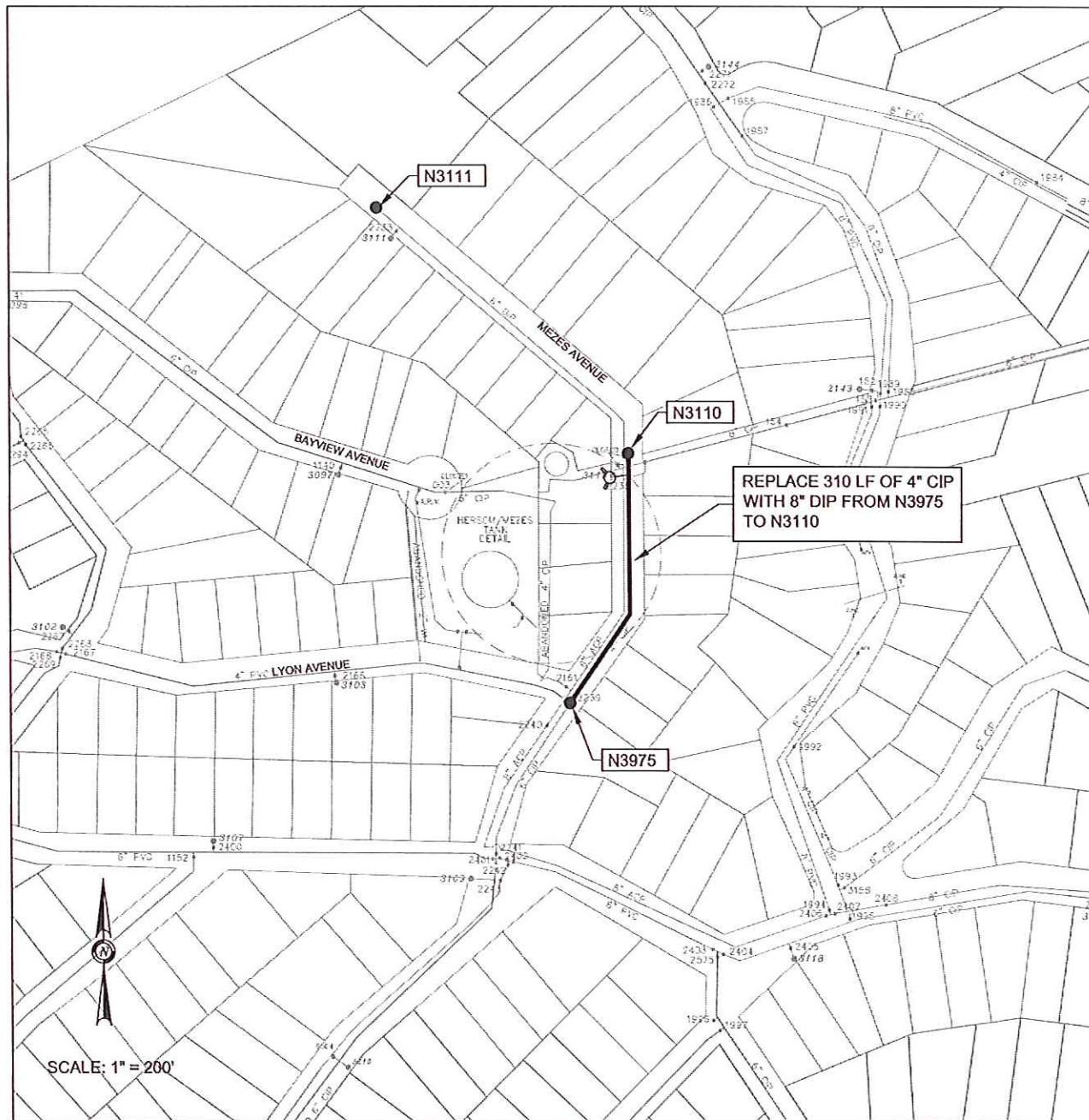
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 Pleasanton, CA 94588
 925.224.7717 Fax 925.224.7726
 www.pcgengr.com

| | |
|----------|----------|
| JOB No. | 10012.07 |
| DATE | 5/20/16 |
| SCALE | AS NOTED |
| DRAWN BY | BL |
| CKD | JP |



MID-PENINSULA WATER DISTRICT
 SAN MATEO COUNTY, CALIFORNIA
 3 DAIRY LANE
 BELMONT, CA 94002

CAPITAL IMPROVEMENT PROGRAM
 KAREN ROAD IMPROVEMENTS
 PROJECT 15-73



MEZES AVENUE IMPROVEMENTS

PROJECT BACKGROUND

Water is currently provided to Mezes Avenue through a single 310 LF 4" cast iron pipe (CIP) from Lyon Avenue. It then transitions to a 415 LF 6" CIP and dead ends at the end of Mezes Avenue. Fire flows on this street are below the recommended 1,500 gpm at 20 psi recommendation due to the 4" bottleneck. In addition, the 4" main is over 50 years old. This project would replace the undersized pipe with a new 8" ductile iron pipe (DIP). One fire hydrant and 10 service connections will be replaced. Hydraulic analysis indicates a 192% increase in available fire flows upon completion of this project. This project has a negligible affect on water age increasing from 0.1 to 0.2 days during the winter and no increase during the summer. Distribution System Analysis No. 017

PROPOSED IMPROVEMENTS

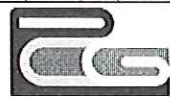
Replace 310 LF of 4" CIP with 8" DIP
Replace 1 fire hydrant assembly
Replace 10 service connections

PROJECT BENEFITS

The Mezes Avenue Improvements replaces an undersized 4" water main with 8" DIP. Fire flows at the midway point along Mezes Avenue increase by 192%.

PROJECT BUDGET

| | |
|---|-------------------|
| 310 LF - 8" DIP @ \$ 250/LF | \$ 77,500 |
| 1 Fire Hydrant @ \$15,000/EA | \$ 15,000 |
| 10 Service Connections @ \$3,000/EA | \$ 30,000 |
| Subtotal Construction | \$ 122,500 |
| Planning, Design & Construction Support | \$ 37,000 |
| Contingency (±10%) | \$ 15,500 |
| Project Budget | \$ 175,000 |



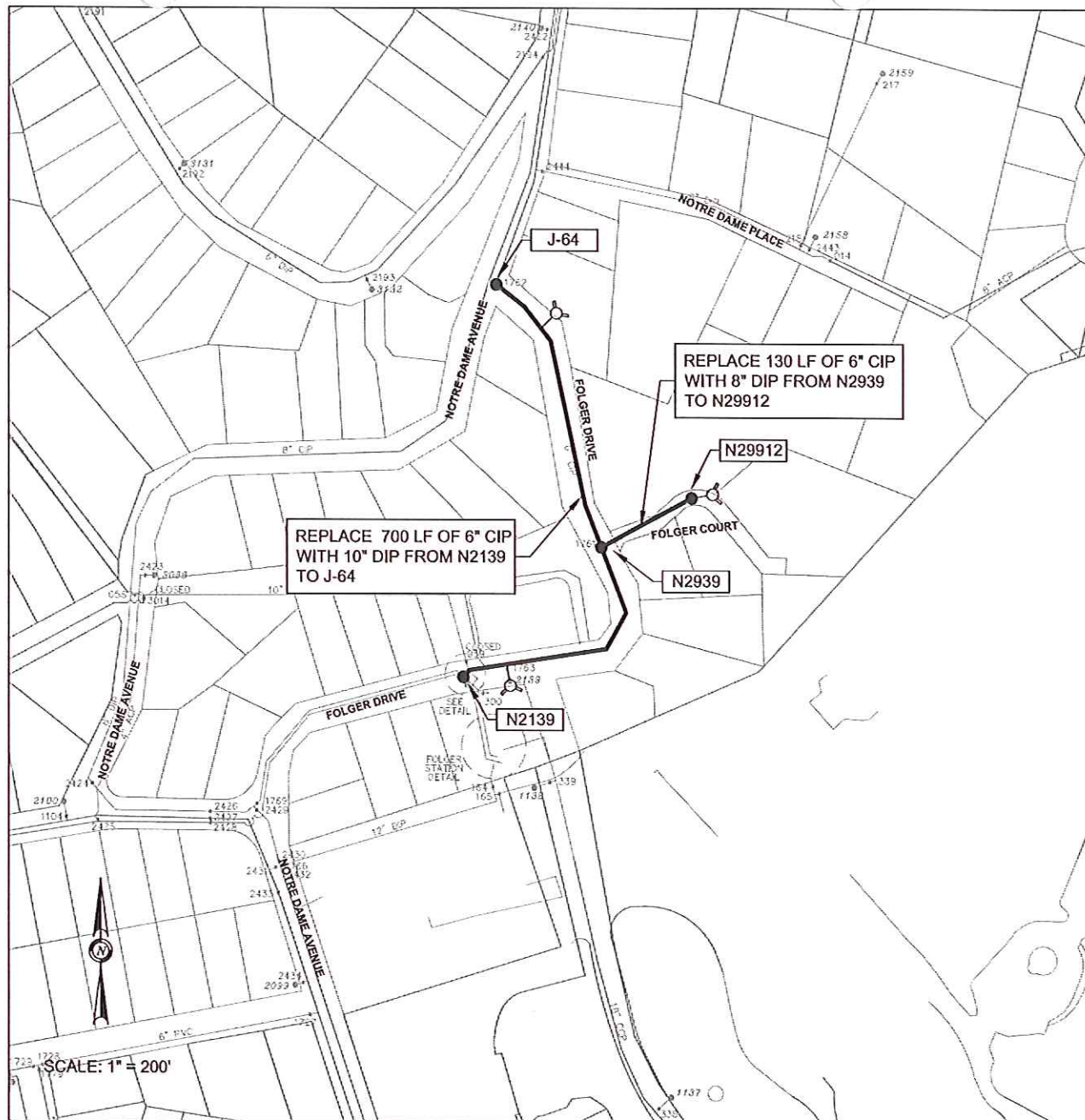
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MID-PENINSULA WATER DISTRICT
SAN MATEO COUNTY, CALIFORNIA
3 DAIRY LANE
BELMONT, CA 94002

CAPITAL IMPROVEMENT PROGRAM
MEZES AVENUE IMPROVEMENTS
PROJECT 15-14



FOLGER DRIVE IMPROVEMENTS

PROJECT BACKGROUND

The water mains along Folger Drive are comprised of 350 LF of 10" polyvinylchloride (PVC) and 700 LF of 6" CIP. The 10" PVC was installed in 1987 and the 6" CIP in 1935, one of the oldest water mains in the District. Due to age, the District has reported several leaks on the 6" CIP. This project replaces the 6" CIP with a new 10" DIP further continuing the 10" up to Notre Dame Avenue. Upon completion of the parallel water main replacement along Notre Dame Avenue between Folger Drive and Ralston with a new 10" DIP, 10" pipe will extend further beyond the Hannibal Pump Station. This project also replaces 130 LF of 6" CIP on Folger Court, installed in 1959, with an 8" DIP. A total of 3 fire hydrants and 12 services would be replaced along Folger Drive and Folger Court.

PROPOSED IMPROVEMENTS

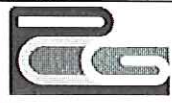
Replace 700 LF of 6" CIP with 10" DIP
 Replace 130 LF of 6" CIP with 8" DIP
 Replace 3 fire hydrant assemblies
 Replace 12 service connections

PROJECT BENEFITS

The Folger Drive Improvements replaces old and aging 6" CIP water mains that have experienced significant leaks with a new 8" or 10" DIP. This also extends the 10" water main from Hannibal Pump Station further up towards Hersom Tank.

PROJECT BUDGET

| | |
|---|-------------------|
| 700 LF - 10" DIP @ \$275/LF | \$ 192,500 |
| 130 LF - 8" DIP @ \$250/LF | \$ 32,500 |
| 3 Fire Hydrants @ \$15,000/EA | \$ 45,000 |
| 12 Service Connections @ \$3,000/EA | \$ 36,000 |
| Subtotal Construction | \$ 306,000 |
| Planning, Design & Construction Support | \$ 77,000 |
| Contingency (±10%) | \$ 37,000 |
| Project Budget | \$ 420,000 |



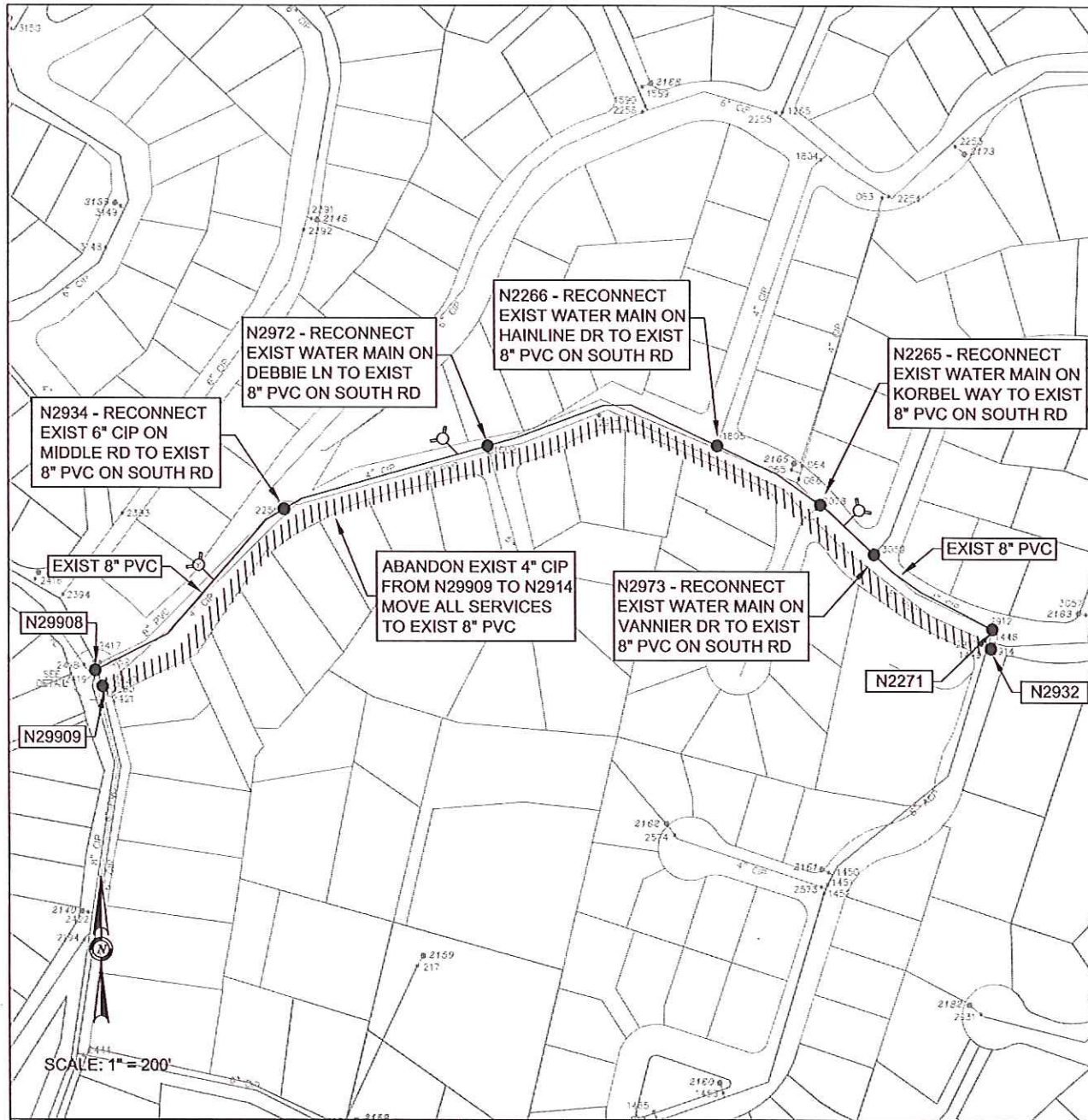
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| | CKD: JP |



MID-PENINSULA WATER DISTRICT
 SAN MATEO COUNTY, CALIFORNIA
 3 DAIRY LANE
 BELMONT, CA 94002

CAPITAL IMPROVEMENT PROGRAM
 FOLGER DRIVE IMPROVEMENTS
 PROJECT 15-65



SOUTH ROAD ABANDONMENT

PROJECT BACKGROUND

South Road between Notre Dame Avenue and College View Way has 1,325 LF of parallel 4" cast iron (CIP) and 8" polyvinylchloride (PVC) water mains. The 4" CIP and 8" PVC were installed in 1940 and 1983 respectively. According to the District GIS and hydraulic model, all branches off South Road including Middle Road, Debbie Lane, Hainline Drive, Korbel Way, Vannier Drive, and College View Way, are connected to the 4" CIP thereby restricting water flow and reducing fire flows to those areas. Fire flows in the immediate area, under existing conditions, are below minimum recommendations of 1,500 gpm at 20 psi. This project abandons the 4" CIP and reconnects all branches on this stretch of water main to the 8" PVC. Three new fire hydrants will also be added to the alignment to improve hydrant spacing in the area. Hydraulic analysis indicates an increase in fire flows as high as 175% (2,400 gpm) with an average increase of over 57%. Approximately 19 service connections would also be transferred from the 4" CIP to the 8" PVC. This project also provides additional fire flow benefits when combined with other DSA's within the area. Distribution System Analysis No. 045

PROPOSED IMPROVEMENTS

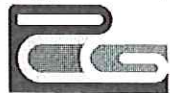
Abandon 1,325 LF of 4" CIP
Reconnect 6 branches to the existing 8" PVC
Install 3 new fire hydrant assemblies
Replace 19 service connections

PROJECT BENEFITS

The South Road Abandonment abandons an old and aging water main, reduces District maintenance, and increases fire flows in the area as much as 175% by moving all branches to an existing 8" PVC.

PROJECT BUDGET

| | |
|---|-------------------|
| 6 Pipe Reconnects @ \$30,000/EA | \$ 180,000 |
| 2 Pipe Abandonment @ \$10,000/End | \$ 20,000 |
| 3 Fire Hydrants @ \$15,000/EA | \$ 45,000 |
| 19 Service Connections @ \$3,000/EA | \$ 57,000 |
| Subtotal Construction | \$ 302,000 |
| Planning, Design & Construction Support | \$ 75,000 |
| Contingency (±10%) | \$ 38,000 |
| Project Budget | \$ 415,000 |



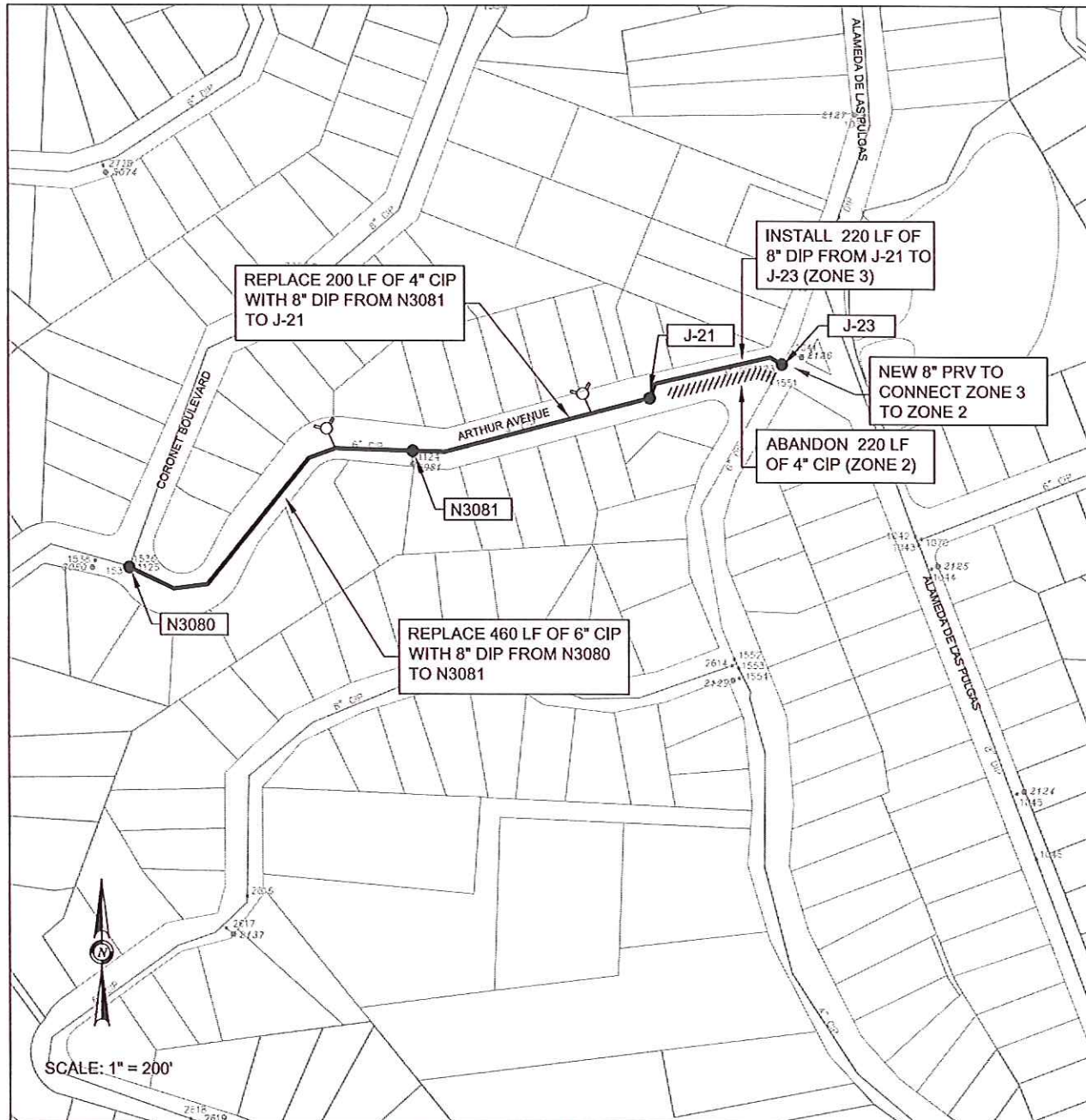
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3 DAIRY LANE
BELMONT, CA 94002

CAPITAL IMPROVEMENT PROGRAM
SOUTH ROAD ABANDONMENT
PROJECT 15-44



ARTHUR AVENUE IMPROVEMENTS

PROJECT BACKGROUND

Water is provided to Arthur Avenue through two dead end 4" and 6" cast iron pipe (CIP) water mains: a Zone 3 water main from Coronet Blvd and a Zone 2 water main from Alameda De Las Pulgas. These undersized water mains, installed in the 1950's, are incapable of providing the minimum recommended fire flow of 1,500 gpm at 20 psi. This project replaces the existing 4" and 6" CIP with new 8" ductile iron pipe (DIP). The Zone 2 water main will be abandoned and the Zone 3 water main extended to Alameda De Las Pulgas and connected to Zone 2 with a 8" pressure reducing valve (PRV). Fifteen service connections will be replaced, 3 of which are transfers from Zone 2 to Zone 3. One hydrant will also be replaced and a new one will be installed to improve the existing hydrant spacing. Hydraulic analysis indicates a 281% increase in available fire flows along Arthur Avenue with the completion of this project. Distribution System Analysis 025

PROPOSED IMPROVEMENTS

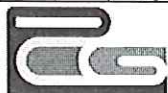
Replace 660 LF of 4" and 6" CIP (Zone 3) with 8" DIP
 Replace 220 LF of 4" CIP (Zone 2) with 8" DIP (Zone 3)
 Install a new 8" PRV
 Install 1 new fire hydrant assembly
 Replace 1 fire hydrant assembly
 Replace 15 service connections

PROJECT BENEFITS

The Arthur Avenue Improvements eliminates two dead ends, replaces aging and undersized water mains with new 8" DIP, provides a direct connection between Zone 3 and Zone 2, increases fire flows on the street by 281%, improves fire hydrant spacing.

PROJECT BUDGET

| | |
|---|-------------------|
| 880 LF - 8" DIP @ \$ 250/LF | \$ 220,000 |
| 2 Fire Hydrants @ \$15,000/EA | \$ 30,000 |
| 8" PRV @ \$50,000/EA | \$ 50,000 |
| 15 Service Connections @ \$3,000/EA | \$ 45,000 |
| Subtotal Construction | \$ 345,000 |
| Planning, Design & Construction Support | \$ 87,000 |
| Contingency (±10%) | \$ 43,000 |
| Project Budget | \$ 475,000 |



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 CKD JP



MID-PENINSULA WATER DISTRICT
 SAN MATEO COUNTY, CALIFORNIA
 3 DAIRY LANE
 BELMONT, CA 94002

CAPITAL IMPROVEMENT PROGRAM
 ARTHUR AVENUE IMPROVEMENTS
 PROJECT 15-22



AGENDA ITEM NO. 7.B.3.

DATE: September 22, 2016
TO: Board of Directors
FROM: Tammy Rudock, General Manager

**SUBJECT: CONSIDER SCHEDULING A SPECIAL MEETING IN OCTOBER 2016
TO CONSIDER APPROVAL OF FINANCING DOCUMENTS FOR
MPWD 5-YEAR CAPITAL IMPROVEMENT PROGRAM TOTALING
\$20 MILLION**

RECOMMENDATION:

Schedule a Special Board Meeting in October 2016 for approval of financing documents for the MPWD 5-Year Capital Improvement Program (CIP) totaling \$20 million.

FISCAL IMPACT:

None.

DISCUSSION:

In order to meet the best market conditions and as previously discussed, it is necessary to schedule a Special Board Meeting next month. One of the following dates is proposed:

- Tuesday, October 11th;
- Tuesday, October 18th; or
- Wednesday, October 19th.

The meeting will be held at its regular time at 6:30PM and location at 3 Dairy Lane in Belmont.

BOARD ACTION: APPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____
UNANIMOUS_____ ZUCCA_____ WARDEN_____ STUEBING_____ VELLA_____ LINVILL_____



AGENDA ITEM NO. 7.B.4.

DATE: September 22, 2016
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: RECEIVE UPDATED CIP INFORMATIONAL SUMMARY & FAQs

RECOMMENDATION

Receive updated CIP informational summary and FAQs.

FISCAL IMPACT

None.

DISCUSSION

The updated CIP Informational Summary and FAQs dated September 22, 2016 is attached.

Attachment: MPWD CIP Informational Summary and FAQs dated September 22, 2016

BOARD ACTION: APPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____
UNANIMOUS_____ ZUCCA_____ WARDEN_____ STUEBING_____ VELLA_____ LINVILL_____

INFORMATIONAL SUMMARY OF BOARD DISCUSSIONS AND FAQs (FREQUENTLY ASKED QUESTIONS)

PROPOSED CAPITAL IMPROVEMENT PROGRAM (CIP) AND POTENTIAL OPTIONS FOR FINANCING

BACKGROUND

The Mid-Peninsula Water District (MPWD) has completed several strategic projects during the past 24 months, each of them building upon the other, in order to best consider the entire MPWD system and its capital infrastructure rehabilitation and improvement needs, namely:

- Construction standards and specifications;
- Water hydraulic modeling and capital program development;
- Water capacity charges update; and
- Water financial plan and rate study, including a 2016 update.

First, senior Operations staff, management, and the District Engineer teamed up and revised its construction standards and specifications. These were important not only for consistent construction application throughout the MPWD system for future operations and maintenance, but also in preparation for any major capital improvement program.

Next, in preparation of a meaningful capital program, the same team systematically reviewed the MPWD's infrastructure and developed a water hydraulic model to identify deficiencies. This was an 18-month process and one in which institutional knowledge of the MPWD system blended with engineering know-how and management experience resulting in the development of a comprehensive list of needed capital projects within the MPWD system. A distribution system analysis was developed by the District Engineer for each project, including an engineering cost estimate. Nearly 90 capital projects were identified, totaling over \$50 million. Operations staff selected several pertinent criteria for evaluating the projects for prioritization. That priority list resulted in the MPWD's proposed Capital Improvement Program (CIP). A 5-year CIP is currently being discussed, and while the exact amount has not yet been approved, the concept of \$20-\$25 million is the range under consideration. The water hydraulic model is a valuable tool for operations and maintenance analyses, development assessments and fire flow reviews, and is maintained to keep it current.

Third, the MPWD hired an independent public finance consultant, Bartle Wells Associates, to work with staff for review and update of the MPWD's development impact fees and structure. That nearly 9-month process was thoroughly vetted by the Board of Directors to ensure transparent stakeholder and customer participation and input. The result was a Water Capacity Charges Update dated March 20, 2015, and adopted by the Board of Directors per Ordinance No. 112 dated April 23, 2015. Not only were water capacity charges updated for new development requiring a "buy-in" to the MPWD system for its added service impact, but the MPWD also created water demand offset fees to manage the new demand within its available regional water system supply from San Francisco Public Utilities Commission (SFPUC). This is in addition to the new development requirements to comply with current

building codes requiring high efficient water fixtures. These supplemental revenues depend upon the level of proposed development within the MPWD service area, but are additional resources for capital projects and water conservation/educational programs and public outreach.

Finally, the MPWD updated its water financial plan and reviewed its rates and structure, again with the assistance of Bartle Wells Associates. A rate workshop was held on March 26, 2015. A water financial plan and rate study was presented and adopted by the Board of Directors on May 26, 2015, including phased increases to the monthly fixed system charge and within the tiered structure. Further provisions adopted were pass-through of additional increases by SFPUC to projected wholesale water rates, and emergency water shortage rates should the MPWD experience a significant decrease in its water commodity revenues as a result of greater water use reductions due to a drought.

WATER FINANCE AND RATE UPDATE

In FY 2015/2016, water conservation efforts resulted in lower revenue receipts and associated purchased water costs. Therefore, the MPWD contracted with Bartle Wells Associates to update its 2015 finance and rate study in order to adequately prepare for the FY 2016/2017 budget process. The Board received an updated financial report on April 24, 2016. The cash flow projections were decreased as a result of the reduced water consumption, while at the same time considering rate increases effective July 1, 2016. Bartle Wells Associates also took into consideration the potential for a debt financing, and concluded that an annual debt service payment of \$1,045,000 could be achieved, even with the reduced cash flow projections. Lastly, excess revenues were forecasted resulting in sufficient coverage required for a debt financing.

5-YEAR CIP CONSIDERATION AND APPROVAL

Since the completion of the above critical projects and since November 2015, the MPWD has been engaged in discussions around options for implementing a CIP and funding alternatives. Prioritized projects were presented to and accepted by the Board as a capital program. Staff has been working with its municipal finance advisor, Wulff Hansen & Company, since January 2016, to identify potential options for financing a 5-year CIP. The Board of Directors considered three (3) 5-Year CIP alternatives at its regular meeting on May 26, 2016. They selected Alternative One totaling \$20,000,000 and approved Resolution No. 2016-06, which is attached, including the authorized 5-Year CIP.

MPWD COMPREHENSIVE SYSTEM ANALYSIS AND CAPITAL IMPROVEMENT PROGRAM FY 2016/2017 UPDATE

As a result of the detailed capital infrastructure modeling and analyses performed, the District Engineer and staff created a report entitled *MPWD Comprehensive System Analysis and Capital Improvement Program FY 2016/2017 Update*, which was adopted by the Board at its regular meeting on May 26, 2016 (via Resolution No. 2016-06). It is posted at the MPWD website.

During the summer of 2016, the District Engineer and staff developed an added section to the *MPWD Comprehensive System Analysis and Capital Improvement Program FY 2016/2017*

Update, including their asset management analysis of MPWD water mains and storage tanks and annual pay-go reinvestment requirements. The added section was presented to the Board during its regular meeting on August 25, 2016.

MPWD FY 2016/17 OPERATING AND CAPITAL BUDGETS

MPWD's FY 2016/2017 Operating and Capital Budgets were approved at the regular Board meeting on June 23, 2016, via Resolution Nos. 2016-07 and 2016-08. The Capital Budget was approved as a pay-go program. They are posted at the MPWD website.

FAQs

In summary of the Board's discussions, these Frequently Asked Questions (FAQs) were developed and will be updated to ensure resourcefulness throughout the process.

1. MPWD discussions regarding CIP and financing options:

- **September 22, 2016**
- August 25, 2016
- June 23, 2016
- May 26, 2016
- April 28, 2016
- March 24, 2016
- February 25, 2016
- January 28, 2016
- December 16, 2015
- November 16, 2015

2. Why is a Capital Improvement Program important?

- *It allows for a systematic evaluation of all potential projects at the same time in a prioritized order.*
- *It allows for grouping of projects for construction, which will reduce overall program cost.*
- *It aids in the preservation of the MPWD's infrastructure while ensuring the efficient use of public funds.*
- *It provides sound information to the Board of Directors and its customers on the infrastructure needs of the MPWD.*
- *Through its development it allows an opportunity to foster cooperation among staff, management and District Engineer.*
- *It is a reinvestment of ratepayer dollars back into the water system, which is good financial stewardship.*

3. What has been the MPWD's current process for CIP implementation?

The MPWD's practice has been to appropriate a certain dollar amount per year, typically between \$1 million to \$1.5 million dollars, to fund capital projects on a cash "pay go" basis. There is no systematic way of evaluating if this level of funding was adequate to ensure the timely replacement of MPWD infrastructure.

4. What happens if the MPWD maintains the status quo and continues with a cash “pay-go” program?

The pay-go system has allowed the MPWD to slowly replace some deficient distribution pipeline segments and rehabilitate or replace some tanks that were not seismically safe. But much of the MPWD water system is more than 50 years old and is spread out over nine (9) distinct pressure zones. The system’s age in combination with system pressures exceeding 120 pounds per square inch (psi), have led to and continue to create many water leaks, which has wasted millions of gallons of water and resulted in personnel and maintenance costs to repair main breaks.

The comprehensive analysis resulting from the water hydraulic modeling indicates the MPWD has historically been underfunding its capital infrastructure needs and now must undertake an accelerated program to catch up. If it does not, the MPWD system risks falling further behind and being vulnerable to severe damage during a large seismic event and increased maintenance costs.

The external financial auditor, James Marta & Company, reported last year that the MPWD’s existing capital replacement is not keeping pace with the annualized depreciation of the system, thereby an increased level of capital spending was recommended. Reference the attached Power Point slide.

5. Briefly describe the identified \$50 million CIP.

As a result of the water hydraulic modeling, the currently identified CIP includes 90 unique projects consisting of replacement of:

- *14 miles of water main (15% of the MPWD’s system);*
- *Seismically vulnerable water tanks;*
- *Pressure regulators;*
- *Hydrants for fire safety; and*
- *Other MPWD infrastructure.*

Reference the report entitled MPWD Comprehensive System Analysis and Capital Improvement Program FY 2016/2017 Update, which is available on the MPWD website.

6. How were the proposed CIP projects prioritized?

Senior MPWD Operations personnel that work within the system daily were involved in developing criteria used to prioritize the 90 capital projects. After deliberation, six (6) criteria were selected and included: pipe failure over the past five (5) years, distribution system benefits, pipe age, pipe material, City pavement condition, and static water pressure. Each of the criteria was given a certain range of scores with a maximum score of 81 points. Each project was scrutinized based on the criteria and a score was given, which lead to the prioritization of the projects.

7. Why do a 5-year CIP, and how did the MPWD arrive at the proposed \$25 million funding level?

One of the MPWD's goals in its Strategic Plan was to develop and implement a rolling 5-year capital program. Because there has historically been a minimal level of capital reinvestment, the MPWD has fallen behind on funding its capital infrastructure needs, and in order to cost effectively bundle pipeline replacement projects, the MPWD aimed to create a capital program that would accomplish at least \$4 million to \$5 million per year (three to four times that of the MPWD's existing funding level). Another significant factor was ensuring a sustainable level of capital funding within the MPWD's existing annual water rate revenues, which is currently under review since the MPWD is having FY 2016/2017 budget discussions. Therefore, a list of 30 prioritized capital projects was finalized for a 5-year program, including the completion of the Automated Metering Infrastructure (AMI) program, totaling approximately \$25 million.

8. What are some financing options?

- *Continue on a "pay-go" basis.
Utilize available revenues to pay for planned projects. It will take 16 years to pay for \$25 million planned 5-year CIP. Cost of unexpected maintenance will reduce available funds and extend over 16 years' completion of planned projects. Current ratepayers pay for capital projects while future ratepayers do not pay an equitable share. The MPWD may experience an impairment of its operations due to delayed needed infrastructure improvements.*
- *Debt.
Ability to finance much needed capital improvements now. Rates are the lowest in 25 years. Term of debt can be flexible from 10 to 30 years. The debt can be structured to allow pre-payment after 10 years.*
- *A hybrid approach, including a combination of debt and "pay go."
Debt will be issued to complete capital projects and use all excess revenues that can be used for "pay go" or pay down the debt, which shortens the term of the debt.*
- *Returning to only "pay go" depends upon how much of the excess revenues after debt service is applied to early payment of the debt. First additional reduction of the debt beyond the scheduled payment of principal will occur after 10 years.**

Exhibits dated April 27, 2016, are attached for sample private placement and public offering debt, including breakdown of estimated principal, interest, all-in interest costs, and detailed costs of issuance. These examples were prepared by the MPWD's Municipal Finance Advisor team and as a result of the FY 2016/2017 cash flow projections contained within the Bartle Wells Associates Water Finance & Rate Update dated April 24, 2016.

**Potential debt payoff estimates are also attached (for each debt example).*

9. What is the difference between a private placement loan and revenue bond debt financing?

Private place debt is issued by the MPWD that is sold to private investors, usually a bank or an insurance company. The debt can only be sold to qualified institutional buyers. Structure may be the same as a revenue bond. A placement agent is used instead of an underwriter. MPWD will only have to deal with one representative of the investors when negotiating for changes on the terms of the debt. The rate is usually fixed. The cost of issuance is substantially lower than issuing public debt. No continuing disclosure requirement and in the initial sale a Disclosure Counsel is not used and no official statement or formal disclosure document is required. The term of the debt is shorter and generally cannot exceed 20 years limiting the amount of capital projects that can be financed through the issuance.

Revenue bond financing is long-term debt issued by the MPWD that is sold to the public. Fixed terms and covenants. Impossible to negotiate changes of terms with bondholders. The cost of issuance is generally higher than a private placement. Sold to an underwriter that resells to the public. Compared to a private placement, the debt can be issued for up to 30 years increasing the size of the financing and the amount of capital projects that can be financed with the same annual debt payment. The net interest cost can be slightly lower than a private placement.

10. How much does it cost to do a debt financing?

Exhibits dated April 27, 2016, are attached for sample private placement and public offering debt, including breakdown of estimated principal, interest, all-in interest costs, and detailed costs of issuance. These examples were prepared by the MPWD's Municipal Finance Advisor team and as a result of the FY 2016/2017 cash flow projections contained within the Bartle Wells Associates Water Finance & Rate Update dated April 24, 2016.

Potential debt payoff estimates are also attached (for each debt example).

11. Why not mortgage the MPWD's Dairy Lane property to raise cash for the CIP?

The MPWD owns all of its properties, including its Operations Center at 3 Dairy Lane in Belmont. There are many challenges with borrowing against public property, and the same water rate revenues would be the payment source. It makes more sense to borrow a lump sum, especially at current market rates of interest, and pledge a revenue source rather than encumber the MPWD's property that might be needed later in an emergency.

The amount available to borrow would be limited to 50% to 75% of the appraised value of the property. The revenue pledge may impair the ability to borrow additional funds when needed as that source of repayment would already be pledged.

12. Are there other properties owned by the MPWD, and, if so, why not sell them for cash toward the CIP?

Another one of the MPWD's strategic goals is to evaluate the properties it owns and carefully consider those that might be considered surplus by the Board and potentially for sale.

Selling properties would result in a loss of appreciating assets. It may impact the MPWD's credit rating making debt issuance less attractive to underwriters, placement agents, bond insurers, and investors. It also reduces the ability to raise additional funds in the future if needed. It could create a negative perception of the MPWD—selling assets to raise cash.

This could be a one-time infusion of cash to the MPWD, determined by the Board to be used toward paying off any capital debt financing or toward additional capital projects on a "pay go" basis.

13. How much does the MPWD have in reserves, and why not use them to pay for the CIP?

The table below reflects the current reserves totaling \$4.1 million through August 31, 2016.

| MPWD RESERVE FUNDS | | | | |
|----------------------------|-------------------------|-------------------------|-------------------------|------------------------------|
| Reserve Account | Balance @ 08/31/2014 | Balance @ 08/31/2015 | Balance @ 08/31/2016 | Budget for Reserve Policy |
| Capital Reserves | \$ 1,779,466 | \$ 889,457 | \$ 1,555,161 | \$ 2,500,000 |
| Emergency Reserves | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 |
| Working Capital Reserves | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| TOTAL RESERVE FUNDS | \$ 4,279,466 | \$ 3,389,457 | \$ 4,055,161 | \$ 5,000,000 |

It would be a policy decision by the Board of Directors as to what level, if any, of the MPWD's reserves to use for its capital program. Reserves are important in the event of an emergency or as the result of some unplanned operating revenue decrease(s) or expenditure(s). The MPWD's current reserve policy is set at \$5 million. The Board of Directors has recently expressed its intention of revisiting its reserve policy in the near future.

14. Explain all potential cash funding sources for the CIP.

Four (4) cash sources have been identified so far for CIP funding on a continued “pay-go” basis, or for annual loan/debt service payments, or a combination of both: Water revenues, development impact revenues, reserves, or real property sales. The Board of Directors would authorize the funding source(s) for any approved CIP.

- *Water revenues can be used for any type of improvement related to the MPWD’s business.*
- *Development impact revenues are normally used and may have statutory requirements such that they can only be used to support the construction of new infrastructure and facilities to support the impacts of growth to the system.*
- *Reserves, unless restricted, are an available cash source that could be used as a funding source;*
- *Real property sales proceeds, generally speaking, and unless restricted, could be used as a source of funding.*

15. Why did the MPWD reduce its proposed 5-Year CIP and ultimately authorize a \$20 million program rather than the initial recommendation of \$25 million?

After the MPWD received the April 24, 2016, report and presentation by its rates consultant, Bartle Wells Associates, and because of the reduced revenues received as a result of achieved water conservation targets during 2015 and 2016, the Board felt the debt service payment for a \$20 million program was more affordable within the existing MPWD rates structure. The debt service payment for a \$25 million program would be stretching the MPWD’s resources. Bartle Wells Associates also confirmed that a \$20 million capital program fit within the MPWD’s existing financial position and future revenue and expense projections.

16. What are premium municipal bonds?

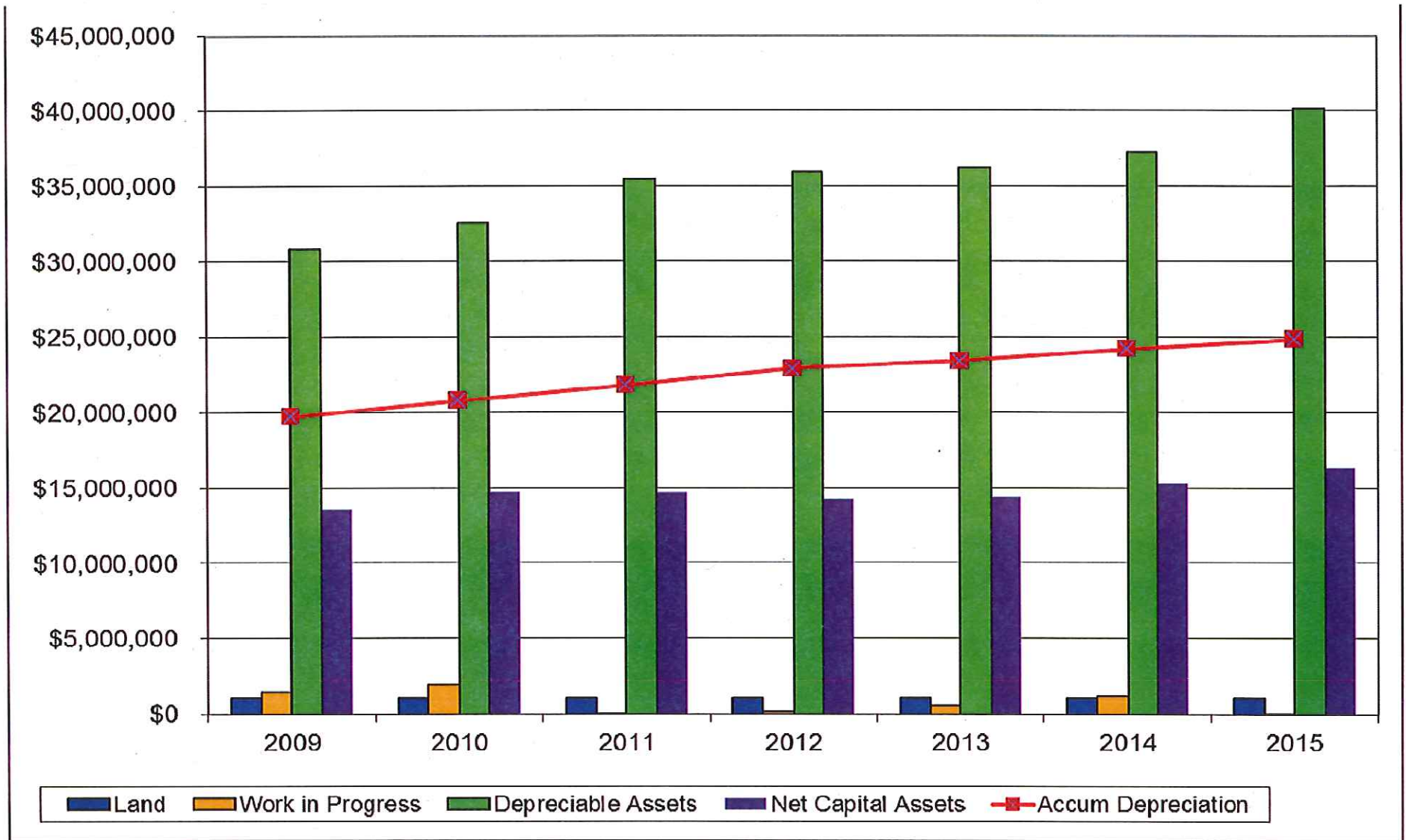
A premium municipal bond is a security purchased at a price in excess of its par value and with a coupon rate that is higher than the prevailing market interest rate. This means that a premium municipal bond will sell for more than 100 percent of its par value. In general, premium bonds are less volatile during periods of rising interest rates.

17. Why would the MPWD consider a premium municipal bond?

The MPWD’s Municipal Finance Advisor presented the attached financing options dated August 25, 2016, comparing premium bonds to par value bonds. Premium bonds would allow for greater proceeds to the MPWD for its capital program with no increase in the annual debt service payment.

Thank you for being interested in the MPWD.
Please contact General Manager Tammy Rudock
at tammyr@midpeninsulawater.org or 650-591-8941
with questions or comments on any of the information or FAQs contained herein.

Capital Assets



James Marta & Company LLP
Certified Public Accountants

MID-PENINSULA WATER DISTRICT
Private Placement; RATE 3.25%; 20 YEARS

Prepared by Wulff, Hansen & Co.

4/27/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon * | Interest | Debt Service | Available Revenue** | Excess Revenue | Cumulative Excess | Debt Service Coverage Ratio*** |
|---------------|-------------------|----------|---------------------|----------------------|---------------------|------------------|-------------------|--------------------------------|
| 10/1/2017 | 530,000 | 3.25% | 515,450.00 | 1,045,450.00 | 1,500,000 | 454,550 | 454,550 | 1.435 |
| 10/1/2018 | 590,000 | 3.25% | 458,575.00 | 1,048,575.00 | 1,772,000 | 723,425 | 1,177,975 | 1.690 |
| 10/1/2019 | 610,000 | 3.25% | 439,400.00 | 1,049,400.00 | 1,462,000 | 412,600 | 1,590,575 | 1.393 |
| 10/1/2020 | 630,000 | 3.25% | 419,575.00 | 1,049,575.00 | 1,425,000 | 375,425 | 1,966,000 | 1.358 |
| 10/1/2021 | 650,000 | 3.25% | 399,100.00 | 1,049,100.00 | 1,500,000 | 450,900 | 2,416,900 | 1.430 |
| 10/1/2022 | 670,000 | 3.25% | 377,975.00 | 1,047,975.00 | 1,500,000 | 452,025 | 2,868,925 | 1.431 |
| 10/1/2023 | 690,000 | 3.25% | 356,200.00 | 1,046,200.00 | 1,500,000 | 453,800 | 3,322,725 | 1.434 |
| 10/1/2024 | 715,000 | 3.25% | 333,775.00 | 1,048,775.00 | 1,500,000 | 451,225 | 3,773,950 | 1.430 |
| 10/1/2025 | 735,000 | 3.25% | 310,537.50 | 1,045,537.50 | 1,500,000 | 454,463 | 4,228,413 | 1.435 |
| 10/1/2026 | 760,000 | 3.25% | 286,650.00 | 1,046,650.00 | 1,500,000 | 453,350 | 4,681,763 | 1.433 |
| 10/1/2027 | 785,000 | 3.25% | 261,950.00 | 1,046,950.00 | 1,500,000 | 453,050 | 5,134,813 | 1.433 |
| 10/1/2028 | 810,000 | 3.25% | 236,437.50 | 1,046,437.50 | 1,500,000 | 453,563 | 5,588,375 | 1.433 |
| 10/1/2029 | 835,000 | 3.25% | 210,112.50 | 1,045,112.50 | 1,500,000 | 454,888 | 6,043,263 | 1.435 |
| 10/1/2030 | 865,000 | 3.25% | 182,975.00 | 1,047,975.00 | 1,500,000 | 452,025 | 6,495,288 | 1.431 |
| 10/1/2031 | 895,000 | 3.25% | 154,862.50 | 1,049,862.50 | 1,500,000 | 450,138 | 6,945,425 | 1.429 |
| 10/1/2032 | 920,000 | 3.25% | 125,775.00 | 1,045,775.00 | 1,500,000 | 454,225 | 7,399,650 | 1.434 |
| 10/1/2033 | 950,000 | 3.25% | 95,875.00 | 1,045,875.00 | 1,500,000 | 454,125 | 7,853,775 | 1.434 |
| 10/1/2034 | 985,000 | 3.25% | 65,000.00 | 1,050,000.00 | 1,500,000 | 450,000 | 8,303,775 | 1.429 |
| 10/1/2035 | 1,015,000 | 3.25% | 32,987.50 | 1,047,987.50 | 1,500,000 | 452,013 | 8,755,788 | 1.431 |
| | 14,640,000 | | 5,263,212.50 | 19,903,212.50 | 28,659,000 | 8,755,788 | | |

| | | | |
|----------------------------------|-------------------|--|----------------|
| | | <u>Estimated and Subject to Actual Proposals</u> | |
| Project Fund | 14,446,500 | Bond Counsel | 60,000 |
| Estimated Total Cost of Issuance | 193,500 | Placement Agent | 30,000 |
| <i>Total Par Amount</i> | <i>14,640,000</i> | Municipal Advisor | 60,000 |
| | | Public Financing Corp. | 3,500 |
| TIC | 3.24972% | Investor's Counsel | 15,000 |
| All-in TIC | 3.39968% | Misc. | 25,000 |
| | | <i>Total COI</i> | <i>193,500</i> |

MID-PENINSULA WATER DISTRICT
Private Placement; RATE 3.25%; 20 YEARS

Prepared by Wulff, Hansen & Co.

4/27/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon | Interest | Debt Service | Available Revenue | Excess Revenue | Cumulative Excess | | |
|---------------|-------------------|--------|------------|--------------|-------------------|----------------|-------------------|------------------|--|
| 10/1/2017 | 530,000 | 3.25% | 515,450.00 | 1,045,450.00 | 1,500,000 | 454,550 | 454,550 | | |
| 10/1/2018 | 590,000 | 3.25% | 458,575.00 | 1,048,575.00 | 1,772,000 | 723,425 | 1,177,975 | | |
| 10/1/2019 | 610,000 | 3.25% | 439,400.00 | 1,049,400.00 | 1,462,000 | 412,600 | 1,590,575 | | |
| 10/1/2020 | 630,000 | 3.25% | 419,575.00 | 1,049,575.00 | 1,425,000 | 375,425 | 1,966,000 | | |
| 10/1/2021 | 650,000 | 3.25% | 399,100.00 | 1,049,100.00 | 1,500,000 | 450,900 | 2,416,900 | | |
| 10/1/2022 | 670,000 | 3.25% | 377,975.00 | 1,047,975.00 | 1,500,000 | 452,025 | 2,868,925 | | |
| 10/1/2023 | 690,000 | 3.25% | 356,200.00 | 1,046,200.00 | 1,500,000 | 453,800 | 3,322,725 | | |
| 10/1/2024 | 715,000 | 3.25% | 333,775.00 | 1,048,775.00 | 1,500,000 | 451,225 | 3,773,950 | | |
| 10/1/2025 | 735,000 | 3.25% | 310,537.50 | 1,045,537.50 | 1,500,000 | 454,463 | 4,228,413 | | |
| 10/1/2026 | 760,000 | 3.25% | 286,650.00 | 1,046,650.00 | 1,500,000 | 453,350 | 4,681,763 | ⁽¹⁾ | |
| | 6,580,000 | | | | | | | | Principal + Excess Revenue ⁽²⁾ |
| 10/1/2027 | 785,000 | 3.25% | 261,950.00 | 1,046,950.00 | 1,500,000 | 453,050 | 453,050 | 3,378,238 | 1,238,050.00 |
| 10/1/2028 | 810,000 | 3.25% | 236,437.50 | 1,046,437.50 | 1,500,000 | 453,563 | 453,563 | | 1,263,562.50 |
| 10/1/2029 | 835,000 | 3.25% | 210,112.50 | 1,045,112.50 | 1,500,000 | 454,888 | 454,888 | | 1,289,887.50 |
| 10/1/2030 | 865,000 | 3.25% | 182,975.00 | 1,047,975.00 | 1,500,000 | 452,025 | 906,913 | | |
| 10/1/2031 | 895,000 | 3.25% | 154,862.50 | 1,049,862.50 | 1,500,000 | 450,138 | 1,357,050 | | |
| 10/1/2032 | 920,000 | 3.25% | 125,775.00 | 1,045,775.00 | 1,500,000 | 454,225 | 1,811,275 | | |
| 10/1/2033 | 950,000 | 3.25% | 95,875.00 | 1,045,875.00 | 1,500,000 | 454,125 | 2,265,400 | | |
| 10/1/2034 | 985,000 | 3.25% | 65,000.00 | 1,050,000.00 | 1,500,000 | 450,000 | 2,715,400 | | |
| 10/1/2035 | 1,015,000 | 3.25% | 32,987.50 | 1,047,987.50 | 1,500,000 | 452,013 | 3,167,413 | | |
| | 8,060,000 | | | | | | | | |
| | 14,640,000 | | | | | | | | |

⁽¹⁾ In 2026 when bonds are callable, \$ 4,681,763 will be available to pay down the outstanding principal, amount of \$8,060,000, leaving \$ 3,378,238 outstanding.

⁽²⁾ The remaining outstanding balance will be paid using principal and excess revenue for each year. And it will take another three years to payoff the \$3,378,238

| | |
|--------------------------------------|-----------------|
| No. of years to pay the debt: | 13 years |
|--------------------------------------|-----------------|

MID-PENINSULA WATER DISTRICT

Public Offering; 25 YEARS

Prepared by Wulff, Hansen & Co.

4/27/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon* | Interest | Debt Service | Available Revenue** | Excess Revenue | Cumulative Excess | Debt Service Coverage Ratio |
|---------------|-------------------|---------|---------------------|----------------------|---------------------|-------------------|-------------------|-----------------------------|
| 10/1/2017 | 565,000 | 0.85% | 482,217.67 | 1,047,217.67 | 1,500,000 | 452,782 | 452,782 | 1.432 |
| 10/1/2018 | 605,000 | 1.10% | 440,321.50 | 1,045,321.50 | 1,772,000 | 726,679 | 1,179,461 | 1.695 |
| 10/1/2019 | 615,000 | 1.23% | 433,666.50 | 1,048,666.50 | 1,462,000 | 413,334 | 1,592,794 | 1.394 |
| 10/1/2020 | 620,000 | 1.45% | 426,102.00 | 1,046,102.00 | 1,425,000 | 378,898 | 1,971,692 | 1.362 |
| 10/1/2021 | 630,000 | 1.49% | 417,112.00 | 1,047,112.00 | 1,500,000 | 452,888 | 2,424,580 | 1.433 |
| 10/1/2022 | 640,000 | 1.61% | 407,725.00 | 1,047,725.00 | 1,500,000 | 452,275 | 2,876,855 | 1.432 |
| 10/1/2023 | 650,000 | 1.72% | 397,421.00 | 1,047,421.00 | 1,500,000 | 452,579 | 3,329,434 | 1.432 |
| 10/1/2024 | 660,000 | 1.87% | 386,241.00 | 1,046,241.00 | 1,500,000 | 453,759 | 3,783,193 | 1.434 |
| 10/1/2025 | 675,000 | 2.00% | 373,899.00 | 1,048,899.00 | 1,500,000 | 451,101 | 4,234,294 | 1.430 |
| 10/1/2026 | 685,000 | 2.10% | 360,399.00 | 1,045,399.00 | 1,500,000 | 454,601 | 4,688,895 | 1.435 |
| 10/1/2027 | 700,000 | 2.22% | 346,014.00 | 1,046,014.00 | 1,500,000 | 453,986 | 5,142,881 | 1.434 |
| 10/1/2028 | 715,000 | 2.33% | 330,474.00 | 1,045,474.00 | 1,500,000 | 454,526 | 5,597,407 | 1.435 |
| 10/1/2029 | 735,000 | 2.45% | 313,814.50 | 1,048,814.50 | 1,500,000 | 451,186 | 6,048,593 | 1.430 |
| 10/1/2030 | 750,000 | 2.57% | 295,807.00 | 1,045,807.00 | 1,500,000 | 454,193 | 6,502,786 | 1.434 |
| 10/1/2031 | 770,000 | 2.70% | 276,532.00 | 1,046,532.00 | 1,500,000 | 453,468 | 6,956,254 | 1.433 |
| 10/1/2032 | 790,000 | 2.84% | 255,742.00 | 1,045,742.00 | 1,500,000 | 454,258 | 7,410,512 | 1.434 |
| 10/1/2033 | 815,000 | 2.94% | 233,306.00 | 1,048,306.00 | 1,500,000 | 451,694 | 7,862,206 | 1.431 |
| 10/1/2034 | 840,000 | 3.00% | 209,345.00 | 1,049,345.00 | 1,500,000 | 450,655 | 8,312,861 | 1.429 |
| 10/1/2035 | 865,000 | 3.10% | 184,145.00 | 1,049,145.00 | 1,500,000 | 450,855 | 8,763,716 | 1.430 |
| 10/1/2036 | 890,000 | 3.15% | 157,330.00 | 1,047,330.00 | 1,500,000 | 452,670 | 9,216,386 | 1.432 |
| 10/1/2037 | 920,000 | 3.20% | 129,295.00 | 1,049,295.00 | 1,500,000 | 450,705 | 9,667,091 | 1.430 |
| 10/1/2038 | 945,000 | 3.30% | 99,855.00 | 1,044,855.00 | 1,500,000 | 455,145 | 10,122,236 | 1.436 |
| 10/1/2039 | 980,000 | 3.40% | 68,670.00 | 1,048,670.00 | 1,500,000 | 451,330 | 10,573,566 | 1.430 |
| 10/1/2040 | 1,010,000 | 3.50% | 35,350.00 | 1,045,350.00 | 1,500,000 | 454,650 | 11,028,216 | 1.435 |
| | 18,070,000 | | 7,060,784.17 | 25,130,784.17 | 36,159,000 | 11,028,216 | | |

Estimated and Subject to Actual Proposals

| | |
|----------------------------|-------------------|
| (1) Underwriter's Discount | 225,875.00 |
| (2) Bond Insurance | 50,261.57 |
| (3) Surety Reserve Fund | 13,641.49 |
| Bond Counsel | 70,000.00 |
| Disclosure Counsel | 30,000.00 |
| Municipal Advisor | 70,000.00 |
| Public Financing Corp. | 3,500.00 |
| Trustee | 7,500.00 |
| Rating Agencies | 30,000.00 |
| Consultant | 10,000.00 |
| Misc. | 25,000.00 |
| Total Estimated COI | 535,778.06 |

| | |
|---|----------------------|
| Project Fund | 17,534,221.94 |
| Estimated Total Cost of Issuance | 535,778.06 |
| Total Par Amount | 18,070,000.00 |

| | |
|-------------------|-----------------|
| TIC | 2.95179% |
| All-in TIC | 3.07944% |

* Based on Comparable Public Offerings as of 04/21/2016; actual rates to be determined by competitive sale of bonds

** Source: Rate Study update from MPWD

(1) Estimated at 1.20% of Bond Issuance, to be determined by competitive bid

(2) Estimated at 0.20% of total Debt Service, insures Debt Service, to be determined by competitive bid

(3) Estimated at 1.30% of Debt Service Reserve Requirements, to be determined by competitive bid; Surety replaces debt service reserve estimated at approximately \$1,050,000; funded from bond proceeds

- True Interest Cost (TIC): A measurement of interest expense to the issuer of bonds, without the adjustment of COI in calculation.

- All-in TIC: A measurement of total cost of a bond financing, including adjustment of COI in calculation.

MID-PENINSULA WATER DISTRICT

Public Offering; 25 YEARS

Prepared by Wulff, Hansen & Co.

4/27/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon* | Interest | Debt Service | Available Revenue** | Excess Revenue | Cumulative Excess | |
|---------------|-------------------|---------|---------------------|----------------------|---------------------|-------------------|--------------------------|---|
| 10/1/2017 | 565,000 | 0.85% | 482,217.67 | 1,047,217.67 | 1,500,000 | 452,782 | 452,782 | |
| 10/1/2018 | 605,000 | 1.10% | 440,321.50 | 1,045,321.50 | 1,772,000 | 726,679 | 1,179,461 | |
| 10/1/2019 | 615,000 | 1.23% | 433,666.50 | 1,048,666.50 | 1,462,000 | 413,334 | 1,592,794 | |
| 10/1/2020 | 620,000 | 1.45% | 426,102.00 | 1,046,102.00 | 1,425,000 | 378,898 | 1,971,692 | |
| 10/1/2021 | 630,000 | 1.49% | 417,112.00 | 1,047,112.00 | 1,500,000 | 452,888 | 2,424,580 | |
| 10/1/2022 | 640,000 | 1.61% | 407,725.00 | 1,047,725.00 | 1,500,000 | 452,275 | 2,876,855 | |
| 10/1/2023 | 650,000 | 1.72% | 397,421.00 | 1,047,421.00 | 1,500,000 | 452,579 | 3,329,434 | |
| 10/1/2024 | 660,000 | 1.87% | 386,241.00 | 1,046,241.00 | 1,500,000 | 453,759 | 3,783,193 | |
| 10/1/2025 | 675,000 | 2.00% | 373,899.00 | 1,048,899.00 | 1,500,000 | 451,101 | 4,234,294 | |
| 10/1/2026 | 685,000 | 2.10% | 360,399.00 | 1,045,399.00 | 1,500,000 | 454,601 | 4,688,895 ⁽¹⁾ | |
| | 6,345,000 | | | | | | | |
| | | | | | | | | Principal + Excess Revenue⁽²⁾ |
| 10/1/2027 | 700,000 | 2.22% | 346,014.00 | 1,046,014.00 | 1,500,000 | 453,986 | 5,142,881 | 7,036,105 |
| 10/1/2028 | 715,000 | 2.33% | 330,474.00 | 1,045,474.00 | 1,500,000 | 454,526 | 5,597,407 | 1,153,986.00 |
| 10/1/2029 | 735,000 | 2.45% | 313,814.50 | 1,048,814.50 | 1,500,000 | 451,186 | 6,048,593 | 1,169,526.00 |
| 10/1/2030 | 750,000 | 2.57% | 295,807.00 | 1,045,807.00 | 1,500,000 | 454,193 | 6,502,786 | 1,186,185.50 |
| 10/1/2031 | 770,000 | 2.70% | 276,532.00 | 1,046,532.00 | 1,500,000 | 454,193 | 6,956,254 | 1,204,193.00 |
| 10/1/2032 | 790,000 | 2.84% | 255,742.00 | 1,045,742.00 | 1,500,000 | 453,468 | 7,410,512 | 1,223,468.00 |
| 10/1/2033 | 815,000 | 2.94% | 233,306.00 | 1,048,306.00 | 1,500,000 | 454,258 | 7,862,206 | 1,244,258.00 |
| 10/1/2034 | 840,000 | 3.00% | 209,345.00 | 1,049,345.00 | 1,500,000 | 451,694 | 8,312,861 | |
| 10/1/2035 | 865,000 | 3.10% | 184,145.00 | 1,049,145.00 | 1,500,000 | 450,655 | 8,763,716 | |
| 10/1/2036 | 890,000 | 3.15% | 157,330.00 | 1,047,330.00 | 1,500,000 | 450,855 | 9,216,386 | |
| 10/1/2037 | 920,000 | 3.20% | 129,295.00 | 1,049,295.00 | 1,500,000 | 452,670 | 9,667,091 | |
| 10/1/2038 | 945,000 | 3.30% | 99,855.00 | 1,044,855.00 | 1,500,000 | 450,705 | 10,122,236 | |
| 10/1/2039 | 980,000 | 3.40% | 68,670.00 | 1,044,855.00 | 1,500,000 | 455,145 | 10,573,566 | |
| 10/1/2040 | 1,010,000 | 3.50% | 35,350.00 | 1,048,670.00 | 1,500,000 | 451,330 | 11,028,216 | |
| | 11,725,000 | | 7,060,784.17 | 25,130,784.17 | 36,159,000 | 11,028,216 | | |
| | 18,070,000 | | | | | | | |

⁽¹⁾ In 2026 when bonds are callable, \$ 4,688,895 will be available to pay down the outstanding principal, amount of \$11,725,000, leaving \$ 7,036,105 outstanding.

⁽²⁾ The remaining outstanding balance will be paid using principal and excess revenue for each year. And it will take another three years to payoff the \$7,036,105

| | |
|-------------------------------|----------|
| No. of years to pay the debt: | 16 years |
|-------------------------------|----------|

MID-PENINSULA WATER DISTRICT

Public Offering; 30 YEARS

Prepared by Wulff, Hansen & Co.

4/27/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon | Interest | Debt Service | Available Revenue** | Excess Revenue | Cumulative Excess | Debt Service Coverage Ratio |
|---------------|-------------------|--------|----------------------|----------------------|---------------------|-------------------|-------------------|-----------------------------|
| 10/1/2017 | 460,000 | 0.85% | 586,469.54 | 1,046,469.54 | 1,500,000 | 453,530 | 453,530 | 1.433 |
| 10/1/2018 | 510,000 | 1.10% | 537,446.50 | 1,047,446.50 | 1,772,000 | 724,554 | 1,178,084 | 1.692 |
| 10/1/2019 | 515,000 | 1.23% | 531,836.50 | 1,046,836.50 | 1,462,000 | 415,164 | 1,593,247 | 1.397 |
| 10/1/2020 | 520,000 | 1.45% | 525,502.00 | 1,045,502.00 | 1,425,000 | 379,498 | 1,972,745 | 1.363 |
| 10/1/2021 | 530,000 | 1.49% | 517,962.00 | 1,047,962.00 | 1,500,000 | 452,038 | 2,424,783 | 1.431 |
| 10/1/2022 | 535,000 | 1.61% | 510,065.00 | 1,045,065.00 | 1,500,000 | 454,935 | 2,879,718 | 1.435 |
| 10/1/2023 | 545,000 | 1.72% | 501,451.50 | 1,046,451.50 | 1,500,000 | 453,549 | 3,333,267 | 1.433 |
| 10/1/2024 | 555,000 | 1.87% | 492,077.50 | 1,047,077.50 | 1,500,000 | 452,923 | 3,786,189 | 1.433 |
| 10/1/2025 | 565,000 | 2.00% | 481,699.00 | 1,046,699.00 | 1,500,000 | 453,301 | 4,239,490 | 1.433 |
| 10/1/2026 | 575,000 | 2.10% | 470,399.00 | 1,045,399.00 | 1,500,000 | 454,601 | 4,694,091 | 1.435 |
| 10/1/2027 | 590,000 | 2.22% | 458,324.00 | 1,048,324.00 | 1,500,000 | 451,676 | 5,145,767 | 1.431 |
| 10/1/2028 | 600,000 | 2.33% | 445,226.00 | 1,045,226.00 | 1,500,000 | 454,774 | 5,600,541 | 1.435 |
| 10/1/2029 | 615,000 | 2.45% | 431,246.00 | 1,046,246.00 | 1,500,000 | 453,754 | 6,054,295 | 1.434 |
| 10/1/2030 | 630,000 | 2.57% | 416,178.50 | 1,046,178.50 | 1,500,000 | 453,822 | 6,508,117 | 1.434 |
| 10/1/2031 | 645,000 | 2.70% | 399,987.50 | 1,044,987.50 | 1,500,000 | 455,013 | 6,963,129 | 1.435 |
| 10/1/2032 | 665,000 | 2.84% | 382,572.50 | 1,047,572.50 | 1,500,000 | 452,428 | 7,415,557 | 1.432 |
| 10/1/2033 | 685,000 | 2.94% | 363,686.50 | 1,048,686.50 | 1,500,000 | 451,314 | 7,866,870 | 1.430 |
| 10/1/2034 | 705,000 | 3.00% | 343,547.50 | 1,048,547.50 | 1,500,000 | 451,453 | 8,318,323 | 1.431 |
| 10/1/2035 | 725,000 | 3.10% | 322,397.50 | 1,047,397.50 | 1,500,000 | 452,603 | 8,770,925 | 1.432 |
| 10/1/2036 | 745,000 | 3.15% | 299,922.50 | 1,044,922.50 | 1,500,000 | 455,078 | 9,226,003 | 1.436 |
| 10/1/2037 | 770,000 | 3.20% | 276,455.00 | 1,046,455.00 | 1,500,000 | 453,545 | 9,679,548 | 1.433 |
| 10/1/2038 | 795,000 | 3.30% | 251,815.00 | 1,046,815.00 | 1,500,000 | 453,185 | 10,132,733 | 1.433 |
| 10/1/2039 | 820,000 | 3.40% | 225,580.00 | 1,045,580.00 | 1,500,000 | 454,420 | 10,587,153 | 1.435 |
| 10/1/2040 | 850,000 | 3.50% | 197,700.00 | 1,047,700.00 | 1,500,000 | 452,300 | 11,039,453 | 1.432 |
| 10/1/2041 | 880,000 | 3.50% | 167,950.00 | 1,047,950.00 | 1,500,000 | 452,050 | 11,491,503 | 1.431 |
| 10/1/2042 | 910,000 | 3.50% | 137,150.00 | 1,047,150.00 | 1,500,000 | 452,850 | 11,944,353 | 1.432 |
| 10/1/2043 | 940,000 | 3.60% | 105,300.00 | 1,045,300.00 | 1,500,000 | 454,700 | 12,399,053 | 1.435 |
| 10/1/2044 | 975,000 | 3.60% | 71,460.00 | 1,046,460.00 | 1,500,000 | 453,540 | 12,852,593 | 1.433 |
| 10/1/2045 | 1,010,000 | 3.60% | 36,360.00 | 1,046,360.00 | 1,500,000 | 453,640 | 13,306,233 | 1.434 |
| | 19,865,000 | | 10,487,767.04 | 30,352,767.04 | 43,659,000 | 13,306,233 | | |

Estimated and Subject to Actual Proposals

Project Fund 19,291,349.05
 Estimated Total Cost of Issuance 573,650.95
 Total Par Amount 19,865,000.00

TIC 3.19640%
 All-in TIC 3.29940%

| | |
|----------------------------|-------------------|
| (1) Underwriter's Discount | 248,312.50 |
| (2) Bond Insurance | 60,705.53 |
| (3) Surety Reserve Fund | 13,632.92 |
| Bond Counsel | 70,000.00 |
| Disclosure Counsel | 30,000.00 |
| Municipal Advisor | 70,000.00 |
| Public Financing Corp. | 3,500.00 |
| Trustee | 7,500.00 |
| Rating Agencies | 35,000.00 |
| Consultant | 10,000.00 |
| Misc. | 25,000.00 |
| Total Estimated COI | 573,650.95 |

* Based on Comparable Public Offerings as of 04/21/2016; actual rates to be determined by competitive sale of bonds

** Source: Rate Study update from MPWD

(1) Estimated at 1.20% of Bond Issuance, to be determined by competitive bid

(2) Estimated at 0.20% of total Debt Service, insures Debt Service, to be determined by competitive bid

(3) Estimated at 1.30% of Debt Service Reserve Requirements, to be determined by competitive bid; Surety replaces debt service reserve estimated at approximately \$1,050,000; funded from bond proceeds

- True Interest Cost (TIC): A measurement of interest expense to the issuer of bonds, without the adjustment of COI in calculation.

- All-in TIC: A measurement of total cost of a bond financing, including adjustment of COI in calculation.

MID-PENINSULA WATER DISTRICT

Public Offering; 30 YEARS

Prepared by Wulff, Hansen & Co.

4/27/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon | Interest | Debt Service | Available Revenue** | Excess Revenue | Cumulative Excess | | |
|---------------|-------------------|--------|------------|----------------------|------------------------|-------------------|--------------------------|-----------|---|
| 10/1/2017 | 460,000 | 0.85% | 586,469.54 | 1,046,469.54 | 1,500,000 | 453,530 | 453,530 | | |
| 10/1/2018 | 510,000 | 1.10% | 537,446.50 | 1,047,446.50 | 1,772,000 | 724,554 | 1,178,084 | | |
| 10/1/2019 | 515,000 | 1.23% | 531,836.50 | 1,046,836.50 | 1,462,000 | 415,164 | 1,593,247 | | |
| 10/1/2020 | 520,000 | 1.45% | 525,502.00 | 1,045,502.00 | 1,425,000 | 379,498 | 1,972,745 | | |
| 10/1/2021 | 530,000 | 1.49% | 517,962.00 | 1,047,962.00 | 1,500,000 | 452,038 | 2,424,783 | | |
| 10/1/2022 | 535,000 | 1.61% | 510,065.00 | 1,045,065.00 | 1,500,000 | 454,935 | 2,879,718 | | |
| 10/1/2023 | 545,000 | 1.72% | 501,451.50 | 1,046,451.50 | 1,500,000 | 453,549 | 3,333,267 | | |
| 10/1/2024 | 555,000 | 1.87% | 492,077.50 | 1,047,077.50 | 1,500,000 | 452,923 | 3,786,189 | | |
| 10/1/2025 | 565,000 | 2.00% | 481,699.00 | 1,046,699.00 | 1,500,000 | 453,301 | 4,239,490 | | |
| 10/1/2026 | 575,000 | 2.10% | 470,399.00 | 1,045,399.00 | 1,500,000 | 454,601 | 4,694,091 ⁽¹⁾ | | |
| | 5,310,000 | | | | | | | | Principal + Excess Revenue⁽²⁾ |
| 10/1/2027 | 590,000 | 2.22% | 458,324.00 | 1,048,324.00 | 1,500,000 | 451,676 | 5,145,767 | 9,860,909 | 1,041,676.00 |
| 10/1/2028 | 600,000 | 2.33% | 445,226.00 | 1,045,226.00 | 1,500,000 | 454,774 | 5,600,541 | | 1,054,774.00 |
| 10/1/2029 | 615,000 | 2.45% | 431,246.00 | 1,046,246.00 | 1,500,000 | 453,754 | 6,054,295 | | 1,068,754.00 |
| 10/1/2030 | 630,000 | 2.57% | 416,178.50 | 1,046,178.50 | 1,500,000 | 453,822 | 6,508,117 | | 1,083,821.50 |
| 10/1/2031 | 645,000 | 2.70% | 399,987.50 | 1,044,987.50 | 1,500,000 | 455,013 | 6,963,129 | | 1,100,012.50 |
| 10/1/2032 | 665,000 | 2.84% | 382,572.50 | 1,047,572.50 | 1,500,000 | 452,428 | 7,415,557 | | 1,117,427.50 |
| 10/1/2033 | 685,000 | 2.94% | 363,686.50 | 1,048,686.50 | 1,500,000 | 451,314 | 7,866,870 | | 1,136,313.50 |
| 10/1/2034 | 705,000 | 3.00% | 343,547.50 | 1,048,547.50 | 1,500,000 | 451,453 | 8,318,323 | | 1,156,452.50 |
| 10/1/2035 | 725,000 | 3.10% | 322,397.50 | 1,047,397.50 | 1,500,000 | 452,603 | 8,770,925 | | 1,177,602.50 |
| 10/1/2036 | 745,000 | 3.15% | 299,922.50 | 1,044,922.50 | 1,500,000 | 455,078 | 9,226,003 | | |
| 10/1/2037 | 770,000 | 3.20% | 276,455.00 | 1,046,455.00 | 1,500,000 | 453,545 | 9,679,548 | | |
| 10/1/2038 | 795,000 | 3.30% | 251,815.00 | 1,046,815.00 | 1,500,000 | 453,185 | 10,132,733 | | |
| 10/1/2039 | 820,000 | 3.40% | 225,580.00 | 1,045,580.00 | 1,500,000 | 454,420 | 10,587,153 | | |
| 10/1/2040 | 850,000 | 3.50% | 197,700.00 | 1,047,700.00 | 1,500,000 | 452,300 | 11,039,453 | | |
| 10/1/2041 | 880,000 | 3.50% | 167,950.00 | 1,047,950.00 | 1,500,000 | 452,050 | 11,491,503 | | |
| 10/1/2042 | 910,000 | 3.50% | 137,150.00 | 1,047,150.00 | 1,500,000 | 452,850 | 11,944,353 | | |
| 10/1/2043 | 940,000 | 3.60% | 105,300.00 | 1,045,300.00 | 1,500,000 | 454,700 | 12,399,053 | | |
| 10/1/2044 | 975,000 | 3.60% | 71,460.00 | 1,046,460.00 | 1,500,000 | 453,540 | 12,852,593 | | |
| 10/1/2045 | 1,010,000 | 3.60% | 36,360.00 | 1,046,360.00 | 1,500,000 | 453,640 | 13,306,233 | | |
| | 14,555,000 | | | 10,487,767.04 | 30,352,767.04 | 43,659,000 | 13,306,233 | | |
| | 19,865,000 | | | | | | | | |

⁽¹⁾ In 2026 when bonds are callable, \$ 4,694,091 will be available to pay down the outstanding principal, amount of \$ 14,555,000, leaving \$ 9,860,909 outstanding.

⁽²⁾ The remaining outstanding balance will be paid using principal and excess revenue for each year. And it will take another three years to payoff the \$ 9,860,909

RESOLUTION NO. 2016-06

ADOPTING MPWD COMPREHENSIVE SYSTEM ANALYSIS AND
CAPITAL IMPROVEMENT PROGRAM FY 2016-2017 UPDATE, AND
AUTHORIZING MPWD 5-YEAR CAPITAL IMPROVEMENT PROGRAM
FOR FISCAL YEARS 2016/2017 THROUGH 2020/2021

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District ("MPWD") completed a comprehensive water hydraulic model of the entire MPWD system over the course of the past 18 months; and

WHEREAS, almost 90 capital improvement projects were identified for completion as a result of the water hydraulic modeling, and a list of six scoring criteria was developed in order to rank and prioritize each of the 90 capital projects; and

WHEREAS, an updated FY 2016/2017 Comprehensive System Analysis and Capital Improvement Program report was developed by the District Engineer and MPWD staff, and presented to the Board of Directors at its May 26, 2016, regular meeting; and

WHEREAS, a preliminary draft 5-year capital improvement program was introduced to the Board of Directors on November 16, 2015, totaling \$12 million, and the Board provided direction to staff to revise it to expand beyond what the MPWD is currently funding on a pay-go basis and develop financing options; and

WHEREAS, a revised 5-year capital improvement program was developed totaling \$25 million and presented to the Board on December 16, 2015, and was accepted in principle but not approved until financing options were reviewed and considered; and

WHEREAS, on April 28, 2016, updated cash flow projections for FY 2016/2017 were presented by MPWD's rate consultant Bartle Wells Associates, and financing alternatives for potential capital improvements were created by the MPWD's Municipal Finance Advisors based upon the updated cash flow projections and presented to the Board at that same meeting; and

WHEREAS, as a result of the updated financial information for FY 2016/2017, staff

modified the MPWD's 5-year capital planning and presented the Board with three (3) program alternatives on May 26, 2016, and recommended Alternative One totaling \$20,000,000.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby:

1. Adopts the MPWD Comprehensive System Analysis and Capital Improvement Program FY 2016/2017 Update Report; and
2. Authorizes the 5-Year Capital Improvement Program for Fiscal Years 2016/2017 through 2020/2021 totaling \$20,000,000 (attached as Exhibit "A").

BE IT FURTHER RESOLVED that the Board directs staff to commence coordination with the MPWD's Municipal Finance Advisor on developing the appropriate financing options for the 5-Year Capital Improvement Program, that are most advantageous for the Mid-Peninsula Water District, for presentation to the Board at an upcoming regular meeting.

REGULARLY PASSED AND ADOPTED this 26th day of May 2016, by the following vote:

AYES: *Linville, Stuebing, Vella, and Zucca*
NOES: *0*
ABSENT: *Warden*

Matthew Zucca

President, Board of Directors
Mid-Peninsula Water District

ATTEST:

Sammy A. Riddick

District Secretary



**5-YEAR CAPITAL IMPROVEMENT PROGRAM
FY 2016/2017 THROUGH FY 2020/2021**

| PROJECT NUMBER | PROJECT NAME | PROJECTED COST (2015) |
|-----------------------|--|------------------------------|
| 15-14 | Mezes Avenue Improvements | \$ 175,000 |
| 15-76 | El Camino Real Improvements | 2,100,000 |
| 15-65 | Folger Drive Improvements | 420,000 |
| 15-73 | Karen Road Improvements | 425,000 |
| 15-10 | Notre Dame Avenue Loop Closure | 910,000 |
| 15-44 | South Road Abandonment | 415,000 |
| 15-22 | Arthur Avenue Improvements | 475,000 |
| 15-16 | Williams Avenue, Ridge Road, Hillman Avenue Improvements | 1,100,000 |
| 15-43 | North Road Cross Country/Davey Glen Road Improvements | 680,000 |
| 15-06 | Zone 5 Fire Hydrant Upgrades | 150,000 |
| 15-78 | Civic Lane Improvements | 800,000 |
| 15-17 | Monte Cresta Drive/Alhambra Drive Improvements | 1,075,000 |
| 15-87 | Hillcrest Pressure Regulating Station | 345,000 |
| 15-09 | Dekoven Tank Utilization Project | 1,035,000 |
| 15-28 | Tahoe Drive Area Improvements | 510,000 |
| 15-29 | Belmont Canyon Road Improvements | 420,000 |
| 15-38 | Cliffside Court Improvements | 220,000 |
| 15-42 | North Road Improvements | 220,000 |
| 15-75 | Old County Road Improvements | 3,400,000 |
| 15-72 | SR 101 Crossing at PAMF Hospital | 1,670,000 |
| 15-89 | Dekoven Tanks Replacement | 3,500,000 |
| | TOTAL | \$20,045,000 |

Project No. 15-92: AMI Completion Project (\$2.5 million) is also a priority project that could be substituted for the projects highlighted in gray.

MID-PENINSULA WATER DISTRICT
Private Placement; RATE 2.90%; 20 YEARS

Prepared by Wulff, Hansen & Co.

8/24/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon * | Interest | Debt Service | Debt Service Coverage | | | |
|---------------|-------------------|----------|---------------------|----------------------|-----------------------|------------------|-------------------|----------|
| | | | | | Available Revenue** | Excess Revenue | Cumulative Excess | Ratio*** |
| 10/1/2017 | 645,000 | 2.90% | 403,269.17 | 1,048,269.17 | 1,500,000 | 451,731 | 451,731 | 1.431 |
| 10/1/2018 | 625,000 | 2.90% | 421,225.00 | 1,046,225.00 | 1,772,000 | 725,775 | 1,177,506 | 1.694 |
| 10/1/2019 | 645,000 | 2.90% | 403,100.00 | 1,048,100.00 | 1,462,000 | 413,900 | 1,591,406 | 1.395 |
| 10/1/2020 | 665,000 | 2.90% | 384,395.00 | 1,049,395.00 | 1,425,000 | 375,605 | 1,967,011 | 1.358 |
| 10/1/2021 | 680,000 | 2.90% | 365,110.00 | 1,045,110.00 | 1,500,000 | 454,890 | 2,421,901 | 1.435 |
| 10/1/2022 | 700,000 | 2.90% | 345,390.00 | 1,045,390.00 | 1,500,000 | 454,610 | 2,876,511 | 1.435 |
| 10/1/2023 | 720,000 | 2.90% | 325,090.00 | 1,045,090.00 | 1,500,000 | 454,910 | 3,331,421 | 1.435 |
| 10/1/2024 | 745,000 | 2.90% | 304,210.00 | 1,049,210.00 | 1,500,000 | 450,790 | 3,782,211 | 1.430 |
| 10/1/2025 | 765,000 | 2.90% | 282,605.00 | 1,047,605.00 | 1,500,000 | 452,395 | 4,234,606 | 1.432 |
| 10/1/2026 | 785,000 | 2.90% | 260,420.00 | 1,045,420.00 | 1,500,000 | 454,580 | 4,689,186 | 1.435 |
| 10/1/2027 | 810,000 | 2.90% | 237,655.00 | 1,047,655.00 | 1,500,000 | 452,345 | 5,141,531 | 1.432 |
| 10/1/2028 | 835,000 | 2.90% | 214,165.00 | 1,049,165.00 | 1,500,000 | 450,835 | 5,592,366 | 1.430 |
| 10/1/2029 | 855,000 | 2.90% | 189,950.00 | 1,044,950.00 | 1,500,000 | 455,050 | 6,047,416 | 1.435 |
| 10/1/2030 | 880,000 | 2.90% | 165,155.00 | 1,045,155.00 | 1,500,000 | 454,845 | 6,502,261 | 1.435 |
| 10/1/2031 | 910,000 | 2.90% | 139,635.00 | 1,049,635.00 | 1,500,000 | 450,365 | 6,952,626 | 1.429 |
| 10/1/2032 | 935,000 | 2.90% | 113,245.00 | 1,048,245.00 | 1,500,000 | 451,755 | 7,404,381 | 1.431 |
| 10/1/2033 | 960,000 | 2.90% | 86,130.00 | 1,046,130.00 | 1,500,000 | 453,870 | 7,858,251 | 1.434 |
| 10/1/2034 | 990,000 | 2.90% | 58,290.00 | 1,048,290.00 | 1,500,000 | 451,710 | 8,309,961 | 1.431 |
| 10/1/2035 | 1,020,000 | 2.90% | 29,580.00 | 1,049,580.00 | 1,500,000 | 450,420 | 8,760,381 | 1.429 |
| | 15,170,000 | | 4,728,619.17 | 19,898,619.17 | 28,659,000 | 8,760,381 | | |

Project Fund

14,976,500

Estimated Total Cost of Issuance (COI)

193,500

Total Par Amount

15,170,000

TIC 2.90016%

All-in TIC 3.04543%

Estimated and Subject to Actual Proposals

| | |
|------------------------|--------|
| Bond Counsel | 60,000 |
| Placement Agent | 30,000 |
| Municipal Advisor | 60,000 |
| Public Financing Corp. | 3,500 |
| Investor's Counsel | 15,000 |
| Misc. | 25,000 |

Total Estimated COI 193,500

* Based on competitive bid or RFP in the Private Placement market as of 08/23/2016

** Source: Rate Study update from MPWD

*** Debt Service Coverage (DSC): A debt service coverage ratio is an indicator of the amount of funds available to pay debt service after O&M expenses and other pre-debt obligations have been met. A DSC ratio of 1.40 means the utility has 40% more funds available to pay debt service than the amount of the debt service payment(s). For example, assuming a utility has a \$1.0 million debt service payment, a DSC of 1.40 means that the utility has \$1.4 million available to pay debt service.

- Debt Service Coverage Covenant (1.25): The DSC below which water rate increases may be required to avoid technical default.

- True Interest Cost (TIC): A measurement of interest expense to the issuer of bonds, without the adjustment of COI in calculation.

- All-in TIC: A measurement of total cost of a bond financing, including adjustment of COI in calculation.

MID-PENINSULA WATER DISTRICT
Private Placement; RATE 2.90%; 20 YEARS

Prepared by Wulff, Hansen & Co.

8/24/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon | Interest | Debt Service | Available Revenue | Excess Revenue | Cumulative Excess | | |
|---------------|-------------------|--------|------------|--------------|-------------------|----------------|---------------------------------|-----------|--|
| 10/1/2017 | 645,000 | 2.90% | 403,269.17 | 1,048,269.17 | 1,500,000 | 451,731 | 451,731 | | |
| 10/1/2018 | 625,000 | 2.90% | 421,225.00 | 1,046,225.00 | 1,772,000 | 725,775 | 1,177,506 | | |
| 10/1/2019 | 645,000 | 2.90% | 403,100.00 | 1,048,100.00 | 1,462,000 | 413,900 | 1,591,406 | | |
| 10/1/2020 | 665,000 | 2.90% | 384,395.00 | 1,049,395.00 | 1,425,000 | 375,605 | 1,967,011 | | |
| 10/1/2021 | 680,000 | 2.90% | 365,110.00 | 1,045,110.00 | 1,500,000 | 454,890 | 2,421,901 | | |
| 10/1/2022 | 700,000 | 2.90% | 345,390.00 | 1,045,390.00 | 1,500,000 | 454,610 | 2,876,511 | | |
| 10/1/2023 | 720,000 | 2.90% | 325,090.00 | 1,045,090.00 | 1,500,000 | 454,910 | 3,331,421 | | |
| 10/1/2024 | 745,000 | 2.90% | 304,210.00 | 1,049,210.00 | 1,500,000 | 450,790 | 3,782,211 | | |
| 10/1/2025 | 765,000 | 2.90% | 282,605.00 | 1,047,605.00 | 1,500,000 | 452,395 | 4,234,606 | | |
| 10/1/2026 | 785,000 | 2.90% | 260,420.00 | 1,045,420.00 | 1,500,000 | 454,580 | 4,689,186 ⁽¹⁾ | | |
| | 6,975,000 | | | | | | | | Principal + Excess Revenue ⁽²⁾ |
| 10/1/2027 | 810,000 | 2.90% | 237,655.00 | 1,047,655.00 | 1,500,000 | 452,345 | 452,345 | 3,505,814 | 1,262,345.00 |
| 10/1/2028 | 835,000 | 2.90% | 214,165.00 | 1,049,165.00 | 1,500,000 | 450,835 | 450,835 | | 1,285,835.00 |
| 10/1/2029 | 855,000 | 2.90% | 189,950.00 | 1,044,950.00 | 1,500,000 | 455,050 | 455,050 | | 1,310,050.00 |
| 10/1/2030 | 880,000 | 2.90% | 165,155.00 | 1,045,155.00 | 1,500,000 | 454,845 | 909,895 | | 3,858,230.00 |
| 10/1/2031 | 910,000 | 2.90% | 139,635.00 | 1,049,635.00 | 1,500,000 | 450,365 | 1,360,260 | | |
| 10/1/2032 | 935,000 | 2.90% | 113,245.00 | 1,048,245.00 | 1,500,000 | 451,755 | 1,812,015 | | |
| 10/1/2033 | 960,000 | 2.90% | 86,130.00 | 1,046,130.00 | 1,500,000 | 453,870 | 2,265,885 | | |
| 10/1/2034 | 990,000 | 2.90% | 58,290.00 | 1,048,290.00 | 1,500,000 | 451,710 | 2,717,595 | | |
| 10/1/2035 | 1,020,000 | 2.90% | 29,580.00 | 1,049,580.00 | 1,500,000 | 450,420 | 3,168,015 | | |
| | 8,195,000 | | | | | | | | |
| | 15,170,000 | | | | | | | | |

⁽¹⁾ In 2026 when bonds are callable, \$ 4,689,186 will be available to pay down the outstanding principal, amount of \$8,195,000, leaving \$ 3,505,814 outstanding.

⁽²⁾ The remaining outstanding balance will be paid using principal and excess revenue for each year. And it will take another three years to payoff the \$3,505,814

No. of years to pay the debt: 13 years

MID-PENINSULA WATER DISTRICT
Public Offering; 30 YEARS, Premium

Prepared by Wulff, Hansen & Co.
8/24/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon | Yield | Interest | Debt Service | Available Revenue** | Excess Revenue | Cumulative Excess | Debt Service Coverage Ratio*** |
|---------------|-------------------|--------|-------|----------------------|----------------------|------------------------|-------------------|----------------------|--------------------------------------|
| 10/1/2017 | 430,000 | 5.00% | 0.50% | 619,827.08 | 1,049,827.08 | 1,500,000 | 450,173 | 450,173 | 1.429 |
| 10/1/2018 | 395,000 | 5.00% | 0.85% | 654,675.00 | 1,049,675.00 | 1,772,000 | 722,325 | 1,172,498 | 1.688 |
| 10/1/2019 | 410,000 | 5.00% | 0.95% | 634,925.00 | 1,044,925.00 | 1,462,000 | 417,075 | 1,589,573 | 1.399 |
| 10/1/2020 | 435,000 | 5.00% | 1.05% | 614,425.00 | 1,049,425.00 | 1,425,000 | 375,575 | 1,965,148 | 1.358 |
| 10/1/2021 | 455,000 | 5.00% | 1.15% | 592,675.00 | 1,047,675.00 | 1,500,000 | 452,325 | 2,417,473 | 1.432 |
| 10/1/2022 | 475,000 | 5.00% | 1.35% | 569,925.00 | 1,044,925.00 | 1,500,000 | 455,075 | 2,872,548 | 1.436 |
| 10/1/2023 | 500,000 | 5.00% | 1.50% | 546,175.00 | 1,046,175.00 | 1,500,000 | 453,825 | 3,326,373 | 1.434 |
| 10/1/2024 | 525,000 | 5.00% | 1.70% | 521,175.00 | 1,046,175.00 | 1,500,000 | 453,825 | 3,780,198 | 1.434 |
| 10/1/2025 | 550,000 | 5.00% | 1.85% | 494,925.00 | 1,044,925.00 | 1,500,000 | 455,075 | 4,235,273 | 1.436 |
| 10/1/2026 | 580,000 | 5.00% | 1.95% | 467,425.00 | 1,047,425.00 | 1,500,000 | 452,575 | 4,687,848 | 1.432 |
| 10/1/2027 | 610,000 | 2.05% | 2.05% | 438,425.00 | 1,048,425.00 | 1,500,000 | 451,575 | 5,139,423 | 1.431 |
| 10/1/2028 | 620,000 | 2.15% | 2.15% | 425,920.00 | 1,045,920.00 | 1,500,000 | 454,080 | 5,593,503 | 1.434 |
| 10/1/2029 | 635,000 | 2.20% | 2.20% | 412,590.00 | 1,047,590.00 | 1,500,000 | 452,410 | 6,045,913 | 1.432 |
| 10/1/2030 | 650,000 | 2.30% | 2.30% | 398,620.00 | 1,048,620.00 | 1,500,000 | 451,380 | 6,497,293 | 1.430 |
| 10/1/2031 | 665,000 | 2.50% | 2.50% | 383,670.00 | 1,048,670.00 | 1,500,000 | 451,330 | 6,948,623 | 1.430 |
| 10/1/2032 | 680,000 | 2.60% | 2.60% | 367,045.00 | 1,047,045.00 | 1,500,000 | 452,955 | 7,401,578 | 1.433 |
| 10/1/2033 | 700,000 | 2.75% | 2.75% | 349,365.00 | 1,049,365.00 | 1,500,000 | 450,635 | 7,852,213 | 1.429 |
| 10/1/2034 | 715,000 | 2.80% | 2.80% | 330,115.00 | 1,045,115.00 | 1,500,000 | 454,885 | 8,307,098 | 1.435 |
| 10/1/2035 | 735,000 | 2.85% | 2.85% | 310,095.00 | 1,045,095.00 | 1,500,000 | 454,905 | 8,762,003 | 1.435 |
| 10/1/2036 | 760,000 | 2.90% | 2.90% | 289,147.50 | 1,049,147.50 | 1,500,000 | 450,853 | 9,212,855 | 1.430 |
| 10/1/2037 | 780,000 | 2.95% | 2.95% | 267,107.50 | 1,047,107.50 | 1,500,000 | 452,893 | 9,665,748 | 1.433 |
| 10/1/2038 | 805,000 | 2.95% | 2.95% | 244,097.50 | 1,049,097.50 | 1,500,000 | 450,903 | 10,116,650 | 1.430 |
| 10/1/2039 | 825,000 | 3.00% | 3.00% | 220,350.00 | 1,045,350.00 | 1,500,000 | 454,650 | 10,571,300 | 1.435 |
| 10/1/2040 | 850,000 | 3.00% | 3.00% | 195,600.00 | 1,045,600.00 | 1,500,000 | 454,400 | 11,025,700 | 1.435 |
| 10/1/2041 | 875,000 | 3.00% | 3.00% | 170,100.00 | 1,045,100.00 | 1,500,000 | 454,900 | 11,480,600 | 1.435 |
| 10/1/2042 | 905,000 | 3.00% | 3.00% | 143,850.00 | 1,048,850.00 | 1,500,000 | 451,150 | 11,931,750 | 1.430 |
| 10/1/2043 | 930,000 | 3.00% | 3.00% | 116,700.00 | 1,046,700.00 | 1,500,000 | 453,300 | 12,385,050 | 1.433 |
| 10/1/2044 | 960,000 | 3.00% | 3.00% | 88,800.00 | 1,048,800.00 | 1,500,000 | 451,200 | 12,836,250 | 1.430 |
| 10/1/2045 | 985,000 | 3.00% | 3.00% | 60,000.00 | 1,045,000.00 | 1,500,000 | 455,000 | 13,291,250 | 1.435 |
| 10/1/2046 | 1,015,000 | 3.00% | 3.00% | 30,450.00 | 1,045,450.00 | 1,500,000 | 454,550 | 13,745,800 | 1.435 |
| | 20,455,000 | | | 10,958,199.58 | 31,413,199.58 | 45,159,000 | 13,745,800 | | |

Project Fund

Estimated Total Cost of Issuance (COI)

20,715,366.98

626,534.52

21,341,901.50

=

Total Par Amount

20,455,000.00

TIC

2.85531%

Net Premium

886,901.50

All-in TIC

2.94806%

21,341,901.50

Estimated and Subject to Actual Proposals

| | |
|---------------------------------------|-------------------|
| ⁽¹⁾ Underwriter's Discount | 194,322.50 |
| ⁽²⁾ Bond Insurance | 157,066.00 |
| ⁽³⁾ Surety Reserve Fund | 24,146.02 |
| Bond Counsel | 70,000.00 |
| Disclosure Counsel | 30,000.00 |
| Municipal Advisor | 70,000.00 |
| Public Financing Corp. | 3,500.00 |
| Trustee | 7,500.00 |
| Rating Agency | 35,000.00 |
| Consultant | 10,000.00 |
| Misc. | 25,000.00 |
| Total Estimated COI | 626,534.52 |

(1) Based on percentage of Bond issue. Estimated at 0.950%, to be determined by competitive bid or RFP

(2) 0.50% of total Debt Service

(3) 2.30% of Debt Service Reserve Requirement

** Source: Rate Study update from MPWD

*** Debt Service Coverage (DSC): A debt service coverage ratio is an indicator of the amount of funds available to pay debt service after O&M expenses and other pre-debt obligations have been met. A DSC ratio of 1.40 means the utility has 40% more funds available to pay debt service than the amount of the debt service payment(s). For example, assuming a utility has a \$1.0 million debt service payment, a DSC of 1.40 means that the utility has \$1.4 million available to pay debt service.

- Debt Service Coverage Covenant (1.25): The DSC below which water rate increases may be required to avoid technical default.

- True Interest Cost (TIC): A measurement of interest expense to the issuer of bonds, without the adjustment of COI in calculation.

- All-in TIC: A measurement of total cost of a bond financing, including adjustment of COI in calculation.

MID-PENINSULA WATER DISTRICT
Public Offering; 30 YEARS, Premium

Prepared by Wulff, Hansen & Co.

8/24/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon | Yield | Interest | Debt Service | Available Revenue** | Excess Revenue | Cumulative Excess | | |
|---------------|-------------------|--------|-------|-------------------|-------------------|------------------------|-------------------|---------------------------------|-------------------|--|
| 10/1/2017 | 430,000 | 5.00% | 0.50% | 619,827.08 | 1,049,827.08 | 1,500,000 | 450,173 | 450,173 | | |
| 10/1/2018 | 395,000 | 5.00% | 0.85% | 654,675.00 | 1,049,675.00 | 1,772,000 | 722,325 | 1,172,498 | | |
| 10/1/2019 | 410,000 | 5.00% | 0.95% | 634,925.00 | 1,044,925.00 | 1,462,000 | 417,075 | 1,589,573 | | |
| 10/1/2020 | 435,000 | 5.00% | 1.05% | 614,425.00 | 1,049,425.00 | 1,425,000 | 375,575 | 1,965,148 | | |
| 10/1/2021 | 455,000 | 5.00% | 1.15% | 592,675.00 | 1,047,675.00 | 1,500,000 | 452,325 | 2,417,473 | | |
| 10/1/2022 | 475,000 | 5.00% | 1.35% | 569,925.00 | 1,044,925.00 | 1,500,000 | 455,075 | 2,872,548 | | |
| 10/1/2023 | 500,000 | 5.00% | 1.50% | 546,175.00 | 1,046,175.00 | 1,500,000 | 453,825 | 3,326,373 | | |
| 10/1/2024 | 525,000 | 5.00% | 1.70% | 521,175.00 | 1,046,175.00 | 1,500,000 | 453,825 | 3,780,198 | | |
| 10/1/2025 | 550,000 | 5.00% | 1.85% | 494,925.00 | 1,044,925.00 | 1,500,000 | 455,075 | 4,235,273 | | |
| 10/1/2026 | 580,000 | 5.00% | 1.95% | 467,425.00 | 1,047,425.00 | 1,500,000 | 452,575 | 4,687,848 ⁽¹⁾ | | |
| | 4,755,000 | | | | | | | | | Principal + Excess Revenue ⁽²⁾ |
| 10/1/2027 | 610,000 | 2.05% | 2.05% | 438,425.00 | 1,048,425.00 | 1,500,000 | 451,575 | 5,139,423 | 11,012,152 | 1,061,575.00 |
| 10/1/2028 | 620,000 | 2.15% | 2.15% | 425,920.00 | 1,045,920.00 | 1,500,000 | 454,080 | 5,593,503 | | 1,074,080.00 |
| 10/1/2029 | 635,000 | 2.20% | 2.20% | 412,590.00 | 1,047,590.00 | 1,500,000 | 452,410 | 6,045,913 | | 1,087,410.00 |
| 10/1/2030 | 650,000 | 2.30% | 2.30% | 398,620.00 | 1,048,620.00 | 1,500,000 | 451,380 | 6,497,293 | | 1,101,380.00 |
| 10/1/2031 | 665,000 | 2.50% | 2.50% | 383,670.00 | 1,048,670.00 | 1,500,000 | 451,330 | 6,948,623 | | 1,116,330.00 |
| 10/1/2032 | 680,000 | 2.60% | 2.60% | 367,045.00 | 1,047,045.00 | 1,500,000 | 452,955 | 7,401,578 | | 1,132,955.00 |
| 10/1/2033 | 700,000 | 2.75% | 2.75% | 349,365.00 | 1,049,365.00 | 1,500,000 | 450,635 | 7,852,213 | | 1,150,635.00 |
| 10/1/2034 | 715,000 | 2.80% | 2.80% | 330,115.00 | 1,045,115.00 | 1,500,000 | 454,885 | 8,307,098 | | 1,169,885.00 |
| 10/1/2035 | 735,000 | 2.85% | 2.85% | 310,095.00 | 1,045,095.00 | 1,500,000 | 454,905 | 8,762,003 | | 1,189,905.00 |
| 10/1/2036 | 760,000 | 2.90% | 2.90% | 289,147.50 | 1,049,147.50 | 1,500,000 | 450,853 | 9,212,855 | | 1,210,852.50 |
| 10/1/2037 | 780,000 | 2.95% | 2.95% | 267,107.50 | 1,047,107.50 | 1,500,000 | 452,893 | 9,665,748 | | 11,295,007.50 |
| 10/1/2038 | 805,000 | 2.95% | 2.95% | 244,097.50 | 1,049,097.50 | 1,500,000 | 450,903 | 10,116,650 | | |
| 10/1/2039 | 825,000 | 3.00% | 3.00% | 220,350.00 | 1,045,350.00 | 1,500,000 | 454,650 | 10,571,300 | | |
| 10/1/2040 | 850,000 | 3.00% | 3.00% | 195,600.00 | 1,045,600.00 | 1,500,000 | 454,400 | 11,025,700 | | |
| 10/1/2041 | 875,000 | 3.00% | 3.00% | 170,100.00 | 1,045,100.00 | 1,500,000 | 454,900 | 11,480,600 | | |
| 10/1/2042 | 905,000 | 3.00% | 3.00% | 143,850.00 | 1,048,850.00 | 1,500,000 | 451,150 | 11,931,750 | | |
| 10/1/2043 | 930,000 | 3.00% | 3.00% | 116,700.00 | 1,046,700.00 | 1,500,000 | 453,300 | 12,385,050 | | |
| 10/1/2044 | 960,000 | 3.00% | 3.00% | 88,800.00 | 1,048,800.00 | 1,500,000 | 451,200 | 12,836,250 | | |
| 10/1/2045 | 985,000 | 3.00% | 3.00% | 60,000.00 | 1,045,000.00 | 1,500,000 | 455,000 | 13,291,250 | | |
| 10/1/2046 | 1,015,000 | 3.00% | 3.00% | 30,450.00 | 1,045,450.00 | 1,500,000 | 454,550 | 13,745,800 | | |
| | 15,700,000 | | | 10,958,200 | 31,413,200 | 45,159,000 | 13,745,800 | | | |
| | 20,455,000 | | | | | | | | | |

In 2026 when bonds are callable, \$ 4,687,848 will be available to pay down the outstanding principal, amount of \$ 15,700,000, leaving \$ 11,012,152 outstanding. The remaining outstanding balance will be paid using principal and excess revenue for each year. And it will take another ten years to payoff the \$ 11,012,152

MID-PENINSULA WATER DISTRICT
Public Offering: 30 YEARS, Rate 2.75%

Prepared by Wulff, Hansen & Co.

8/24/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon* | Interest | Debt Service | Available Revenue** | Excess Revenue | Cumulative Excess | Debt Service Coverage Ratio*** |
|---------------|-------------------|---------|----------------------|----------------------|---------------------|-------------------|-------------------|--------------------------------|
| 10/1/2017 | 510,000 | 2.75% | 535,677.08 | 1,045,677.08 | 1,500,000 | 454,323 | 454,323 | 1.434 |
| 10/1/2018 | 475,000 | 2.75% | 570,350.00 | 1,045,350.00 | 1,772,000 | 726,650 | 1,180,973 | 1.695 |
| 10/1/2019 | 490,000 | 2.75% | 557,287.50 | 1,047,287.50 | 1,462,000 | 414,713 | 1,595,685 | 1.396 |
| 10/1/2020 | 505,000 | 2.75% | 543,812.50 | 1,048,812.50 | 1,425,000 | 376,188 | 1,971,873 | 1.359 |
| 10/1/2021 | 520,000 | 2.75% | 529,925.00 | 1,049,925.00 | 1,500,000 | 450,075 | 2,421,948 | 1.429 |
| 10/1/2022 | 530,000 | 2.75% | 515,625.00 | 1,045,625.00 | 1,500,000 | 454,375 | 2,876,323 | 1.435 |
| 10/1/2023 | 545,000 | 2.75% | 501,050.00 | 1,046,050.00 | 1,500,000 | 453,950 | 3,330,273 | 1.434 |
| 10/1/2024 | 560,000 | 2.75% | 486,062.50 | 1,046,062.50 | 1,500,000 | 453,938 | 3,784,210 | 1.434 |
| 10/1/2025 | 575,000 | 2.75% | 470,662.50 | 1,045,662.50 | 1,500,000 | 454,338 | 4,238,548 | 1.434 |
| 10/1/2026 | 595,000 | 2.75% | 454,850.00 | 1,049,850.00 | 1,500,000 | 450,150 | 4,688,698 | 1.429 |
| 10/1/2027 | 610,000 | 2.75% | 438,487.50 | 1,048,487.50 | 1,500,000 | 451,513 | 5,140,210 | 1.431 |
| 10/1/2028 | 625,000 | 2.75% | 421,712.50 | 1,046,712.50 | 1,500,000 | 453,288 | 5,593,498 | 1.433 |
| 10/1/2029 | 645,000 | 2.75% | 404,525.00 | 1,049,525.00 | 1,500,000 | 450,475 | 6,043,973 | 1.429 |
| 10/1/2030 | 660,000 | 2.75% | 386,787.50 | 1,046,787.50 | 1,500,000 | 453,213 | 6,497,185 | 1.433 |
| 10/1/2031 | 680,000 | 2.75% | 368,637.50 | 1,048,637.50 | 1,500,000 | 451,363 | 6,948,548 | 1.430 |
| 10/1/2032 | 695,000 | 2.75% | 349,937.50 | 1,044,937.50 | 1,500,000 | 455,063 | 7,403,610 | 1.435 |
| 10/1/2033 | 715,000 | 2.75% | 330,825.00 | 1,045,825.00 | 1,500,000 | 454,175 | 7,857,785 | 1.434 |
| 10/1/2034 | 735,000 | 2.75% | 311,162.50 | 1,046,162.50 | 1,500,000 | 453,838 | 8,311,623 | 1.434 |
| 10/1/2035 | 755,000 | 2.75% | 290,950.00 | 1,045,950.00 | 1,500,000 | 454,050 | 8,765,673 | 1.434 |
| 10/1/2036 | 775,000 | 2.75% | 270,187.50 | 1,045,187.50 | 1,500,000 | 454,813 | 9,220,485 | 1.435 |
| 10/1/2037 | 800,000 | 2.75% | 248,875.00 | 1,048,875.00 | 1,500,000 | 451,125 | 9,671,610 | 1.430 |
| 10/1/2038 | 820,000 | 2.75% | 226,875.00 | 1,046,875.00 | 1,500,000 | 453,125 | 10,124,735 | 1.433 |
| 10/1/2039 | 845,000 | 2.75% | 204,325.00 | 1,049,325.00 | 1,500,000 | 450,675 | 10,575,410 | 1.429 |
| 10/1/2040 | 865,000 | 2.75% | 181,087.50 | 1,046,087.50 | 1,500,000 | 453,913 | 11,029,323 | 1.434 |
| 10/1/2041 | 890,000 | 2.75% | 157,300.00 | 1,047,300.00 | 1,500,000 | 452,700 | 11,482,023 | 1.432 |
| 10/1/2042 | 915,000 | 2.75% | 132,825.00 | 1,047,825.00 | 1,500,000 | 452,175 | 11,934,198 | 1.432 |
| 10/1/2043 | 940,000 | 2.75% | 107,662.50 | 1,047,662.50 | 1,500,000 | 452,338 | 12,386,535 | 1.432 |
| 10/1/2044 | 965,000 | 2.75% | 81,812.50 | 1,046,812.50 | 1,500,000 | 453,188 | 12,839,723 | 1.433 |
| 10/1/2045 | 990,000 | 2.75% | 55,275.00 | 1,045,275.00 | 1,500,000 | 454,725 | 13,294,448 | 1.435 |
| 10/1/2046 | 1,020,000 | 2.75% | 28,050.00 | 1,048,050.00 | 1,500,000 | 451,950 | 13,746,398 | 1.431 |
| | 21,250,000 | | 10,162,602.08 | 31,412,602.08 | 45,159,000 | 13,746,398 | | |

Project Fund

Estimated Total Cost of Issuance (COI)

Total Par Amount

20,615,913.71

634,086.29

21,250,000.00

TIC 2.88939%

All-in TIC 3.20821%

* Based on Comparable Public Offerings as of 08/23/2016, to be determined by

** Source: Rate Study update from MPWD

*** Debt Service Coverage (DSC): A debt service coverage ratio is an indicator of the amount of funds available to pay debt service after O&M expenses and other pre-debt obligations have been met. A DSC ratio of 1.40 means the utility has 40% more funds available to pay debt service than the amount of the debt service payment(s). For example, assuming a utility has a \$1.0 million debt service payment, a DSC of 1.40 means that the utility has \$1.4 million available to pay debt service.

Estimated and Subject to Actual Proposals

| | |
|----------------------------|-------------------|
| (1) Underwriter's Discount | 201,875.00 |
| (2) Bond Insurance | 157,063.01 |
| (3) Surety Reserve Fund | 24,148.28 |
| Bond Counsel | 70,000.00 |
| Disclosure Counsel | 30,000.00 |
| Municipal Advisor | 70,000.00 |
| Public Financing Corp. | 3,500.00 |
| Trustee | 7,500.00 |
| Rating Agency | 35,000.00 |
| Consultant | 10,000.00 |
| Misc. | 25,000.00 |
| Total Estimated COI | 634,086.29 |

(1) Based on percentage of Bond issue. Estimated at 0.950%, to be determined by competitive bid

(2) 0.50% of total Debt Service

(3) 2.30% of Debt Service Reserve Requirement

- True Interest Cost (TIC): A measurement of interest expense to the issuer of bonds, without the adjustment of COI in calculation.

- All-in TIC: A measurement of total cost of a bond financing, including adjustment of COI in calculation.

- Debt Service Coverage Covenant (1.25): The DSC below which water rate increases may be required to avoid technical default.

MID-PENINSULA WATER DISTRICT
Public Offering; 30 YEARS, Rate 2.75%

Prepared by Wulff, Hansen & Co.

8/24/2016

All figures are preliminary, estimated and subject to change

| Period Ending | Principal | Coupon | Interest | Debt Service | Available Revenue** | Excess Revenue | Cumulative Excess | | |
|---------------|-------------------|--------|----------------------|----------------------|---------------------|-------------------|--------------------------|------------|---|
| 10/1/2017 | 510,000 | 2.75% | 535,677.08 | 1,045,677.08 | 1,500,000 | 454,323 | 454,323 | | |
| 10/1/2018 | 475,000 | 2.75% | 570,350.00 | 1,045,350.00 | 1,772,000 | 726,650 | 1,180,973 | | |
| 10/1/2019 | 490,000 | 2.75% | 557,287.50 | 1,047,287.50 | 1,462,000 | 414,713 | 1,595,685 | | |
| 10/1/2020 | 505,000 | 2.75% | 543,812.50 | 1,048,812.50 | 1,425,000 | 376,188 | 1,971,873 | | |
| 10/1/2021 | 520,000 | 2.75% | 529,925.00 | 1,049,925.00 | 1,500,000 | 450,075 | 2,421,948 | | |
| 10/1/2022 | 530,000 | 2.75% | 515,625.00 | 1,045,625.00 | 1,500,000 | 454,375 | 2,876,323 | | |
| 10/1/2023 | 545,000 | 2.75% | 501,050.00 | 1,046,050.00 | 1,500,000 | 453,950 | 3,330,273 | | |
| 10/1/2024 | 560,000 | 2.75% | 486,062.50 | 1,046,062.50 | 1,500,000 | 453,938 | 3,784,210 | | |
| 10/1/2025 | 575,000 | 2.75% | 470,662.50 | 1,045,662.50 | 1,500,000 | 454,338 | 4,238,548 | | |
| 10/1/2026 | 595,000 | 2.75% | 454,850.00 | 1,049,850.00 | 1,500,000 | 450,150 | 4,688,698 ⁽¹⁾ | | |
| | 5,305,000 | | | | | | | | Principal + Excess Revenue⁽²⁾ |
| 10/1/2027 | 610,000 | 2.75% | 438,487.50 | 1,048,487.50 | 1,500,000 | 451,513 | 5,140,210 | 11,256,302 | 1,061,512.50 |
| 10/1/2028 | 625,000 | 2.75% | 421,712.50 | 1,046,712.50 | 1,500,000 | 453,288 | 5,593,498 | | 1,078,287.50 |
| 10/1/2029 | 645,000 | 2.75% | 404,525.00 | 1,049,525.00 | 1,500,000 | 450,475 | 6,043,973 | | 1,095,475.00 |
| 10/1/2030 | 660,000 | 2.75% | 386,787.50 | 1,046,787.50 | 1,500,000 | 453,213 | 6,497,185 | | 1,113,212.50 |
| 10/1/2031 | 680,000 | 2.75% | 368,637.50 | 1,048,637.50 | 1,500,000 | 451,363 | 6,948,548 | | 1,131,362.50 |
| 10/1/2032 | 695,000 | 2.75% | 349,937.50 | 1,044,937.50 | 1,500,000 | 455,063 | 7,403,610 | | 1,150,062.50 |
| 10/1/2033 | 715,000 | 2.75% | 330,825.00 | 1,045,825.00 | 1,500,000 | 454,175 | 7,857,785 | | 1,169,175.00 |
| 10/1/2034 | 735,000 | 2.75% | 311,162.50 | 1,046,162.50 | 1,500,000 | 453,838 | 8,311,623 | | 1,188,837.50 |
| 10/1/2035 | 755,000 | 2.75% | 290,950.00 | 1,045,950.00 | 1,500,000 | 454,050 | 8,765,673 | | 1,209,050.00 |
| 10/1/2036 | 775,000 | 2.75% | 270,187.50 | 1,045,187.50 | 1,500,000 | 454,813 | 9,220,485 | | 1,229,812.50 |
| 10/1/2037 | 800,000 | 2.75% | 248,875.00 | 1,048,875.00 | 1,500,000 | 451,125 | 9,671,610 | | 11,426,787.50 |
| 10/1/2038 | 820,000 | 2.75% | 226,875.00 | 1,046,875.00 | 1,500,000 | 453,125 | 10,124,735 | | |
| 10/1/2039 | 845,000 | 2.75% | 204,325.00 | 1,049,325.00 | 1,500,000 | 450,675 | 10,575,410 | | |
| 10/1/2040 | 865,000 | 2.75% | 181,087.50 | 1,046,087.50 | 1,500,000 | 453,913 | 11,029,323 | | |
| 10/1/2041 | 890,000 | 2.75% | 157,300.00 | 1,047,300.00 | 1,500,000 | 452,700 | 11,482,023 | | |
| 10/1/2042 | 915,000 | 2.75% | 132,825.00 | 1,047,825.00 | 1,500,000 | 452,175 | 11,934,198 | | |
| 10/1/2043 | 940,000 | 2.75% | 107,662.50 | 1,047,662.50 | 1,500,000 | 452,338 | 12,386,535 | | |
| 10/1/2044 | 965,000 | 2.75% | 81,812.50 | 1,046,812.50 | 1,500,000 | 453,188 | 12,839,723 | | |
| 10/1/2045 | 990,000 | 2.75% | 55,275.00 | 1,045,275.00 | 1,500,000 | 454,725 | 13,294,448 | | |
| 10/1/2046 | 1,020,000 | 2.75% | 28,050.00 | 1,048,050.00 | 1,500,000 | 451,950 | 13,746,398 | | |
| | 15,945,000 | | 10,162,602.08 | 31,412,602.08 | 45,159,000 | 13,746,398 | | | |
| | 21,250,000 | | | | | | | | |

⁽¹⁾ In 2026 when bonds are callable, \$ 4,688,698 will be available to pay down the outstanding principal, amount of \$ 15,945,000, leaving \$ 11,256,302 outstanding.

⁽²⁾ The remaining outstanding balance will be paid using principal and excess revenue for each year. And it will take another ten years to payoff the \$ 11,256,302



AGENDA ITEM NO. 7.C.

DATE: September 22, 2016
TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager

SUBJECT: ADOPT RESOLUTION NO. 2016-15 AUTHORIZING A WATER SERVICE AGREEMENT BETWEEN THE MID-PENINSULA WATER DISTRICT AND CENTRAL PENINSULA DEVELOPMENT, LLC, FOR A MIXED-USE DEVELOPMENT LOCATED AT 576-600 EL CAMINO REAL IN BELMONT, CA

RECOMMENDATION:

Adopt Resolution 2016-15, which authorizes the General Manager to execute a Water Service Agreement (WSA) with Central Peninsula Development, LLC (Developer), for a mixed-use development located at 576-600 El Camino Real in Belmont.

FISCAL IMPACT:

The WSA details the fees and charges due from the Developer to the District for their share of capacity, water demand offset, water meter and fire service installation fees, inspection fees, and the plan check fees that total \$416,096.

DISCUSSION:

A mixed-use development with three (3) commercial units on the ground floor and 32 residential units above is to be built between 576 and 600 El Camino Real. To provide water to the site, two (2) new 6-inch water service connections, one for domestic and the other for fire protection, are to be connected to District infrastructure under El Camino Real in Belmont. An existing 5/8-inch water service will provide landscape water.

After reviewing an initial site plan for the development, and after some internal discussions and external communications with the Developer, the domestic water will be metered by 35 AMI water meters to be located on private property within the parking garage, which is not the general case. Generally speaking, District infrastructure, such as a water meter, is located within the public right-of-way. In this case the District infrastructure cannot be located in the right of way without taking up a lot of room, so

the District has required Developer to set aside a secure location within the parking garage where the 35 water meters can be located in a fashion that has limited access and yet is easy for District entry and maintenance of the 35 individual meters for customers. The District is also requiring a site along El Camino Real next to the parking garage for several big water meter boxes that will house the AMI meter transmitters. Wiring from the water meters to the transmitters will be carried within two 3-inch conduits from the location of the water meters and to the meter boxes.

The remainder of the WSA has sections focused on such things as a time frame for getting started on building the water system; inspection of the water system facilities by District staff; payment of fees and charges to the District; warranty and indemnity; the conveyance of easements, grant deeds, recorded tract map or lands in a form acceptable to the District for public infrastructure on the private property; and acceptance of the water system constructed by the Developer.

The WSA was prepared by District Counsel and staff before being shared with the Developer for comment.

Attachments: Resolution No. 2016-15
Water Service Agreement

BOARD ACTION: APPROVED:____ DENIED:____ POSTPONED:____ STAFF DIRECTION:____
UNANIMOUS____ ZUCCA____ WARDEN____ STUEBING____ VELLA____ LINVILL____

RESOLUTION NO. 2016-15

**AUTHORIZING A WATER SERVICE AGREEMENT
BETWEEN THE MID-PENINSULA WATER DISTRICT AND
CENTRAL PENINSULA DEVELOPMENT, LLC, FOR MIXED-USE DEVELOPMENT
LOCATED AT 576-600 EL CAMINO REAL IN BELMONT, CA**

*** * ***

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District (District) normally serves water to customers through water meters located within the public right of way and not private property; and

WHEREAS, Central Peninsula Development, LLC, of San Mateo, California (Developer) proposes a mixed-use development project at 576-600 El Camino Real in Belmont, California, including 32 residential units with 5/8-inch water meters and three (3) commercial units with 2-inch water meters, and because of the size, location of the development, and area required for 35 AMI water meters and their transmitters, the 35 water meters will be located in a limited access room located within the project's parking garage and their transmitters will be located in meter boxes just outside the parking garage on private property; and

WHEREAS, an existing 5/8-inch water service will be used for landscape irrigation; and

WHEREAS, the District is requiring a Water Service Agreement to formalize the creation of a Water Utility System, timely installation of said Water Utility System, provisions for District personnel to inspect construction of said Water Utility System, a calculation of fees and charges due from Developer to the District prior to the District's

acceptance of the Water Utility System, conveyance of title to the Water Utility System by the Developer to the District, conveyance of easements from the Developer to the District necessary for access to and maintenance of the Water Utility System, individual meters, transmitters, and irrigation meter, and description of the conditions to be met by Developer prior to the District accepting the Water Utility System.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby authorizes the General Manager to execute the Water Service Agreement, in a form approved by legal counsel, between the District and Central Peninsula Development, LLC, for the mixed-use development project located at 576-600 El Camino Real in Belmont, CA.

REGULARLY passed and adopted this 22nd day of September, 2016.

AYES:

NOES:

ABSENT:

PRESIDENT

ATTEST:

SECRETARY

WATER SERVICE AGREEMENT

576-600 EL CAMINO REAL

THIS AGREEMENT is made as of this ____ day of _____, 2016, between MID-PENINSULA WATER DISTRICT ("District"), and CENTRAL PENINSULA DEVELOPMENT, LLC ("Owner").

THE PARTIES AGREE AS FOLLOWS:

1. RECITALS

This Agreement is entered into with regard to the following facts and circumstances.

A. District is a public agency organized under the provisions of the California Water Code and is engaged in the storage, transmission and sale of water for domestic purposes within San Mateo County.

B. Owner is engaged in the development of real property within the geographical limits of the District. Owner is the owner of certain real property consisting of approximately 39,000 sq .ft. (.9) acres MOL located along El Camino Real, in the City of Belmont, Assessor's Parcel Numbers 044-201-190, 044-201-230, 044-222-060 ("the Property").

C. Owner has obtained approval from the City of Belmont for, and proposes to construct on the Property, a thirty-two (32) unit residential condominium development, with three (3) commercial units, the location of which is as shown on Exhibit A (the "Project") , which includes cover sheet A0.0.

In total, the Property will require water service consisting of thirty-three (33) five-eighth inch (5/8") service connections and three (3) two-inch (2") connections.

2. APPROVAL OF WATER UTILITY SYSTEM

The Water Utility System, as defined below, shown on and described in the 576-600 *El Camino Real Plans*, consisting of Plans submitted as follows:

C-1. Drawing 3792 TOPO
C-2. Revision 3
C-3. Revision 3
C-6. Revision 1
E-2.0 Revision 2
P-7.3 Revision 2

(hereinafter, the "reviewed submittal documents"), as approved by the District. A copy of the reviewed submittal documents is on file at the office of the District and is incorporated herein by this reference.

"Water Utility System" means the water mains, house service lines, fire service lines, fittings, valves and housing thereof, fire hydrants, and all appurtenances thereto, except water meters for individual units along with the vaults they are housed in, transmitters, along with the vaults they are housed in, and one (1) irrigation meter required to service the Project, as depicted and described in the reviewed submittal documents. "Water Utility System" shall also include the electrical conduits shown on E-2.0 and P-7.3 that will contain the electrical wiring between the District's water meters and the transmitters.

3. INSTALLATION

A. Owner shall commence installation of the Water Utility System no later than twelve (12) months, subject to extension for force majeure events not the fault of Owner, after the date of this Agreement and shall complete its installation within twenty-four (24) months after the date of this Agreement. If installation is not commenced and/or completed by

such dates, the District may terminate this Agreement, unless the delay is solely attributable to events, such as fire, flood or earthquake, which are beyond the control of, and not the fault of, Owner.

B. Owner shall install the Water Utility System in accordance with the location and sizes shown on the reviewed submittal documents identified in Section 2, in accordance with such specifications and standards as the District may prescribe, and in accordance with the further reasonable directions of the District Engineer and District General Manager. Construction shall include off site facilities and connections to existing facilities and shall be performed in a manner satisfactory to the District.

4. INSPECTION; CONSTRUCTION

A. Prior to commencing construction of the Water Utility System, Owner shall furnish to the District Engineer, at Owner's expense, a report by a competent soils engineer or soils laboratory indicating that the compaction in the fills within which water facilities are to be installed is in accordance with the District's specifications and standards, or meets such other criteria as the District Engineer may prescribe.

B. Owner shall notify District in writing at least ten (10) days in advance of the proposed starting date for construction of the Water Utility System and shall not commence construction unless the District Engineer or other authorized District inspector is at the site of the work when said construction begins. District agrees to make the District Engineer or other authorized District inspector available to be on site, provided the ten (10)-day advance notice is given by Owner or Owner's representative. If construction is not continuous, District shall be notified at least forty-eight (48) hours in advance of the resumption of said construction. Any work performed without notice to District may be rejected by District on that ground alone. The

District Engineer or other authorized District inspector will observe and inspect facilities solely to protect the interests of the District and to determine whether the completed work is acceptable to District and can be incorporated into the District system. The District does not assume thereby any responsibility for the operations or safety practices of Owner, Owner's agents or contractors. Owner is responsible for correct location of all facilities which it installs. The District Engineer will not inspect facilities installed "downstream" of the individual meters.

C. Owner shall permit District's employees and authorized representatives to inspect the Water Utility System, and the plans and materials therefor, at any reasonable time before, during, or after installation.

D. Owner shall repair at its expense (or, at the option of District, shall reimburse District for the actual cost of repairs effected by it) any damage to District property caused by Owner, its agents, employees, or contractors in constructing the Water Utility System.

5. **PAYMENT OF FEES AND CHARGES**

The Owner will pay applicable fees and charges as follows:

A. Capacity and Water Demand Offset Fees. Concurrently with the execution of this Agreement, Owner shall pay Capacity and Water Demand Offset fees in the amount of Three Hundred Sixty-Two Thousand Two Hundred Forty-One Dollars (\$362,241), calculated as follows:

| Size of Connection | Capacity Charges and Water Demand Offset Fees | Number of Connections | Total Cost |
|---------------------------|--|------------------------------|-------------------|
| 5/8"- irrigation | \$10,592 | 1 | \$10,592 |
| 5/8"- multi family | \$6,355 | 32 | \$203,360 |
| 2"- commercial | \$56,491 | 3 | \$169,473 |
| 5/8"- credit | \$-10,592 | 2 | \$-21,184 |

B. Water Meter and Fire Service Installation and Inspection Fees.

Concurrently with the execution of this Agreement, Owner shall deposit Fifty-Three Thousand Eight Hundred Fifty-Five and 27/100 Dollars (\$53,855.27) towards the cost of installation and inspection of one (1) six inch (6") fire service connection, and 36 individual water meters and transmitters. Owner will pay the District's actual cost of purchase and installation of such meters at the time it wishes to arrange for meter installation. If the actual cost is less than the deposit, the difference will be refunded. If the actual cost is more than the deposit, Owner shall pay the difference.

C. Plan Check. Owner, in August of 2015, submitted a Five Thousand and No/100 Dollars (\$5,000.00) deposit for reviewing plans and preparation of plan check comments and associated water service documents.

D. Total Payment Due with Agreement. The total payment due concurrently with execution of this Agreement shall be Four Hundred and Sixteen Thousand, Ninety-Six and 27/100 Dollars (\$416,096.27), which represents the sum of fees listed in paragraphs A, B, C, and D (not including the sum of \$5,000.00 previously deposited by Owner).

E. Payment Due Prior to Acceptance. Owner shall reimburse District for District's actual out-of-pocket costs paid and incurred for engineering, legal, and inspection services directly related to the Project, including continued engineering review of "final" plans and all construction inspection services in excess of the \$5,000.00 paid under Section 5.C. This will include costs incurred by the District due to the District's involvement in any disputes regarding the installation or use of the Water Utility System or the compliance with any of the

terms and conditions of this Agreement. District will submit copies of invoices for all such work to Owner upon completion of the Water Utility System. Owner will pay the amount due promptly, and in any event prior to acceptance of the Project by the District. The District will not provide water service to the Property until all fees and charges have been paid by Owner, including all costs the District incurs that must be reimbursed to the District.

6. WARRANTY/INDEMNITY

A. Owner guarantees all work done under this Agreement will be free from faulty materials and workmanship for a period of two (2) years from the date of acceptance of the Water Utility System by the District. Owner agrees to repair or replace any and all work through the warranty period that is not in accordance with the requirements of this Agreement, without any cost or expense to the District.

B. District shall not be responsible or held liable in any manner whatsoever for any injury or damage which may be done to any person or property (or other loss or liability) as a result of the installation of the Water Utility System.

C. Owner, on its behalf and on behalf of its successors in interest, hereby agrees to waive any claims against District arising from or related to the events and activities described in Subsections A. and B., above, and to indemnify the District and hold it free, safe and harmless of, from and against any and all liability for the death of or injury to any person and for the loss of, or damage to, any property (including the loss of its use and including against any and all claims by subsequent purchasers of the Property or units constructed on the Property) which may arise from such events and activities. Owner further agrees to defend, with counsel reasonably acceptable to the District, any and all such claims, actions, or suits, and to pay all

charges of attorneys and all other costs and expenses incurred by the District. The agreements contained in this paragraph shall survive the performance of the remainder of this Agreement and shall remain in full force and effect notwithstanding such performance.

D. The provisions of Sections 6.B. and 6.C. shall not be applicable to injury or damage, loss or liability caused by the District's sole, active negligence or willful misconduct.

7. INSURANCE

A. Owner or its construction contractor shall, at its cost, maintain in full force and effect during the period beginning with commencement of construction of the Water Utility System and terminating no earlier than thirty (30) days after completion thereof and approval by District for its connection with the District's distribution system, a policy or policies of liability insurance, as follows:

1. Bodily and personal injury liability in an amount not less than One Million Dollars (\$1,000,000.00) per person and Two Million Dollars (\$2,000,000.00) per occurrence; and

2. Property damage insurance in an amount not less than One Million Dollars (\$1,000,000.00) per occurrence.

Such policies shall insure District as an additional insured against any and all liability for the death of or injury to any person and for the loss of or damage to any property which may arise by reason of acts done or omitted to be done as a result of the installation of the Water Utility System by or on behalf of Owner and shall further insure District against any and all costs and expenses, including attorneys' fees, which District may incur in resisting any claim which may be made against District for any such injury or damage.

B. Each such policy shall:

1. be issued by an insurance company or companies qualified to do business in California and approved in writing by District;

2. name District, its Directors, officers, agents and employees, as additional insureds;

3. specify that it acts as Primary Insurance; the insurer being liable thereunder for the full amount of any loss up to and including the total limit of liability without right of contribution from any insurance effected by District;

4. provide that the policy shall not be cancelled or altered without thirty (30) days' prior written notice to District; and

5. otherwise be in form reasonably satisfactory to District.

C. Owner or its contractor shall provide, and maintain at all times during the course of installation of the Water Utility System, Worker's Compensation Insurance in conformance with the laws of the State of California. Such policy shall provide that the underwriter thereof waives all right of subrogation against District by reason of any claim arising out of or connected with installation of the Water Utility System and that such policy shall not be cancelled or altered without thirty (30) days' prior written notice to District.

D. Copies of all policies required above (or Certificates of Insurance satisfactory to District) shall be delivered to District at least ten (10) days prior to commencement of construction of the Water Utility System.

8. SIZING OF INTERIOR PLUMBING; WATER PRESSURE

It is Owner's responsibility to see that water pressure at all fixture units is sufficient; District shall have no responsibility to inspect the installation of interior plumbing fixtures or piping.

9. CONVEYANCE OF TITLE TO WATER UTILITY SYSTEM

Owner shall grant full right, title and interest in and to the following elements of the Water Utility System to the District: the customer stop (shut-off/lock-out valve) and a second shut-off valve on the other side of the water meters; the domestic 6-inch water line from

the tapping sleeve on the 8-inch water main to the property line; and the six-inch fire line from the tapping sleeve on the 8-inch water main to the property line upon connection of the Water Utility System with the existing water system of the District and written notice of acceptance thereof by the District. Such grant shall occur automatically upon the issuance of the written notice of acceptance and without the necessity of any further action by Owner. There shall be no obligation upon District to pay or reimburse to Owner any part of the cost of the Water Utility System. Owner warrants that upon such passage of title to District, the title shall be free and clear from any and all liens, charges and encumbrances whatsoever. The thirty-five (35) individual water meters, thirty-five (35) transmitters, along with the transmitters' two (2) vaults, and the electrical wiring housed in conduits between the meters and the transmitters, are and will remain the property of District and the District will have a perpetual, non-revocable right to install, access, maintain, replace, monitor, and inspect the elements of the Water Utility System referenced above, individual meters, transmitters, irrigation meter, and electrical wiring. Owner will provide District with a means to access the individual water meters contained inside the Property's parking garage. Owner shall not allow any other individuals to access the individual water meters contained inside the Property's parking garage.

The 6-inch water service line from El Camino Real as indicated on Sheet C-2 of the approved plans from the property line to the bank of meters, which line shall be installed by Owner and is a component of the Water Utility System, will be owned by the Owner and will be the sole responsibility of the Owner and/or its successors, including maintenance, repair, and replacement. Within 48-hours' notice by the District of a potential water leak or loss on the 6-inch water service line from property line to the bank of meters, or 6-inch fire service line from the property line to the fire prevention backflow assembly located on the south side of the

proposed building, Owner will make the necessary repairs. If Owner does not repair said water leak or loss within 48 hours of notice by District, District will repair it and charge the Owner for all related fees and charges, including applicable penalties related to Owner's failure to make a timely repair when notified by District.

Owner is also responsible for maintaining the electrical conduit housing the electrical wiring between the thirty-six (36) meters and thirty-five (35) transmitters.

10. CONVEYANCE OF EASEMENTS

Owner further agrees that it will grant and deliver to District easements necessary for installation, access to and maintenance of the elements of the Water Utility System referenced in Section 9, individual meters, transmitters, and electrical wiring housed in the electrical conduits, by executing an Easement Grant Deed in form and substance satisfactory to District and substantially in the form attached hereto as Exhibit B.

11. ACCEPTANCE BY DISTRICT

District shall accept the Water Utility System when all of the following conditions have been met: (1) completion of the Water Utility System; (2) certification by District Engineer upon completion that the Water Utility System has been constructed in accordance with this Agreement; (3) furnishing by Owner of evidence that it has paid all costs incurred in constructing the Water Utility System; (4) performance by Owner of all of its obligations under this Agreement, which are to be completed prior to acceptance of the Water Utility System, including payment of all sums due the District; (5) furnishing by Owner of two sets of non-ammonia type mylar reproducible drawings of the completed improvements showing "as-built" conditions; and (6) delivery of easements referenced in Section 10.

Upon acceptance, and payment for the fees, costs, and charges owed to the District, District shall provide water utility service to the Project.

Upon acceptance, Owner shall be relieved of all future obligations to maintain the elements of the Water Utility System that is conveyed to the District pursuant to Section 9 of this Agreement, subject to Owner's obligation to repair defects as required by this Agreement, repair and maintain the 6-inch water lines on El Camino Real from the property line:

A. To the bank of meters, and repair and maintain the electrical conduit housing the electrical wiring between the thirty-six (36) meters and thirty-six (36) transmitters; and

B. To the fire prevention backflow assembly located on the south side of the proposed building.

12. EXECUTION AND PERFORMANCE OF AGREEMENT

Execution of this Agreement is a condition precedent to issuance by District of any letters, approvals, consents, or communications to any state, municipal, local or other public bodies regarding the availability of water service to the area to be developed. Full performance of and compliance with each and every term of this Agreement by Owner is a condition precedent to water service by District.

13. DISTRICT REGULATIONS

Owner shall at all times abide by and faithfully observe any and all District ordinances, resolutions, rules and regulations presently in effect, including current fee schedules, or which may hereafter be enacted or amended from time to time.

14. ASSIGNMENT

Owner's rights under this Agreement may be assigned in connection with a sale or conveyance of the Property. No such assignment shall be valid or binding on the District unless the assignee executes a written instrument, in form and substance satisfactory to District, assuming all of Owner's obligations under this Agreement, which have not been fully performed as of the date of assignment. Such assignment shall not release Owner from any of its obligations to District under this Agreement.

This Agreement shall be binding upon and shall inure to the benefit of the parties and their successors and permitted assigns. If the Owner or a permitted successor or assignee shall disincorporate, forfeit its articles or right of incorporation, or otherwise fully terminate without a successor or assign, District shall have no further obligations under this Agreement.

15. NOTICE

Any notice required by this Agreement shall be satisfied by a notice in writing, either delivered personally or sent by regular or certified mail, postage prepaid, and addressed as follows:

District: Mid-Peninsula Water District
3 Dairy Lane
P.O. Box 129
Belmont, CA 94002
Attention: General Manager

Owner: Central Peninsula Development, LLC
155 Bovet Road, Suite 525
San Mateo, CA 94402
Attention: Chung-i Chang

Copy to: CHS Construction, Inc.
45 North B Street, 2nd Floor
San Mateo, CA 94401
Attention: Mark Haesloop

16. CONSTRUCTION OF AGREEMENT

Both parties have participated in preparing this Agreement. This Agreement shall be construed reasonably and not in favor of or against either party hereto on the grounds that one party prepared the Agreement.

17. ENTIRE AGREEMENT

This Agreement, including the Exhibits which are hereby incorporated by reference, contains the entire agreement between the parties hereto. No oral understandings, statements, promises or inducements contrary to the terms of this Agreement exist.

18. APPLICABLE LAW

This Agreement shall be governed by and construed and enforced in accordance with and subject to the laws of the State of California. Except as expressly provided for herein, this Agreement is not intended to, and does not, modify the District's rights to exercise the legislative discretion accorded to it by the laws of California.

19. AMENDMENT

Any amendment hereof, including any oral modification allegedly supported by new consideration, shall not be effective unless reduced to a writing signed by both parties.

20. TIME

Time is of the essence of the Agreement.

IN WITNESS WHEREOF the parties hereto have executed this Agreement as of the day
and year first above written.

MID-PENINSULA WATER DISTRICT

CENTRAL PENINSULA
DEVELOPMENT, LLC

By: _____
Tammy A. Rudock, General Manager

By: _____
Chung-i Chang, Managing Partner

Approved as to Form:

District Counsel

EXHIBIT A

Location of the
Development

572-600 El Camino Real
Belmont, CA 94002

APN's: 044-201-230; 044-222-060; 044-201-190

SEE, Cover Sheet A0.0; Approved Plans

EXHIBIT B

Form of Easement Grant Deed

BELMONT, CA

NOTICE:
These drawings
are the property
of Levy Design &
not be used as
a replacement of

576-600 EL CAMINO REAL



576-600 F

**BEL
PROJECT**

| | |
|----------|----|
| DATE | SE |
| 12-19-14 | SU |

CONTACT:

TOBY LEVY

(415) 777-4581

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AGENDA ITEM NO. 7.D.

DATE: September 22, 2016
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: CONSIDER RESOLUTION 2016-16 REQUIRING EVEN-NUMBERED YEAR ELECTIONS FOR THE MPWD BOARD OF DIRECTORS IN CONSOLIDATION WITH THE STATEWIDE GENERAL ELECTIONS

RECOMMENDATION

Approve Resolution 2016-16 requiring even-numbered year elections for the MPWD Board of Directors in consolidation with the statewide general elections.

FISCAL IMPACT

Consolidating with even-numbered year statewide general elections will save the MPWD money because the majority of the election expenses are paid by the county and state. Expenses for odd-numbered year elections are borne by the local government and special district participants.

DISCUSSION

The Board discussed this issue last month (and last year), and since then many of the San Mateo County agencies are considering the switch to even-numbered year elections in consolidating with statewide general elections. It makes sense to save money.

As previously discussed, should the Board decide to approve Resolution 2016-16 that would essentially result in each Director extending their term by one year as follows:

- Matt Zucca – Term ends 2019; would be extended to end 2020;
- Dave Warden – Term ends 2017; would be extended to end 2018;
- Al Stuebing – Term ends 2017; would be extended to end 2018;
- Louis Vella – Term ends 2019; would be extended to end 2020; and
- Betty Linvill – Term ends 2017; would be extended to end 2018.

Attachment: Resolution 2016-16

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

UNANIMOUS_____ ZUCCA_____ WARDEN_____ STUEBING_____ VELLA_____ LINVILL_____

RESOLUTION NO. 2016-16

**REQUIRING EVEN-NUMBERED YEAR ELECTIONS
FOR THE BOARD OF DIRECTORS**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid- Peninsula Water District's (District) enabling legislation, specifically California Water Code Section 30068 *et seq.*, specifies that County Water Districts are subject to the Uniform District Election Law; and

WHEREAS, the Uniform District Election Law, specifically California Elections Code Section 10505, provides that election for the Board of Directors of the District are held in odd- numbered years, and the District currently holds its elections for members of its Board of Directors in odd-numbered years; and

WHEREAS, pursuant to Election Code Sections 10505 and 10404(b), the District's Board of Directors may, by resolution, order that the elections of its directors be held on the same day as a statewide general election; and

WHEREAS, California Elections Code Section 1001 provides that elections held in June and November of each even- numbered years are statewide elections and the dates of those elections are statewide election dates; and

WHEREAS, the terms of three members of the Board of Directors are set to expire in November of 2017 and the terms of two members of the Board of Directors are set to expire in November of 2019; and

WHEREAS, the next statewide general election in November of an even-numbered year at which the members of the Board of Directors could be elected following the expiration of the terms of the current Directors is November 6, 2018; and

WHEREAS, the Board of Directors desires, as permitted by law, to consolidate the election of members of its Board of Directors with the statewide general election held on the first Tuesday after the first Monday in November of each even-numbered year.

NOW, THEREFORE, BE IT RESOLVED that pursuant to its rights, powers and authority, the Board of Directors of the Mid- Peninsula Water District hereby:

1. Orders the elections of members of the District's Board of Directors to occur regularly on the same date as statewide general elections occurring on the first Tuesday after the first Monday in November of even-numbered years and to be consolidated with those even-numbered year elections.

2. Orders such elections commence with the statewide general election to be held on November 6, 2018.

3. Acknowledges that those members of the Board of Directors whose terms of office will expire prior to the statewide general election in November 2018 will continue in office until their successors are elected and qualified in accordance with Section 10404(i) of the California Elections Code at the November 2018 election, and that those members of the Board of Directors whose terms of office will expire in December 2019 will continue in office until their successors are elected and qualified in at the November 2020 election.

4. Directs the District of Secretary to submit this Resolution to the County of San Mateo Board of Supervisors no later than 240 days prior to the next scheduled District Election.

5. Requests the County of San Mateo Board of Supervisors administer this Resolution as set forth in Section 10404 of the California Elections Code and, within 60 days of the submission of this Resolution, approve this Resolution unless it finds that the ballot style, voting equipment, or computer capacity cannot handle additional elections or materials, in accordance with Section 10404(e) of the California Elections Code.

PASSED AND ADOPTED this 22nd day of September 2016, by the following vote of the Board:

AYES:

NOES:

ABSENT:

President, Board of Directors

ATTEST:

District Secretary



AGENDA ITEM NO. 7.E.

DATE: September 22, 2016
TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager

SUBJECT: ADOPT RESOLUTION NO. 2016-17 AUTHORIZING THE SAN MATEO COUNTY HAZARD MITIGATION PLAN UPDATE

RECOMMENDATION:

Adopt Resolution 2016-17 authorizing the entirety of Volume 1 and the Mid-Peninsula Water District (District) portion of Volume 2, which is the District's "Annex" or its specific criteria relevant to Section 201.6 of 44CFR, also known as the "local hazard mitigation plan", of the San Mateo County Hazard Mitigation Plan Update (HMP).

FISCAL IMPACT:

The HMP was a cooperative effort between many public agencies with the County and funded entirely by a federal grant.

DISCUSSION:

In December of 2015, a partnership of San Mateo County cities and special districts started on a planning process to prepare for and lessen the impacts of specified natural hazards by updating the HMP. Responding to federal mandates in the Disaster Mitigation Act of 2000 (Public Law 106-390), the group was formed to pool resources and to create a uniform hazard mitigation strategy that can be consistently applied to the defined planning area and used to ensure eligibility for specified grant funding success. With the District participating in this larger group the District will not have to develop its own HMP at its own cost.

This effort represents the second comprehensive update to the initial HMP, approved by the Federal Emergency Management Agency (FEMA) in November of 2005 and developed in partnership with the Association of Bay Area Governments (ABAG), as well as a return to a truly regional effort following the 2010 planning process. The 29 member coalition of partners involved in this process included unincorporated San Mateo County, 18 city and town governments, and 10 special districts. The planning area for the HMP is defined as all incorporated and unincorporated areas of San Mateo

County. The result of the organizational effort will be a FEMA and California Office of Emergency Services (CalOES) approved multi-jurisdictional, multi-hazard mitigation plan.

What is a Hazard Mitigation Plan?

Mitigation is defined, in this context, as any sustained action taken to reduce or eliminate long-term risk to life and property from a hazard event. Mitigation planning is the systematic process of learning about the hazards that can affect the community, setting clear goals, identifying appropriate actions and following through with an effective mitigation strategy. Mitigation encourages long-term reduction of hazard vulnerability and can reduce the enormous cost of disasters to property owners and all levels of government. Mitigation can also protect critical community facilities, reduce exposure to liability, and minimize post-disaster community disruption.

The hazard identification and profiling in the HMP addresses the following hazards of concern within the planning area:

- Dam failure
- Earthquake
- Flood
- Landslide
- Severe weather
- Tsunami
- Wildfire

Climate change is incorporated as a summary assessment of current and anticipated impacts for each identified hazard of concern.

With the exception of dam failure, this plan does not provide a full risk assessment of human-caused hazards. However, brief, qualitative discussions of the following hazards of interest are included: terrorism, cyber threats, hazardous materials release, pipeline and tank failure, airline incidents.

A planning team consisting of local officials took the lead in developing the HMP. All participating local jurisdictions have been responsible for assisting in the development of the hazard and vulnerability assessments and the mitigation action strategies for their respective jurisdictions and organizations. The HMP presents the accumulated information in a unified framework to ensure a comprehensive and coordinated plan covering the entire San Mateo County planning area. Each jurisdiction has been responsible for the review and approval of their individual sections of the HMP.

Additionally, the HMP has been aligned with the goals, objectives and priorities of the State's multi-hazard mitigation plan.

A 10 member Steering Committee (SC) composed of jurisdiction representatives was formed early in the planning process to guide the development of the HMP. In addition,

residents were asked to contribute by sharing local knowledge of their individual area's vulnerability to natural hazards based on past occurrences. Public involvement has been solicited via a comprehensive public outreach campaign that included two rounds of public meetings during the Spring, web-based information, a questionnaire, and multiple social media updates.

Why adopt this HMP?

Once the HMP is adopted by all of the jurisdictional partners and approved by FEMA, the partnership will collectively and individually become eligible to apply for hazard mitigation project funding from both the Pre-Disaster Mitigation Grant Program (PDM) and the Hazard Mitigation Grant Program (HMGP).

What is the Pre-Disaster Mitigation competitive grant program?

The PDM competitive grant program provides funds to State, Tribal, and local governments for pre-disaster mitigation planning and projects primarily addressing natural hazards. Cost-Effective pre-disaster mitigation activities reduce risk to life and property from natural hazard events before a natural disaster strikes, thus reducing overall risks to the population and structures, while also reducing reliance on funding from actual disaster declarations. Funds will be awarded on a competitive basis for mitigation planning and project applications intended to make local governments more resistant to the impacts of future natural disasters.

What is the Hazard Mitigation Grant Program?

Authorized under Section 404 of the Stafford Act, the Hazard Mitigation Grant Program (HMGP) is administered by FEMA provides grants to States and local governments to implement long-term hazard mitigation measures after a major disaster declaration. The purpose of the program is to reduce the loss of life and property due to natural disasters and to enable mitigation measures to be implemented during the immediate recovery from a disaster.

Where do we go from here?

Upon Board adoption of Volume 1 and Volume 2 of the San Mateo County HMP and subsequent approval of said plan by CalOES and FEMA, the District will be eligible to apply for specified grants. The grant funds are made available to states and local governments and can be used to implement the long-term hazard mitigation measures specified within the District's Annex of the HMP before and after a major disaster declaration. The HMP is considered a living document such that, as awareness of additional hazards develops and new strategies and projects are conceived to offset or prevent losses due to natural disasters, the HMP will be evaluated and revised on a continual 5-year time frame.

What is the Status of the Hazard Mitigation Plan?

Currently, all of the 29 jurisdictions within San Mateo County participating in this update of the HMP, with consultant Tetra Tech Inc., have completed the Volume 1 and Volume 2 update. The FEMA has accepted the HMP and Annexes for all participating agencies as written. Before the HMP can be approved by FEMA, each agency must seek Board

“acceptance” of the HMP (Volumes I and II) via resolution. Once all participating jurisdictions have submitted their resolutions to Mr. Bart Spencer, Emergency Services Coordinator with the Central County Fire Department, FEMA will be able approve the HMP. Each HMP will move into its maintenance phase, which will allow jurisdictions to amend their HMP, and then the process starts all over again in five years. Should any jurisdictions decide not to accept the HMP in its current form, these jurisdictions will have to complete their HMP on their own at their own cost.

Attached is the Executive Summary for Volume 1, which summarizes the almost 300-pages that are too voluminous to include within the agenda packet; a link is provided below for reference in its entirety if interested.

The MPWD’s Volume 2 - Jurisdictional Annex is attached for review. A link for the entire Volume for Special Districts is also provided below.

Attachments: Resolution No. 2016-17
Volume 1 – Executive Summary
Volume 2 – MPWD Jurisdictional Annex
Entire Volume 1
<http://planning.smcgov.org/sites/planning.smcgov.org/files/documents/files/San%20Mateo%20HMP%20-%20Volume%20I%20-%20Final%20APA.pdf>
Volume 2 for Special Districts
<http://planning.smcgov.org/sites/planning.smcgov.org/files/press-release/files/San%20Mateo%20HMP%20-%20Volume%20III%20-%20District%20-%20FinalDraft.pdf>

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

UNANIMOUS_____ ZUCCA_____ WARDEN_____ STUEBING_____ VELLA_____ LINVILL_____

RESOLUTION NO. 2016-17

**AUTHORIZING THE ADOPTION OF THE
SAN MATEO COUNTY HAZARD MITIGATION PLAN UPDATE**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, all of San Mateo County has exposure to natural hazards that increase the risk to life, property, environment and the County's economy; and

WHEREAS; pro-active mitigation of known hazards before a disaster event can reduce or eliminate long-term risk to life and property; and

WHEREAS, the Disaster Mitigation Act of 2000 (Public Law 106-390) established new requirements for pre- and post-disaster hazard mitigation programs; and

WHEREAS; a coalition of San Mateo County, Cities, Towns and Special Districts with like planning objectives has been formed to pool resources and create consistent mitigation strategies within the San Mateo County planning area; and

WHEREAS, the coalition completed a planning process that engaged the public, assessed the risk and vulnerability to the impacts of natural hazards, developed a mitigation strategy consistent with a set of uniform goals and objectives, and created a plan for implementing, evaluating and revising the strategy.

NOW, THEREFORE, BE IT RESOLVED that the Mid-Peninsula Water District hereby:

1. Adopts in its entirety, Volume I and the introduction, Section 3, Part 2 and Chapter 4 - the Mid-Peninsula Water District jurisdictional annex, and the appendices of Volume II of the San Mateo County Hazard Mitigation Plan (HMP); and
2. Will use the adopted and approved portions of the HMP to guide pre- and post-disaster mitigation of the hazards identified; and
3. Will coordinate the strategies identified in the HMP with other planning programs and mechanisms under its jurisdictional authority; and
4. Will continue its support of the Steering Committee and continue to participate in the Planning Partnership as described by the HMP; and
5. Will help to promote and support the mitigation successes of all HMP Planning Partners.

PASSED AND ADOPTED this 22nd day of September 2016, by the following vote:

AYES:

NOES:

ABSENT:

President, Board of Directors

ATTEST:

District Secretary



San Mateo County

HAZARD MITIGATION PLAN

July 2016



VOLUME 1





ACKNOWLEDGMENTS

Project Managers

- ❖ Bart Spencer, Emergency Services Coordinator, Central County Fire Department
- ❖ David Pucci, Deputy Chief, Redwood City Fire Department

Other Regional Project Staff

- ❖ Roberto Bartoli, Planner II, County of San Mateo – for developing and hosting the Local Hazard Mitigation Plan (LHMP) project website through the County Planning Department and facilitating resources for the Spanish language translation of the public survey.
- ❖ Patrick Halleran, Captain, Belmont Police Department – for providing a regular meeting area for the San Mateo County Steering Committee.
- ❖ Michelle Durand, Chief Communications Officer, San Mateo County Manager's Office – for providing guidance and resources to maximize public engagement and involvement.
- ❖ Bradley Hartzell, Fire Liaison, San Mateo County Office of Emergency Services – serving on the Planning Team and serving as the liaison with San Mateo OES.

Special Acknowledgments

Members of the Steering Committee for the San Mateo County Hazard Mitigation Plan (HMP) 2016 Update—from government, academic, and non-profit agencies across San Mateo County—provided valuable input and assistance for development of the HMP. Members of the public who completed surveys and attended public outreach events provided input that helped shape the final content of the HMP.

Steering Committee members included:

- ❖ David Pucci, Chair, Redwood City and formerly assigned to Office of Emergency Services
- ❖ Bart Spencer, Co-Chair, Emergency Service Coordinator, Central County Fire Department
- ❖ Joseph Spanheimer, Captain, Pacifica Police Department
- ❖ Patrick Halleran, Captain, Belmont Police Department
- ❖ Kenneth Anderson, Disaster Preparedness Manager, South San Francisco
- ❖ Daniel Ghiorso, Fire Chief, Woodside Fire District
- ❖ Roberto Bartoli, Planner, County of San Mateo
- ❖ Thomas Maloney, Emergency Preparedness Contractor, San Mateo Community College District
- ❖ Daniel Berumen, Assistant Planner, City of East Palo Alto
- ❖ Bradley Hartzell, Fire Liaison, San Mateo County Office of Emergency Services



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LIST OF ACRONYMS

| | |
|----------|---|
| °F | Degrees Fahrenheit |
| ABAG | Association of Bay Area Governments |
| BACERP | Bay Area Climate and Energy Resilience Project |
| ADA | Americans with Disabilities Act |
| ASPA | Aboveground petroleum storage tank |
| API | Advanced Persistent Threat |
| ATC | (Federal) Air Traffic Controller |
| BART | Bay Area Rapid Transit System |
| BPR | Bottom pressure recorder |
| CAL FIRE | California Department of Forestry and Fire Protection |
| CAL OES | California Office of Emergency Services |
| CCR | California Code of Regulations |
| CDC | Centers for Disease Control and Prevention |
| CEQA | California Environmental Quality Act |
| CERCLA | Comprehensive Environmental Response, Compensation, and Liability Act |
| CFR | Code of Federal Regulations |
| CGS | California Geological Society |
| CHP | California Highway Patrol |
| CIP | Capital Improvement Program |
| CPTED | Crime Prevention Through Environmental Design |
| CPUC | California Public Utilities Commission |
| CRS | Community Rating System |
| CSA | County Service Area |



| | |
|-------|--|
| CWA | Clean Water Act |
| CZM | Coastal Zone Management |
| DART | Deep ocean Assessment and Reporting of Tsunamis |
| DEM | Digital Elevation Model |
| DFIRM | Digital Flood Insurance Rate Map |
| DMA | Disaster Mitigation Act |
| DOF | Department of Finance |
| DODS | Division of Dam Safety |
| DRIP | Drought Implementation Plan |
| DWR | Department of Water Resources |
| EA | Electronic Attack |
| EDD | Employment Development Department |
| EMA | Emergency Managers Association |
| EMP | Electromagnetic Pulse |
| EOP | Emergency operations plan |
| EPA | U.S. Environmental Protection Agency (also USEPA) |
| EPCRA | Emergency Planning and Community Right to Know Act |
| ESA | Endangered Species Act |
| FAA | Federal Aviation Administration |
| FBI | Federal Bureau of Investigation |
| FEMA | Federal Emergency Management Agency |
| FMA | Flood Mitigation Insurance |
| FHSZ | Fire Hazard Severity Zone |
| FRA | Federal responsibility area |
| FRAP | Fire and Resource Assessment |



| | |
|----------|---|
| g | Gravity (%g, percent acceleration force of gravity) |
| GIS | Geographic information system |
| gpcd | Gallons per capita per day |
| HAZUS-MH | Hazards U.S.-Multi-Hazard |
| HMI | Hazard Mitigation Insurance |
| HMGP | Hazard Mitigation Grant Program |
| HMP | Hazard Mitigation Plan |
| IBC | International Building Code |
| IPCC | Intergovernmental Panel on Climate Change |
| ISO | Insurance Services Office |
| IT | Information Technology |
| LEPC | Local emergency planning committee |
| LHMP | Local hazard mitigation plan |
| LiMWAN | Limit of Moderate Wave Action |
| LRA | Local responsibility area |
| m | Meter |
| MCE | Maximum credible earthquake |
| MCI | Mass casualty incident |
| MITM | Man in the middle |
| mm | Millimeter |
| MM | Modified Mercalli |
| mm/yr | Millimeters per year |
| mph | Miles per hour |
| mrp | Mean return period |
| N/A | Not applicable |



| | |
|-----------|---|
| NASA | National Aeronautics and Space Administration |
| NCDC | National Climatic Data Center |
| NCRIC | Northern California Regional Intelligence Center |
| NDSP | National Dam Safety Program |
| NEHRP | National Earthquake Hazard Reduction Program |
| NFIP | National Flood Insurance Program |
| NFPA | National Fire Protection Academy |
| NLD | National Levee Database |
| NMDC | National Drought Mitigation Center |
| NOAA | National Oceanic and Atmospheric Administration |
| NTSC | National Transportation Safety Board |
| NWS | National Weather Service |
| ONI | Ocean Niño Index |
| PCB | Polychlorinated biphenyls |
| PDM | Pre-disaster Mitigation Grant Program <i>or</i> Pre-disaster Mitigation |
| PDSI | Palmer Drought Severity Index |
| PGA | Peak Ground Acceleration |
| PG&E | Pacific Gas and Electric |
| ppm | Part per million |
| PTWC | Pacific Tsunami Warning Center |
| RCRA | Resource Conservation and Recovery Act |
| RCRA Info | RCRA Information |
| SB 37 | Senate Bill 379 |
| SCA | (Bay Area Water) Supply Conservation Agency |
| SCADA | Supervisory Control and Data Acquisition |



| | |
|---------|---|
| SEMS | Standardized Emergency Management System |
| SERC | State Emergency Response Commission |
| SFO | San Francisco International Airport |
| SFPUC | San Francisco Public Utilities Commission |
| SMSO | San Mateo County Sherri's Office |
| SPCC | Spill Prevention Control and Countermeasures |
| SRA | State responsibility area |
| TSCA | Toxic Substances Control Act |
| UN | United Nations |
| URM | Unreinforced Masonry |
| USACE | U.S. Army Corps of Engineers |
| USDA | United States Department of Agriculture |
| USEPA | U.S. Environmental Protection Agency (also EPA) |
| USGS | U.S. Geological Survey |
| UST | Underground storage tank |
| VHFHSZ | Very High Fire Hazard Severity Zone |
| WC/ATWC | West Coast and Alaskan Tsunami Warning Center |
| WMD | Weapons of Mass Destruction |
| WUI | Wildland Urban Interface |



EXECUTIVE SUMMARY



Executive Summary

Hazard mitigation is the use of long-term and short-term policies, programs, projects, and other activities to alleviate the death, injury, and property damage that can result from a disaster. San Mateo County has developed and maintained a multi-hazard mitigation plan (HMP) to reduce risks from natural disasters. The plan complies with requirements for hazard mitigation planning to maintain eligibility for funding under Federal Emergency Management Agency (FEMA) grant programs.

Previous Hazard Mitigation Planning In San Mateo County

Federal regulations require hazard mitigation plans to include a strategy for monitoring, evaluating, and updating the hazard mitigation plan. An update provides an opportunity to reevaluate recommendations, monitor the impacts of actions that have been accomplished, and determine if there is a need to change the focus of mitigation strategies. Disaster Mitigation Act of 2000 (DMA) compliance is contingent on meeting the plan update requirement. A jurisdiction covered by a plan that has expired is not able to pursue funding under the Robert T. Stafford Act, which requires a current hazard mitigation plan as a prerequisite.

Initial Response to DMA in San Mateo County

The Association of Bay Area Governments (ABAG) provides planning and research resources related to land use, housing, environmental and water resource protection, disaster resilience, energy efficiency, hazardous waste mitigation, risk management, financial services, and staff training to local cities, and towns.

In 2004, ABAG led a regional effort to address hazard mitigation planning for jurisdictions within its area of responsibility. This regional template was used by numerous counties and cities within the ABAG planning area to achieve initial compliance under the DMA. The ABAG process equipped local governments with tools to complete individual planning processes that met their needs, while pooling resources and eliminating redundant planning efforts. In 2010, ABAG conducted its second regional planning effort. During the 2010 update, 17 local governments in San Mateo County used the ABAG tools to achieve DMA compliance.

The San Mateo County Planning Effort

In 2015, the San Mateo County Office of Emergency Services (OES) and San Mateo County jurisdictions have teamed together to prepare an updated countywide hazard mitigation plan that would best suit the needs and capabilities of the County and its planning partners. With these factors in mind, San Mateo County committed to preparation of its 2016 plan by securing technical assistance to facilitate a planning process that would comply with all program requirements. The ensuing planning process developed a new plan for the County and its planning partners from scratch, using lessons learned from the prior planning effort. While this plan is an update for many of the planning partners, it is the initial plan for others. The updated plan differs from the initial plan for a variety of reasons:

- ❖ The plan has been totally re-structured as a countywide regional plan, focusing only on the geographic region of San Mateo County. The risk assessment is not a subset of a larger regional or



multi-county effort. Instead, it is isolated to San Mateo County and focuses on hazards of concern for the County and local jurisdictions.

- ❖ The plan was expanded to include special districts as planning partners.
- ❖ The risk assessment has been formatted to best support future grant applications by providing information on risk and vulnerability that will directly support measurement of “cost-effectiveness” required under FEMA mitigation grant programs.
- ❖ Newly available data and tools provide for a more detailed and accurate risk assessment through means such as FEMA’s Hazards U.S. Multi-Hazard (HAZUS-MH) computer model or data such as FEMA’s countywide Digital Flood Insurance Rate Maps (DFIRMs).
- ❖ The update gave the County and its planning partners an opportunity to engage local citizens and gauge their perception of risk and support for risk reduction through mitigation.

Plan Update Process

The plan update was carried out in the following phases:

- ❖ **Phase 1, Organize and Review**—A planning team was assembled for the plan update, consisting of the Steering Committee Chair and Co-Chair. The team conducted outreach to establish the planning partnership. A 10-member steering committee was assembled to oversee the plan update, consisting of County staff, citizens, and other stakeholders in the planning area. Coordination with other county, state, and federal agencies involved in hazard mitigation occurred throughout the plan update process. This phase included a review of the existing HMP, the California State Hazard Mitigation Plan, and existing programs that may support hazard mitigation actions.
- ❖ **Phase 2, Update the Risk Assessment**—Risk assessment is the process of measuring the potential loss of life as well as personal injury, economic injury, and property damage resulting from natural hazards. This process assesses the vulnerability of people, buildings, and infrastructure to natural hazards. Risk assessment models were enhanced with new data and technologies that have become available since 2010. The risk assessment included the following:
 - Hazard identification and profiling
 - Assessment of the impact of hazards on physical, social, and economic assets
 - Vulnerability identification
 - Estimates of the cost of potential damage.

The Steering Committee used the risk assessment to rank risk and to gauge the potential impacts of each hazard of concern in the San Mateo County planning area.

- ❖ **Phase 3, Engage the Public**—The planning team implemented a public involvement strategy developed by the Steering Committee. The strategy included public meetings to present the risk assessment and the draft plan, a hazard mitigation survey, a County-sponsored website, and multiple media releases.
- ❖ **Phase 4, Assemble the Updated Plan**—The planning team and Steering Committee assembled a document to meet federal hazard mitigation planning requirements. A completed local mitigation





plan review crosswalk has been included in Appendix F of this volume. This completed crosswalk provides a comparative analysis between the content in the San Mateo County HMP and the federal hazard mitigation planning requirements.

- ❖ **Phase 5, Plan Adoption/Implementation**—The final adoption phase will begin once the State of California Governor’s Office of Emergency Services and FEMA Region IX have granted pre-adoption approval. The plan maintenance process includes a schedule for monitoring and evaluating the plan’s progress periodically and producing a revised plan every 5 years. This plan maintenance strategy also includes processes for continuing public involvement and integrating with other programs that can support or enhance hazard mitigation.

Risk Assessment Results

Based on the risk assessment, hazards were ranked as follows for the level of risk they pose to the overall planning area.

1. Earthquake
2. Severe Weather
3. Wildfire
4. Flood
5. Landslide
6. Tsunami
7. Dam Failure
8. Drought

Mitigation Guiding Principle, Goals, and Objectives

The Steering Committee and the planning partnership established the following goals for the plan update:

1. Protect life and property;
2. Provide information to residents to better understand the hazards of the region and ways to reduce their personal vulnerability to those hazards;
3. Promote hazard mitigation as an integrated public policy and as a standard business practice;
4. Increase resilience of infrastructure and critical facilities;
5. Protect the environment;
6. Develop and implement mitigation strategies that use public funds in an efficient and cost-effective way; and,
7. Improve community emergency management capability.

The following objectives were identified that meet multiple goals, helping to establish priorities for recommended mitigation actions:

1. Improve understanding of the locations, potential impacts, and linkages among threats hazards, vulnerability, and measures needed to protect life safety and health.



2. Establish and maintain partnerships among all levels of government, the private sector, community groups, and institutions of higher learning that improve and implement methods to protect life and property.
3. Develop and provide updated information about threats, hazards, vulnerabilities, and mitigation strategies to state, regional, and local agencies, as well as private-sector groups.
4. Encourage incorporation of mitigation measures into repairs, major alterations, new development, and redevelopment practices, especially in areas subject to substantial risk.
5. Promote and implement hazard mitigation plans and projects that are consistent with state, regional, and local climate action and adaptation goals, policies, and programs.
6. Advance community resilience through preparation, adoption, and implementation of state, regional, and local multi-hazard mitigation plans and projects.
7. Encourage life and property protection measures for all communities and structures located in hazard areas.
8. Actively promote effective coordination of regional and local hazard mitigation planning and action among state agencies, cities, counties, special districts, tribal organizations, councils of governments, metropolitan planning organizations, and regional transportation associations to create resilient and sustainable communities.
9. Improve systems that provide warning and emergency communications.
10. Promote dialogue between government representatives, private business, non-profit organizations, and the public regarding hazard mitigation.
11. Retrofit, purchase, or relocate structures in high hazard areas, especially those known to be repetitively damaged.

Mitigation Actions

Mitigation actions presented in this update are activities designed to reduce or eliminate losses resulting from natural hazards. The update process resulted in the identification of mitigation actions for implementation by a collective, regional effort, and by individual jurisdictions, as presented in Section 3 and Volume 2 of this plan.

Implementation

Full implementation of the recommendations of this plan will require time and resources. The measure of the plan's success will be its ability to adapt to changing conditions. San Mateo County and key plan stakeholders will assume responsibility for adopting the recommendations of this plan and committing resources toward implementation. The framework established by this plan commits San Mateo County and key plan stakeholders to pursue initiatives when the benefits of a project exceed its costs. San Mateo County and key plan stakeholders developed this plan with extensive public input, and public support of the actions identified in this plan will help ensure its success.



San Mateo County

HAZARD MITIGATION PLAN

July 2016



VOLUME 2





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SECTION 1: ANNEX INTRODUCTION



Chapter 1.

Planning Partner Participation

1.1 Background

Region IX of the Federal Emergency Management Agency (FEMA) and the California Office of Emergency Services (CalOES) both encourage multi-jurisdictional planning for hazard mitigation. Such planning efforts require all participating jurisdictions to fully participate in the process and formally adopt the resulting planning document. Chapter 44 of the Code of Federal Regulations (44CFR) states:

“Multi-jurisdictional plans (e.g. watershed plans) may be accepted, as appropriate, as long as each jurisdiction has participated in the process and has officially adopted the plan.” (Section 201.6.a(4))

In the preparation of the San Mateo County Hazard Mitigation Plan, a Planning Partnership was formed to leverage resources and to meet requirements of the federal Disaster Mitigation Act of 2000 (DMA) for as many eligible local governments in San Mateo County as possible. The DMA defines a local government as follows: “Any county, municipality, city, town, township, public authority, school district, special district, intrastate district, council of governments (regardless of whether the council of governments is incorporated as a nonprofit corporation under State law), regional or interstate government entity, or agency or instrumentality of a local government; any Indian tribe or authorized tribal organization, or Alaska Native village or organization; and any rural community, unincorporated town or village, or other public entity.” There are two types of Planning Partners in this process, with distinct needs and capabilities:

- ❖ Incorporated municipalities (cities and the County)
- ❖ Special districts.

Figure 3-1 shows the special districts within San Mateo County.

1.2 The Planning Partnership

1.2.1 Initial Solicitation and Letters of Intent

The planning team solicited the participation of the County and all County-recognized special districts with junior taxing authority at the outset of this project. Two meetings were held on October 19, 2015 (via teleconference) and October 27, 2015 to identify potential stakeholders for this process.

A planning process kickoff meeting was held in Belmont on November 18, 2015 to solicit planning partners and inform potential partners of the benefits of participation in this effort. All eligible local governments within the planning area were invited to attend. Various agency and citizen stakeholders were also invited to this meeting. The goals of the meeting were as follows:

- ❖ Provide an overview of the Disaster Mitigation Act.



- ❖ Outline the San Mateo County plan update work plan.
- ❖ Describe the benefits of multi-jurisdictional planning.
- ❖ Solicit planning partners.
- ❖ Confirm a Steering Committee.

All interested local governments were provided with a list of planning partner expectations developed by the planning team and were informed of the obligations required for participation. Local governments wishing to join the planning effort were asked to provide the planning team with a “notice of intent to participate” that agreed to the planning partner expectations (see Volume 2, Appendix A) and designated a point of contact for their jurisdiction. In all, formal commitment was received from 29 planning partners by the planning team, and the San Mateo County Planning Partnership was formed. Figure 3-1 in Section 3 – Special Districts – shows the location of participating special districts. Maps for each participating city are provided in the individual annex for that city.

1.2.2 Planning Partner Expectations

The planning team developed the following list of planning partner expectations, which were confirmed at the kickoff meeting held on November 18, 2015:

- ❖ Each partner will provide a “Letter of Intent to Participate.”
- ❖ Each partner will support and participate in the selection and function of the Steering Committee overseeing the development of the update. Support includes allowing this body to make decisions regarding plan development and scope on behalf of the partnership.
- ❖ Each partner will provide support for the public involvement strategy developed by the Steering Committee in the form of mailing lists, possible meeting space, and media outreach such as newsletters, newspapers or direct-mailed brochures.
- ❖ Each partner will participate in plan update development activities such as:
 - Steering Committee meetings
 - Public meetings or open houses
 - Workshops and planning partner training sessions
 - Public review and comment periods prior to adoption.

Attendance will be tracked at such activities, and attendance records will be used to track and document participation for each planning partner. No minimum level of participation will be established, but each planning partner should attempt to attend all such activities.

- ❖ Each partner will be expected to perform a “consistency review” of all technical studies, plans, and ordinances specific to hazards identified within the planning area to determine the existence of plans, studies or ordinances not consistent with the equivalent documents reviewed in preparation of the County plan. For example: if a planning partner has a floodplain management plan that makes recommendations that are not consistent with any of the County’s basin plans, that plan will need to be reviewed for probable incorporation into the plan for the partner’s area.



- ❖ Each partner will be expected to review the risk assessment and identify hazards and vulnerabilities specific to its jurisdiction. Contract resources will provide jurisdiction-specific mapping and technical consultation to aid in this task, but the determination of risk and vulnerability will be up to each partner.
- ❖ Each partner will be expected to review the mitigation recommendations chosen for the overall county and determine if they will meet the needs of its jurisdiction. Projects within each jurisdiction consistent with the overall plan recommendations will need to be identified, prioritized and reviewed to determine their benefits and costs.
- ❖ Each partner will be required to create its own action plan that identifies each project, who will oversee the task, how it will be financed and when it is estimated to occur.
- ❖ Each partner will be required to formally adopt the plan.

It should be noted that by adopting this plan, each planning partner also agrees to the plan implementation and maintenance protocol established in Volume 1.

1.2.3 Linkage Procedures

Eligible local jurisdictions that did not participate in development of this hazard mitigation plan update may comply with DMA requirements by linking to this plan following the procedures outlined in Volume 2, Appendix D.

1.3 Annex Preparation Process

1.3.1 Templates

Templates were created to help the Planning Partners prepare their jurisdiction-specific annexes. Since special districts operate differently from incorporated municipalities, separate templates were created for the two types of jurisdictions. The templates were created so that all criteria of Section 201.6 of 44CFR would be met, based on the partners' capabilities and mode of operation. Each partner was asked to participate in a technical assistance workshop during which key elements of the template were completed by a designated point of contact for each partner and a member of the planning team. The templates were set up to lead each partner through a series of steps that would generate the DMA-required elements that are specific for each partner. The templates and their instructions can be found in Appendix E to this volume of the Hazard Mitigation Plan.

1.3.2 Workshop

A workshop was held on April 20th for Planning Partners to learn about the templates and the overall planning process. Topics included the following:

- ❖ DMA
- ❖ San Mateo County plan background
- ❖ The templates
- ❖ Risk ranking
- ❖ Developing your action plan
- ❖ Cost/benefit review



Separate sessions were held for special districts and municipalities, in order to better address each type of partner's needs. The sessions provided technical assistance and an overview of the template completion process. In the risk-ranking exercise, planning partners were provided an overview of the methodology associated with establishing jurisdiction-specific risk rankings based on the impact on its population or facilities. Cities based this ranking on probability of occurrence and the potential impact on people, property and the economy. Special districts based this ranking on probability of occurrence and the potential impact on their constituency, their vital facilities and the facilities' functionality after an event. The methodology followed that used for the county-wide risk ranking presented in Volume 1. A principal objective of this exercise was to familiarize the partnership with how to use the risk assessment as a tool to support other planning and hazard mitigation processes. Tools utilized during these sessions included the following:

- ❖ The San Mateo County risk assessment results
- ❖ Hazard mitigation catalogs
- ❖ Federal funding and technical assistance catalogs
- ❖ Hazard information for presidentially declared disasters for San Mateo County
- ❖ Aggregate county data for non-declared hazard events from the Spatial Hazard Events and Losses Database (SHELDUS)
- ❖ Copies of partners' prior annexes (Association of Bay Area Governments (ABAG), if applicable)

Seven participating jurisdictions elected to hold an individual jurisdictional workshop that focused on the above bullets with stakeholders from various departments:

- ❖ Unincorporated San Mateo County
- ❖ Colma
- ❖ East Palo Alto
- ❖ Redwood City
- ❖ San Carlos
- ❖ Colma Fire Protection District
- ❖ San Mateo County Community College
- ❖ Woodside Fire Protection District

These jurisdictions elected to hold individual workshops because they established jurisdictional subcommittees comprised of planners, building officials, public works personnel, public information officers, and other stakeholders to fulfill the planning partner expectations. Table 1-1 illustrates the additional effort undertaken by these jurisdictions in fulfilling the planning partner expectations beyond minimum requirements.

TABLE 1-1. JURISDICTION SUBCOMMITTEE MEETING DATES

| Jurisdiction | Jurisdictional Lead | Date | |
|---------------------------------|---------------------|------------------|--|
| Unincorporated San Mateo County | Roberto Bartoli | February 3, 2016 | <ul style="list-style-type: none"> ▪ Jurisdictional overview review ▪ Capability assessment review |
| | | March 2, 2016 | <ul style="list-style-type: none"> ▪ Overview of Public Involvement Strategy ▪ County SWOO |



TABLE 1-1. JURISDICTION SUBCOMMITTEE MEETING DATES

| Jurisdiction | Jurisdictional Lead | Date | |
|---|---------------------|-------------------|--|
| | | April 6, 2016 | ▪ Review of Risk Assessment and Plan Maintenance |
| | | May 3, 2016 | ▪ Discussion of Action Plan Development |
| | | June 8, 2016 | ▪ Review of Draft Annex ▪ Plan approval process discussion |
| Colma | Michael Laughlin | March 18, 2016 | ▪ Jurisdictional overview review ▪ Capability assessment review |
| | | April 26, 2016 | ▪ Workshop items |
| Redwood City | David Pucci | February 29, 2016 | ▪ Jurisdictional overview review |
| | | April 13, 2016 | ▪ Capability assessment review |
| | | May 18, 2016 | ▪ Workshop items |
| San Carlos | Tara Peterson | March 18, 2016 | ▪ Jurisdictional overview review ▪ Capability assessment review |
| | | May 2, 2016 | ▪ Workshop items |
| Colma Fire Protection District | Geoff Balton | May 2, 2016 | ▪ Site walkthrough ▪ Jurisdictional overview review ▪ Capability assessment review ▪ Workshop items |
| San Mateo County Community College District | Joseph Fullerton | May 3, 2016 | ▪ Jurisdictional overview review ▪ Capability assessment review ▪ Workshop items |
| Woodside Fire Protection District | Daniel Ghiorso | May 2, 2016 | ▪ Jurisdictional overview review ▪ Capability assessment review ▪ Workshop items |

1.3.3 Prioritization

44CFR requires actions identified in the action plan to be prioritized (Section 201.c.3.iii). The planning team and steering committee developed a methodology for prioritizing the action plans that meets the needs of the partnership and the requirements of 44CFR. The actions were prioritized according to the following criteria:

- ❖ **High Priority**—Project meets multiple plan objectives, benefits exceed cost, funding is secured under existing programs, or is grant eligible, and project can be completed in 1 to 5 years (i.e., short term project) once funded.
- ❖ **Medium Priority**—Project meets at least 1 plan objective, benefits exceed costs, requires special funding authorization under existing programs, grant eligibility is questionable, and project can be completed in 1 to 5 years once funded.
- ❖ **Low Priority**—Project will mitigate the risk of a hazard, benefits exceed costs, funding has not been secured, project is not grant eligible, and time line for completion is long term (5 to 10 years).



These priority definitions are dynamic and can change from one category to another based on changes to a parameter such as availability of funding. For example, a project might be assigned a medium priority because of the uncertainty of a funding source, but be changed to high once a funding source has been identified. The prioritization schedule for this plan will be reviewed and updated as needed annually through the plan maintenance strategy.

1.3.4 Benefit/Cost Review

44CFR requires the prioritization of the action plan to emphasize a benefit/cost analysis of the proposed actions. Because some actions may not be implemented for up to 10 years, benefit/cost analysis was qualitative and not of the detail required by FEMA for project grant eligibility under the Hazard Mitigation Grant Program (HMGP) and Pre-Disaster Mitigation (PDM) grant program. A review of the apparent benefits versus the apparent cost of each project was performed. Parameters were established for assigning subjective ratings (high, medium, and low) to costs and benefits as follows:

- ❖ Cost ratings:
 - **High**—Existing funding levels are not adequate to cover the costs of the proposed action; implementation would require an increase in revenue through an alternative source (for example, bonds, grants, and fee increases).
 - **Medium**—The action could be implemented with existing funding but would require a re-apportionment of the budget or a budget amendment, or the cost of the action would have to be spread over multiple years.
 - **Low**—The action could be funded under the existing budget. The action is part of or can be part of an existing, ongoing program.
- ❖ Benefit ratings:
 - **High**—The action will have an immediate impact on the reduction of risk exposure to life and property.
 - **Medium**—The action will have a long-term impact on the reduction of risk exposure to life and property or will provide an immediate reduction in the risk exposure to property.
 - **Low**—Long-term benefits of the action are difficult to quantify in the short term.

Using this approach, projects with positive benefit versus cost ratios (such as high over high, high over medium, medium over low, etc.) are considered cost-beneficial and are prioritized accordingly.

It should be noted that for many of the strategies identified in this action plan, funding might be sought under FEMA's HMGP or PDM programs. Both of these programs require detailed benefit/cost analysis as part of the application process. These analyses will be performed on projects at the time of application preparation. The FEMA benefit-cost model will be used to perform this review. For projects not seeking financial assistance from grant programs that require this sort of analysis, the Partners reserve the right to define "benefits" according to parameters that meet their needs and the goals and objectives of this plan.



1.4 Compatibility with Previous Regional Hazard Plan

The jurisdictions listed in Table 1-2 previously participated in the Association of Bay Area Governments (ABAG) regional hazard mitigation planning effort. The table lists the dates that each of these jurisdictions adopted its annex under the ABAG plan.

TABLE 1-2. ABAG PARTICIPANTS - 2010

| Jurisdiction | Jurisdiction Adoption Date (2010 ABAG) |
|---------------------|--|
| San Mateo County | March 19, 2012 |
| Atherton | August 17, 2011 |
| Brisbane | March 5, 2012 |
| Burlingame | August 15, 2011 |
| Daly City | March 12, 2011 |
| East Palo Alto | February 21, 2012 |
| Foster City* | November 21, 2011 |
| Half Moon Bay | July 19, 2011 |
| Hillsborough | July 11, 2011 |
| Menlo Park | October 18, 2011 |
| Millbrae | March 13, 2012 |
| Pacifica | March 12, 2012 |
| Portola Valley | May 11, 2011 |
| San Bruno | March 13, 2012 |
| San Mateo, City of* | November 21, 2011 |

*Did not participate in the 2016 San Mateo County Hazard Mitigation Plan.

The ABAG plan identified over 300 regional strategies in the following categories:

- ❖ Infrastructure
- ❖ Health
- ❖ Housing
- ❖ Economy
- ❖ Government
- ❖ Education
- ❖ Land Use

During the San Mateo County Hazard Mitigation Plan development process, the Steering Committee reviewed the ABAG strategies and concluded that the previous strategy did not adequately provide measurable actions for successful implementation. The Steering Committee reviewed the previous strategy to determine which are relevant to the intent and structure of the San Mateo County planning effort to be carried forwards into the 2016 plan. The results of this review are located in Volume 1, Appendix E. Each adopted ABAG strategy was identified with one of the following implementation status findings:

- ❖ ABAG strategy has been removed or is no longer feasible due to a lack of clarity, or non-mitigation related implementation of such action.
- ❖ ABAG strategy has been carried over to the current hazard mitigation plan as an alternative action identified in Volume I, Section 3, Chapter 2 (this applies to **bold** alternative actions).



- ❖ ABAG strategy is considered to be addressed by the goals and objectives of the current hazard mitigation plan.
- ❖ ABAG Strategy was eliminated due to duplication (this applies to all strategies that are not listed in the implementation status table of the current plan located in Volume 1, Appendix E).

1.4.1 The City of Redwood City 2010 Hazard Mitigation Plan

The City of Redwood City conducted a hazard mitigation planning process outside of the 2010 ABAG initiative. As such, their jurisdictional annex reflects the status of previous mitigation actions, including action status and carryover, where appropriate.

1.5 Final Coverage under this Plan

Of the 29 committed planning partners, all fully met the participation requirements specified by the Steering Committee. Overall, 28 partners attended the workshop or held their own jurisdictional workshop, 1 partner was individually counseled by members of the Planning Team and Steering Committee, and all subsequently submitted completed templates. Therefore, all participating jurisdictions are included in this volume and will seek DMA compliance under this plan. Each planning partner identified their mitigation strategy and general actions (G-#) were added to round out the action item plan. The remaining jurisdictions will need to follow the linkage procedures described in Appendix D of this volume. Table 1-3 lists the jurisdictions that submitted letters of intent and their ultimate status in this plan.

TABLE 1-3. JURISDICTIONAL PARTNER PARTICIPATION STATUS

| Jurisdiction | Letter of Intent Date | Attended Workshop? | Completed Template? | Will be covered by this plan? |
|---------------------------------|-----------------------|--------------------|---------------------|-------------------------------|
| Unincorporated San Mateo County | December 21, 2015 | Yes | Yes | Yes |
| Atherton | December 15, 2015 | Yes | Yes | Yes |
| Belmont | December 2, 2015 | Yes | Yes | Yes |
| Brisbane | November 5, 2015 | Yes | Yes | Yes |
| Burlingame | December 1, 2015 | Yes | Yes | Yes |
| Colma | November 20, 2015 | Yes ^a | Yes | Yes |
| Daly City | December 2, 2015 | Yes | Yes | Yes |
| East Palo Alto | November 18, 2015 | Yes | Yes | Yes |
| Half Moon Bay | December 1, 2015 | Yes | Yes | Yes |
| Hillsborough | November 3, 2015 | Yes | Yes | Yes |
| Menlo Park | December 9, 2015 | Yes | Yes | Yes |
| Millbrae | December 16, 2015 | Yes | Yes | Yes |
| Pacifica | November 5, 2015 | Yes | Yes | Yes |
| Portola Valley | November 25, 2015 | No ^b | Yes | Yes |
| Redwood City | December 7, 2015 | Yes ^a | Yes | Yes |
| San Bruno | December 1, 2015 | Yes | Yes | Yes |
| San Carlos | December 2, 2015 | Yes ^a | Yes | Yes |



TABLE 1-3. JURISDICTIONAL PARTNER PARTICIPATION STATUS

| Jurisdiction | Letter of Intent Date | Attended Workshop? | Completed Template? | Will be covered by this plan? |
|--------------------------------------|-----------------------|--------------------|---------------------|-------------------------------|
| South San Francisco | January 4, 2016 | Yes | Yes | Yes |
| Woodside | November 9, 2015 | Yes | Yes | Yes |
| Belmont Fire Protection District | November 18, 2015 | Yes | Yes | Yes |
| Colma Fire Protection District | December 7, 2015 | Yes ^a | Yes | Yes |
| Highlands Recreation District | December 8, 2015 | Yes | Yes | Yes |
| Jefferson Union High School District | November 20, 2015 | Yes | Yes | Yes |
| Pacifica School District | December 7, 2015 | Yes | Yes | Yes |
| San Mateo Community College District | January 13, 2016 | Yes ^a | Yes | Yes |
| Westborough Water District | November 30, 2015 | Yes | Yes | Yes |
| Woodside Fire Protection District | December 17, 2015 | Yes ^a | Yes | Yes |
| North Coast County Water District | December 1, 2015 | Yes | Yes | Yes |
| Mid-Peninsula Water District | December 4, 2015 | Yes | Yes | Yes |

^a Conducted jurisdiction-specific workshop

^b Counseled by members of the Steering Committee and Planning Team in lieu of workshop attendance

1.6 California Environmental Quality Act

The County and the unincorporated areas have sought exemption from CEQA for the Hazard Mitigation Plan based on four different sections of the CEQA Guidelines:

- ❖ **Section 15183(d):** “The project is consistent with...a general plan of a local agency, and an EIR was certified by the lead agency for the...general plan.”
- ❖ **Section 15262:** “A project involving only feasibility or planning studies for possible future actions which the agency, board or commission has not approved, adopted, or funded does not require the preparation of an EIR or negative declaration but does require consideration of environmental factors. This section does not apply to the adoption of a plan that will have a legally binding effect on later activities.”
- ❖ **Section 15306:** “(Categorical Exemption) Class 6 consists of basic data collection, research, experimental management, and resource evaluation activities which do not result in a serious or major disturbance to an environmental resource. These may be strictly for information gathering purposes, or as part of a study leading to an action which a public agency has not yet approved, adopted or funded.”
- ❖ **Section 15601(b)(3):** “...CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be seen with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.”

Planning partners may seek exemption at their discretion.



Chapter 4.

Mid-Peninsula Water District

4.1 Hazard Mitigation Plan Point of Contact

Primary Point of Contact

Mr. Rick Bisio – Water Quality and Safety
3 Dairy Lane
Belmont, CA 94002
Telephone: 650-591-8941
e-mail Address: rickb@midpeninsulawater.org

Alternate Point of Contact

Mr. Rene Ramirez – Operations Manager
3 Dairy Lane
Belmont, CA 94002
Telephone: 650-591-8941
e-mail Address: rramirez@midpeninsulawater.org

4.2 Jurisdiction Profile

4.2.1 Overview

The Mid-Peninsula Water District is a special purpose district created in 1929 to provide potable water service to the City of Belmont receiving the water pre-treated from San Francisco Public Utilities Commission. The District's designated service area expanded throughout the years to include a small area of the City of San Carlos, City of Redwood City and the City of San Mateo. A five-member elected Board of Directors governs the District and the Board assumes responsibility for the adaption of this plan; the General Manager will oversee its implementation. Funding comes primarily through rates.

4.2.2 Service Area and Trends

As of December 15, 2015, the District serves 8,300 water connections with a staff of 18. The District services an area of approximately 4.63 square miles with a population of 26,748 (2015 Department of Finance estimate, City of Belmont).

The majority of Mid-Peninsula Water District service area is currently built out including the preservation of open space, any undeveloped land available for development is limited. Most development over the next 20 years will most likely occur on currently vacant sites or come from expanded development of sites with existing structures both residential and commercial as reviewed by the City of Belmont.

4.3 Special Purpose District Critical Facilities

Table 4-1 summarizes the critical facilities of the district on pages 1-2 through 1-4.



TABLE 4-1.

| Asset | Value |
|---|-----------------------|
| Property | |
| 11.5 Acres | \$5,750,000 |
| Total: | |
| Critical Infrastructure and Equipment | |
| Buckland Tank Site (.1MG, .1MG) | \$3,000,000 |
| Dekoven Tank Site (.72MG, 1.0MG) | \$3,500,000 |
| Exbourne Tank Site (1.0MG, 1.5MG) | \$2,650,000 |
| Hallmark Tank Site (2.5MG, 2.5MG) | \$4,400,000 |
| Hersom Tank (1.5MG) | \$1,600,000 |
| West Belmont Tank Site (.79MG, .79MG) | \$1,950,000 |
| Buckland Hydro- pneumatic Tank | \$35,000 |
| Dekoven Hydro- pneumatic Tank | \$40,000 |
| Total length of pipe 105 Miles (\$1.32 million per mile X 105 miles) | \$198,000,000 |
| Buckland Pump Station | \$91,000 |
| Dekoven Pump Station | \$94,500 |
| Exbourne pump Station | \$109,600 |
| Hallmark Pump Station | \$91,000 |
| Hannibal Pump Station | \$139,700 |
| Hersom Pump Station | \$139,700 |
| West Belmont Pump Station | \$109,700 |
| Tunnels Pump Station | \$1,100,000 |
| 7 Intertie Stations | \$75,000 |
| 12 Pressure Regulator Stations | \$250,000 |
| Emergency Generators | \$868,000 |
| Fuel Dispensing Tank | \$9,800 |
| Shop Equipment, SCADA and Tools | \$815,100 |
| Office, Computers, Furniture, and Equipment | \$200,000.00 |
| Total: | \$ 219,268,100 |
| Critical Facilities | |
| Dairy Lane Admin and Corp Yard Building | \$2,750,000 |
| Folger Drive Admin and Corp Yard Buildings | \$1,800,000 |
| Buckland Pump Station Building | \$ 88,000 |
| Dekoven Pump Station Building | \$ 149,200 |
| Exbourne Pump Station Building | \$ 140,000 |
| Hallmark Pump Station Building | \$ 139,000 |
| Hallmark Storage Building | \$ 36,000 |
| Hannibal Pump Station Vault | \$ 775,000 |
| West Belmont Pump Station Building | \$155,300 |
| West Belmont Tank Site Storage Building | \$ 49,100 |



| Asset | Value |
|---------------|----------------------|
| Total: | \$ 60,081,600 |

4.4 Planning and regulatory Capabilities

The following existing codes, ordinances, policies or plans are applicable to this hazard mitigation plan:

- ❖ Urban Water Management Plan, 2010 – This plan focuses on the Mid-Peninsula Water District’s ability to meet water demand in a reliable and high quality manner, based on past and current water use. Part of the plan considers water shortage contingencies and water supply emergency response.

4.5 Fiscal, ADMINISTRATIVE and TECHNICAL Capabilities

An assessment of fiscal capabilities is presented in Table 4.2. An assessment of administrative and technical capabilities is presented in Table 4.3.

TABLE 4.2. FISCAL CAPABILITY

| Financial Resources | Accessible or Eligible to Use? |
|--|--------------------------------|
| Capital Improvements Project Funding | Yes |
| Authority to Levy Taxes for Specific Purposes | Yes |
| User Fees for Water, Sewer, Gas or Electric Service | Yes – Water Only |
| Incur Debt through General Obligation Bonds | Yes |
| Incur Debt through Special Tax Bonds | Yes |
| Incur Debt through Private Activity Bonds | No |
| State-Sponsored Grant Programs | Yes |
| Development Impact Fees for Homebuyers or Developers | Yes |
| Other | N/A |

TABLE 4.3. ADMINISTRATIVE AND TECHNICAL CAPABILITY

| Staff/Personnel Resources | Available? | Department/Agency/Position |
|---|------------|---|
| Planners or engineers with knowledge of land development and land management practices | Yes | MPWD General Manager, Tammy Rudock and MPWD Operations Manager, Rene Ramirez and Pakpour Consulting Group, Inc. 5776 Stoneridge Mall Road, Suite 320 Pleasanton, CA 94588 |
| Engineers or professionals trained in building or infrastructure construction practices | Yes | MPWD Operations Manager, Rene Ramirez and Pakpour Consulting Group, Inc. 5776 Stoneridge Mall Road, Suite 320 Pleasanton, CA 94588 |



| Staff/Personnel Resources | Available? | Department/Agency/Position |
|--|------------|--|
| Planners or engineers with an understanding of natural hazards | Yes | Pakpour Consulting Group, Inc. 5776 Stoneridge Mall Road, Suite 320 Pleasanton, CA 94588 |
| Staff with training in benefit/cost analysis | Yes | MPWD General Manager, Tammy Rudock and MPWD Operations Manager, Rene Ramirez and Pakpour Consulting Group, Inc. 5776 Stoneridge Mall Road, Suite 320 Pleasanton, CA 94588 |
| Surveyors | No | |
| Personnel skilled or trained in GIS applications | Yes | MPWD Field Operations Supervisor, Brent Chester and Pakpour Consulting Group, Inc. 5776 Stoneridge Mall Road, Suite 320 Pleasanton, CA 94588 |
| Scientist familiar with natural hazards in local area | No | |
| Emergency manager | Yes | MPWD Lead Operator, Rick Bisio and MPWD Operations Manager, Rene Ramirez |
| Grant writers | Yes/No | MPWD General Manager, Tammy Rudock |
| Other | N/A | |

4.6 Education and Outreach Capabilities

An assessment of education and outreach capabilities is presented in Table 4..

TABLE 4.4. EDUCATION AND OUTREACH

| Criteria | Response |
|---|--|
| Do you have a Public Information Officer or Communications Office? | Yes/ MPWD General Manager, Tammy Rudock or MPWD Operations Manager, Rene Ramirez |
| Do you have personnel skilled or trained in website development? | Yes |
| Do you have hazard mitigation information available on your website? | Yes |
| If yes, please briefly describe. | Water Conservation Measures |
| Do you utilize social media for hazard mitigation education and outreach? | No |
| Do you have any citizen boards or commissions that address issues related to hazard mitigation? | No |
| Do you have any other programs already in place that could be used to communicate hazard-related information? | Yes |
| • If yes, please briefly describe. | Community Outreach Programs (Field Trips, Poster Contests, etc.). |
| Do you have any established warning systems for hazard events? | Yes |



| Criteria | Response |
|------------------------------------|--|
| • If yes, please briefly describe. | Emergency Response Plan – Spill Prevention |

4.7 Integration with Other Planning Initiatives

The following describe the jurisdiction's process for integrating the hazard mitigation plan into existing plans and programs.

4.7.1 Existing Integration

The following plans and programs currently integrate the goals, risk assessment and/or recommendations of the hazard mitigation plan:

- ❖ **Emergency Response Plan, Vulnerability Assessment** – The information from the Vulnerability Assessment on the Mid-Peninsula Water District Facilities has been integrated into the Emergency Response Plan as applicable to address vulnerable areas.
- ❖ **Urban Water Management Plan** – Information in the plan already includes emergency response plans and conservation measures for dealing with water shortages, which are linked as secondary hazard events to many disasters.

4.7.2 Opportunities for Future Integration

The following plans and programs do not currently integrate the goals, risk assessment and/or recommendations of the hazard mitigation plan, but provide an opportunity for future integration:

- ❖ **Public Outreach** – The Mid-Peninsula Water District recognizes that there are currently public information opportunities available to facilitate public engagement regarding hazard mitigation. The District will look into developing a more robust and targeted program that involves using current capabilities to expand and enhance outreach to local customers.

4.8 Jurisdiction-Specific Natural Hazard Event History

Table 4-5 lists all past occurrences of natural hazards within the jurisdiction of Mid-Peninsula Water District.

TABLE 4-5. NATURAL HAZARD EVENTS

| Type of Event | FEMA Disaster # (if applicable) | Date | Preliminary Damage Assessment |
|---------------|---------------------------------|------------|---|
| Earthquake | N/A | Current | Site Assessments |
| Freezing | DR-894 | 2/11/1991 | Frozen service lines, damaged pump facility, site assessments |
| Earthquake | DR-845 | 10/18/1989 | Leak in Tank, Site Assessments |

4.9 Jurisdiction-Specific Vulnerabilities

Noted vulnerabilities the jurisdiction include:



- ❖ Critical facilities such as water infrastructure that includes but is not limited to reservoirs (tanks), pump stations, regulator stations, interties, backup diesel generators and communication towers (repeaters) are vulnerable to the effects of earthquakes
- ❖ Other Critical facilities are buildings owned by MPWD, these are vulnerable to damage by earthquakes, flooding/liquefaction in the lower part of MPWD Zone 1 service area.
- ❖ Liquefaction caused by earthquakes creating leaks and damage to water facilities
- ❖ Flooding that will effect buildings and infrastructure in the Zone 1 area located close to the bay or flooding due to a ruptured tank in the event of an earthquake.
- ❖ Severe Weather due to climate change freeze conditions or drought situations
- ❖ Wildfire, supply or lack of water for firefighting purposes
- ❖ Landslides, potential for property damage and damage to infrastructure

4.10 Hazard Risk Ranking

Table 4-6 presents the ranking of the hazards of concern.

TABLE 4-6. HAZARD RISK RANKING

| Rank | Hazard Type | Risk Rating Score (Probability x Impact) | Category |
|------|----------------|--|----------|
| 1 | Earthquake | 54 | High |
| 2 | Severe Weather | 54 | High |
| 3 | Wildfire | 54 | High |
| 4 | Landslide | 45 | Medium |
| 5 | Flood | 30 | Medium |
| 6 | Drought | 30 | Med |
| 7 | Dam Failure | 0 | Low |

4.11 Hazard Mitigation Action Plan and Evaluation of Recommended Actions

Table 4-7 lists the actions that make up the Mid-Peninsula Water Districts hazard mitigation action plan. Table 4-8 identifies the priority for each action. Table 4-9 summarizes the mitigation actions by hazard of concern and the six mitigation types.

TABLE 4-7. HAZARD MITIGATION ACTION PLAN MATRIX

| Applies to new or existing assets | Hazards Mitigated | Objectives Met | Lead Agency | Estimated Cost | Sources of Funding | Timeline |
|--|-------------------|----------------|-------------|----------------|---------------------------|---------------------|
| MPWD 1 – Vulnerability of critical facilities and infrastructure, assess and address (replacement schedule) through the Capital Improvement Plan. Promote planning and implementation of work coordinating with other agencies. | | | | | | |
| Existing | Earthquakes | 1,2,4,7, 8,11 | MPWD, COB | High | HMGP, Staff, General Fund | Short and Long Term |



| Applies to new or existing assets | Hazards Mitigated | Objectives Met | Lead Agency | Estimated Cost | Sources of Funding | Timeline |
|---|----------------------------|----------------|-------------------------------------|----------------|---------------------------|----------------------|
| MPWD 2 – Seismic retro fit or replace water tanks (reservoirs) to withstand impacts of earthquakes and to meet State and/or Federal requirements. | | | | | | |
| Existing | Earthquakes | 1,2,4,7,11 | MPWD | High | HMGP, Staff, General Fund | Long Term |
| MPWD 3 – Work together with local fire authorities to assess available water and infrastructure for wildfire areas. | | | | | | |
| Existing | Wildfire | 1,2,4,7 | MPWD, BFD, RCFD | High | HMGP, Staff, General Fund | Long Term |
| MPWD 4 – Research, review and implement measures to strengthen water infrastructure in areas prone to flooding and liquefaction, work with other agencies and utility providers. | | | | | | |
| Existing | Flooding | 1,2,4,7,8 | MPWD | High | HMGP, Staff, General Fund | Long Term |
| MPWD 5 – Continue with Water Conservation Program to promote water saving measures and re-use of water during times of drought and from the effects of global warming | | | | | | |
| Existing | Drought/Severe Weather | 1,2,3,5 | MPWD | Low | Staff, General Fund | Short Term |
| MPWD 6 – Reinforce and retain slopes on MPWD property to reduce the impact to buildings and critical facilities that could result in loss of water service. | | | | | | |
| Existing | Landslides | 1,2,4,7, | MPWD | Med | Staff, General Fund | Short |
| MPWD 7 – Rebuild interties and replace outdated flow meters to improve emergency water supply to neighboring water agencies and support Continuity of Operations Plan | | | | | | |
| Existing | Earthquake, Severe Weather | 1,2,4,6,7,8 | MPWD, Cal Water, Redwood City Water | High | HMGP, Staff, General Fund | Long |
| Action G-1— Support the County-wide initiatives identified in Volume I of the hazard mitigation plan. | | | | | | |
| New and existing | All | All | Jurisdictions | Low | General Fund | Short- and long-term |
| Action G-2— Actively participate in the plan maintenance protocols outlined in Volume I of the hazard mitigation plan. | | | | | | |
| New and Existing | All | 1, 4 | Jurisdictions | Low | Staff Time, General Funds | Short-term |

TABLE 4-8. MITIGATION STRATEGY PRIORITY SCHEDULE

| Action # | # of Objectives Met | Benefits | Costs | Do Benefits Equal or Exceed Costs? | Is Project Grant-Eligible? | Can Project Be Funded Under Existing Programs/Budgets? | Implementation Priority ^a | Grant Priority ^a |
|----------|---------------------|----------|-------|------------------------------------|----------------------------|--|--------------------------------------|-----------------------------|
| MPWD 1 | 6 | High | High | Yes | Yes | No | Medium | High |
| MPWD 2 | 5 | Med | High | Yes | Yes | Maybe | High | High |



| Action # | # of Objectives Met | Benefits | Costs | Do Benefits Equal or Exceed Costs? | Is Project Grant-Eligible? | Can Project Be Funded Under Existing Programs/Budgets? | Implementation Priority ^a | Grant Priority ^a |
|----------|---------------------|----------|-------|------------------------------------|----------------------------|--|--------------------------------------|-----------------------------|
| MPWD 3 | 4 | Med | High | Yes | Yes | No | Med | High |
| MPWD 4 | 4 | High | Low | Yes | No? | Yes | Med | Med |
| MPWD 5 | 4 | Med | Med | Yes | No? | No | Med | Med |
| MPWD 6 | 6 | Med | Med | Yes | Yes | No | Med | Med |
| MPWD - 7 | 6 | High | High | Yes | Yes | No | Med | Med |
| G-1 | 11 | Low | Low | Yes | No | Yes | High | Low |
| G-2 | 2 | Low | Low | Yes | No | Yes | High | Low |

a. See the introduction to this volume for explanation of priorities.

TABLE 4-9. ANALYSIS OF MITIGATION ACTIONS

| Hazard Type | Action Addressing Hazard, by Mitigation Type ^a | | | | | |
|----------------|---|------------------------|-----------------------------------|--------------------------------|-----------------------|------------------------|
| | 1. Prevention | 2. Property Protection | 3. Public Education and Awareness | 4. Natural Resource Protection | 5. Emergency Services | 6. Structural Projects |
| Earthquake | MPWD – 1, 2 | MPWD - 2 | | | MPWD – 3, 7 | MPWD -1,2 |
| Wildfire | MPWD – 1,7 | MPWD – 3, 7 | | MPWD – 3, 7 | MPWD – 3, 7 | |
| Flooding | MPWD - 4 | MPWD - 4 | | | | |
| Severe Weather | MPWD - 5 | MPWD - 5 | MPWD - 5 | | MPWD - 7 | |
| Drought | MPWD - 5 | | MPWD - 5 | MPWD - 5 | | |
| Landslides | MPWD - 6 | MPWD - 6 | | | | MPWD - 6 |

a. See the introduction to this volume for explanation of mitigation types.

4.12 Future Needs to Better Understand Risk/Vulnerability

The potential for funding to help pay for risk and vulnerability assessments.



AGENDA ITEM NO. 7.F.

DATE: September 22, 2016
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: RECEIVE PRESENTATION AND REVIEW OF NEW MPWD PERSONNEL MANUAL, AND:
1. CONSIDER RESOLUTION 2016-18 ADOPTING MPWD POLICY AGAINST UNLAWFUL HARASSMENT, DISCRIMINATION AND RETALIATION; AND
2. CONSIDER RESOLUTION 2016-19 APPROVING AND ADOPTING THE NEW MPWD PERSONNEL MANUAL, EFFECTIVE SEPTEMBER 23, 2016

RECOMMENDATION

Receive presentation and review of new MPWD Personnel Manual, and:

1. Consider Resolution 2016-18 adopting MPWD Policy against Unlawful Harassment, Discrimination and Retaliation; and
2. Consider Resolution 2016-19 approving and adopting the new MPWD Personnel Manual, effective September 23, 2016.

FISCAL IMPACT

Approximately \$4,000 for District Counsel legal review and consultation, and \$1,000 for graphic design and typesetting by John Davidson. Total: \$5,000.

DISCUSSION

The new MPWD Personnel Manual is attached for review and consideration. This project started approximately 18 months ago and was originally targeted for completion in early 2016. It was a collaboration of various local agency personnel manuals, employee handbooks, and employee bargaining agreements. Formal reviews were coordinated with District Counsel, ACWA/JPIA, MPWD management, and the MPWD Employees Association ("MPWDEA").

The MPWD's letter agreement with the MPWDEA dated October 23, 2014, was also considered during the development of the manual. Negotiated healthcare benefits for active employees and retirees, including the Health Savings Account (HSA) benefits, were incorporated into the new manual.

Current MPWD practices were documented and provisions added as necessary.

District Counsel revised the MPWD's Policy against Unlawful Harassment, Discrimination and Retaliation and it was attached as Exhibit A to the manual.

Staff met with the Board's ad hoc committee (Directors Linvill and Warden) twice and reviewed draft manuals. Their input was much valued and their suggestions were included in the manual. For example, the Exhibit B Acknowledgements of Receipt of Personnel Manual and At-Will Employment were revised as a result of the committee's recommendation.

As mentioned above, the MPWD met and conferred, and ultimately negotiated, with its MPWDEA this year over the course of five (5) months—from April through August. There were a few provisions that required bargaining. I included the MPWDEA's request for a permanent change in operational work hours—from 8:00AM to 4:30PM to 7:00AM to 3:30PM. Ultimately, however, only a couple of provisions were agreed upon. The MPWD operational work hours will remain at 8:00AM to 4:30PM.

NEW PERSONNEL MANUAL HIGHLIGHTS

1. It contains eleven (11) policy sections and two (2) exhibits, including the anti-harassment policy and employee/employer acknowledgements.
2. The Table of Contents contains the following:
 - Section 1: Purpose
 - Section 2: Employment
 - Section 3: Hours of Work and Attendance
 - Section 4: Payroll Administration
 - Section 5: Overtime Work and Compensation
 - Section 6: Employee Benefits
 - Section 7: MPWD Leave Policy
 - Section 8: Employee Relations
 - Section 9: Employee Expense Reimbursement Guidelines
 - Section 10: Leaving the MPWD
 - Section 11: Amendments
 - Exhibit A: Policy Against Unlawful Harassment, Discrimination and Retaliation
 - Exhibit B-1: Acknowledgement of Receipt of Personnel Manual and At-Will Employment (*Employee Copy*)
 - Exhibit B-2: Acknowledgement of Receipt of Personnel Manual and At-Will Employment (*Employer Copy*)
3. Section 1, page 5: The history of the MPWD Personnel Manual is listed. The attached manual is new but contains many provisions from the existing MPWD Personnel Manual that were sustainable and continued to be applicable.
4. Section 3, page 9: Rest and break times were defined.
5. Section 4, page 11: Added a provision requiring direct deposit of an employee's paycheck.

6. Section 5, pages 12-13: Section 5.01(C) was revised regarding after-hours work being allowed to count toward an employee's regular work day with management's approval.

Section 5.02 regarding Call Back was revised and negotiated regarding when call back time starts/ends.

Section 5.03 was updated to reflect current practices and to include minimum qualifications for on call personnel.

7. Section 6.01, pages 16-23: Healthcare benefits, including medical, HSA, dental, vision, life insurance, disability insurance, EAP (Employee Assistance Program), and retiree healthcare were revised to match the negotiated MPWDEA letter agreement and ACWA/JPIA benefits structure.
8. Section 6.05, page 25: A provision for a Return-to-Work Program was added to match current practice in order to minimize serious disability as the result of an injured employee and reduce worker's compensation costs.
9. Section 6.06, pages 25-27: Added the second retirement tier as modified by the 2013 California PEPRA (Public Employee Pension Reform Act). MPWD's first tier—2% @ 55—is applicable to employees hired on or before December 31, 2012, or transferred or reinstated classic members of CalPERS. The added second tier—2% @ 62—is applicable to employees hired January 1, 2013, and forward that are new to CalPERS.

The Credit for Unused Sick Leave provision was included from the MPWD's CalPERS contract, which permits an employee to convert unused sick leave accumulated at the time of retirement to credited service at a rate of 0.004 years of service for each day of sick leave. This is not an additional cost to the MPWD. It is actually paid for in the CalPERS premium.

10. Section 6.08, page 28: Negotiated the list of approved professional certifications and monthly stipends.
11. Section 7.01, page 31: Established the Veteran's Day holiday on November 11th rather than the Monday of that week.
12. Section 7.02, page 32: Changed Administrative Leave to PTO (Paid Time Off) for employees.
13. Section 7.04, pages 32-33: Created a table for annual vacation hours earned to make it more user-friendly.

A provision was added that employees MUST not only take at least 40 hours of vacation each year but also at least three (3) consecutive days.

A provision was added allowing employees to cash out up to eighty (80) hours of accrued vacation leave benefits. This could reduce the MPWD's liabilities.

14. Section 7.05, page 33-34: Revised provision for Payment for Unused Sick Leave up to a maximum of 240 hours only for employees that separate from MPWD employment as a result of retirement, disability, or death. Added that an employee that leaves the MPWD employment as a result of resignation or termination will not receive any payment for unused sick leave benefits. Also added that sick leave credits cannot be used to extend the effective date of separation from MPWD employment. Finally, the CalPERS Credit for Unused Sick Leave is included in this section as well.
15. Section 7.06, page 35: Included step-relations for Death in the Immediate Family and Bereavement Leave.
16. The following leave sections were added to or greatly revised in the policy manual (pages 35-40):
- Jury and Witness Duty
 - Pregnancy Disability Leave
 - Non-Industrial Illness or Injury Leave of Absence
 - Personal Leave of Absence without Pay
 - Military Leave of Absence
 - Military Spouse Leave
 - Time Off to Vote
 - Leave Related to Domestic Violence or Sexual Assault
 - Crime Victims' Leave
 - Organ or Bone Marrow Leave
 - School Activity Leave
17. Section 8.02, pages 42-43: The Standards of Conduct were revised and many new standards were added.
18. Section 8.04, page 44: The Employee Complaint Procedure was updated.
19. Section 8.07, page 46: A provision for Reasonable Accommodation was added.
20. Section 8.09, page 47: A Security provision was added.
21. Section 8.10, pages 47-48: Workplace Violence was addressed.
22. Section 8.11, page 48: Prohibitions on smoking and tobacco products were updated.
23. Section 8.15, page 49: An Anti-Fraud/Ethics Policy was added.
24. Section 8.16, page 49: A Media Contact provision was added.
25. Section 8.20, pages 51-52: Provisions for personal appearance, uniforms, and boot allowances were included.

26. Section 8.22, pages 52-53: A new policy covering Electronic Communications was included.
27. Sections 8.23 and 8.24, pages 53-55: Provisions for Operation of Vehicles and Driving on the Job were updated.
28. Section 8.25, pages 55-56: A provision for Mobile Devices and Cellular Telephone Safety was added.
29. Section 9 – Employee Expense Reimbursement Guidelines, was added. These are in line with established MPWD financial internal controls and similar to the guidelines established for the MPWD Board of Directors.
30. Section 10 – Leaving the MPWD, was added.
31. Exhibit A – Policy against Unlawful Harassment, Discrimination and Retaliation was revised by District Counsel (as earlier reported).
32. Exhibits B-1 and B-2 are the manual acknowledgement forms to be signed by employees, one for their records and the other for the MPWD. The Acknowledgement form is used by ACWA/JPIA and was approved by District Counsel.

Attachments: Resolution 2016-18
Resolution 2016-19
New MPWD Personnel Manual, effective September 23, 2016
Exhibit A – MPWD Policy against Unlawful Harassment, Discrimination and Retaliation

BOARD ACTION: APPROVED:____ DENIED:____ POSTPONED:____ STAFF DIRECTION:____
UNANIMOUS____ ZUCCA____ WARDEN____ STUEBING____ VELLA____ LINVILL____

RESOLUTION NO. 2016-18

**ADOPTING THE MID-PENINSULA WATER DISTRICT
POLICY AGAINST UNLAWFUL
HARASSMENT, DISCRIMINATION AND RETALIATION**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Board of Directors of the Mid-Peninsula Water District (MPWD) has adopted a Personnel Manual that was most recently revised on October 22, 2009, which stated the terms and conditions of employment with the District, including a policy prohibiting discrimination and harassment in Section I.E. "Discrimination and Harassment Prohibited;" and

WHEREAS, the General Manager, in consultation with District Counsel, carefully examined the 2009 policy prohibiting discrimination and harassment and determined it would be more practical to rewrite it to reflect current law and include it as an exhibit to the new Personnel Manual; and

WHEREAS, the new MPWD Policy Against Unlawful Harassment, Discrimination and Retaliation was developed by District Counsel and reviewed by ACWA/JPIA, the MPWD's liability and workers' compensation insurance carrier; and

WHEREAS, the General Manager met and conferred with the MPWD Employees Association and discussed all terms of the new Personnel Manual, including the MPWD Policy Against Unlawful Harassment, Discrimination and Retaliation; and

WHEREAS, the General Manager presented the new Personnel Manual, including the MPWD Policy Against Unlawful Harassment, Discrimination and Retaliation, attached as Exhibit A to the Personnel Manual, to the Board of Directors at

its September 22, 2016 regular meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that the MPWD Policy Against Unlawful Harassment, Discrimination and Retaliation presented to the Board on September 22, 2016, is hereby adopted and is effective immediately.

Regularly passed and adopted this 22nd day of September 2016 by the following vote:

AYES:

NOES:

ABSENT:

PRESIDENT

ATTEST:

SECRETARY

RESOLUTION NO. 2016-19

**APPROVING AND ADOPTING THE NEW PERSONNEL MANUAL
FOR THE MID-PENINSULA WATER DISTRICT,
EFFECTIVE SEPTEMBER 23, 2016**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Board of Directors of the Mid-Peninsula Water District (MPWD) has adopted a Personnel Manual that was most recently revised on October 22, 2009, which stated the terms and conditions of employment with the District; and

WHEREAS, the General Manager, in consultation with District Counsel, carefully examined the 2009 Personnel Manual and determined it would be more practical to rewrite the manual in its entirety rather than correct references and in order to accurately reflect current personnel policies and practices that were not included in the 2009 Personnel Manual; and

WHEREAS, the General Manager further consulted with ACWA/JPIA, the MPWD's liability and worker's compensation insurance carrier, in order to include relevant policies and standards; and

WHEREAS, the General Manager met and conferred with the MPWD Employees Association and discussed all terms of the new Personnel Manual, and bargained in good faith those provisions that required management to do so; and

WHEREAS, the General Manager conferred with the Board's ad hoc committee twice between April 2016 and August 2016 to collaborate further on the personnel policies included in the Personnel Manual; and

WHEREAS, the General Manager presented the new Personnel Manual to the Board of Directors at its September 22, 2016 regular meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that the new Personnel Manual developed by the General Manager in collaboration with the District Counsel, ACWA/JPIA, and the MPWD Employees Association, and presented to the Board on September 22, 2016, is hereby approved and adopted and is effective September 23, 2016.

Regularly passed and adopted this 22nd day of September 2016 by the following vote:

AYES:

NOES:

ABSENT:

PRESIDENT

ATTEST:

SECRETARY



MID-PENINSULA
WATER DISTRICT

Personnel Manual

SEPTEMBER 23, 2016

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SECTION 1 PURPOSE

The Mid-Peninsula Water District (“MPWD”) is governed by the provisions of the California Water Code (“Water Code”) Section 30000 *et seq.* (and following) sections. Under the Water Code, the MPWD General Manager has authority to employ and discharge an employee at any time, with or without cause.

The language used in this *Personnel Manual* is not intended, nor is it to be construed, to constitute a contract between the MPWD and any employee or the public. The MPWD may add, modify, or delete any provision contained in this manual, including those concerning employee benefits, at any time with or without notice.

This manual replaces and supersedes all personnel manuals, revisions, and amendments previously adopted by the MPWD.

MPWD Personnel Manual History:

- New manual adopted September 22, 2016 (Resolution 2016-18)
- Revision adopted October 22, 2009 (Resolution 2009-09)
- Revision adopted June 26, 2008 (Minute Order)
- Revision adopted May 23, 2002 (Resolution 2002-11)
- Revision adopted April 25, 1996 (Minute Order)

SECTION 2 EMPLOYMENT

2.01 Employment Policy

All employment with the MPWD is “at-will” and may be terminated by the employee or the MPWD at any time, with or without notice, and with or without cause.

The General Manager has the authority to establish and change the compensation of employees, subject to the approval by the Board of Directors (“Board”), within the salary and wage structure adopted by the Board, and subject, where appropriate, to an obligation to meet and confer with an employee representative recognized by the MPWD.

In accordance with Federal and State Immigration and Naturalization laws, all employees must provide the necessary documentation to prove identity and the right to work in the United States. Failure to provide such documentation will result in disqualification from position and/or grounds for immediate termination.

2.02 Open Door Policy

Any employee may meet with the General Manager or the employee’s supervisor on an open-door basis to discuss concerns, complaints, or comments about their terms and conditions of employment or any workplace issues.

2.03 Equal Opportunity Employer

The MPWD is an equal opportunity employer and will not discriminate against employee or applicant for employment in an unlawful manner. The MPWD does not unlawfully discriminate on the basis of race, color, religion (including religious dress and grooming), sex (including pregnancy, perceived pregnancy, childbirth, breastfeeding, or related medical conditions), gender, gender expression, gender identity, national origin, ancestry, citizenship, age, marital status, domestic partner status, sexual orientation, physical or mental disability, legally protected medical condition or information, genetic information, family care status, military or veteran status, military caregiver status, or any other basis protected by local, state, or federal laws. When necessary, the MPWD will make reasonable accommodations for disabled employees and for pregnant employees that request an accommodation for related medical conditions.

The MPWD prohibits sexual harassment and the harassment of any individual on any basis. For information about the types of conduct that constitute impermissible harassment and the MPWD’s internal procedures for addressing complaints of harassment, reference the MPWD’s Policy against Harassment.

This policy applies to all areas of employment, including recruitment, hiring, training, promotion, compensation, benefits, transfer, disciplinary action, and social and recreational programs. It is the responsibility of every manager and employee to conscientiously

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follow this policy. Any employee having any questions regarding this policy should discuss with the General Manager. The MPWD will not allow any form of retaliation against employees who raise issues of equal employment opportunity in good faith. Violation of this policy may result in disciplinary action, up to and including discharge.

2.04 New Employee Orientation

New employees will be provided a formal orientation that will include: an initial meeting with co-workers; a tour of MPWD facilities; a meeting with the Administrative Services Manager and/or General Manager to review benefits, office procedures and MPWD *Personnel Manual*; training as needed for employee's position; and a meeting with the General Manager, Administrative Services Manager, and Operations Manager to learn about their specific responsibilities.

2.05 Categories of Employment

A. General: The MPWD has two categories of regular employment:

1. Regular full-time employees are those who regularly work 30 or more hours per week.
2. Regular part-time employees are those who regularly work less than 30 hours per week.

B. Employee Classification. All regular employees are classified as either "exempt" or "non-exempt." Exempt employees are exempt from earning overtime compensation under federal and state wage and hour laws. These include individuals employed in an executive, administrative, or professional capacity as defined by applicable wage and hour laws. "Non-exempt" employees are eligible to be paid for overtime pay under the specific provisions of federal and state laws.

C. Initial Introductory Period. All non-exempt regular employees serve an initial introductory period of six months. The introductory period shall be utilized for evaluation of the employee's performance. The employment relationship remains "at-will" during the entirety of the introductory period. The MPWD or the employee may terminate the employment relationship at any time, with or without notice, and with or without cause during the introductory period. At the end of the introductory period, the employee may be offered further employment at the MPWD's discretion. Completion of the introductory period shall not alter the "at-will" status of the employment relationship. In certain circumstances, with the approval of the General Manager, the six-month introductory period may be extended.

D. Promotional Introductory Period. A regular employee that is promoted shall serve a promotional introductory period of at least six months in the position they have been promoted to, commencing from the promotion date. The employee remains

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an “at-will” employee during the promotional introductory period, and the MPWD or the employee may terminate the employment relationship at any time, with or without notice, and with or without cause. Completion of the promotional introductory period shall not alter the “at-will” status of employment.

- E. No Reinstatement.** An employee that fails to fulfill their duties in the new position they are promoted to is not entitled to be reinstated to their former position. In the sole discretion of the General Manager, such employee may be reinstated or reassigned to another position. The employee does not have the right to appeal this decision.
- F. Temporary Staff.** The General Manager may, when MPWD operations require, hire employees on a temporary basis. Temporary employees are “at-will” and the MPWD or the employee may terminate the employment relationship at any time, with or without notice, and with or without cause.

2.06 Appointment to Positions

Appointments to positions shall be made by the General Manager. When filling vacancies, current employees will be given first consideration. While seniority of service is a consideration for filling vacant positions, it is not determinative, and the General Manager may choose the candidate they believe to be the most qualified for the job. An employee appointed to a particular position may be assigned duties of another position and is expected to perform all duties or jobs assigned by District management.

2.07 Personnel Records

The MPWD retains personnel files for each employee. These records are considered confidential and, unless otherwise required by law, only authorized MPWD management and supervisorial staff will be permitted access. Employees and their representatives have the right to inspect their personnel files at reasonable times and on reasonable notice. An employee must make their request in writing (email is acceptable) to the General Manager and, once coordinated, may inspect their file only in the presence of the General Manager or their designee. An employee may inspect only his or her own personnel file. In addition, employees have the right to request copies of all employment-related documents that they have signed.

Employees must ensure the MPWD has accurate personnel information. Employees that have a change of name, address, telephone number, marital status, number of dependents, and person(s) to notify in case of emergency or other pertinent information should report the updated information to the Administrative Services Manager in writing.

SECTION 3 HOURS OF WORK AND ATTENDANCE

3.01 Work Hours

- A. For purposes of calculating overtime, the MPWD's workweek begins at 12:01 a.m. on Sunday and ends at 12:00 a.m. the following Sunday, and each workday begins at 12:01 a.m.
- B. The MPWD work hours shall be eight (8) hours of work within an 8.5 hour period that begins at 8:00 a.m. and ends at 4:30 p.m., Monday through Friday.
- C. The MPWD regular work week shall consist of forty (40) hours, Monday-Friday.
- D. The General Manager may require an employee temporarily to perform service outside of the regular work hours or in excess of the scheduled workday for effective conduct of the MPWD's business.
- E. The General Manager shall be responsible for the determination of the work hours, necessary minimum staffing levels, and office opening/closure in urgent circumstances.

3.02 Attendance

Employees shall be in attendance at work in accordance with their work standards regarding hours of work and leave schedules. Any absence from work taken without prior authorization (aside from the use of paid sick leave, approved vacation or other excused absence) shall be the basis for disciplinary action, up to and including termination.

3.03 Rest and Break Time

Fulltime non-exempt employees are encouraged to take a 15-minute break in the morning and a similar break in the afternoon in order to "break up" the day and as a relief from workplace routine and tension. Less than 40-hour/week employees should clarify with their supervisor or a manager for appropriate rest and break times.

Fulltime non-exempt employees are **required** to take an unpaid 30-minute lunch break. An exception could be made if an employee is working less than 8 hours/day, which should be approved in advance by that employee's supervisor or a manager.

SECTION 4 **PAYROLL ADMINISTRATION**

4.01 Time Sheets

Electronic time sheets are provided for all MPWD employees. They are a means by which the employee records the time spent at work for payroll purposes. Each employee shall accurately complete a time sheet each payroll period for review and approval by their immediate Supervisor at least one week prior to the pay day. Vacation, sick, and holiday time must be entered on the time sheet. No employee may complete a time sheet for another employee. Failure to fill out time sheets accurately and timely may lead to disciplinary action, up to and including termination.

4.02 Pay Days

Regular fulltime non-exempt employees are paid on the fifteenth (15th) and the last day of every month for the preceding pay period, which covers either the first (1st) through the fifteenth (15th) of the month or the sixteenth (16th) through the last day of the month.

Regular fulltime exempt employees are paid on alternating Fridays, or 26 times per calendar year, for the 14-day period ending the Friday before pay day.

If a pay day falls on a holiday or weekend, paychecks will be distributed on the preceding work day.

Loans or advances against wages will not be permitted, and neither is personal check cashing at the MPWD by employees.

4.03 Garnishments

A garnishment is a court order requiring the MPWD to remit part of an employee's wages to a third party in payment of a just debt. Because garnishments involve the MPWD in its employees' private financial affairs, it is incumbent upon each employee to responsibly manage their finances.

4.04 Payroll Deductions

State and Federal laws require the MPWD to make proper deductions on its employees' behalf. Amounts withheld vary according to employee earnings, marital status, and number of exemptions claimed.

Required deductions include Federal Income Tax, FICA (Federal Insurance Contributions Act) Taxes, State Income Tax, and CalPERS. Also, if applicable, the required portion of an employee's healthcare benefits may be a required deduction.

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4.05 Direct Deposit

Direct deposit of an employee's paycheck is required. An employee is required to complete the "Direct Deposit" form, attach a voided check, and return to the Administrative Services Manager.

4.06 Employee Information

Employee information, including current address and telephone number are essential for many purposes, and any changes should be noted in writing and submitted to the Administrative Services Manager as soon as possible. Other changes in personal status that are required for reporting to the Administrative Services Manager in writing include, but are not limited to:

- Name and/or marital status;
- Address and/or primary telephone number;
- Number of eligible family members;
- Tax payroll deductions;
- Emergency contact information;
- Changes to beneficiaries; or
- Changes to deferred compensation.

SECTION 5 OVERTIME WORK AND COMPENSATION

5.01 Overtime Work and Compensation

- A. Non-Exempt Employees.** Non-exempt employees are employees that are eligible to be paid for overtime work in accordance with the provisions of applicable wage and hour laws.
- B. Exempt Employees.** Exempt employees (e.g., executive, administrative, professional) are exempt from state and federal laws requiring overtime compensation.
- C. Overtime Work.** Overtime for non-exempt employees includes work in excess of eight (8) hours in one work day—either before or after the established MPWD work hours, which will be permitted only if previously approved by the General Manager, Administrative Services Manager, or Operations Manager. Time spent on MPWD property for the convenience of the employee shall not be included as overtime hours worked.

If an employee is called to work before or after regular business hours, they may, with management approval, document that time as part of their regular work day. If the employee's total time worked does not equal eight (8) hours, the employee may either work the remaining hours within the work day, or integrate their vacation leave, compensatory time, or floating holiday leave to make up the difference. Use of sick leave is prohibited for time the employee is not using for a purpose outlined in the sick leave policy.

- D. Overtime Compensation.** The MPWD will compensate overtime at the rate of one and a half (1.5) times the employee's regular rate of pay for all hours worked in excess of eight (8) hours in any one work day or forty (40) hours in any one work week.
- E. Compensatory Time Off.** In lieu of overtime compensation, with supervisor or manager approval, an employee may receive compensatory time off at a rate of not less than one and one-half hours for each hour of employment that overtime compensation is earned, provided that the use of compensatory time in lieu of overtime compensation does not impair the MPWD's ability to maintain the efficiency and effectiveness of its operations. Compensatory accruals and balances will be reflected on employee's paystub.

All of the following criteria apply to compensatory time off:

1. Request for compensatory time must be made in writing during the payroll period in which the overtime was worked.
2. An employee may not accrue more than eighty (80) hours of compensating time off. Any employee that has accrued eighty (80) hours of compensating time off shall be paid overtime compensation for any additional overtime hours worked.

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3. An employee must use accrued compensatory time off by the end of the fiscal year in which it was earned. If accrued compensatory time off is not used by the end of the fiscal year, the employee will be paid for the earned compensatory time off at the overtime rate in effect at the time paid.
4. If compensation is paid to an employee for accrued compensating time off, the compensation shall be paid at the regular rate earned by the employee at the time paid.
5. An employee that has accrued compensating time off and requested use of that compensating time off shall be permitted to use the time within a reasonable period after making the request, if the use of the compensating times does not unduly disrupt the MPWD's operations.
6. Upon termination of employment with the MPWD, the employee shall be paid for accrued and unused compensation time at the final rate of pay earned by the employee.

5.02 Call Back

Call back hours for non-exempt employees include time between 5:00PM through 7:30AM. Non-exempt employees recalled to work between these hours will be compensated minimum of two (2) hours overtime at the rate of one and one-half (1.5) times the employee's regular rate of pay. Call-back overtime pay will begin from the time the employee receives the call and will end when the employee returns to the destination from which they were recalled.

If a non-exempt employee is called back during the thirty (30) minutes before or after the regular working day, they will be compensated at regular overtime, or one and one-half (1.5) time the employee's regular rate of pay.

A recalled employee required to work in excess of four (4) continuous hours of overtime on an emergency basis will receive a TEN DOLLAR AND NO/100 (\$10.00) meal reimbursement allowance.

5.03 On Call Duty

A. On Call Duty Hours. On call duty hours are defined as all periods when the MPWD office and operations are closed, including week nights, weekends, and holidays. On a rotating basis, fulltime Operations personnel will be assigned rotating on call duty on a weekly basis (7 days) from the beginning of the work day on Monday through the beginning of the work day the following Monday, and must be available to receive MPWD SCADA alarms and Dispatch/Answering Service calls.

1. Weekday duty commences at the end of each work day Monday through Thursday and ends at the beginning of the following work day. Weekend duty commences at the end of the work day on Friday and ends at the beginning of the work day on the following Monday.

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2. For Monday holidays, the on call duty personnel's service ends at the beginning of the work day on Tuesday.

On call duty personnel are expected to have at least one year's experience working within the MPWD system, required to maintain a minimum D-2 Operator Certification issued by the State of California, and perform their duties as assigned and not trade shifts without advance written authorization of management (email is acceptable).

On call personnel may opt out of being assigned after-hours duty for up to three (3) weeks per year as long as other on call personnel agree to be assigned the time. There must be at least a one-week break between on call assignments per operator in order to avoid fatigue.

- B. Response Time.** On call duty personnel are required to carry an active cellular telephone provided by the MPWD and/or remain near their personal telephone. An MPWD vehicle will be provided for transportation during the on call duty period for MPWD business use only. On call duty personnel should make every effort to ensure their response time to MPWD emergencies does not exceed thirty (30) minutes of being notified.
- C. On Call Duty Pay.** On call duty personnel assigned week night duty shall be paid a stipend the equivalent of two (2) hours of straight time for each 15.5 hours weekday on call duty period, and the equivalent of four (4) hours of straight time each Saturday and Sunday for weekend duty and authorized MPWD holidays, for a total of eighteen (18) hours straight time pay for the on call duty week.

Additionally, if the on call duty personnel is called out to perform actual work during the week night or weekend duty period, they will be paid in accordance with the call back provisions outlined in Section 5.02.

On call duty personnel are responsible for documenting the call times and employees engaged in after-hours work for verification of call back compensation.

5.04 Emergency and Disaster Service

All MPWD employees are public employees and, as such, have been declared by Government Code Section 3100 to be disaster service workers subject to such disaster service activities as may be assigned to them by MPWD management or by law. If, as a result of performing disaster service work, employees work in excess of eight (8) hours per day, they shall receive compensation at 1.5 times their hourly rate.

SECTION 6 EMPLOYEE BENEFITS

The MPWD has developed a broad, comprehensive set of employee benefit programs to supplement an employee's regular wages. The MPWD is continually investigating opportunities to improve its benefits as budget limitations permit.

These employee benefit programs consist of two categories: insured and uninsured. Insured benefits are those that the MPWD pays for through an outside source. Examples of these benefits include Medical, Dental, Vision, Life, and Disability insurance.

Examples of uninsured benefits are Vacation, Sick, and Holiday pay. These are benefits that are paid for directly by the MPWD and are available to an employee with conditions and specifications summarized herein.

6.01 Group Insurance Plans

The MPWD provides group major medical, dental, vision, life, and Employee Assistance Program (EAP) insurance to eligible employees and eligible dependents.

Depending on your date of hire and the options you elect, you may be required to contribute to the cost of these benefits. For purposes of benefits while an employee, there are two applicable "tiers":

Tier 1 (Group Insurance Plans, excluding Retiree Health): All active employees of the MPWD hired on or before September 25, 2014.

Tier 2 (Group Insurance Plans, excluding Retiree Health): All employees hired by the MPWD on or after September 26, 2014.

Eligible employees are defined as regular full-time employees. See Section 2.04 for details.

An eligible dependent is defined as the following:

- Spouse;
- Children to their 26th birthday, including children placed in the home for adoption;
- Unmarried children who, prior to age 26, are incapable of self-sustaining employment due to physical or mental condition are eligible dependents beyond age 26. A physician must certify this condition within 60 days, and it is subject to approval by the group insurance carrier;
- Children eligible for coverage as a result of a valid qualified medical child support order;
- Domestic Partner as defined by the State of California for state registration requirements;
- Those designated according to the law.

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For a dependent to be eligible for coverages, a copy of a marriage license, State of California Declaration of Domestic Partnership form (NP/SF DP-1), birth certificate, or other identifying paperwork is required.

It is the employee's responsibility to notify the MPWD in writing upon divorce, termination of Domestic Partnership, over-age dependent, or any event that changes the status of dependency.

The following is a brief description of the plans available and is not meant to replace the actual wording of the plans, which makes the final determination of the benefits to be provided.

A. Medical Plan

1. **Persons eligible:** Regular full-time employees and their eligible dependents.
2. **Waiting period:** First day of the month following the employee's hire date.
3. **Employer/Employee contribution as follows:**

TIER 1 - Group Insurance Plans (Current)

MPWD pays 100% of the premium for medical plan coverage for employee and spouse/domestic partner/dependent(s)

TIER 1 - Group Insurance Plans (Amended effective Jan. 1, 2017)

MPWD pays 100% of the premium for medical plan coverage for employee and spouse/domestic partner/dependent(s) equal to the value of the Account Based Health Plan (ABHP)

If a Tier 1 employee elects a medical plan that costs more than the ABHP, the employee is required to contribute the difference between the cost of the ABHP and the higher cost plan.

TIER 2 - Group Insurance Plans (Current)

MPWD pays 100% of the premium for medical plan coverage for the employee equal to the value of the lowest cost plan for medical benefits offered

MPWD pays 80% of the premium for medical plan coverage for the spouse/domestic partner/dependent(s) equal to the value of the lowest cost plan for medical benefits offered

SECTION 6 B. Health Savings Account (HSA)

The MPWD established HSAs for funding in conjunction with an employee's enrollment in an Account Based Health Plan (a/k/a Consumer Driven Health Plan). If you do not enroll in the ABHP, you cannot participate in the HSA.

The amount that the MPWD contributes is based on your Tier (described above), the coverage you elect (employee only or employee plus one or more) and the amount of the annual deductible under the ABHP.

For 2016, HSA funding for Tier 1 is at the following levels:

Single (Employee only) \$1,500
Family (Employee+1) \$3,000

For 2016, HSA funding for Tier 2 is at the following levels:

Single (Employee only) \$1,200
Family (Employee+1) \$2,400

Employees who change from Single to Family coverage mid-year (for any reason permitted under the ABHP's terms) will receive pro-rated HSA funding at the Family rate for the remaining months of the year.

The above amounts may be adjusted in future years to coincide with changes in the amount of the annual deductible under the ABHP.

C. Dental Plan

1. **Persons eligible:** Regular full-time employees and their eligible dependents.
2. **Waiting period:** First day of the month following the employee's hire date.
3. **Employer/Employee contribution:** See table below.

TIER 1 - Group Insurance Plans

MPWD pays 100% of the premium for dental plan coverage for employee and spouse/domestic partner/dependent(s)

TIER 2 - Group Insurance Plans

MPWD pays 100% of the premium for dental plan coverage for the employee equal to the value of the lowest cost plan for dental benefits offered

MPWD pays 80% of the premium for dental plan coverage for the spouse/domestic partner/dependent(s) equal to the value of the lowest cost plan for dental benefits offered

SECTION 6 D. Vision Plan

1. **Persons eligible:** Regular full-time employees and their eligible dependents.
2. **Waiting period:** First day of the month following the employee's hire date.
3. **Employer/Employee contribution as follows:**

TIER 1 - Group Insurance Plans

MPWD pays 100% of the premium for vision plan coverage for employee and spouse/domestic partner/dependent(s)

TIER 2 - Group Insurance Plans

MPWD pays 100% of the premium for vision plan coverage for the employee equal to the value of the lowest cost plan for vision benefits offered

MPWD pays 80% of the premium for vision plan coverage for the spouse/domestic partner/dependent(s) equal to the value of the lowest cost plan for dental benefits offered

E. Life Insurance

1. **Persons eligible:** Regular full-time employees (must be actively employed) and their eligible dependents.
2. **Waiting period:** First day of the month following the employee's hire date.
3. **Employer contribution:** Full cost of active employee's coverage.
4. **Employee contribution:** None for employee's coverage. Eligible dependent coverage and supplemental coverage is optional and at employee's expense.
5. **Benefits provided:** One time annual regular gross earnings to a maximum of \$150,000 payable to employee's designated beneficiary(ies). Employees that purchase supplemental coverage are bound to the same maximum as the base coverage.

F. Short-Term Disability Insurance

1. **Persons eligible:** Regular full-time active employees.
2. **Waiting period:** First day of the month following the employee's hire date.
3. **Employer contribution:** Total cost for employee.
4. **Employee contribution:** None.
5. **Benefits provided:** Short-term disability insurance provides an employee with income protection if they become temporarily totally disabled from a covered sickness, accident, or pregnancy. Accumulated sick leave can be used to integrate with disability payments. The policy should be referred to for detailed information.

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These benefits are taxable. Any overpayment of benefits will require reimbursement. Refer to long-term disability insurance for continued coverage as applicable.

G. Long-Term Disability Insurance

1. **Persons eligible:** Regular full-time active employees.
2. **Waiting period:** First day of the month following the employee's hire date.
3. **Employer contribution:** Total cost for employee.
4. **Employee contribution:** None.
5. **Benefits provided:** Long-term disability insurance provides an employee with income protection after the short-term disability insurance ends, and could continue until age 65 subject to an age reduction schedule. The policy should be referred to for detailed information. These benefits are taxable. Any overpayment of benefits will require reimbursement.

H. Employee Assistance Program (EAP)

1. **Persons eligible:** Regular full-time active employees.
2. **Waiting period:** First day of the month following the employee's hire date.
3. **Employer contribution:** Total cost for employee and eligible family members.
4. **Employee contribution:** None.
5. **Benefits provided:** The EAP provides confidential, professional assistance when personal challenges impact an employee's life and work. The EAP provides information, consultation, and counseling for employees and their family members, as well as training and consultation to management.

The EAP encourages employees to use services early in the progression of a problem before situations significantly impact their work. This is accomplished by promoting service for "normal problems in living" such as relationships, stress, legal and financial challenges, career concerns, anxiety and depression. The EAP also services more serious concerns such as alcohol and drug problems, family violence, and threats of suicide. Numerous additional resources are available. The provider's website will provide detailed information for program and confidential contact information.

I. Retiree Health Benefits

Currently, the MPWD provides health insurance benefits (medical, dental and vision) for eligible retirees from the time they retire until their death. The Retiree Health Benefits have been amended effective January 1, 2017 to add Tier 3 retirees and to provide for HSA funding for Tiers 1 and 2. The existing provisions and amended provisions are shown in the tables below in this section I.

For purposes of retiree health benefits, there are three applicable "Tiers":

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Tier 1 (Retiree Health): Eligible retiree originally hired as an MPWD employee on or before June 27, 2008. Coverage for eligible retiree and spouse or registered domestic partner of eligible retiree at time employment terminates.

Tier 2 (Retiree Health): Eligible retiree originally hired as an MPWD employee on or after June 28, 2008 and before September 26, 2014. Coverage for eligible retirees only.

Tier 3 (Retiree Health): Eligible retiree originally hired as an MPWD employee on or after September 26, 2014. Coverage for eligible retirees only, effective January 1, 2017.

1. **Persons eligible:** See table below.

| | <i>TIER 1 - Retiree Health</i> | <i>TIER 2 - Retiree Health</i> | <i>TIER 3 - Retiree Health</i> |
|-------------------------------|--|--|---|
| <i>Existing</i> | After 20 consecutive years of service with the MPWD, age 55 or older at time of termination of employment with the MPWD, and retirement under CalPERS from the MPWD. | After 20 consecutive years of service with the MPWD, age 55 or older at the time of termination of employment with the MPWD, and retirement under CalPERS from the MPWD. | N/A (Tier 3 not eligible until 2017) |
| <i>Effective Jan, 1, 2017</i> | After 15 or 20 consecutive years of service with the MPWD, age 50 or older at time of termination of employment with the MPWD, and retirement under CalPERS from the MPWD. | After 15 or 20 consecutive years of service with the MPWD, age 50 or older at the time of termination of employment with the MPWD, and retirement under CalPERS from the MPWD. | After 15 consecutive years of service with the MPWD, and eligible to retire under CalPERS from the MPWD at the time of termination of employment with the MPWD. |

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2. Employer/Employee contribution: See table below.

| | <i>TIER 1 - Retiree Health</i> | <i>TIER 2 - Retiree Health</i> | <i>TIER 3 - Retiree Health</i> |
|-------------------------------|--|---|--|
| <i>Existing</i> | 100% coverage of healthcare benefits paid by the MPWD for eligible retiree and spouse/domestic partner | 100% coverage of healthcare benefits paid by the MPWD for eligible retiree only, up to the amount that the MPWD contributed for healthcare benefits of the eligible retiree immediately before the termination of their MPWD employment. | N/A (Tier 3 not eligible until 2017) |
| <i>Effective Jan, 1, 2017</i> | <p>100% coverage of the healthcare benefits premium paid by the MPWD for eligible retiree and spouse/domestic partner at the value of the lowest cost plan for healthcare benefits offered (medical, dental, and vision) after completion of the following consecutive years at the indicated percentages:</p> <p>15 Years: 75% 20 Years: 100%</p> <p>If an eligible retiree chooses a higher cost healthcare plan, they shall pay the difference between the lowest cost plan and higher cost plan.</p> <p>The MPWD will fund the eligible retiree's HSA at the active employee rate for Single (Employee only) or Employee+1, as applicable based on coverage, until the retiree reaches age 65.</p> | <p>100% coverage of healthcare benefits premium paid by the MPWD for eligible retiree only at the value of the lowest cost plan for healthcare benefits offered (medical, dental, and vision) after completion of the following consecutive years at the indicated percentages:</p> <p>15 Years: 75% 20 Years: 100%</p> <p>If an eligible retiree chooses a higher cost healthcare plan, they shall pay the difference between the lowest cost plan and higher cost plan.</p> <p>The MPWD will fund the eligible retiree's HSA at the active employee rate for Single (Employee Only) until the retiree reaches age 65.</p> | <p>50% of the premium paid by the MPWD for the lowest cost plan for healthcare benefits offered (medical, dental, and vision) at the time of eligible retiree's termination of employment with the MPWD.</p> <p>HSAs will NOT be funded by the MPWD in retirement, unless otherwise required to comply with applicable federal or state law and regulations.</p> |

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3. **Year of Service.** Means a completed period of one year of continuous uninterrupted service at the MPWD.
4. **Service.** Means all periods of full-time regular employment with the MPWD, subject to the following: a) any period of authorized paid leave of absence while an MPWD employee and any leave for military service while an MPWD employee will count as service, but only if the employee returns to active employment with the MPWD within the time prescribed by such leave or within the time following military service during which the employee's reemployment rights are protected by law, as applicable; b) no service or employment with any entity other than the MPWD will be counted as service; and c) any periods of service for the MPWD in any capacity other than an employee will not be counted as service.
5. **Eligible Surviving Spouse or Domestic Partner.** Following the death of an eligible retiree, the MPWD will continue to provide coverage for their eligible spouse or domestic partner until such spouse remarries or dies, or such domestic partner enters into a new domestic partnership under California law or dies, but only if the surviving spouse or domestic partner was entitled to coverage as provided above. The same MPWD coverage and contribution requirements would apply to the eligible surviving spouse or domestic partner of deceased eligible retiree.
6. **Ineligible Spouse or Domestic Partner.** Coverage will not be provided for a person that becomes the eligible retiree's spouse or domestic partner after the eligible retiree's MPWD employment terminates, or for a former spouse or domestic partner of the eligible retiree.
7. **Reemployment by the MPWD after Retirement.** If a former employee that is receiving MPWD-provided retiree health benefits is reemployed by the MPWD, then such benefits will cease for as long as they are eligible to receive health insurance coverage under the MPWD's medical plan(s) for active full-time employees. Retiree health benefits will resume after their employment with the MPWD terminates, provided that they then retire again under CalPERS from the MPWD.
8. **Excess Coverage Cost and Retiree Responsibility.** To the extent the cost of health insurance coverage provided by the MPWD for such eligible retiree exceeds the amount that the MPWD is required to contribute for such coverage, the eligible retiree will be solely responsible for paying the excess coverage cost. In no event will the MPWD be required to pay any portion of the excess coverage cost. If the eligible retiree fails to pay an excess coverage cost within thirty (30) days after the payment due date, the MPWD will cease providing health insurance coverage for the eligible retiree, and the eligible retiree will no longer be entitled to such coverage.
9. **Coordination of Benefits.** Each eligible retiree, or any eligible spouse or domestic partner of the eligible retiree receiving coverage must enroll in Medicare Part A and Part B coverage, effective on the first date they become eligible for such coverage. MPWD will not make any payments towards either Medicare Part A or B for retired employee or their spouse.

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If such Medicare coverage is not comparable to the health insurance coverage provided with respect to the MPWD's active full-time employees, the MPWD will provide coverage that, when combined with Medicare coverage, provides the eligible retiree and/or covered spouse or domestic partner with such comparable coverage. If any premiums for Medicare Part A and Part B coverage are required to be paid, the MPWD will not have any obligation to fund or reimburse such payments.

If the eligible retiree or their covered spouse or domestic partner fails to enroll in Medicare Part A and Part B within 60 days after they first become eligible for such coverage, the MPWD will cease providing health insurance coverage for the eligible retiree, and they will no longer be entitled to such coverage.

10. **MPWD Extension Reservation.** The MPWD reserves the right, in extenuating circumstances, to extend the deadlines in sub-paragraphs 8 and 9 above.
11. **Retiree Election to Decline Benefits.** An eligible retiree may at any time decline MPWD retiree health benefits coverage by notifying the MPWD General Manager in writing.
12. **Retiree Responsibility.** It is the retiree's responsibility to notify the MPWD General Manager in writing of any changes.
13. **Coverage Termination.** If coverage for a retiree terminates for any reason (except as a result of reemployment after retirement under sub-paragraph 7 above), the retiree will not be eligible to reenroll.
14. **No Vested Rights.** The MPWD may at any time, in its sole discretion, modify or terminate its retiree health benefits program. To the extent that the MPWD makes modifications to or terminates the program, such modifications or termination will supersede and override any claim to "vested rights" that any person may otherwise have under California law with respect to benefits under the program.

6.02 COBRA

The Consolidated Omnibus Budget Reconciliation Act of 1985 (COBRA) was enacted to protect employees and their eligible family members by allowing them to continue their group health insurance under the employer's plan at affordable group rates. Group health plans must provide covered employees and their families with certain notices explaining their COBRA rights. In general, employees receive these notices when they are hired.

Before a group health plan must offer continuation coverage, a qualifying event must occur, and the plan must be notified of the qualifying event. Who must give notice of the qualifying event depends on the type of qualifying event. MPWD will notify the MPWD Administrative Services Manager if the qualifying event is the covered employee's termination or reduction of hours of employment, death, or entitlement to Medicare. If the qualifying event is divorce, legal separation, or a child's loss of eligibility, then you are required to notify the MPWD Administrative Services Manager within 60 days of the event. Specifics of COBRA include:

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- A. **Qualifications.** Any employee or eligible family member that loses regular group eligibility because of a qualifying event is eligible for enrollment under COBRA.
- B. **Qualifying Event.** A qualifying event is defined by COBRA regulations and includes loss of coverage due to: termination of employment; reduction of hours; death of employee; employee's Medicare entitlement; divorce or legal separation; or child ceasing to be eligible.
- C. **Election Period.** After the MPWD is notified, a written notice will be sent to the employee or eligible family member of the right to elect continued coverage, the election period, and premium payments.
- D. **Cost.** The employee or eligible family member must pay a full monthly premium for each coverage selected plus a 2% administrative charge to the MPWD by the 1st day of each month that the premium(s) is due. No bills or invoices are sent.
- E. **Coverage Available.** At the time of the qualifying event, whichever health insurance the employee or family member is enrolled in will be considered the coverages available. There can be no interruption of coverage under COBRA.
- F. **Open Enrollment.** COBRA participants have the same rights under the plan as active employees. This includes rights during open enrollment periods. When an open enrollment period occurs, COBRA participants must be informed of their rights and options available during the open enrollment period and the monthly premium rates for those options.

6.03 On the Job Injuries and Workers' Compensation

The MPWD carries workers' compensation insurance coverage as required by law to protect employees who are injured on the job. This insurance is intended to provide medical care and pay for lost time resulting from injuries on the job or illnesses caused by the work.

An employee that incurs a job-related injury must notify their Supervisor or management immediately. If the employee requires medical attention or is unable to work because of the job-related injury, no sick leave will be charged against their accumulated sick leave for up to thirty (30) days. During the 30 days, the MPWD will pay the employee their base rate of pay, less any amount received by the employee for workers' compensation, if the employee provides a valid workers' compensation claim. The employee must notify the MPWD of the receipt of any workers' compensation and must return any MPWD payment in excess of the employee's base rate of pay less any amount received for workers' compensation. Failure to follow this provision may lead to termination.

An employee injured on the job may make application for long-term disability benefits and, regardless of whether such benefits are available, may integrate sick leave with long-term disability pay or workers' compensation benefits or both, provided the combined payment does not exceed the employee's regular rate of pay at the time of their job-

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related injury. No integration under this section will take place until the employee makes a written request for this benefit.

Employees injured on the job will be taken to the MPWD's medical provider.

Questions regarding workers' compensation coverage should be directed to the Administrative Services Manager.

Supervisors and employees are directed to conform, where possible, to the *ACWA/JPLA Safety & Loss Control Manual*.

6.04 Workers' Compensation Disclaimer Notice

The MPWD or its insurance carrier may not be liable for the payment of workers' compensation benefits for any injury which arises out of and employee's voluntary participation in any off-duty recreational, social, or athletic activity which is not a part of the employee's work-related duties.

6.05 Return-to-Work Program (RTW)

In an effort to minimize serious disability due to on-the-job and off-the-job injuries and illnesses and to reduce workers' compensation costs (if applicable), the MPWD has developed a Return-to-Work program. This policy is consistent with the MPWD's responsibilities under the Americans with Disabilities Act to provide reasonable accommodations to persons with disabilities. The General Manager, Administrative Services Manager and/or Operations Manager will assist by directing the employee to appropriate care and assisting in proper reporting of the injury or illness while maintaining a positive and constant flow of communication with the injured employee. Managers will also assist in arranging work which meets "light duty" restrictions, as needed, to reduce lost time. MPWD will work with the workers' compensation carrier (if applicable) and the physician to assist with the assessment of the employee's ability to return to work. Together they will actively encourage the treating physician to release the injured worker to work as soon as possible. By this joint effort, the MPWD will help the injured/ill employee recover at a more rapid rate, gain production for wages paid, minimize the employee's wage loss, and reduce workers' compensation costs.

6.06 Retirement

- A. **Social Security.** The MPWD participates in Social Security and contributes on behalf of each employee in accordance with applicable federal law.
- B. **California Public Employee Retirement System (CalPERS).** The MPWD provides retirement benefits through CalPERS to eligible regular fulltime employees, part-time employees reaching the minimum hour requirement, and any employee already a CalPERS member. As modified by the California PEPRA (Public

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Employee Pension Reform Act) legislation in 2013, the MPWD has two tiers for CalPERS retirement benefits:

| | |
|---|---------|
| <i>FIRST TIER – Employees hired on or before December 31, 2012, or transferred or reinstated classic members of CalPERS</i> | 2% @ 55 |
| <i>SECOND TIER – Employees hired January 1, 2013 forward that are new to CalPERS</i> | 2% @ 62 |

Please note that the tiers for CalPERS retirement benefits are not the same Tiers that are used for Group Insurance Benefits (in Section 6.01 above).

1. **Contributions.** An employee's CalPERS retirement benefit is funded in part by employee contributions and MPWD contributions. The MPWD contributes a percentage of eligible employees' compensation in amounts specified by CalPERS. Eligible employees contribute a percentage of their MPWD compensation to CalPERS. MPWD First Tier employees currently contribute 7% of their MPWD compensation; and MPWD Second Tier employees currently contribute a percentage that is determined annually by CalPERS (based on actuarial calculations). Employee contributions are pre-tax for income tax purposes, but are subject to Medicare taxes and applicable Social Security taxes. With limited exceptions, part-time employees will be enrolled in CalPERS upon completing 1,000 hours of service within the fiscal year.
2. **Three-Year Final Compensation.** The period for determining the average monthly pay rate when calculating retirement benefits would be for the 36 highest paid consecutive months (3 years).
3. **Classic or New Member Classification.** An employee's classification as New Member or Classic Member will be determined in accordance with CalPERS guidelines. Generally, the classification depends on various factors, including the employee's employment history and prior service credit under CalPERS.
4. **Waiting Period.** Employees are eligible for CalPERS benefits from the first day of employment.
5. **Vesting Provisions.** Generally, to retire under CalPERS, an employee must have at least five (5) years of credited service under CalPERS and reach the minimum retirement age (age 50 for MPWD First Tier employees; and age 52 for MPWD Second Tier employees). CalPERS credited service is based on a 12-month period beginning July 1 and ending June 30.

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6. **Credit for Unused Sick Leave.** Unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave. In order to receive this credit, an employee's retirement date must be within four (4) months of the date an employee separated employment with the MPWD. Unused sick leave credits cannot be used to extend the effective date of separation from employment on any basis.
7. **Information Contact.** The CalPERS rules and guidelines are extensive and can be complicated. The above language is intended as a summary of CalPERS provisions, and is not intended to modify or enhance the benefits provided under CalPERS. For more information, you should contact CalPERS.
8. **Changes to Retirement Programs.** The MPWD reserves the right to change retirement plans, programs, or benefits and will notify employees accordingly.

6.07 Tax Deferred Compensation Program

The MPWD has established a deferred compensation plan in accordance with Internal Revenue Code Section 457, whereby employees may elect to defer portions of their compensation in a self-directed investment plan for retirement. Plan assets are invested in each individual's name with a deferred compensation plan provider. Distributions are made upon the participant's termination, retirement, death or total disability, and in a manner in accordance with the election made by the participant. All employees are eligible for plan participation. All contributions to the plan are made by the employee on a voluntary basis and via payroll deduction. Employees may contribute into the plan up to the maximum allowed by law.

The MPWD is the administrator of this plan on behalf of the employee participants. Employees seeking investment or tax advice should consult with their independent investment and/or tax advisor.

Questions with regard to enrollment into this plan should be directed to the Administrative Services Manager or General Manager.

6.08 Professional Certification Program

Employees that have obtained professional water utility specialty certifications or Notary Public commissions shall be granted time off, with prior written approval of their supervisor, to prepare for, travel to, and take the required examination for certification or recertification (as necessary), and participate in continuing education requirements. These activities, as long as they are reasonable, there are available budget funds, and meet with the employee's supervisor's approval, will be paid for by the MPWD in support of employee's continuing professional development.

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- A. **Water Utility Operator Certifications.** The MPWD recognizes the competence of present and future personnel that become certified in water utility operations. This recognition requires that once obtained must be maintained according to the standards of the regulatory organization.

Per state regulatory requirements, the MPWD water distribution system requires a Water Distribution Operator D3 certification for its chief operator.

The MPWD further recognizes the importance of water treatment applications, including disinfection methods as a result of water main repairs and bacteriological and flushing for water quality improvements. Water Treatment Operator T1 is recommended for operations staff.

Employees having successfully passed examination requirements shall be compensated beginning the month following certification date for the following certifications, effective January 1, 2017:

| CERTIFICATION | MONTHLY STIPEND |
|--|-----------------|
| SWRCB DDW – D1. | \$50 |
| SWRCB DDW – D2. | \$125 |
| SWRCB DDW – D3. | \$225 |
| SWRCB DDW – T1. | \$50 |
| SWRCB DDW – T2. | \$100 |
| AWWA Backflow Tester | \$25 |
| AWWA Cross Connection Specialist | \$25 |
| AWWA Water Quality Lab Analyst. | \$25 |
| AWWA Water Use Efficiency – 3 levels | \$25 each |
| SWRCB DDW = State Water Resources Control Board, Division of Drinking Water AWWA = American Water Works Association | |

A one-time cash incentive in the amount of \$250 will be given upon securing a Water Distribution Operator D1, D2, and D3.

Monthly stipends will be grandfathered for employees being compensated for other certifications earned through December 31, 2016, previously recognized by the MPWD, until the employee's separation of employment with the MPWD.

The MPWD will pay or reimburse for the cost of successful completion of the above certification exams and re-certification exams and related study materials.

- B. **Notary Public Commission.** A monthly stipend of \$25 will apply for a California Notary Public commission.

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6.09 Educational Assistance

Recognizing the mutual benefits derived from personal growth and increased work competence, it is the policy of the MPWD to provide financial assistance to regular fulltime employees interested in furthering their formal education at any college, university, or other accredited institution.

All courses must be job-related and preapproved in writing by the Administrative Services Manager or Operations Manager, and the General Manager. The employee is responsible for providing a complete course description and explaining in writing how it relates to their job at the MPWD.

To be eligible, an employee must have completed three (3) years of service with the MPWD and have a positive performance evaluation in the year in which they apply for educational assistance.

Eligible reimbursement expenses for each employee shall not exceed \$525 per fiscal year. The General Manager will determine an annual budget for employee educational expenses, and the program will be administered first come, first served for eligible employees. Courses must be taken on the employee's own time. Approved expenses include tuition, books, and related course expenses (e.g., lab fees). Transportation, meals, and any other incidental expenses not specifically covered in this policy will not be eligible for reimbursement. Reimbursement will be made upon submittal of proof of grade and payment of approved expenses. Submittal for reimbursement by the MPWD must be made in writing to the General Manager no later than sixty (60) days following completion of the course.

A grade of "C" or better must be attained for reimbursement of undergraduate level courses and a grade of "B" or better must be attained for reimbursement of graduate level courses.

6.10 Professional Seminars/Conferences Attended on MPWD Time

The MPWD policy generally provides for reasonable professional job-related seminars/conference each fiscal year. All fees, including transportation, lodging, and meals will be paid upon approval by the employee's manager. Upon return, a report will be presented by employee recapping significant highlights and benefits to the MPWD as a result of the employee's attendance.

6.11 Service Awards

The MPWD's Service Awards program recognizes an employee's long and faithful service and the value of skills, knowledge, and dependability gained through years of experience. Each employee will be honored at specific service intervals with appropriate awards.

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Service awards will be presented upon the completion of a total of five (5) years of service, and thereafter at 5-year intervals. All past and present MPWD service will be accumulated and counted as service time.

Service awards will be in the form of a gift “cash” card in the amount of \$200 for the first 5 years, and will increase by \$100 for each 5-year interval thereafter up to a maximum of \$600.

SECTION 7 MPWD LEAVE POLICY

The MPWD's policy allows eligible employees to earn time off in accordance with their employment status and length of service and to use such earned time to take time off with pay under the guidelines stated within this policy. Regular part-time employees' paid time off will be pro-rated according to their scheduled work hours. The MPWD's fiscal year is utilized for tracking paid leave.

7.01 Holidays

The following are the official MPWD holidays and the dates of their observance, and are granted to all full-time employees at their regular base rate of pay:

| HOLIDAY | DATE OF OBSERVANCE |
|-----------------------------|--------------------------------------|
| New Year's Day..... | January 1 |
| Martin Luther King Day..... | 3 rd Monday in January |
| Presidents' Day..... | 3 rd Monday in February |
| Memorial Day | Last Monday in May |
| Independence Day..... | July 4 |
| Labor Day..... | 1 st Monday in September |
| Columbus Day..... | 2 nd Monday in October |
| Veteran's Day | November 11 |
| Thanksgiving Day | 4 th Thursday in November |
| Day after Thanksgiving..... | Friday after Thanksgiving |
| Christmas Eve Day | December 24 |
| Christmas Day..... | December 25 |
| New Year's Eve Day | December 31 |

Holiday Conditions:

- A. If the holiday falls on a Saturday, it will be observed on the preceding Friday. If it falls on a Sunday, it will be observed on the following Monday.
- B. Employees on unpaid leave of absence for any reason at the time of the holiday observance will be ineligible for holiday pay.
- C. If a holiday falls during an employee's approved vacation period, the employee will be paid for the holiday and will not be charged with a vacation day for the day the holiday is observed.

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- D. To be entitled to pay for the holiday benefit, an employee must have worked both the day before and the day after a holiday, unless scheduled time off was approved in advance (e.g., vacation). In the event of an emergency, an employee is required to report to their manager.
- E. Part-time and temporary employees are not eligible for paid holiday benefits.
- F. An employee that is requested or required to work on a paid holiday shall receive overtime paid at the double-time rate. For purposes of determining holiday pay, a paid holiday begins at 12:00AM and ends 24 hours later at 11:59PM.

7.02 Paid Time Off (PTO)

Each employee is granted 24 hours of paid time off at the beginning of each fiscal year. The leave must be used in the fiscal year in which credited and cannot be accrued.

7.03 Management Leave

Management employees may be granted paid Management Leave at the beginning of each fiscal year and at the discretion of the General Manager in lieu of after-hours work performed on behalf of the MPWD. The leave must be used in the fiscal year in which credited and cannot be accrued.

7.04 Vacation Leave

The following rules govern vacation leave:

- A. For the purpose of calculating vacation leave due each eligible employee, the employee's initial hire date will be used.
- B. Vacation leave accrual for non-exempt employees commences on the first working day of the month if the employee is hired between the 1st and 15th of the month; and on the first working day of the following month if the employee is hired between the 16th and last day of the month.
- C. Non-exempt regular employees become eligible to use accrued vacation leave following 90 days' of continuous employment with the MPWD.
- D. Full-time employees shall earn vacation in accordance with the following schedule:

| SERVICE YEARS COMPLETED | ANNUAL VACATION HOURS EARNED |
|-------------------------|------------------------------|
| 1 – 5 | .80 |
| 6 – 10 | .120 |
| 11 – 20 | .160 |
| 21 | .168 |
| 22 | .176 |
| 23 | .184 |
| 24 | .192 |
| 25+ | .200 |

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- E. Employees **must** take at least 40 hours of vacation each year and at least three (3) consecutive working days.
- F. Annual vacation leave schedules shall be distributed by the MPWD in January of each year and completed by employees by January 31. Scheduled vacations shall be coordinated, subject to MPWD operating requirements.
- G. All vacation schedules must be approved in advance by the General Manager, Operations Manager, or Administrative Services Manager.
- H. Employees may accrue up to two (2) times their annual vacation leave. Once the maximum is reached, all further accruals cease until after vacation leave is used and the employee's accrued vacation leave drops below the maximum. Vacation accrual will recommence after the employee has used his or her vacation and the accrued vacation hours have dropped below the maximum balance.
- I. Upon termination of employment with the MPWD, the employee shall be paid for accrued and unused vacation leave.
- J. Between May 15th and June 1st of each fiscal year, an employee may make a written request to the General Manager to cash out up to eighty (80) hours of their accrued vacation leave benefits. The employee's vacation leave accrual will be reduced by the number of hours cashed out. The payment is subject to all applicable payroll taxes and will be made by the MPWD on or before June 30th. This cash-out will not relieve the employee from the 40-hour vacation requirement described in Section 7.04.E. hereinabove.
- K. The General Manager has discretion to grant vacation leave to a new employee to aid in the recruitment process.

7.05 Sick Leave

The following rules govern sick leave:

- A. **Use.** Sick leave benefits are available for the employee or the employee's family members for preventive care or diagnosis, care or treatment of an existing health condition, or for specified purposes if you are a victim of domestic violence, sexual assault or stalking. Family members include the employee's spouse, parent, child, domestic partner, or child of a spouse or domestic partner, sibling, grandparent, or grandchild. The employee must notify the MPWD in advance if the sick leave is planned. If the need is unforeseeable, the employee must give notice as soon as practical.
- B. **Accrual.** Regular full-time employees shall accrue eight (8) hours of sick leave with pay for each month of service. All other employees accrue one hour of paid sick leave for each 30 hours of work. A new employee cannot use any accumulated sick leave during the first 90 days of employment. An employee may accrue up to a limit of 960 hours of sick leave. Once the limit is reached, all further accruals cease until after sick leave is used and the employee's accrued sick leave drops below the maximum.

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- C. **Recruitment.** The General Manager has discretion to grant sick leave to a new employee to aid in the recruitment process.
- D. **Partial Day's Absence.** Non-exempt employees may use a partial day of sick leave in quarter hour increments.
- E. **Leave of Absence.** If an employee is on unpaid leave of absence, sick leave is not earned during the approved time period for the leave of absence.
- F. **Payment for Unused Sick Leave.** An employee that separates from the MPWD employment as a result of 1) retirement under the retirement plan designated by the MPWD; 2) disability, which includes termination at the conclusion of the maximum medical leave of absence period; or 3) death, has the option to be paid for unused sick leave credits, up to a maximum of 240 hours at their regular hourly rate at the time of retirement, separation from service on account of disability, or death.

An employee that leaves the MPWD employment as a result of resignation or termination will not receive any payment for unused sick leave credits.

Unused sick leave credits cannot be used to extend the effective date of separation from employment on any basis.

- G. **CalPERS Credit for Unused Sick Leave.** Unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave. In order to receive this credit, an employee's retirement date must be within four (4) months of the date the employee separated employment with the MPWD. Unused sick leave credits cannot be used to extend the effective date of separation from employment on any basis.
- H. **Employee Responsibility to Account for Use of Sick Leave.** To claim sick leave with pay, an employee must complete the MPWD leave of absence form and submit to their Supervisor for approval.
- I. **Receiving Sick Leave after Applying for Disability Benefits.** An employee that applies for short-term or long-term disability benefits may continue to use his or her sick leave until the employee begins receiving benefits under the disability program. The employee must agree in writing to notify the MPWD immediately when they first receive disability benefits. Accrued sick leave benefits will be used to supplement disability benefits only to the extent necessary to provide a combination of sick leave and disability benefits equal to the employee's straight-time compensation immediately before beginning of the illness or disability. The employee must submit to the Administrative Services Manager a written request to integrate sick leave with disability benefits in this way.

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7.06 Bereavement Leave

The following leaves are with pay and do not count against the employee's vacation or sick leave accruals.

- A. **Death in Immediate Family.** Up to forty (40) hours in bereavement leave will be granted to fulltime regular employees in the event of a death in the immediate family, including spouse or domestic partner, child, parent, sibling, grandparent, grandchild, immediate step-relation (e.g., step-parent, step-child), or any primary beneficiary named within the MPWD's retirement or life insurance programs.
- B. **Funeral for Close Relative.** Up to eight (8) hours of compensation will be granted to fulltime regular employees to attend the funeral of a close relative, including immediate in-laws, aunts, uncles, nieces, nephews, and first cousins.

7.07 Jury and Witness Duty

An employee summoned to court to serve as required by law on a jury panel or as a witness in court shall be given time off from work. Prior to taking time off to serve in such capacity, employees must give reasonable notice to their Supervisor of the date(s) such jury or witness services are to begin and, if possible, the estimated duration of the amount of time off that will be necessary. Time off for jury or witness duty shall be with pay for a maximum time of thirty (30) working days in one calendar year. Any jury duty that extends beyond thirty (30) business days per year will be unpaid. However, exempt employees who work any portion of a workweek in which they also serve on jury duty or appear as a witness will receive their full salary for that workweek. An employee that receives jury duty or witness pay in addition to the MPWD salary must remit the jury duty or witness pay to the MPWD. Employees are expected to report to work each day or portion of a day they are not performing jury/witness duty.

7.08 Pregnancy Disability Leave

Under California law, any employee that is disabled by pregnancy, childbirth, or a related medical condition will, upon request, be granted a pregnancy disability leave (PDL) without pay for the period of actual disability of up to four months.

Pregnancy-related disability leaves may be taken intermittently, or on a reduced-hours schedule, as medically necessary. Moreover, an employee is entitled to a reasonable accommodation for pregnancy, childbirth, or related medical conditions if she so requests and provides the MPWD with medical certification from her health care provider. In addition to other forms of reasonable accommodation, a pregnant employee is entitled to transfer temporarily to a less strenuous or hazardous position or to less hazardous or strenuous duties if she so requests, the transfer request is supported by proper medical certification, and the transfer can be reasonably accommodated.

Employees must notify the MPWD of their request for pregnancy related disability leave

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as soon as they are aware of the need for such leave. For foreseeable PDL, the employee must provide 30 calendar days' advance notice to the MPWD of the need for leave. For events that are unforeseeable 30 days in advance, the employee must notify the MPWD as soon as is practicable and generally must comply with the MPWD's normal call-in or notice procedures. If the leave is requested in connection with a planned, non-emergency medical treatment, the employee must make an attempt to schedule such treatment so as to avoid unduly disrupting MPWD operations, and may be requested to reschedule the treatment so as to minimize disruption of the MPWD's business. If an employee fails to provide the requisite 30-day advance notice for foreseeable events without any reasonable excuse for the delay, the MPWD reserves the right to delay the taking of the leave until at least 30 days after the date the employee provides notice of the need for PDL.

All requests for PDL should include enough information to make the MPWD aware that the employee needs qualifying leave, and the anticipated timing and duration of the leave, if known.

Any request for PDL must be supported by medical certification from a health care provider. Employees generally must provide the required certification within 15 calendar days after the MPWD's request for certification. For foreseeable leaves, employees must provide the required medical certification before the leave begins. When this is not possible, employees must provide the required certification within 15 calendar days after the MPWD's request for certification, unless it is not practicable under the circumstances to do so, despite the employee's good faith efforts. Failure to timely provide the required certification may result in the denial of foreseeable leave until such certification is provided. In the case of unforeseeable leaves, failure to timely provide the required certification may result in a denial of the employee's continued leave.

An employee that is granted a PDL shall be required to utilize any accrued sick leave benefits and earned vacation benefits during the period of their leave. Any portion of the leave that occurs after all sick and vacation benefits have been exhausted shall be without pay.

An employee that does not report for work at the end of an approved PDL will be considered to have voluntarily resigned. A written physician's statement shall be required when returning from PDL indicating that the employee is medically able to return to work.

During an employee's pregnancy-related disability leave, the MPWD will continue to pay for the employee's participation in the MPWD's group health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave. Thus, the employee must continue to pay her share of the health plan premiums during the leave. If the employee substitutes paid leave for the unpaid leave, such payments will be deducted from the employee's pay through the regular payroll deductions. Otherwise, the employee must make arrangements with the MPWD for the payment of such premiums.

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Employees timely returning from a leave covered under this policy are entitled to reinstatement to the same or equivalent position consistent with applicable law. An employee has no greater right to reinstatement than if he or she had been continuously employed rather than on leave. The MPWD will comply with all applicable laws pertaining to reinstatement of employees, including where required, the reasonable accommodation of employees who have been on an approved leave. Employees on PDL will be credited with all service prior to the commencement of their disability, but not for the period of their disability.

7.09 Non-Industrial Illness or Injury Leave of Absence

Employees may request a leave of absence for disability arising by reason of non-industrial illness or non-industrial injury. A certificate from the attending physician must be presented to the MPWD indicating the date of the disability, the last date that the physician recommends that the employee work, the probable duration of the condition, and a statement that the employee is unable to work. Upon certification by the attending physician that the employee is disabled and may no longer work, vacation and sick leave may be used to the extent accrued, until the long-term disability insurance takes effect.

Such leaves of absence may be granted for the period of actual disability, up to a maximum of six (6) months and may be extended at the MPWD's discretion up to twelve (12) months in instances where there is reasonable medical expectation that the employee will be sufficiently recuperated within this time to resume the full range of duties of their position with or without reasonable accommodation. The MPWD may request a second medical opinion at the MPWD's expense.

An employee on approved leave for a non-industrial illness or injury must substitute accrued sick leave and vacation leave for their pay. The substitution of paid leave does not extend the total duration of the employee's approved leave for a non-industrial illness or injury.

The period an employee is on an unpaid leave of absence is not considered time worked for purposes of determining eligibility for or the amount of certain benefits, such as vacation and sick benefits.

If a paid holiday falls during the period an employee is on an unpaid leave of absence, they will not be eligible for the holiday pay.

Group insurance benefits ordinarily provided by the MPWD will remain in effect until the end of the month in which the unpaid leave begins. The employee is expected to pay the full costs of these coverages thereafter through COBRA by making advance payment arrangements with the Administrative Services Manager.

Before returning to work following any medical leave of absence, an employee must submit a physician's verification stating the date and employee's ability to return to work.

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7.10 Personal Leave of Absence Without Pay

Personal leaves of absence without pay for any reasonable purpose may be granted to an employee for up to six (6) months upon written request to the General Manager by way of their Supervisor. Examples of reasonable purposes are personal or family illness, disability, and other reasons approved by the General Manager at their sole discretion. The General Manager shall respond in writing to the employee's request stating the length of the approved time for which leave is granted or that the leave is denied.

The period an employee is on an unpaid personal leave of absence is not considered time worked for purposes of determining eligibility for or the amount of certain benefits, such as vacation and sick benefits.

If a paid holiday falls during the period an employee is on an unpaid personal leave of absence, they will not be eligible for the holiday pay.

Group insurance benefits ordinarily provided by the MPWD will remain in effect until the end of the month in which the unpaid leave begins. The employee is expected to pay the full costs of these coverages thereafter through COBRA by making advance payment arrangements with the Administrative Services Manager.

Employees shall exhaust their accrued vacation leave before becoming eligible for an unpaid leave of absence.

7.11 Military Leave of Absence

A military leave of absence, in accordance with state and Federal law, will be granted to those employees of a reserve component of the Armed Forces of the United States or National Guard, or for active duty during national or state emergencies. Provisions of the Military and Veterans Code of the State of California, Section 395-395.5 shall govern military leave.

Generally, the law provides that a regular fulltime employee having at least one year of service with a public entity is entitled to military leave with pay not exceeding thirty (30) days per year if they are called for active duty as members of the Armed Forces, Reserves, or National Guard, ordered for purposes of military training, encampment, naval cruises, special exercises or like activity.

MPWD employees shall be entitled to receive the difference between their regular rate of pay and the military rate of pay for the first thirty (30) calendar days of any such absence.

Military orders should be presented to the General Manager and arrangements for leave made as early as possible before departure.

Exceptions to this policy may occur wherever necessary to comply with applicable laws.

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7.12 Military Spouse Leave

Employees that work more than twenty (20) hours per week and have a spouse in the United States Armed Forces, National Guard, or Reserves that have been deployed during a period of military conflict are eligible for up to ten (10) unpaid days off when their spouse or domestic partner is on leave from military deployment.

An employee must request this leave in writing to the General Manager within two (2) business days of receiving official notice that their spouse or domestic partner will be on leave, and attach the written documentation certifying the spouse or domestic partner will be on leave from deployment.

Employees may use accrued vacation benefits to cover their absence. If the employee has no accrued vacation benefits, the employee must request a leave of absence without pay.

7.13 Time Off to Vote

Employees that do not have sufficient time outside of their regular working hours to vote in a statewide election may request up to two (2) hours of paid time off to vote. Employees should make their request at least two (2) days in advance of the election. Time taken for purposes of voting must be either at the beginning or end of the normal work day.

7.14 Leave Related to Domestic Violence or Sexual Assault

The MPWD will provide time off to an employee that has been the victim of domestic violence or sexual assault to seek any relief, including but not limited to, a temporary restraining order, restraining order, or other injunctive relief to help ensure the health, safety, or welfare of the victim or their child(ren). This includes time off for court proceedings, services from a domestic violence shelter, program or rape crisis center, counseling, medical attention, and participation in a safety planning program.

The MPWD requires reasonable advance notice of the leave when feasible. If time off is taken due to an emergency, the employee must within fifteen (15) days of the absence, provide the MPWD with certification of the need for the leave such as a police report, court order, documentation from a healthcare provider, victim advocate, or counselor.

7.15 Crime Victims' Leave

The MPWD will provide time off to an employee to attend judicial proceedings related to a crime, if that employee is a victim of crime, an immediate family member of a victim, a domestic partner of a victim, or the child of a domestic partner of a victim. The MPWD requires that, in advance of taking such leave, the employee provide it with a copy of the notice of each scheduled agency proceeding. If advance notice is not feasible, the employee is required to provide it to the MPWD upon their return to work.

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7.16 Organ or Bone Marrow Leave

The MPWD will grant an employee the following paid leaves of absence for the purpose of organ or bone marrow donation:

- A. **Bone Marrow Donation.** A leave of absence of up to five (5) days any one-year period for the purpose of donating the employee's bone marrow to another person.
- B. **Organ Donation.** A leave of absence of up to thirty (30) days in any one-year period for the purpose of the employee donating their organ to another person.

A leave of absence for the purpose of organ or bone marrow donation will be provided with pay, up to the maximum provided by law; however, if an employee has accrued sick or vacation leave benefits available, the employee is required to first use five (5) days of sick or vacation leave benefits for a bone marrow donation and two (2) weeks of sick or vacation leave benefits for an organ donation.

In order to receive a leave of absence pursuant to this policy, the employee must provide written verification to the General Manager that they are an organ or bone marrow donor and there is a medical necessity for the donation.

Any leave taken for the donation of an organ or bone marrow will not constitute a break in service for purposes of the employee's right to salary adjustments, sick and vacation leave accruals, or seniority. During any leave taken under this policy, the MPWD will maintain and pay for coverage under any group healthcare plan for the full duration of the leave.

Leave taken under this policy may be taken in one or more periods and will not run concurrently with any leave taken pursuant to any other applicable federal or state laws.

Upon expiration of a leave of absence authorized by this policy, the MPWD will restore the employee to the position held by them when the leave started or to a position with equivalent seniority status, employee benefits, salary, and other terms and conditions of employment. The MPWD may decline to restore an employee because of reasons unrelated to the exercise of rights by the employee under this policy.

7.17 School Activity Leave

Any employee that is the parent or guardian of a child in licensed childcare or kindergarten through grade 12 may request up to forty (40) hours off per school year for the purpose of participating in school activities, child care provider emergencies, and finding, enrolling, or re-enrolling a child in a school or day care. The request must be made in writing with as much advance notice as possible.

This time will be unpaid unless the employee chooses to use vacation or compensatory time off for this purpose. An employee will be limited to no more than eight (8) hours off for this purpose in any one calendar month. Upon request, the MPWD reserves the

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right to require documentation from the school as proof that the employee participated in the school activity.

7.18 Inclement Weather

In the event the General Manager deems it necessary to close the office due to inclement weather or emergency circumstances, managers will be contacted and they will contact their subordinate employees. An employee should make every effort to come into the office unless notified otherwise. If an employee is unable to safely do so, the employee needs to contact their supervisor.

If the office is officially closed through a management decision, the employee will be paid for the day with no effect on their paid time off. If, however, the office not closed and the employee does not come to work, the employee should use vacation leave benefits or request the time off without pay.

7.19 Unexcused Leave

Failure to report for work or notify the MPWD of a reason for absence for a period exceeding three working days will lead to discipline, up to and including termination.

SECTION 8 **EMPLOYEE RELATIONS**

8.01 Performance Evaluations

Evaluations provide a basis for salary adjustment, to determine potential for promotion, to notify the employee of performance deficiencies, and to help the employee plan and obtain career growth.

All employees generally will receive written performance evaluation from their immediate supervisor after their six-month introductory period and annually thereafter.

If an employee is promoted or demoted, the employee will be evaluated after six months in the new position. Special evaluations may be conducted at any time.

The General Manager may extend the introductory period should an additional period of time be warranted to successfully evaluate the employee.

Evaluations do not constitute adverse employment action and are not subject to the complaint procedure.

8.02 Standards of Conduct

The following examples are given in order to provide employees with guidance concerning unacceptable behavior. This list is not exhaustive.

- A. Poor performance, including incompetence or inefficiency, neglect of duty, e.g., failure to skillfully perform job functions.
- B. Fraud, embezzlement, or concealment in the performance of job functions.
- C. Using abusive or vulgar language, or causing disruption to the work place or to fellow employees, customers, or visitors.
- D. Unavailability for work, e.g., absenteeism or tardiness (aside from the use of paid sick leave, approved vacation or other excused absence).
- E. Misuse of the MPWD's monies or resources.
- F. Conducting non-business activities during business hours.
- G. Fighting, derogatory name-calling, abusive or profane language in the presence of customers, violation of harassment policy or similar conduct toward co-workers.
- H. Release of confidential information about the MPWD, its employees, or its customers.
- I. Falsification of forms, records, or reports, including but not limited to dishonesty in reporting on time sheets, employment applications, or employee records.
- J. Possessing or bringing firearms, weapons, explosives, open containers of alcohol,

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- illegal drugs or chemicals on or to the MPWD's property, including in vehicles.
- K. Refusing to follow a supervisor's or manager's directions, or failing to comply with the request of a supervisor or manager.
 - L. Unauthorized possession or removal of property, records, or other supplies/materials that do not belong to the employee.
 - M. Smoking in restricted areas on MPWD property or in MPWD vehicles.
 - N. Sabotage or destruction of or willfully damaging the MPWD's or other employee's property, records, or other materials.
 - O. Non-compliance with safety or health rules or practices or engaging in conduct that creates a safety or health hazard.
 - P. Leaving the MPWD's property or resources without approval prior to the end of a scheduled work day.
 - Q. Sexual harassment or other unlawful harassment of another employee or customer.
 - R. Giving false or misleading information during the application and/or selection process.
 - S. Failure to report involvement in an accident occurring on the MPWD's premises, or involving the MPWD's equipment and resources, or giving false statements in accident or insurance reports.
 - T. Willful failure to report to supervisor any significant omissions, errors, mistakes, or accidental damage affecting work assignments, property or equipment.
 - U. Unauthorized opening of or tampering with locks in desks, doors, cabinets, etc., or unauthorized use of or duplication of keys.
 - V. Reporting to work under the influence of drugs or alcohol.
 - W. Threatening or intimidating other employees or supervisors and managers.
 - X. Failure to promptly report the loss of a California driver's license due to suspension, withdrawal, forfeiture, or confiscation by any court of law or by the California Department of Motor Vehicles. This rule applies to employees that are required to maintain such a license as a condition of their employment.
 - Y. Being convicted of a crime that indicates unfitness for the job or raises a threat to the safety or well-being of the MPWD, its employees, customers, or property.
 - Z. Installing unauthorized software on the MPWD's computer system.
 - AA. Misuse of electronic systems (email, Internet, fax) per policy.
 - BB. Disregard or violation of MPWD rules, regulations, policies, or standards.

8.03 Discipline and Termination

Employment at the MPWD is at will and employees serve at the pleasure of the General Manager. Accordingly, an employee may be disciplined or terminated with or without

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cause. Nonetheless, guidelines concerning employee behavior and job performance are necessary to promote the consistency, efficiency, safety, and decorum in the workplace of the MPWD. Examples of conduct that the MPWD, in its sole discretion, considers to be contrary to its operational needs and which may result in discipline, including termination, are outlined in Section 8.02 hereinabove. The level of discipline to be imposed in any given circumstance depends upon the nature and severity of the misconduct or other deficiency at issue, the employee's overall record, and the MPWD's needs.

8.04 Employee Complaint Procedure

A. **Procedure.** Any regular full-time employee that contests an adverse employment action may initiate the complaint procedure. A complaint must be in writing and submitted within ten (10) days of the event giving rise to the complaint. The following steps comprise the complaint procedure:

Step 1: The complaint shall be reviewed by the General Manager who will make a written determination within ten (10) working days after receiving the complaint.

Step 2: If the employee is not satisfied with the determination of the General Manager, the employee may request review by the MPWD Board of Directors. The request for review must be in writing directed to the MPWD Board President, with a copy to the General Manager. The request for review must be submitted within ten (10) working days of the General Manager's determination, and include all facts pertinent to the complaint.

Step 3: The Board shall review the complaint and make its determination. It may in its discretion decide the complaint on the written record, conduct an investigation, or hold a hearing, or refer the matter to a Board ad hoc committee for investigation or resolution. The determination of the Board shall be final.

B. **Exclusions.** Specifically excluded from the complaint procedure are:

1. Position classification and salary grade assignments;
2. Oral or written reprimands, performance evaluations, or denial of merit increases;
3. Reassignment of duties due to staff reorganizations; and
4. Reductions in work force.

8.05 Staff Reductions

A. **Selection for Layoff.** In the event the MPWD General Manager determines that a reduction in staff is necessary because of operational considerations, lay off shall be by position. Employees within a position affected by lay off shall be considered for retention based upon their seniority, performance, reliability, skill, and abilities to do the work remaining at the MPWD.

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The MPWD may also decide to reduce staff on a selective or partial basis by imposing short-term leaves of absence without pay for employees in some but not all job classifications, or by asking all employees within a job classification to work less than a full-time schedule.

- B. **Rehire.** Employees subject to layoff that are in good standing at the time of their layoff are eligible for rehire for a period of up to one (1) year following the date of their layoff to any vacancy in their position or a lower position for which they are qualified. An employee on layoff that is offered reinstatement and declines it shall forfeit their rights to further offers for rehire under this section.

8.06 Confidentiality of Records

- A. **General Policy.** As a government agency, the MPWD is subject to the California Public Records Act, which provides a procedure for the MPWD to disclose its records upon written request and requires that many types of documents be disclosed. All requests to inspect or copy MPWD records or information from MPWD employee or customer records or files should be referred to the General Manager.

It is the policy of the MPWD to maintain the confidentiality of its business and personnel records and information to the extent required and/or permitted by law, including the Public Records Act. Types of records and information considered confidential are included below. To the extent permitted by law:

1. **Customer Records.** Information about customers, including without limitation, whether their account is in good standing, shall be confidential.
 2. **Employee Personnel Files/Records.** Employee personnel files/records shall be confidential and only the individual employee, his or her representative, and those members of MPWD management that need to have access to information in the employee's personnel file for MPWD operations will be permitted such access, in addition to government officials and agencies that may have a legal right to such access.
 3. **Employee Medical Records.** An employee's medical records shall be held and maintained in strict confidence and, as such, will be stored separately from an employee's personnel file. Only members of MPWD management that must have access to medical information related to MPWD operations will be granted access to medical information.
- B. **Questions Concerning Confidentiality.** Employees that have questions about what is regarded as confidential information should seek clarification from the General Manager. In the face of any uncertainty, employees should assume that the information in question should not be divulged. This policy precludes disclosure of confidential information to friends or family members as well as other members of the public. Anyone breaching the confidentiality policy will be subject to disciplinary action, up to and including termination.

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8.07 Request for Reasonable Accommodation

- A. **General Policy.** To comply with applicable laws ensuring equal employment opportunities to qualified individuals with a disability, the MPWD will make reasonable accommodations for the known physical or mental limitations of an otherwise qualified individual with a disability who is an applicant or an employee unless undue hardship would result. Any applicant or employee who requires an accommodation in order to perform the essential functions of the job should contact the General Manager, Administrative Services Manager, or Operations Manager to discuss the need for an accommodation. The MPWD will engage in an interactive process with the employee to identify possible accommodations, if any that will help the applicant or employee perform the job.
- B. **Interactive Process.** An interactive good faith communication process between the MPWD and a disabled employee is required in selecting an appropriate reasonable accommodation, if one exists. This is a timely individual process where management and the individual discuss the request and effective reasonable accommodation(s). In general, the MPWD will initiate an interactive process when: (1) an applicant or employee with a known disability requests a reasonable accommodation, (2) the MPWD otherwise becomes aware of the need for an accommodation through a third party or by observation, or (3) the MPWD becomes aware of the possible need for an accommodation because the employee has a disability and has exhausted leave under the Workers' Compensation Act, or other federal, state or employer leave provisions, if applicable.
- C. **Considerations.** The following is a non-exclusive list of the considerations when reviewing a request for accommodation:
1. The essential functions of the job.
 2. Conduct an independent assessment.
 3. How the disability limits performance of the essential functions.
 4. Identify accommodation options that overcome limitations and determine the reasonableness of the proposed accommodations.
 5. Select the most appropriate reasonable accommodation, if one exists.

If an accommodation request is made, the MPWD will initiate the interactive process and confer with the individual applicant or employee, as necessary, until the interactive process is complete and/or a reasonable accommodation, if any, is determined.

8.08 Employment Reference Checks

All inquiries regarding a current or former MPWD employee must be referred to the Manager of Administrative Services or the General Manager.

A reference letter may not be issued to any current or former employee without the permission of the General Manager.

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The MPWD will respond to inquiries requesting employee data by providing only a verification of the dates of current or past employment, job title and description, and, if requested, compensation. An employee or former employee that wishes additional information be provided by the MPWD must submit a written authorization to the General Manager describing with specificity the information that the employee wishes released by the MPWD.

Failure to follow these directions may be cause for disciplinary action, up to and including termination.

8.09 Security

Security is important to everyone. Employees are expected to not discuss the security of the MPWD premises or services with any individual not employed by the MPWD. Additionally, neither the MPWD nor its insurance carriers take any liability for employee's personal belongings. Employees are encouraged to secure personal belongings.

The MPWD building is secured with electronic keypads for access before and after working hours. Each employee will be given a confidential code, not to be shared with anyone. Specific instructions and training will be provided by the MPWD.

Since the MPWD retains the right to search its property or facilities at any time, including employee assigned desks, files, and computer systems, if an employee has anything of a private nature that they do not wish to be subjected to discovery during such searches, these items should be kept with the employee.

8.10 Workplace Violence

The safety and security of employees and customers are very important to the MPWD. Threats, threatening behaviors, acts of violence, or any related conduct that disrupts work performance or MPWD operations will not be tolerated.

Any person that makes threats, exhibits threatening behaviors, or engages in violent acts on MPWD property may be removed from the premises pending the outcome of an investigation. Off-site threats, threatening behaviors, or other acts of violence that are directed at MPWD employees, Board members, or the public while conducting business for the MPWD are a violation of this policy.

Off-site threats include but are not limited to threats made via telephone, facsimile, electronic or conventional mail, or any other communication medium. Violations of this policy will lead to disciplinary action that may include dismissal, arrest, and prosecution. In addition, if the source of such inappropriate behavior is a member of the public, the response may also include barring the individual(s) from MPWD property, termination of business relationships with that individual, and/or prosecution of the individual(s).

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Employees are responsible for notifying the General Manager, Operations Manager, or Administrative Services Manager of any threats, which they witnessed, received, or told that another person witnessed or received. Employees should also report any behavior they have witnessed, which they regard as threatening or violent when that behavior is job related or might be carried out on MPWD property or in connection with employment.

Any employee that receives a protective or restraining order that lists the MPWD premises as a protected area is required to provide a copy to the MPWD via the Administrative Services Manager or General Manager.

8.11 Smoking and Tobacco Products Prohibitions

Regardless of location, all MPWD offices, enclosed buildings and structures, and vehicles are considered non-smoking areas, including use of e-cigarettes. Smoking and tobacco products are prohibited at all times in these areas, including while operating MPWD equipment. Because of second-hand smoke health concerns, there will be no smoking while on MPWD job sites when others are present, when dealing with customer concerns on their property, or within MPWD outdoor areas when others are present.

8.12 Telephone Calls

The use of MPWD telephones is intended for official MPWD business. Employees are required to keep all personal calls to a minimum, including the use of personal cellular telephones. Family members and friends should be discouraged from calling during working hours unless there is an emergency. Under no circumstances should an employee utilize the MPWD telephones for personal long distance telephone calls.

8.13 Off-Duty Conduct

While the MPWD does not seek to interfere with the off-duty and personal conduct of its employees, certain types of off-duty conduct may interfere with the MPWD's legitimate business interests. For this reason, employees are expected to conduct their personal affairs in a manner that does not adversely affect the MPWD's or their own integrity, reputation, or credibility. Conduct on the part of the employee that adversely affects the MPWD's legitimate business interests or the employee's ability to perform their job will not be tolerated.

8.14 Conflict of Interest

While employed by the MPWD, employees are expected to devote their energies to their jobs with the MPWD. The following types of outside employment are strictly prohibited:

- A. Employment that conflicts with an employee's MPWD work schedule, duties and responsibilities.
- B. Employment that creates a conflict of interest or is incompatible with the

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employee's employment with the MPWD.

- C. Employment that impairs or has a detrimental effect on the employee's work performance with the MPWD.
- D. Employment that requires the employee to conduct work or related activities on the MPWD's property during the MPWD's operational hours or using the MPWD's facilities, equipment, and/or resources.
- E. Employment that directly or indirectly competes with the business or the interests of the MPWD.

Employees that wish to engage in outside employment, which may create a conflict of interest, must submit a written request to the General Manager explaining the details of the outside employment. If the outside employment is authorized, the MPWD assumes no responsibility for the outside employment. Authorization to engage in outside employment can be revoked at any time.

8.15 Anti-Fraud/Ethics Policy

The MPWD and its employees must at all times comply with all applicable laws and regulations. Employees uncertain about the application or interpretation of any legal requirements should refer the matter to their supervisor or a manager.

The MPWD expects its employees to conduct themselves in a professional businesslike manner and perform duties conscientiously, honestly, and in accordance with the best interests of the organization. Employees are expected to take great care when working with MPWD vendors, suppliers, and contractual consultants. Employees should respect the confidentiality of information acquired in the course of their work. Regardless of the circumstances, if an employee senses that a course of action may involve a conflict of interest, fraud and/or dishonesty, they should immediately communicate all facts to their supervisor or a manager.

8.16 Media Contact

Employees are not permitted to give or report any information about MPWD operations, its employees, customers, vendors, or consultants to the media on behalf of the MPWD. Employees should notify the media representative that they are not authorized to make a public comment on behalf of the MPWD and refer the inquiry directly to the General Manager. No employee may communicate with media agents on behalf of the MPWD without prior authorization from the General Manager.

8.17 Gifts and Gratuities

- A. **No Solicitation of Gratuities.** It is the policy of the MPWD to prohibit employees from soliciting gifts or gratuities from customers, vendors, or others who do or propose to do business with the MPWD.

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- B. **Limitation on Gratuities Accepted.** Gifts and gratuities accepted by employees shall not exceed \$100 in retail value for any single gift, nor shall any employee accept gifts or gratuities with a total value of \$200 or more in a fiscal year from customers, vendors, or others who do or propose to do business with the MPWD.

8.18 Work Time Solicitation and Distribution

- A. **Solicitation Limited to Non-Working Time.** Employees may engage in solicitation on MPWD premises only during their nonworking time. Nonworking time means time during meals or breaks and before or after work. Employees may distribute or circulate non-MPWD written materials only during nonworking time and only in nonwork areas. If an employee is not certain whether an area is a work or nonwork area, he or she should consult his or her immediate supervisor for clarification.

- B. **Political Activity.** Employees shall be prohibited from either soliciting funds or actively supporting any candidate for the election to the MPWD Board of Directors. Employees are specifically prohibited from engaging in political activities at any time while on duty or while wearing an MPWD uniform. Employees may not use MPWD funds, equipment, or resources for the purpose of providing support or opposition to a candidate or a ballot measure.

Nothing stated herein shall be construed as limiting any employee's right to vote, or freedom of reasonable expression or right of association, nor the exercise of any rights protected by the Constitution of the United States of America and the State of California.

- C. **Religious Activity.** Employees shall be prohibited from soliciting other employees' participation for any religious denomination or activity.

Employees are specifically prohibited from engaging in religious solicitation of other employees, MPWD customers, or the public at large, while on duty or while wearing an MPWD uniform. Employees may not use MPWD funds, equipment, or resources for the purpose of religious solicitation.

Nothing stated herein shall be construed as limiting any employee's right to religious beliefs or freedom of reasonable expression or right of association, nor the exercise of any rights protected by the Constitution of the United States of America and the State of California.

- D. **Violation.** Violations of this policy will lead to discipline, up to and include termination.

8.19 Tools and Equipment

Tools and equipment required for water system operations will be issued by the MPWD as part of each work assignment. MPWD issued tools and equipment will be the responsibility of the employees for the duration of the work assignment. Depending upon the circumstances and value of the tool or equipment, first-time or unpreventable losses

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may be replaced by the MPWD. Losses may be charged to the employee, depending upon the circumstances, and will be determined by the General Manager.

Employees are reminded they are responsible to determine the degree of hazard that might exist at a work site and be cautious regarding the security of MPWD property. Tools and equipment shall be secured before leaving a work site.

8.20 Personal Appearance

The image that employees present to MPWD customers and general public is a direct result of the employees who meet and serve the public each day. The MPWD has a reasonable grooming code to ensure that its image remains high and to assure employee safety.

Hair, regardless of length, must be neat and well groomed. Hair, mustaches, and beards shall be kept at a length so as not to endanger the employee while operating MPWD equipment and machinery.

Non-exempt employees are required to wear the authorized uniforms and hats during work hours, which are provided by the MPWD. Upon termination of employment, uniforms are to be returned to the MPWD. Employees will be responsible to pay the MPWD for any lost or missing uniforms. Management employees are expected to dress in a manner consistent with good business practices.

The MPWD will fund up to \$400 per fiscal year for each employee in Field Operations so that they can purchase up to two (2) pair of steel-toed work boots from a vendor that the MPWD has an open account for purchasing/renting goods, services, and supplies. Under this policy, Field Operations employees can spend all \$400 on one (1) pair of steel-toed work boots or up to two (2) pair of steel-toed work boots during the fiscal year. Any cost above the \$400 for steel-toed work boots will be paid by the employee and not the MPWD. Upon the purchase of steel-toed work boots during the fiscal year, the employee will provide MPWD management with the vendor's receipt within two (2) working days of acquiring the work boots for proper tracking and accounting. The General Manager has discretion to approve the purchase of work boots for other MPWD employees.

“Casual day” is authorized for the employees in Administration on Friday of each work week. Jeans are permitted as long as they are full-length and not torn or too faded Professional clothing should be worn on Fridays when professional contact is expected. The following are not appropriate during normal working hours or for MPWD activities or events:

- A. Athletic clothing
- B. Sheer clothing
- C. Flip flops
- D. Form fitting clothing
- E. Graphic T-shirts

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- F. Mini-skirts
- G. Halter/tube/crop tops, including backless tops
- H. Torn, cut, or frayed clothing
- I. Clothing with obscene messages or artwork

8.21 Policy against Unlawful Harassment, Discrimination and Retaliation

The MPWD is committed to providing a work environment free of unlawful harassment and discrimination. MPWD policy prohibits sexual harassment (including harassment based on pregnancy, childbirth, breastfeeding, or related medical conditions), as well as harassment based on such factors as race, color, religion (including religious dress and religious grooming), gender (including gender expression and gender identity), national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, military or veteran status, political affiliation, and family care or medical leave status. In addition, MPWD policy prohibits discrimination and harassment on any other basis protected by federal, state, or local law, ordinance or regulation. The MPWD will not tolerate harassment of employees by managers, supervisors, or co-workers, and will not tolerate harassment by its employees or third parties with whom employees have a business, service, or professional relationship (including but not limited to vendors, clients, or visitors). The MPWD also will attempt to protect employees from harassment by non-employees.

The MPWD has adopted a Policy against Unlawful Harassment, Discrimination and Retaliation. The terms and conditions of this policy, as they may be amended by the MPWD in the future, are attached and incorporated as Exhibit “A”.

8.22 Electronic Communications Policy

The MPWD has established this policy in an effort to make certain that employees utilize electronic communication devices and other technology in a legal, ethical, and appropriate manner. Computers, computer files, e-mail, software, and telephones (including cellular telephones) furnished to employees are and remain the property of the MPWD and are intended for business use only.

All messages sent and received, including personal messages, and all data and information stored on the MPWD’s electronic mail system, voicemail system, or computer systems are MPWD property regardless of the content. As such, the MPWD reserves the right to access all of its computers, voicemail, and electronic mail systems, at any time, in its sole discretion.

Employees should understand that they have no right of privacy with respect to any messages or information created, collected, or maintained on the MPWD’s computers, voicemail, and electronic mail systems, including personal information or messages. The

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MPWD may, at its discretion, inspect all files or messages on its computers, voicemail, and electronic mail systems at any time for any reason. Employees are further reminded that, under some circumstances, communications sent by e-mail or voicemail may be subject to disclosure under the Public Records Act or during litigation. Therefore, it is important not to compromise themselves or MPWD under these circumstances.

The MPWD strives to maintain a workplace free of harassment and sensitive to diversity of its employees. The MPWD has a policy against harassment described in this manual in Exhibit “A”. Under no circumstances shall employees use the MPWD’s computers, voicemail, and electronic mail systems to transmit, receive, or store any information that is discriminatory, harassing, defamatory, obscene, indecent, threatening, or that otherwise could adversely affect any individual, group, or entity (e.g., sexually explicit or racial messages, jokes, or cartoons). Other such misuse include, but is not limited to, ethnic slurs, racial comments, off-color jokes, or anything that may be construed as harassment or discrimination.

Incidental and occasional personal use of the e-mail system is permitted, but such messages are subject to the access and disclosure statement set forth in this policy.

MPWD e-mail may not be used to solicit others for commercial ventures, or religious or political causes.

The MPWD purchases and licenses the use of various computer software for business purposes and does not own the copyright to this software or its related documentation. Unless authorized by the software developer, the MPWD does not have the right to reproduce such software for use on more than one computer. Employees may only use software on local area networks or on multiple machines according to the software license agreement. The MPWD prohibits the illegal duplication of software and its related documentation. Employees should notify the General Manager upon learning of violations of this policy. Employees who violate this policy will be subject to disciplinary action, up to and including termination.

8.23 Vehicle Operation Policy

All MPWD employees must present and maintain a valid California driver’s license that is in good standing and that satisfies the requirements of their job description. MPWD employment requires a Class “C” driver’s license. Failure to maintain a valid license in good standing with the California Department of Motor Vehicles (DMV) shall be cause for discipline, including but not limited to demotion, reclassification, or termination. A valid driver’s license in good standing means a satisfactory record with the DMV and the MPWD’s automobile insurance carrier. In order to verify an employee’s driving status, the MPWD may require employees to furnish all or portions of their driving record from the DMV, or require them to sign necessary authorizations that are required or appropriate to request the records directly from the DMV.

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The MPWD does not own a vehicle that requires additional licensing. In the event the MPWD adds a vehicle that requires a Class “A” or “B” license, the MPWD will provide notice to applicable employees of the requirement for them to obtain such license within a reasonable period of time.

8.24 Driving on the Job

The MPWD has established and maintains a Driving Record Review Program. As part of this program, it has enrolled in the Department of Motor Vehicles (DMV) Employer Pull Notice Program. This is a free service for public agencies that provides driver record reports on employees. Employees include temporary, seasonal, and part-time employees and volunteers.

- A. **Procedures.** The MPWD obtains from the DMV a copy of the driving record of all of its employees that are authorized to operate vehicles (MPWD or personal) on the MPWD’s business.
1. As a public agency, the MPWD is entitled to receive copies of driving records from the DMV without charge.
 2. A copy the employee’s driving record shall be obtained as soon as possible after hired and annually thereafter.
 3. The MPWD is responsible for ordering and interpreting all driving records.
 4. To ensure uniformity in the application of recommendations to employees whose records are found to be unacceptable, the driver record review criteria was developed. (See: “2. Driver Record Review Criteria” in this section)
 5. Occasionally other concerned employees or the general public may bring to the MPWD’s attention the fact that an employee may be jeopardizing the MPWD’s integrity and exposing it to undue liability through poor driving techniques and habits. All such complaints will be investigated immediately and action taken to correct the problem as follows:
 - If it is established that an employee has poor driving techniques and/or habits, the MPWD’s corrective action may be followed. (Depending on the seriousness of the poor driving technique and/or habit, it may be desirable to enroll the employee in a “defensive driving” course.)
 - A second warning for the same poor driving technique and/or habit, within a three year period, may require temporary suspension or temporary reassignment to a non-driving position and will be appropriately documented.
 6. If an employee’s duties require driving a vehicle, they must maintain a driving record that will not cause the MPWD’s insurance rate to be increased or for the employee to become uninsurable. Any such actions could lead to disciplinary action, up to and including termination.

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7. If an employee's duties require driving a vehicle, they will use MPWD vehicles. If the employee chooses to use their personal vehicle for travel they must provide proof of insurance.
- A. **Driver Record Review Criteria.** The following criteria reflect the good risk management procedures used by the MPWD in order to control its auto liability and physical damage exposures. The Administrative Services Manager will review your Driver Record Report to determine which category you will fall into.
 1. Class I — Immediate Attendance in Defensive Driving Program.
 - Two points within 35 months;
 - Any moving violation in a MPWD vehicle;
 - Any accident; or
 - Two **Failure to Appear notices within 36 months.
 2. Class II — 12-Month Driving Probation. Any additional point violations within this probation period will trigger a Class III recommendation.
 - Three to five points within 36 months;
 - Any accident in which the driver was charged with a ***public offense within 36 months, except for DUI, reckless driving, or speed contest violations (see Class III);
 - Any *chargeable accident while on MPWD business;
 - A violation for an expired license; or
 - Four ** Failure to Appear notices within 36 months.
 3. Class III — 120 Day Suspension of JPIA Driving Privileges.
 - Four or more points within 24 months;
 - Six or more points within 36 months;
 - DUI, reckless driving, or speed contest, NOT during MPWD business;
 - Five **Failure to Appear notices within 36 months;
 - Two chargeable accidents within 24 months; or
 - Any citation incurred while license is suspended.

* Chargeable Accident – when a driver has received a point violation.

** Failure to Appear – California Vehicle Code 40508(a).

*** Public Offense – California Vehicle Codes 23100 through 23249.58.

8.25 Mobile Devices and Cellular Telephone Safety

The use of mobile devices while driving on MPWD business is considered a dangerous distraction. The MPWD prohibits the use of all handheld mobile devices including cell phones, smart phones, tablets, personal organizers, or other devices for work purposes

SECTION 8

while operating a motor vehicle or for personal purposes while operating a motor vehicle during work hours or on MPWD business.

If an employee's job requires them to keep a cellular telephone turned on while driving, employees may use hands-free mobile devices while driving when safe and lawful to do so. Special care should be taken in situations where there is heavy traffic, inclement weather, or the employee is driving in an unfamiliar area. Employees must adhere to all federal, state, and local rules and regulations regarding the use of mobile devices while driving.

Under no circumstances are employees allowed to use text devices to type or review text messages for work purposes while operating a motor vehicle or for personal purposes while operating a motor vehicle during work hours or on MPWD business.

8.26 Alcohol-Drug Free Workplace

The MPWD recognizes that behavior resulting from the use of alcohol and/or drugs may detrimentally affect the safety and work performance of its employees and can present a risk to the health and welfare of its employees and customers.

In recognition of the MPWD's responsibility to maintain a safe work environment and the employee's responsibility to perform safely, the MPWD will act to eliminate any substance abuse, which increases the risk of injuries, accidents, or substandard performance. For the purpose of this policy, substance abuse includes the use or possession of illegal drugs, alcohol, or abuse of prescription drugs, which could impair an employee's work performance and/or ability to do their job safely.

- A. **Rules and Standards.** The following rules and standards of conduct apply to all employees either on MPWD property or during the work day (including meals and rest periods); while conducting or performing MPWD business, regardless of location; operating or responsible for the operation, custody, or care of MPWD equipment or other property; or responsible for the safety of others in connection with, or while performing, MPWD-related business. The following is prohibited:
1. The use, sale, purchase, transfer, manufacture, distribution, transportation, dispensation, possession, or being under the influence of any illegal drug or alcohol while on MPWD or MPWD-managed premises or while performing MPWD business;
 2. The abuse of any legal drug;
 3. The purchase, sale, manufacture, distribution, transportation, dispensation, or possession of any legal prescription drug in a manner inconsistent with law; and
 4. Working while impaired by the use of a legal drug whenever such impairment might: (a) Endanger the safety of the employee or some other person; (b)

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Pose a risk of significant damage to MPWD property or equipment; or (c) Substantially interfere with the employee's job performance or the efficient operation of the MPWD's business or equipment. If the use of a prescription drug combined with the duties of the required job creates an unsafe working condition, this fact shall be reported to the employee's supervisor or a manager prior to reporting to work. Employees whose job performance is so restricted may be subject to reassignment, medical examination, or other actions specified by applicable statutes and regulations.

- B. **Reasonable Suspicion Testing.** Employees may be subject to drug and alcohol testing when there is a reasonable suspicion that the employee has violated the rules expressed in this policy. "Reasonable Suspicion" will be based on specific observations such as abnormal coordination, appearance, behavior, and speech or breath odor. It can also include work performance, safety or attendance problems.

8.27 Other Related Policies

- A. **Safety Manual and Emergency Operating Plan.** The MPWD greatly values the safety and health of all employees and is committed to providing a safe and healthful workplace. This is accomplished through the establishment, implementation, and maintenance of an effective Injury & Illness Prevention Program (IIPP). The General Manager is assigned responsibility for implementation and management of the IIPP.

The MPWD Safety Manual and Emergency Operating Plan were adopted in June 1991 and each employee was provided with a copy, including any updates.

- B. **Salary Plan.** The Salary Plan and Job Descriptions covering MPWD employees are maintained in a separate document. Each employee is provided with a copy, including any updates.

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EMPLOYEE EXPENSE REIMBURSEMENT GUIDELINES

The MPWD will fully compensate employees for all reasonable and prudent expenses incurred in the course of MPWD business as described below:

- A. **Credit Card Use.** Credit cards will be issued to the General Manager and Operations Manager who either travel on a regular basis on MPWD business, or have the need to frequently purchase supplies or services on behalf of the MPWD. Credit cards should be used only for legitimate, approved business of the MPWD, subject to the following regulations. These cards should be used for all approved expenses as authorized in this section.
 - No personal items may be charged on the business credit card;
 - All charges must be in line with travel guidelines or procurement policies as approved by management; and
 - Receipts must be promptly submitted after making the charge to the Administrative Services Manager.
- B. **Employee Incurred Expenses.** Expenses under the amount of \$50, which are incurred by employees for MPWD purposes, will be reimbursed through its petty cash account. Expenses over that amount will be reimbursed through normal accounting procedures after the employee has completed and submitted an expense report. All expenses must be approved in advance by management before submitting for reimbursement.
- C. **Mileage.** The mileage reimbursement rate to operate privately-owned vehicles will be the allowable IRS rate in effect at the time the expense is incurred. The mileage distance should be calculated from destination to destination, and shall not exceed the actual cost of commercial transportation. Employees driving private vehicles on MPWD business will be required to attend a formal defensive driving class every four years and one TargetSolutions online class every two years. Employees are required to provide the MPWD with proof of insurance coverage for their personal vehicle, and expected to practice good defensive driving techniques and operate the vehicle in a safe and responsible manner.
- D. **Travel Expenses (Air Fare/Rental Car).** Management approval is required in advance of travel expenses involving air fare or rental cars for MPWD purposes. The most cost effective (e.g., coach air fare) will be used. At times it may be more cost effective and/or convenient to utilize a cab or shuttle from the office or the employee's home to the airport. Employees should use the most economical mode and class of transportation available that is reasonable for the circumstances. When commercial transportation is used, the MPWD will reimburse the employee the actual costs incurred or pay them directly to the carrier. Employees using airport parking will use long-term or economy parking when available.

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- E. **Lodging.** The reimbursement rate should not exceed the group conference rate per night, exclusive of tax, or whatever is a reasonable rate in the area. Management approval is required for lodging fees that exceed the rate listed. The MPWD will reimburse the employee the actual costs incurred or pay them directly to the provider. Lodging expenses will not be reimbursed if attendance at a meeting takes place within the MPWD's service area or adjacent counties without prior approval by the General Manager.
- F. **Meal Expenses.** Reimbursable meal expenses may include actual expenses for meals at restaurants or meals at hotels, conferences, seminars, or meetings, only if meals are not included in any registration fees for such meetings. Daily meal reimbursement will be permitted for actual costs not to exceed maximum meal rate established by the United States General Services Administration (GSA) for that location.
- G. **Expense Reports.** Expense Reports should be submitted by the employee within two weeks of return from travel/training.

SECTION 10 LEAVING THE MPWD

10.01 Resignation

A minimum of two (2) weeks' written notice of resignation is requested in order to leave the MPWD in good standing.

10.02 Termination

- A. **At Will Employment.** MPWD employees have the status of "at will" employment, which means that employment may be terminated by the employee or the MPWD at any time, with or without notice, and with or without cause. No manager has the authority to enter into any agreement for employment for any specified period of time, or to make any agreement contrary to the above, with the exception of the General Manager, in writing.
- B. **Failure to Report to Work.** If an employee fails to report to work for three (3) consecutive work days without notice or approval by their supervisor, the MPWD may consider that the employee has abandoned their job, and their employment may be terminated.

10.03 Return of MPWD Property

All MPWD property, including but not limited to assigned vehicles, keys, security fobs, equipment, laptop computers, tablets, cellular telephones, 2-way radios, reports, proprietary information, and other job related materials and supplies must be returned to employee's supervisor prior to departure.

10.04 Exit Interview

The General Manager is responsible for scheduling an exit interview with the employee on their last date of employment.

10.05 Benefits

Medical, Dental, and Vision benefits end on the last day of the month of an employee's employment. Life and Disability coverages require "active" employment, and, therefore, end on an employee's last day worked.

- A. **CalPERS.** Employee will be notified directly by CalPERS regarding their options.
- B. **Deferred Compensation Plan.** If enrolled in a deferred compensation program, employee should contact the plan carrier regarding their options.

10.06 Final Paycheck

Employee will receive their final paycheck on the next regularly scheduled pay day or earlier if it is required by law.

SECTION 11 **AMENDMENTS**

The MPWD may amend this *Personnel Manual* at any time in its sole discretion subject only to restrictions imposed by law. Employees are encouraged to become familiar with this manual and to know and understand its contents. If there are any questions or suggestions on any section herein, please consult with the General Manager

EXHIBIT A**POLICY AGAINST UNLAWFUL HARASSMENT,
DISCRIMINATION AND RETALIATION**

The MPWD is committed to providing a work environment free of unlawful harassment and discrimination. MPWD policy prohibits sexual harassment (including harassment based on pregnancy, childbirth, breastfeeding, or related medical conditions), as well as harassment based on such factors as race, color, religion (including religious dress and religious grooming), gender (including gender identity and gender expression), genetic information, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, military or veteran status, political affiliation, and family care or medical leave status. In addition, MPWD policy prohibits discrimination and harassment on any other basis protected by federal, state, or local law, ordinance or regulation. The MPWD will not tolerate harassment of employees by managers, supervisors, or co-workers, and will not tolerate harassment by its employees of third parties with whom employees have a business, service, or professional relationship (including but not limited to vendors, clients, or visitors). The MPWD also will attempt to protect employees from harassment by non-employees.

The conduct prohibited by this policy, whether verbal, physical, or visual, includes any discriminatory employment action and any unwelcome conduct that adversely affects an individual because of his/her protected status. MPWD policy prohibits such conduct in the workplace even if the conduct is not sufficiently severe or pervasive to constitute actionable harassment.

Harassment includes conduct that creates an intimidating, offensive, or hostile working environment or that interferes with work performance. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission to or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

Harassment can take many forms and includes offensive verbal conduct, offensive visual conduct, and offensive or otherwise unwelcome physical conduct. Such conduct includes, but is not limited to, impeding another's movement or otherwise physically interfering with normal work, patting, pinching, grabbing, assault, slurs, jokes, epithets, gestures, pictures, drawings, or cartoons based upon an employee's sex, race, color, national origin, religion, age, physical disability, mental disability, medical condition, ancestry, marital status, sexual orientation, military or veteran status, political affiliation, or family care or medical leave status.

Sexually harassing conduct includes all of the above, as well as other unwelcome conduct such as requests for sexual favors, unwelcome sexual advances, and conversation containing sexual comments. Sexually harassing conduct can be by a person of either the same or

EXHIBIT A

opposite sex, and need not be motivated by sexual desire to be considered harassing conduct.

Any incident of harassment, discrimination, or retaliation should be reported promptly to the General Manager, the Administrative Services Manager, or the Operations Manager who will be responsible for making sure such complaints are investigated. An employee need not complain to any particular individual if that person is the individual engaging in the harassment, but instead may report the harassment to his or her immediate supervisor or to any other member of management. Any supervisor who receives a complaint or who observes harassing conduct is required to report it immediately to the General Manager, the Administrative Services Manager, or the Operations Manager for investigation, determination, and resolution. Every reported complaint of harassment, discrimination, or retaliation will be responded to in a timely manner.

Every reported complaint of harassment or discrimination will be investigated in a timely and impartial manner by qualified personnel. The investigation will be handled as confidentially as possible. The MPWD will not tolerate retaliation against any employee for making a truthful complaint in good faith, for opposing perceived violations of this policy, or for participating in an investigation of a harassment or discrimination complaint. Any employee who believes he/she has experienced or witnessed retaliatory conduct should report such conduct following the procedures in this policy.

If harassment, discrimination, or retaliation is established, the MPWD will take corrective action, up to and including termination of employment, depending on the circumstances. The MPWD may discipline an employee for any inappropriate conduct discovered while investigating reports of alleged violations of this policy, even if the conduct does not amount to a violation of the law or even a violation of this policy. Corrective action in response to acts of harassment by non-employees will be taken after consultation with the appropriate management personnel and will be whatever is reasonable and appropriate under the circumstances.

If the result of the investigation is not to the satisfaction of the employee, the matter may be reported to the Board of Directors as a Complaint following the procedure as described in the Section 8.04, "Employee Complaint Procedure," in this *Personnel Manual*.

In addition to notifying the MPWD about harassment, discrimination, or retaliation complaints, affected California employees may also direct complaints to the U.S. Equal Employment Opportunity Commission ("EEOC") and/or the California Department of Fair Employment and Housing ("DFEH"), which have the authority to conduct investigations of the facts. The deadline for filing complaints with the DFEH is one year from the date of the alleged unlawful conduct. If the DFEH believes that a complaint is valid and settlement efforts fail, the DFEH may seek an administrative hearing before the California Fair Employment and Housing Commission ("FEHC") or file a lawsuit in court. Both the FEHC and the courts have the authority to award monetary and nonmonetary relief in meritorious cases. An employee can contact the nearest DFEH or EEOC

EXHIBIT A

office at the locations listed in the MPWD's EEOC and DFEH poster or by checking the government listings in the local telephone directory.

I acknowledge that I have received and understand MPWD's Policy Against Unlawful Harassment, Discrimination, and Retaliation.

EMPLOYEE'S SIGNATURE

DATE

EMPLOYEE'S NAME (Typed or Printed)

GENERAL MANAGER

EXHIBIT B-1
Employee Copy

ACKNOWLEDGEMENT OF RECEIPT OF PERSONNEL MANUAL AND AT-WILL AGREEMENT

After the employee has read this Manual and clarified any issues with the General Manager, they should complete and sign both copies of the following statement. Two copies are provided, one for the employee's records and one for the MPWD's records. The MPWD's copy should be returned to the General Manager within five (5) days.

MPWD EMPLOYEE PERSONNEL MANUAL RECEIPT *(Employee Copy)*

I have received my copy of the 2016 MPWD *Personnel Manual*. I understand and agree that it is my responsibility to read and familiarize myself with and follow the policies and procedures contained in the manual.

I understand that, except for employment at-will status, any and all policies or practices can be changed at any time by the MPWD. I understand and agree that, other than the General Manager of the MPWD, no manager, supervisor or representative of the MPWD has authority to enter into any agreement, expressed or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the General Manager has the authority to make any such agreement and then only in writing, signed by the General Manager.

My signature below certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between the MPWD and me concerning the duration of my employment. It supersedes all prior agreements, understandings, and representations concerning the duration of my employment.

EMPLOYEE'S SIGNATURE

DATE

EMPLOYEE'S NAME (Typed or Printed)

GENERAL MANAGER

Sign, date, and keep this copy for employee's records.

EXHIBIT B-2
Employer Copy

ACKNOWLEDGEMENT OF RECEIPT OF PERSONNEL MANUAL AND AT-WILL AGREEMENT

After the employee has read this Manual and clarified any issues with the General Manager, they should complete and sign both copies of the following statement. Two copies are provided, one for the employee's records and one for the MPWD's records. The MPWD's copy should be returned to the General Manager within five (5) days.

MPWD EMPLOYEE PERSONNEL MANUAL RECEIPT *(Employer Copy)*

I have received my copy of the 2016 MPWD *Personnel Manual*. I understand and agree that it is my responsibility to read and familiarize myself with and follow the policies and procedures contained in the manual.

I understand that, except for employment at-will status, any and all policies or practices can be changed at any time by the MPWD. I understand and agree that, other than the General Manager of the MPWD, no manager, supervisor or representative of the MPWD has authority to enter into any agreement, expressed or implied, for employment for any specific period of time, or to make any agreement for employment other than at-will; only the General Manager has the authority to make any such agreement and then only in writing, signed by the General Manager.

My signature below certifies that I understand that the foregoing agreement on at-will status is the sole and entire agreement between the MPWD and me concerning the duration of my employment. It supersedes all prior agreements, understandings, and representations concerning the duration of my employment.

EMPLOYEE'S SIGNATURE

DATE

EMPLOYEE'S NAME (Typed or Printed)

GENERAL MANAGER

Sign, date, and return this copy to the General Manager.



TO: Board of Directors

FROM: Tammy A. Rudock
General Manager

DATE: September 22, 2016

MANAGER'S REPORT

FOLLOW-UP FROM 08/25/16 REGULAR BOARD MEETING

- The Grant of Easement from the CSUS of a 45 square foot piece of property near 8 Davis Drive in Belmont for the purpose of relocating the existing MPWD fire hydrant #7064 was recorded at the San Mateo County Recorder's Office.
- Hard copies of the MPWD Comprehensive Analysis and CIP, FY 2016-2017 Update, were distributed to staff and Directors that requested them. The electronic version was distributed to all and posted on the MPWD website.
- The 2015 MPWD GASB 45 Actuarial Valuation Report was posted to the MPWD website.
- All resolutions were posted to the MPWD website.

CLASSIFICATION STUDY AND INTERIM SALARY SURVEY

Staff will be working with Koff & Associates in their execution of a classification study and development of much needed updated position descriptions for all MPWD employees and an interim salary survey for review of MPWD's progress over these past two years and before a more comprehensive compensation study is scheduled in 2018. The costs for the classification study will not exceed \$9,000, and \$4,800 for the interim salary survey. These expenditures will be funded from the Miscellaneous Professional Services in the FY 2016/2017 Operating Budget, and the MPWD template contract document was executed. All work is anticipated to be completed by year's end.

2016 LOCAL AGENCY BIENNIAL NOTICE

California law requires that the MPWD review and update its Conflict of Interest (COI) Code every even-numbered year. Staff and District Counsel reviewed the MPWD's COI that was amended last year after the reorganization, and approved by the Board on October 22, 2015, and determined no amendment is necessary. There were no new FPPC (Fair Political Practice Commission) requirements. Staff submitted the MPWD's response to the San Mateo County Clerk-Recorder on September 15, 2016.

HARBOR INDUSTRIAL ASSOCIATION (HIA)

Next month the HIA is celebrating its 60th anniversary on Thursday, October 6, 2016, at 12:00Noon at The Van's Restaurant.

On Thursday, November 3, 2016, President Matt Zucca will be the featured speaker at the HIA's regular meeting and will present the MPWD's capital program. District Engineer Joubin Pakpour will attend the meeting as well. The meeting will be at The Van's Restaurant at 12:00Noon.

COMMUNITY EDUCATION WORKSHOP

The next *FREE* MPWD water conservation workshop (sponsored in cooperation with BAWSCA) is scheduled for Saturday, October 22, 2016, from 9:00AM to 12:00PM on Drip Irrigation.

WATER CONSERVATION PROGRESS

The monthly progress report is attached.

HOLIDAY CLOSURE

The MPWD Administration, Customer Services, and Field Operations will be closed on the following official holiday: **Monday, October 10, 2016**, in observance of Columbus Day.

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

3-MONTH "LOOK AHEAD" FOR BOARD MEETINGS

SPECIAL MEETING – OCTOBER

Consider approving the form and authorizing and directing execution of certain installment sale financing documents in connection with the financing of the acquisition and construction of certain improvements and facilities to the MPWD's water system.

OCTOBER

- Receive Annual Financial Audit Presentation for Year Ended June 30, 2016
- Consider approval of new MPWD Personnel Manual.
- Review proposed updated MPWD Miscellaneous Fees.
- Consider Reimbursement Agreement between the MPWD and the California High-Speed Rail Authority.

NOVEMBER

- Consider/approve annual Board meeting schedule for 2017.
- Receive annual PARS OPEB trust account performance review and confirm investment strategy.
- Consider proposed Board Bylaws.
- Receive BAWSCA report.

3-MONTH “LOOK AHEAD” FOR BOARD MEETINGS (continued)

DECEMBER

- Election of officers for 2017, followed by reception.
- Schedule annual January strategic planning special meeting.
- Closed Session: Conference with General Manager regarding annual performance evaluation.

MEETINGS

| <u>DATE</u> | <u>EVENT</u> |
|---------------------------|---|
| August 23 rd | Met with Board ad hoc committee regarding DRAFT new Personnel Manual. Also discussed 2015 MPWD GASB 45 (OPEB) Actuarial Valuation Report. |
| August 24 th | Conference call with District Engineer and Operations Manager regarding a potential claim on Alameda de las Pulgas water main replacement project. |
| August 25 th | Attended safety session with staff and facilitated GM rap session. |
| August 29 th | Participated in ACWA/JPIA Liability Committee Meeting in Roseville. |
| August 31 st | Conference call with District Engineer and Operations Manager regarding work plan and scheduling for 5-Year CIP. Conference call with District Engineer, Operations Manager, and Contractor for Alameda de las Pulgas water main replacement project regarding a potential claim for labor and materials costs to construct tie-ins. |
| September 1 st | Attended BAWSCA Water Management meeting in Foster City. Attended HIA Meeting in Belmont. |
| September 8 th | Attended safety session with staff and facilitated GM rap session. |

UPCOMING MEETINGS/EVENTS

HIA Meeting (Belmont) – October 6, 2016

BAWSCA Water Management Meeting (Foster City) – October 6, 2016

CSDA Annual Conference (San Diego) – October 10-13, 2016

ACWA/JPIA Fall Conference & Exhibition (Anaheim) – November 28, 2016 – December 2, 2016



September 22, 2016

WATER CONSERVATION PROGRESS REPORT

The report due September 15th to the SWRCB was timely submitted. August's total water consumption was 119,435 units. The reduction (compared with 2013) measured -23.3%, and the R-GPCD was 96.3.

| 2016/2017 MONTH | UNITS | | 2013 UNITS | PERCENT CHANGE* | | CUMULATIVE WATER SAVINGS* | | R-GPCD** | | 2013 R-GPCD |
|--------------------|---------|---------|---------------|--------------------|--------|------------------------------|--------|----------|-------|----------------|
| | 16/17 | 15/16 | | 16/17 | 15/16 | 16/17 | 15/16 | 16/17 | 15/16 | |
| June 2016 | 115,047 | 103,863 | 150,614 | -24.0% | -31.0% | -24.0% | -31.0% | 90.6 | 82.3 | 122.6 |
| July | 120,096 | 105,639 | 156,081 | -23.0% | -32.3% | -23.5% | -31.7% | 96.9 | 81.1 | 122.9 |
| August | 119,435 | 106,832 | 155,788 | -23.3% | -31.4% | -23.4% | -31.6% | 96.3 | 82.0 | 122.7 |
| September | | 105,459 | 145,551 | | -27.5% | | -30.6% | | 83.6 | 118.5 |
| October | | 98,345 | 122,117 | | -19.5% | | -28.3% | | 75.5 | 96.2 |
| November | | 77,733 | 106,535 | | -27.0% | | -28.1% | | 61.6 | 86.7 |
| December | | 70,423 | 94,062 | | -25.1% | | -27.7% | | 54.0 | 74.1 |
| January 2017 | | 69,741 | 84,202 | | -17.2% | | -26.4% | | 53.5 | 66.3 |

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

(Note: Beginning in July 2016, the SWRCB formula for calculating the R-GPCD will include factors from the MPWD's 2015 Urban Water Management Plan adopted June 23, 2016: 90% residential use of total production and 26,924 population projection. For June 2016 ONLY, the SWRCB formula for calculating the R-GPCD included MPWD factors: 85% residential use of total production, and 2014 population projection—26,730—from 2010 Urban Water Management Plan.)

WATER WASTE COMPLAINTS

MPWD started tracking water waste complaints in July 2014. All have been investigated and resolved through communications and education.

| | JAN | FEB | MAR | APR | MAY | JUNE | JULY | AUG | SEPT | OCT | NOV | DEC | YEAR TOTAL |
|------|-----|-----|-----|-----|-----|------|------|-----|------|-----|-----|-----|------------|
| 2016 | 2 | 1 | 4 | 2 | 6 | 1 | 1 | 1 | | | | | 18 |
| 2015 | 2 | 0 | 5 | 12 | 6 | 6 | 12 | 5 | 5 | 3 | 1 | 0 | 57 |
| 2014 | - | - | - | - | - | - | 3 | 6 | 3 | 4 | 7 | 0 | 23 |

STATEWIDE UPDATES

The SWRCB statewide Emergency Water Conservation Regulations Update dated September 7, 2016, and Media Release dated September 7, 2016, are attached for information.

Attachments: SWRCB statewide Emergency Conservation Regulation Update dated September 7, 2016
SWRCB Media Release dated September 7, 2016

2016 STATEWIDE WATER CONSERVATION REGULATIONS

The SWRCB adopted a statewide water conservation approach that replaces the percentage reduction-based standard with a localized “stress test” benchmark. Urban water suppliers were mandated to locally develop conservation standards based upon each agency’s specific circumstances. The new statewide standards required local water agencies to ensure a 3-year supply assuming three more dry years like the ones recently experienced from 2012 to 2015. Water suppliers that would face shortages under three additional dry years would be required to meet a conservation target equal to the amount of the shortage. For example, if a water supplier’s projections include a 10% supply shortfall, its mandatory conservation standard would be 10% (compared with 2013 consumption).

The SFPUC’s *Self-Certification of Supply Reliability for Three Additional Years of Drought and Update to Final Water Supply Availability Estimate* dated June 9, 2016 was submitted to the State before the June 15th deadline. The SFPUC’s 3-year look ahead is good for the RWS supply and a 10% voluntary reduction (compared with 2013 consumption) was requested.

The SFPUC used actual CY 2013 and CY 2014 demand for each of its wholesale customers, and then averaged the two calendar years for its projected supply for each customer under the SWRCB’s proposed 3-year drought methodology. For the MPWD, the projected supply is 1,038.8 MG (1.4 million units) for each of the water years 2017, 2018, and 2019. For comparison in units, the MPWD’s CY demand was as follows:

| CALENDAR YEAR | DEMAND IN UNITS |
|----------------------|------------------------|
| 2013 | 1.5 million |
| 2014 | 1.3 million |
| 2015 | 1.1 million |

The MPWD’s self-certification was submitted to the State on June 20th. It was posted to the MPWD website as required, together with the SFPUC’s June 9th self-certification as backup documentation.

The SWRCB regulations further required continued monthly conservation reporting by urban water suppliers. Prohibitions against certain water uses were also extended.

The new water conservation standards took effect in June 2016 and remain in effect until the end of January 2017.

HISTORICAL INFORMATION

JUNE 2015 THROUGH MAY 2016

June 1, 2015 was the start of the measurement period for the 2015/2016 statewide water conservation goals. The MPWD system's conservation goal was 20% when compared to 2013 water consumption.

| 2015/2016 MONTH | 2015/2016 UNITS | 2013 UNITS | PERCENT CHANGE* | CUMULATIVE WATER SAVINGS* | 2015/2016 R-GPCD | 2013 R-GPCD |
|----------------------------|----------------------------|-----------------------|----------------------------|--------------------------------------|-----------------------------|------------------------|
| June 2015 | 103,863 | 150,614 | -31.0% | -31.0% | 82.3 | 122.6 |
| July | 105,639 | 156,081 | -32.3% | -31.7% | 81.1 | 122.9 |
| August | 106,832 | 155,788 | -31.4% | -31.6% | 82.0 | 122.7 |
| September | 105,459 | 145,551 | -27.5% | -30.6% | 83.6 | 118.5 |
| October | 98,345 | 122,117 | -19.5% | -28.3% | 75.5 | 96.2 |
| November | 77,733 | 106,535 | -27.0% | -28.1% | 61.6 | 86.7 |
| December | 70,423 | 94,062 | -25.1% | -27.7% | 54.0 | 74.1 |
| January 2016 | 69,741 | 84,202 | -17.2% | -26.4% | 53.5 | 66.3 |
| February | 71,345 | 86,478 | -17.5% | -25.4% | 58.5 | 75.4 |
| March | 71,219 | 106,663 | -33.2% | -26.2% | 54.6 | 84.0 |
| April | 82,916 | 120,265 | -31.1% | -26.6% | 65.7 | 87.9 |
| May | 101,955 | 155,736 | -34.5% | -27.3% | 78.2 | 122.7 |

*Compared to 2013.

The R-GPCD (Residential-Gallons Per Capita Day) calculations are highlighted above in yellow. The SWRCB performance standard for indoor use is 55GPCD. (Note: For 2015/2016, the SWRCB formula for calculating the R-GPCD included MPWD factors: 85% residential use of total production, and 2014 population projection—26,730—from 2010 Urban Water Management Plan.)

JANUARY THROUGH MAY 2015

AND FEBRUARY THROUGH DECEMBER 2014

The 2015 and 2014 tables reflect MPWD's water system purchases in units (1 unit = 748 gallons), percentage change comparison, and cumulative average savings. The statewide goal was 15%.

| 2015 MONTH | 2015 UNITS | 2014 UNITS | 2013 UNITS | PERCENT CHANGE* | CUMULATIVE WATER SAVINGS* | 2015 R-GPCD | 2014 R-GPCD | 2013 R-GPCD |
|-----------------------|-----------------------|-----------------------|-----------------------|----------------------------|--|------------------------|------------------------|------------------------|
| January | 82,360 | 102,910 | 84,202 | -2.2% | -2.2% / -15.1%** | 64.9 | 81.1 | 66.3 |
| February | 79,782 | 73,221 | 86,478 | -7.7% | -5.0% / -14.5% | 69.6 | 63.9 | 75.4 |
| March | 102,964 | 89,152 | 106,663 | -3.5% | -4.5% / -13.7% | 81.1 | 70.2 | 84.0 |
| April | 91,491 | 96,019 | 120,265 | -23.9% | -9.3% / -14.4% | 74.5 | 78.2 | 87.9 |
| May | 97,806 | 126,934 | 155,736 | -37.2% | -14.9% / -15.8% | 77.1 | 100.0 | 122.7 |

*Compared to 2013. **Cumulative total since February 2014.

| 2014 MONTH | 2014 UNITS | 2013 UNITS | PERCENT CHANGE* | CUMULATIVE WATER SAVINGS* | 2014 R-GPCD | 2013 R-GPCD |
|-----------------------|-------------------|-------------------|----------------------------|--------------------------------------|------------------------|------------------------|
| February | 73,221 | 86,478 | -15.3% | -15.3% | 64 | 75 |
| March | 89,152 | 106,663 | -16.4% | -15.9% | 70 | 84 |
| April | 96,019 | 120,265 | -20.2% | -17.3% | 78 | 98 |
| May | 126,934 | 155,736 | -18.5% | -17.6% | 100 | 123 |
| June | 139,729 | 150,614 | -7.2% | -15.5% | 114 | 123 |
| July | 134,669 | 156,081 | -13.7% | -15.2% | 106 | 123 |
| August | 128,924 | 155,788 | -17.2% | -15.5% | 102 | 123 |
| September | 118,284 | 145,551 | -18.7% | -15.9% | 96 | 119 |
| October | 109,652 | 122,117 | -10.2% | -15.3% | 92 | 96 |
| November | 86,670 | 106,535 | -18.6% | -15.6% | 71 | 87 |
| December | 72,835 | 94,062 | -22.6% | -16.2% | 57 | 74 |

*Compared to 2013.

The R-GPCD (Residential-Gallons Per Capita Day) calculations are highlighted above in yellow. The SWRCB performance standard for indoor use is 55GPCD. (Note: For Calendar Years 2014 and 2015 tracking, the SWRCB formula for calculating the R-GPCD included MPWD factors: 85% residential use of total production, and population from 2010 Urban Water Management Plan—26,030.)

Emergency Water Conservation Regulation Update

Office of Research, Planning, and Performance

September 7, 2016



Status of Implementation

- Water production data collected from June 2014 through July 2016 (26 months)
- Fourteen months of statewide urban water conservation requirements (June 2015 – July 2016)
- July 2016: Statewide 20 percent reduction from July 2013 baseline
- Cumulative statewide reduction June 2015 - July 2016: 23.8 percent (1.9 million acre-feet)



U. S. Drought Monitor

California

August 30, 2016

(Released Thursday, Sep. 1, 2016)

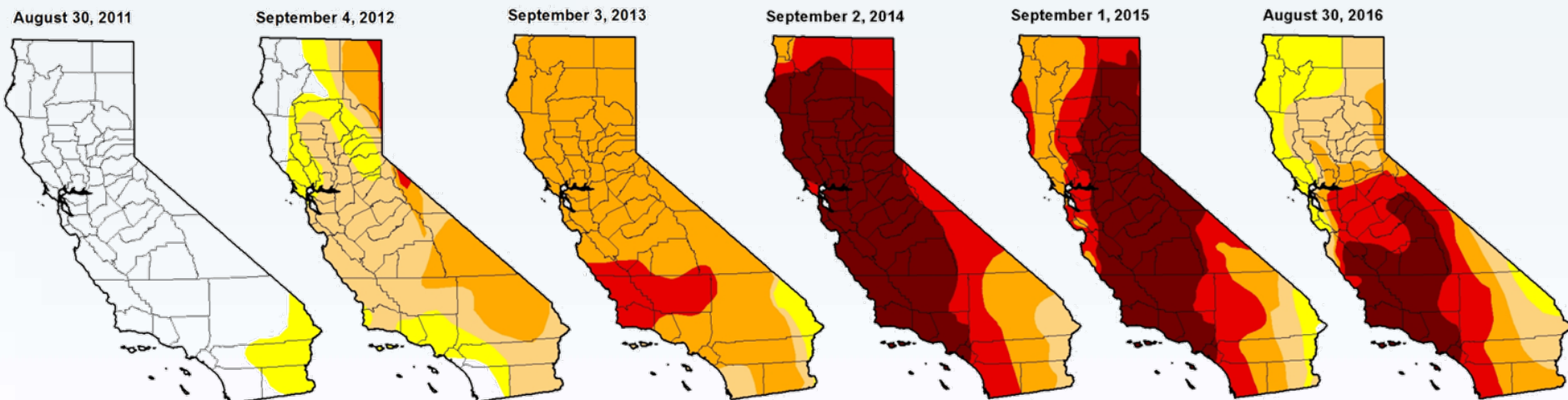
Valid 8 a.m. EDT

Intensity:



Drought Conditions (Percent Area)

| | None | D0-D4 | D1-D4 | D2-D4 | D3-D4 | D4 |
|----------------|------|--------|-------|-------|-------|-------|
| Current | 0.00 | 100.00 | 83.59 | 59.02 | 42.80 | 21.04 |



The Drought Monitor focuses on broad-scale conditions. Local conditions may vary. See accompanying text summary for forecast statements.



<http://droughtmonitor.unl.edu/>

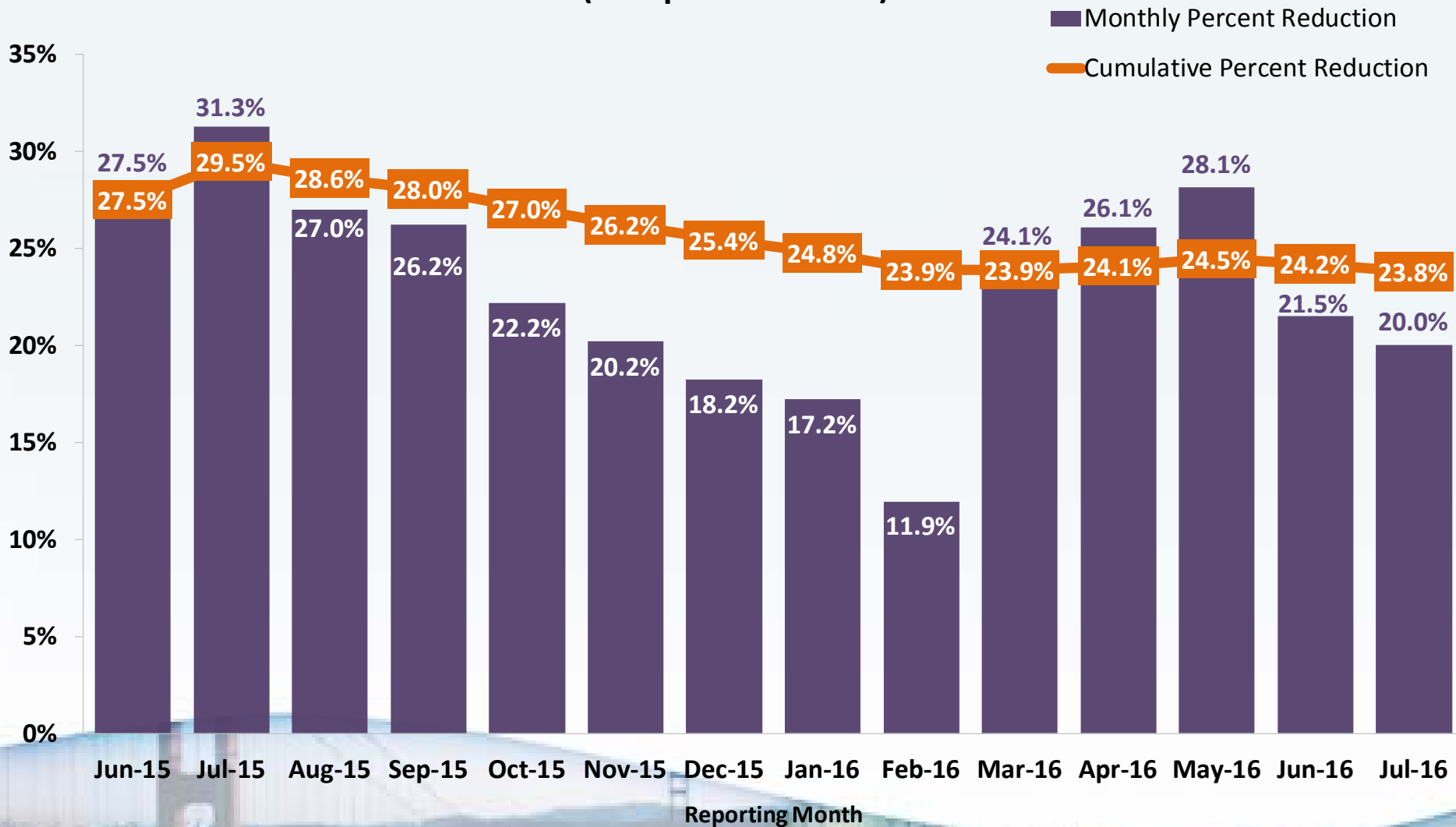
Author:

Brad Rippey

U.S. Department of Agriculture

Statewide Water Production Percent Reduction

(Compared to 2013)



Average Statewide July 2016 R-GPCD = 114

Statewide Cumulative Savings

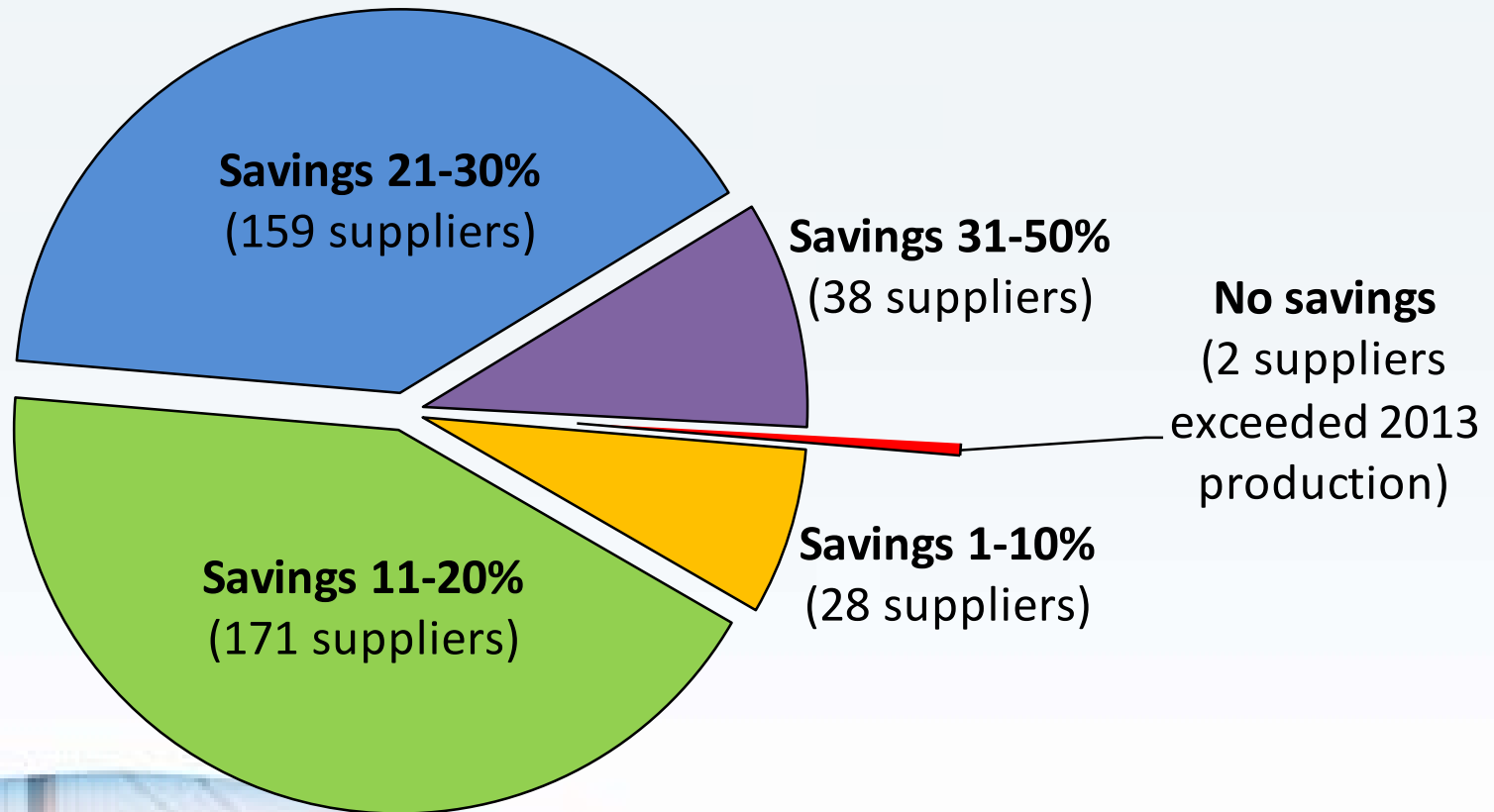
(June 2015 – July 2016)

- 1,899,336 acre-feet
(618.9 billion gallons)
of water saved
- Savings is enough to provide
8.5 million Californians
(24.5% of state population)
with water for one year



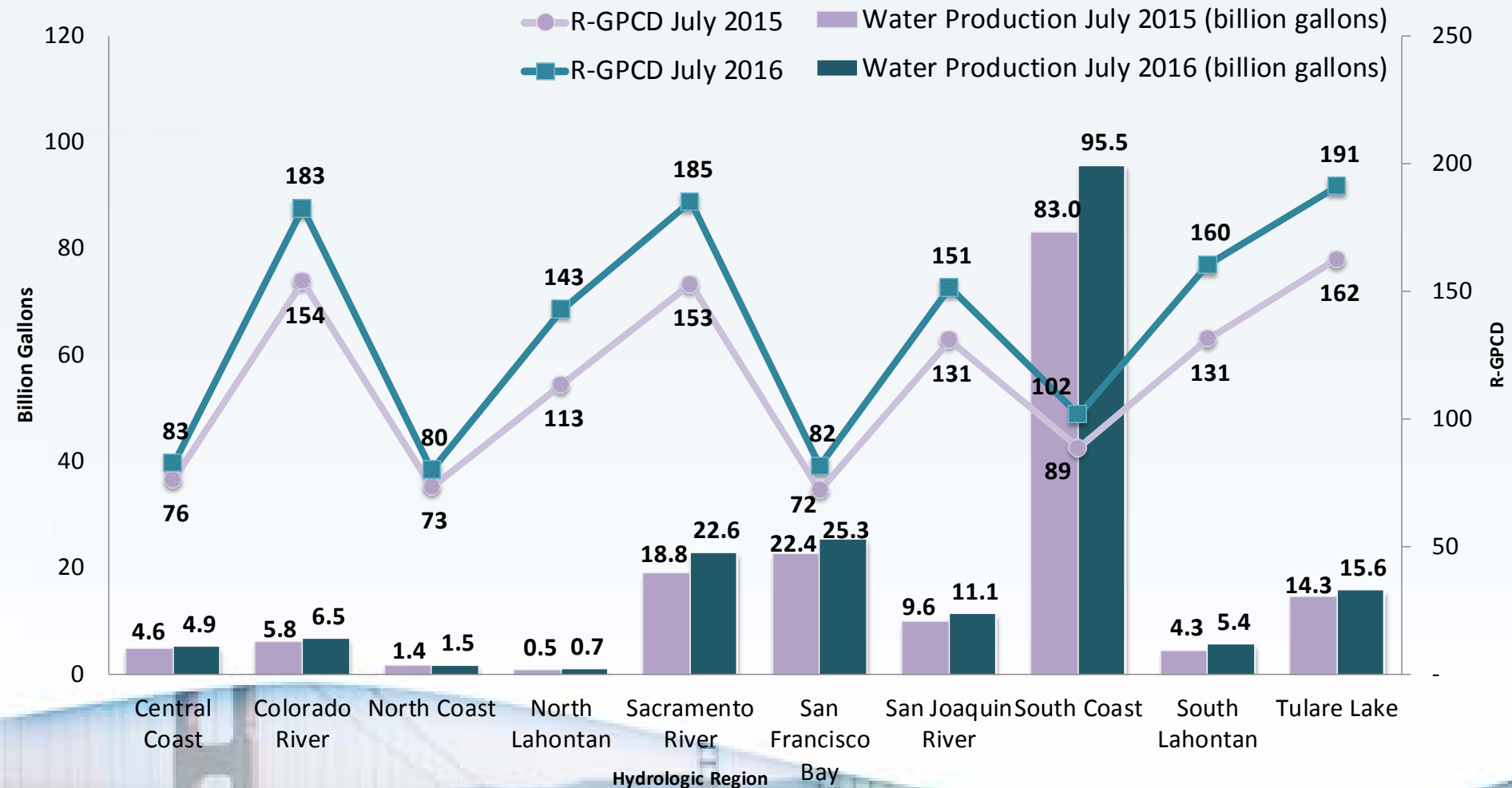
Monthly Water Savings Achieved by Suppliers

(July 2016)



Water Production and R-GPCD by Hydrologic Region

(July 2016 Compared to July 2015)



Highlights of Local Conservation in July

| Supplier Name | Hydrologic Region | Monthly % Savings (as compared to 2013) | | Water Use July 2016 R-GPCD | Population Served |
|-----------------------------|-------------------|--|-----------|----------------------------------|----------------------|
| | | July 2015 | July 2016 | | |
| Alhambra | South Coast | 28.5% | 30.4% | 85.5 | 85,068 |
| Hayward | San Francisco Bay | 28.7% | 31.2% | 30.1 | 158,985 |
| Marina Coast Water District | Central Coast | 31.1% | 34.6% | 58.9 | 34,235 |
| Menlo Park | San Francisco Bay | 46.3% | 50.3% | 83.5 | 16,066 |
| Patterson | San Joaquin River | 36.8% | 44.8% | 108.7 | 21,094 |
| San Gabriel Valley Water Co | South Coast | 39.6% | 32.1% | 73.1 | 271,817 |
| Santa Barbara | Central Coast | 36.3% | 38.0% | 67.9 | 93,426 |
| Santa Rosa | North Coast | 43.8% | 30.8% | 78.0 | 173,071 |
| Wasco | Tulare Lake | 28.9% | 38.3% | 108.1 | 26,159 |
| Yuba City City of | Sacramento River | 32.8% | 29.7% | 143.9 | 73,202 |

Conservation Compliance & Enforcement

- Follow up with non-reporting suppliers
- Information Orders issued for incomplete self-certification submissions
- Compliance with June conservation standards continues to be assessed each month
- Discussions with suppliers under Conservation and Alternative Compliance Orders
- Supplemental Environmental Projects underway

Next Steps

- Monitor conservation levels
- Follow up with individual water suppliers as needed
- Develop permanent water waste prohibitions
- Long-term Water Conservation and Efficiency
 - Board Workshop in October
- Plan for potential extended emergency regulation to begin February 2017



**Save Our Water
and Our Trees!**

saveourwater.com/trees

Statewide Water Conservation Steady at 20 Percent in July

Water Board Focuses on Local, Regional Results to Review Performance

FOR IMMEDIATE RELEASE
Sept. 7, 2016

Contact: George Kostyrko
george.kostyrko@waterboards.ca.gov

SACRAMENTO —The State Water Resources Control Board today announced that urban Californians' water conservation remained steady at 20 percent in July, just one percentage point below June's savings of 21 percent. The July results come even after the state relaxed conservation requirements in recognition of improved water supply conditions.

The cumulative average savings from June 2015 through July 2016 was 23.8 percent compared with the same months in 2013 – evidence that statewide focus on urban water conservation can change habits as long as water suppliers continue their ongoing education and dialogue with customers on the importance of conserving and using water as efficiently as possible.

The Board continues to work with state partners to craft a long term strategy to meet Governor Edmund G. Brown Jr.'s [executive order](#) calling for new water use efficiency targets, permanent prohibitions on water waste, and improved drought planning. Information about the Executive Order can be found at:

<http://www.water.ca.gov/wateruseefficiency/conservation/>

"The statewide July conservation results show that Californians continue to care about their communities and preserving precious water resources for the longer term," said State Water Board Chair Felicia Marcus. "While Californians have maintained their conservation awareness and practices without top-down mandates, we are watching trends in parts of California that suggest some areas may be easing up more than the improved conditions may warrant, while other areas are continuing to conserve for the long term."

Virtually all agencies continued to save water in July, even those that no longer face a state-mandated reduction. Under the board's revised regulations, water agencies that passed a "stress test" of supply reliability – by demonstrating that they have sufficient supplies to withstand three years of continuous drought — will not face a mandatory percentage reduction through January 2017 but are expected to keep conserving water. The July results varied



across the state, with some agencies saving a bit less than they did under state-mandated targets, others saving a lot less, and yet others saving more than they had in 2015.

Some agencies that had saved 20 percent or more in 2015 dropped to less than 10 percent savings in 2016, such as Anaheim, Malibu (Los Angeles County Public Works Waterworks District 29), Vallejo and Yucaipa Valley Water District. Additional suppliers with large decreases in conservation included the City of Bakersfield and San Juan Water District (suburban Sacramento area).

Other agencies maintained strong conservation despite passing their “stress test,” including Sacramento, Beverly Hills, Fresno, San Luis Obispo, Park Water Company (LA County), San Jose, San Francisco, and Contra Costa Water District. Some agencies even increased their level of conservation, such as Menlo Park, South San Francisco (California Water Company), Santa Fe Springs, Santa Barbara, Benicia, Hayward, Alhambra, Marina Coast Water District, Salinas and King City (California Water Service Company). A complete list of water supplier results for July is [here](#).

Focus on Local and Regional Results

As a region, Southern California saw a bigger drop in overall conservation levels relative to 2015 than some other large regions – from 28.2 percent in July 2015 to 16.9 percent in July 2016. However, Southern California communities varied widely in their ongoing conservation, with some communities meeting or exceeding their 2015 conservation levels, and per capita water use remains low in many areas.

Still, the State Water Board will continue to monitor conservation and usage levels at the local and regional scale. Even for water suppliers that passed their “stress test,” ongoing conservation is important to build drought resilience.

“Having invested time and effort into conservation, many Californians and their communities continue to hit it out of the park,” Chair Marcus said. “Others are still very much in the game, while a few communities seem to be leaving the ballpark entirely. We’ll keep looking closely at the monthly results to determine if we need to step back in with demand-based or other higher conservation standards. But for now Californians have continued to conserve, albeit at a lesser level, having stepped up mightily last year in the face of extreme conditions.”

Water suppliers that passed their “stress test” do not face a state-mandated reduction target through January 2017. While some local water suppliers may have relaxed water use restrictions from those that were in place last summer, the statewide prohibition on specific wasteful practices, such as fountains without recirculating pumps, or irrigation of turf in street medians, remain in place. And most agencies have kept up locally mandated restrictions and targets, which is appropriate and which the state strongly encourages.

“Last year, facing the fourth year of an historic drought and the worst snowpack in 500 years, we were at red alert,” said Marcus. “This year, with some drought relief from one season of near normal rain and snow, we’re still at yellow alert; we are definitely not at all-clear. We’re at yellow alert in the short run in case we go right back to dry years, and we are at yellow alert in the longer run because we know we’ll have more and more dry years with climate change, so we need to use water as the precious resource that it is. It’s the most sensible and cost-effective thing Californians can do.”

July Conservation Data

- Statewide water savings for July 2016 was 20 percent (145,311 acre feet or 47.3 billion gallons), a decrease from June 2016’s 21.5 percent savings, and down from July 2015’s 31.3 percent statewide savings (74.9 billion gallons).
- Cumulative statewide percent reduction for June 2015 to July 2016 (14 months) is 23.8 percent, which equates to 1,899,336 acre-feet (618.9 billion gallons).
- The cumulative water savings of 1.9 million acre feet is enough to supply more than 9.5 million people for a year.
- Statewide average residential gallons per person per day (R-GPCD)for July 2016 was 113.5 gallons; up from 105.2 R-GPCD in June 2016 and above the 98.1 R-GPCD reported for July 2015, but well below the 142 R-GPCD in July 2013. [All July data can be found on this page.](#)

Revised Emergency Regulations

Starting in June, the State Water Board’s [emergency water conservation regulations](#) gave urban water agencies the ability to set their own conservation standards based on a “stress test” of supply reliability. Participating water suppliers had to document that they have sufficient supplies to withstand three years of continuous drought or take additional measures that include state-imposed mandatory conservation targets. The regulation is in effect through January 2017. Those stress test results are [here](#).

While water suppliers can calculate lower conservation targets for purposes of state enforcement, the State Water Board expects that they will continue to promote and achieve water conservation at the local level and enforce prohibitions on wasting water first enacted in July 2014. The Board’s expectation is that all water suppliers will continue encouraging their customers to conserve, even if they pass their “stress test.” The Board is prepared to come back in early 2017 to reimpose higher mandatory water restrictions if needed.

Permanent Ban on Wasting Water

The recently adopted regulation is part of a wider effort to build on short-term, emergency water restrictions to establish permanent conservation measures that improve long-term drought preparedness and eliminate the worst water-wasting practices. These actions will help achieve a top priority of the state's Water Action Plan - to "Make Conservation a California Way of Life."

In May, Governor Edmund G. Brown Jr. issued an [executive order](#) calling for new permanent water use efficiency targets for each urban water supplier and for strengthening local Water Shortage Contingency Plans. The local "stress test" data and three-year resiliency plans collected by the State Water Board will serve as a bridge to these actions and inform the development of new water use efficiency targets.

The State Water Board regulation also continues the statewide ban on specific wasteful uses, such as hosing off sidewalks, driveways and other hardscapes; washing cars with hoses not equipped with a shut-off nozzle; and watering lawns in a manner that causes runoff. Prohibitions also remain against homeowners associations or local governments taking action against homeowners who reduce or stop watering lawns. As directed by the executive order, the State Water Board will be making these prohibitions permanent.

Background

In his April 1, 2015 [Executive Order](#), in light of three unusually dry years, including the worst snowpack in 500 years, Gov. Edmund G. Brown Jr. mandated a 25 percent water use reduction by users of urban water supplies across California. In May 2015, the State Water Board adopted an emergency regulation requiring a 25 percent reduction in overall potable urban water use statewide from June 2015 through February 2016 compared with 2013. The board implemented tiered conservation requirements, ranging from 8 percent to 32 percent, so that areas that had reduced their per capita water use over the years had lower targets than those areas using more water per person.

On Feb. 2, 2016, based on Gov. Brown's [November 2015 Executive Order](#), the State Water Board approved an updated and extended emergency regulation. The extended regulation responded to calls for continuing the conservation structure that had spurred such dramatic savings while providing greater consideration of some factors that influence water use: climate, population growth and significant investments in new local, drought-resilient water supplies such as wastewater reuse and desalination.

On May 9, 2016, Governor Edmund G. Brown Jr. issued [Executive Order B-37-16](#), requiring the Board to adjust its emergency water conservation regulation through the end of January 2017 in recognition of improved urban water supply conditions across the state and,

separately, take action to make some of the requirements of the regulation permanent. The Board [adopted the revised regulation](#) on May 18. June was the first month under the revised regulation.

Since June 2014, the State Water Board has been tracking water conservation for each of the state's larger urban water suppliers (those with more than 3,000 connections) on a monthly basis. Compliance with individual water supplier conservation requirements is based on cumulative savings. Cumulative tracking means that conservation savings will be added together from one month to the next and compared to the amount of water used during the same months in 2013.

California has been dealing with the effects of an unprecedented drought. To learn about all the actions the state has taken to manage our water system and cope with the impacts of the drought, visit [Drought.CA.Gov](#). Every Californian should take steps to conserve water. Find out how at [SaveOurWater.com](#). While saving water, it is important to properly water trees. Find out how at [www.saveourwater.com/trees](#). In addition to many effective local programs, state-funded turf removal and toilet replacement rebates are also available. Information and rebate applications can be found at: [www.saveourwaterrebates.com/](#).

###



TO: Board of Directors

FROM: Candy Pina

DATE: September 22, 2016

ADMINISTRATIVE SERVICES MANAGER'S REPORT

CONFERENCES, TRAINING, & MEETINGS:

- 1) Jeanette Kalabolas: 08/23/16 – DWR Save Our Water Campaign Continues Webinar
- 2) Jeanette Kalabolas: 08/31/16 – AWWA Water Loss TAP workshop
- 3) Candy Pina: 09/01/16 – Springbrook training on Fixed Assets
- 4) Misty Malczon/Candy Pina: 09/07-09/08/16 – Springbrook training on Bank Reconciliation
- 5) Candy Pina: 09/07,14,21,28/16 – Springbrook weekly meeting
- 6) Candy Pina: 09/09/16 – Springbrook training on Reporting
- 7) Misty Malczon: 09/15/16 - Wells Fargo Merchant Service Options
- 8) Laura Ravella: 09/20/16 – “Defeating Negativity” Webinar
- 9) Jeanette Kalabolas: 09/21/16 – BAWSCA Water Resources Committee meeting
- 10) Laura Ravella: 09/23/16 – “Public Speaking Without Fear” Webinar

FINANCIAL REPORTING:

- 1) Schedule of Cash and Investments:

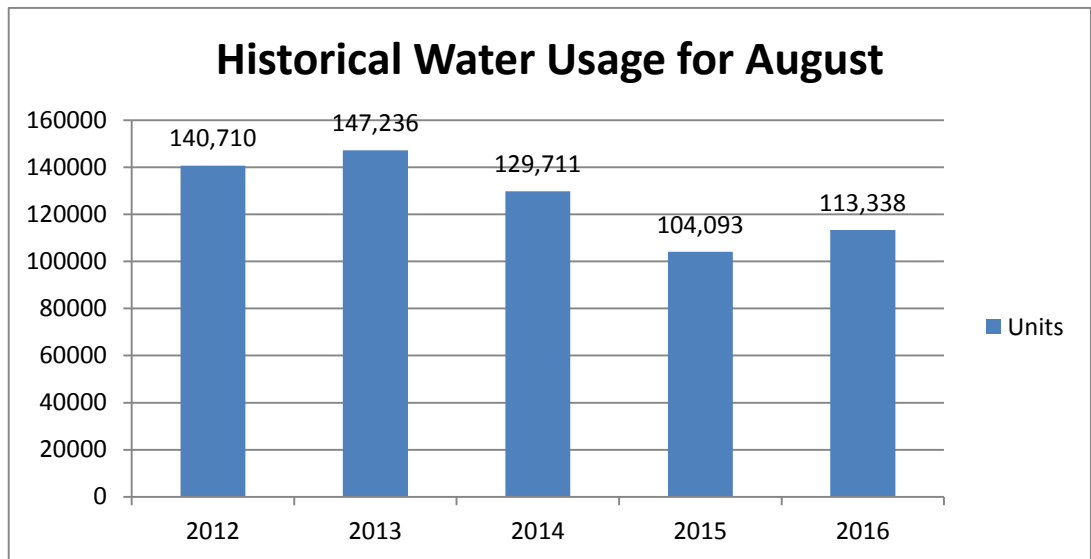
| SCHEDULE OF CASH AND INVESTMENTS | | |
|----------------------------------|-----------------------|---------------------|
| CASH ACCOUNT | BALANCE @ 08/31/16 | BALANCE 9/15/16 |
| PETTY CASH | 400 | 400 |
| CASH DRAWER | 200 | 200 |
| WELLS FARGO CHECKING | \$ 209,055 | \$ 263,332 |
| LAIF | \$ 4,055,161 | \$ 4,055,161 |
| TOTAL | \$ 4,264,816 | \$ 4,319,093 |

Month End Balance of PARS/OPEB for July 2016 (August 2017 report not available): \$638,461. An overall increase in Net Earnings of \$12,104 was reported.

| MPWD RESERVE FUNDS | | | | |
|----------------------------|---------------------------------|---------------------------------|---------------------------------|--------------------------------------|
| Reserve Account | Balance @ 08/31/2014 | Balance @ 08/31/2015 | Balance @ 08/31/2016 | Budget for Reserve Policy |
| Capital Reserves | \$ 1,779,466 | \$ 889,457 | \$ 1,555,161 | \$ 2,500,000 |
| Emergency Reserves | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 | \$ 2,000,000 |
| Working Capital Reserves | \$ 500,000 | \$ 500,000 | \$ 500,000 | \$ 500,000 |
| TOTAL RESERVE FUNDS | \$ 4,279,466 | \$ 3,389,457 | \$ 4,055,161 | \$ 5,000,000 |

2) Water Revenue Report:

| WATER REVENUES for FISCAL YEAR 2016/2017 | | | | | |
|---|------------------------|--|-------------------------------------|-------------------------------------|-----------------|
| Month | Total Units | Water Commodity Charges | Fixed System Charges | Total Water Revenues | Misc Rev |
| 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 |
| TOTAL | 224,451 | 1,803,436.47 | 429,878.53 | 2,233,315.00 | 2,482.50 |



3) **SPRINGBROOK PROGRESS:**

This was our first month close in the new Springbrook software. What an adventure it was to get this accomplished. The good news is the consultant said we are catching on much faster than other clients they have trained. That was very encouraging to hear. There is a lot to learn,

and so many details to remember. We are on target for implementing the fixed assets module next.

| 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 |
| 9/19/2016 | 9/19/2016 | Fixed Assets - Go Live | |
| 9/26/2016 | 9/30/2016 | Inventory Control - setups and go-live | |
| 1/11/2017 | 11/19/2017 | Utility Billing Data Conversion | |
| 2/13/2017 | 2/16/2017 | License & Permits - Go Live Session | |
| 2/27/2017 | 3/3/2017 | Utility Billing - Go-Live Session | |
| 3/6/2017 | 3/7/2017 | Ancillaries - AR - setups | |
| 3/6/2017 | 3/6/2017 | Coding Accuracy Support System (CASS) Certification - Setup and Process Training | |
| 3/20/2017 | 3/24/2017 | Utility Billing - Post Go Live Refresher Training | |

4) **TEAM BUILDING ACTIVITIES:**

Several birthdays were celebrated this month.



TO: Board of Directors

FROM: Rene A. Ramirez, Operations Manager

DATE: September 22, 2016

OPERATIONS REPORT – August 2016

Projects:

- The Alameda de las Pulgas project was substantially completed in August. All customers were being served by the new water main, new services and AMI water meters. At the end of August the contractor was working on punch list items and slurry sealing Alameda de las Pulgas. They finished striping the road in early September;
- Through August 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 we have litigation and we are holding off until things settle out. In meantime, their water is still metered;
- AMI: staff is working with Sensus Metering and Continentals Utility Billing to set up files for the new Sensus AMI customer portal conversion;
- Continue to install graphics to older vehicles in the fleet;
- Met with Cornerstone Engineering and Paso Robles Tank at Hallmark Tank site so they could view and take measurements before consulting with District Engineer regarding seismic improvement options to the site;
- Coordinated AMI meter change-outs with customers for: 955 Ralston, 435 Harbor, 555 Harbor, and 1190 Ralston;
- Prepared for new water service at the Tierra Linda School;
- Completed service upgrade for 2204 Thurm;
- Repaired leaking fire hydrant on Read Avenue;
- Repaired water main break under sidewalk along Notre Dame and coordinated clean-up of storm drain with City staff;
- Scheduled for almost 10 days to construct new services (2", 3" and 6") and fire hydrants at 10 Davis Drive for the CSUS project, which included a customer coordinated shutdown on a Sunday to make a major tie-in; and
- Were on site with a firm contracted by PG&E to test our larger pumps for efficiency at no cost to District.

Maintenance:

- Responded to and completed 239 USA (underground service alerts) requests and identified infrastructure before digging in the streets or easements. PG&E looking to replace a lot of power poles, which is requiring investigatory efforts on

many individual poles. Last month we marked 177 locations. An average month is closer to 140 requests;

- Installed bollards to protect a fire hydrant on Lyon where the location of the hydrant and parking in area made site a candidate for the bollards;
- Hydrant maintenance resumed with 19 hydrants and operating valves exercised;
- Repainted hydrants at: 1929 Hillman, Folger at Notre Dame, Arbor at Fairway and 2140 Carlmont Drive;
- Continued to perform normal maintenance and exercised water system pressure regulating valves;
- Repaired AMI meters at 1050 Ralston and 907 Granada that were not registering use. Meters were cleaned and flushed and back in working order;
- Hydrant maintenance resumed with 16 hydrants and operating valves exercised;
- Exposed and removed a non-essential water valve on Coronet near Sharon;
- Collected the typical fifty-five water samples for bacteriological testing – all samples were normal and showed no signs of coliform bacteria;
- Water system dead-ends continue to be monitored for disinfectant residual, and where needed, we flowed water into landscapes, street sweepers or sewer flushing trucks versus monitoring for discharge into the storm water systems to improve water quality; 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: None to report.

| Location | Event | Material | Installation Date | Estimated Water Loss (Gals.) |
|----------|-------|----------|-------------------|------------------------------|
| | | | | |

Development:

- Staff is currently working with developers on 13 development projects:

Mixed Use Commercial/Residential:

- o 576-600 El Camino Real – currently reviewing their plans;
- o 400-490 El Camino Real – currently reviewing their plans;

Commercial:

- o 539 Harbor Blvd. – currently reviewing their plans;
- o 6, 8, and 10 Davis Dr. – installation complete;
- o 700 Island Parkway – payment received, awaiting scheduling;
- o 750 Dartmouth – installation and abandonment complete;
- o 1201 Shoreway Road – there is nothing to report out at this time;
- o 1477 El Camino Real – currently reviewing their plans;
- o 699 Ralston Ave. – currently reviewing their plans;

Residential/Multi-Family:

- o 1249 Lane Street – installation scheduled;
- o 2204 Thurm – closing out installation;
- o 2177 Carlmont Avenue – installation completed;
- o 2828 Monte Cresta – installation scheduled;

Administration:

- Invited to and attended meeting at City Hall to discuss update to the Fire Code;
- Staff continue to use summer months to take time off;
- Participated in conference call with GM, staff and District Engineer regarding City's proposed 2016 Sewer Rehabilitation Project before meeting with City staff and their consultant;
- Attended with staff training session on the new Financial Management System;
- Travelled to City Hall and participated in a discussion with City staff and consultant over their 2016 Sewer Rehabilitation Project and coordination of the proposed improvements with District infrastructure;
- Attended meeting at the District office requested by District Engineer to meet engineering consultant with structural, electrical and SCADA expertise;
- Discussed status of the Alameda de las Pulgas project with GM, staff and District Engineer; and
- Continue to actively manage power use during pumping with positive energy savings results and cost reduction, and no net effect on the operation of the water system.

MEMO

Agency: Mid-Peninsula Water District **Date:** September 16, 2016
Attn: Board of Directors
Project Name: Alameda de las Pulgas Water Main Replacement Project **Project No.:** 10012.15
Reference: Project Update and Progress Payment No. 3
From: Joubin Pakpour, P.E. – District Engineer *JP*

Construction Status and Project Schedule

As of September 16, 2016, installation of the new water main along Alameda de las Pulgas is complete. The water main successfully passed the pressure test, was disinfected and is now fully in service. All the service connections were transferred to the new water main and the old water main was abandoned. The sidewalk and curb/gutter concrete work were finished, the trench was paved and the project limits slurry sealed.

On August 31, 2016, the District issued a Substantial Completion Notice and temporarily suspended assessing working days until the striping operations began. On September 9, 2016, RJG cat-tracked the location of the new striping. After the City approved the cat-tracks on September 12, 2016, the District lifted the temporary suspension and began assessing working days. Final striping is scheduled for September 15, 2016. After the striping is completed the District will walk the site to finalize the punch list.

Change Orders

Enclosed, please find Change Order No.3 for \$1,613.45 which includes 8 items primarily due to unforeseen site conditions such as mismarked underground utilities, an existing oversized thrust block, old leaking valves and an existing concrete block under the asphalt. The total change order costs through August 31, 2016 is \$11,995.25. This represents an approximate 1.9% increase over the original contract amount which is well below the industry average of 10% for underground construction.

Potential Claims – On September 9, 2016, RJG submitted three potential claim notices for a total of \$43,184 for additional payments for tie-ins, delays and measurement of bid items 1 through 9. We are in negotiations with RJG on these three items. Additional updates will be provided at the board meeting.

Request for Progress Payment No. 3

As of August 31, 2016, RJG completed 96% of the contractual work **(\$609,712.11)**. Enclosed please find Progress Payment No. 3 due RJG for **\$93,013.06** value of work (minus 5% retention). The work performed to date has been satisfactory and payment is recommended.

| | Current Month | Total | |
|--|---------------------|----------------------|------|
| Original Contract Amount | | \$ 620,807.00 | |
| Approved Change Orders | \$1,613.45 | \$ 11,995.25 | 1.9% |
| Final Contract Amount | | \$ 632,802.25 | |
| Previously Paid | | \$ 486,213.05 | |
| Current Request (<i>Less Retention</i>) | \$ 93,013.06 | \$ 579,226.11 | |
| Retention | \$4,896.00 | \$ 30,486.00 | |
| Total Value of Work Completed | \$ 97,909.06 | \$ 609,712.11 | 96% |
| Total Remaining on Contract | | \$ 23,090.14 | 4% |

| Bid Item | Description | Original Contract Amount | | | | Change Order | | | Revised Contract Amount | | | Earned This Period | | | Prior Billing | | | Total to Date | | |
|-------------|---|--------------------------|-------------|--------|---------------|--------------|-------------|-------------|-------------------------|-------------|---------------|--------------------|---------------|------|---------------|---------------|------|---------------|----------------|------|
| | Original Contract | Unit | Unit Price | Qty. | Total Price | Qty. | Unit Price | Total Price | Qty. | Unit Price | Total Price | Qty. | Amount Earned | % | Qty. | Amount Earned | % | Qty. | Amount Earned | % |
| 1 | 8-inch Class 350 DIP (Upper Alameda De Las Pulgas) | LF | \$ 199.00 | 1618 | \$ 321,982.00 | 0 | \$ 199.00 | \$ - | 1,618 | \$ 199.00 | \$ 321,982.00 | 23 | \$ 4,577.00 | 1% | 1590 | \$ 316,410.00 | 98% | 1613 | \$ 320,987.00 | 100% |
| 2 | 8-inch Gate Valve | EA | \$ 1,750.00 | 16 | \$ 28,000.00 | 0 | \$ 1,750.00 | \$ - | 16 | \$ 1,750.00 | \$ 28,000.00 | 3 | \$ 5,250.00 | 19% | 13 | \$ 22,750.00 | 81% | 16 | \$ 28,000.00 | 100% |
| 3 | 8-inch 45° and/or 90° bend (Vertical/Horizontal) | EA | \$ 550.00 | 11 | \$ 6,050.00 | 0 | \$ 550.00 | \$ - | 11 | \$ 550.00 | \$ 6,050.00 | 1 | \$ 550.00 | 9% | 15 | \$ 8,250.00 | 136% | 16 | \$ 8,800.00 | 145% |
| 4 | 8-inch 22.5° and/or 11.25° Bend (Vertical/Horizontal) | EA | \$ 450.00 | 12 | \$ 5,400.00 | 0 | \$ 450.00 | \$ - | 12 | \$ 450.00 | \$ 5,400.00 | 0 | \$ - | 0% | 9 | \$ 4,050.00 | 75% | 9 | \$ 4,050.00 | 75% |
| 5 | 6-inch 45° and/or 90° bend (Vertical/Horizontal) | EA | \$ 400.00 | 1 | \$ 400.00 | 0 | \$ 400.00 | \$ - | 1 | \$ 400.00 | \$ 400.00 | 1 | \$ 400.00 | 100% | 0 | \$ - | 0% | 1 | \$ 400.00 | 100% |
| 6 | 6-inch 22.5° and/or 11.25° Bend (Vertical/Horizontal) | EA | \$ 350.00 | 1 | \$ 350.00 | 0 | \$ 350.00 | \$ - | 1 | \$ 350.00 | \$ 350.00 | 1 | \$ 350.00 | 100% | 0 | \$ - | 0% | 1 | \$ 350.00 | 100% |
| 7 | 4-inch 45° and/or 90° bend (Vertical/Horizontal) | EA | \$ 290.00 | 4 | \$ 1,160.00 | 0 | \$ 290.00 | \$ - | 4 | \$ 290.00 | \$ 1,160.00 | 4 | \$ 1,160.00 | 100% | 0 | \$ - | 0% | 4 | \$ 1,160.00 | 100% |
| 8 | 4-inch 22.5° and/or 11.25° Bend (Vertical/Horizontal) | EA | \$ 275.00 | 1 | \$ 275.00 | 0 | \$ 275.00 | \$ - | 1 | \$ 275.00 | \$ 275.00 | 0 | \$ - | 0% | 0 | \$ - | 0% | 0 | \$ - | 0% |
| 9 | 6-inch Fire Hydrant Assembly | EA | \$ 9,950.00 | 5 | \$ 49,750.00 | 0 | \$ 9,950.00 | \$ - | 5 | \$ 9,950.00 | \$ 49,750.00 | 1 | \$ 9,950.00 | 20% | 4 | \$ 39,800.00 | 80% | 5 | \$ 49,750.00 | 100% |
| 10 | Fire Hydrant Bollard | EA | \$ 950.00 | 4 | \$ 3,800.00 | 0 | \$ 950.00 | \$ - | 4 | \$ 950.00 | \$ 3,800.00 | 0 | \$ - | 0% | 0 | \$ - | 0% | 0 | \$ - | 0% |
| 11 | 4-inch Temporary MJ Cap at Lyon Avenue | LS | \$ 575.00 | 1 | \$ 575.00 | 0 | \$ 575.00 | \$ - | 1 | \$ 575.00 | \$ 575.00 | 0 | \$ - | 0% | 0 | \$ - | 0% | 0 | \$ - | 0% |
| 12 | 8-inch MJ Cap at Mezes Avenue | LS | \$ 950.00 | 1 | \$ 950.00 | 0 | \$ 950.00 | \$ - | 1 | \$ 950.00 | \$ 950.00 | 0 | \$ - | 0% | 2 | \$ 1,900.00 | 200% | 2 | \$ 1,900.00 | 200% |
| 13 | 1-inch Service Connection (Same General Location) | EA | \$ 4,015.00 | 2 | \$ 8,030.00 | 0 | \$ 4,015.00 | \$ - | 2 | \$ 4,015.00 | \$ 8,030.00 | 0 | \$ - | 0% | 1 | \$ 4,015.00 | 50% | 1 | \$ 4,015.00 | 50% |
| 14 | 5/8-inch Service Connection (Same General Location) | EA | \$ 2,950.00 | 21 | \$ 61,950.00 | 0 | \$ 2,950.00 | \$ - | 21 | \$ 2,950.00 | \$ 61,950.00 | 2 | \$ 5,900.00 | 10% | 19 | \$ 56,050.00 | 90% | 21 | \$ 61,950.00 | 100% |
| 15 | 5/8-inch Service Connection (Relocate) | EA | \$ 3,350.00 | 13 | \$ 43,550.00 | 0 | \$ 3,350.00 | \$ - | 13 | \$ 3,350.00 | \$ 43,550.00 | 3 | \$ 10,050.00 | 23% | 10 | \$ 33,500.00 | 77% | 13 | \$ 43,550.00 | 100% |
| 16 | Service Meter Retaining Wall | EA | \$ 5,500.00 | 1 | \$ 5,500.00 | 0 | \$ 5,500.00 | \$ - | 1 | \$ 5,500.00 | \$ 5,500.00 | 0 | \$ - | 0% | 0 | \$ - | 0% | 0 | \$ - | 0% |
| 17 | Abandon Existing Fire Hydrant Assembly | EA | \$ 1,365.00 | 2 | \$ 2,730.00 | 0 | \$ 1,365.00 | \$ - | 2 | \$ 1,365.00 | \$ 2,730.00 | 2 | \$ 2,730.00 | 100% | 0 | \$ - | 0% | 2 | \$ 2,730.00 | 100% |
| 18 | Removing Existing Fire Hydrant Assembly | EA | \$ 850.00 | 3 | \$ 2,550.00 | 0 | \$ 850.00 | \$ - | 3 | \$ 850.00 | \$ 2,550.00 | 3 | \$ 2,550.00 | 100% | 0 | \$ - | 0% | 3 | \$ 2,550.00 | 100% |
| 19 | Abandon Existing Gate Valve | EA | \$ 495.00 | 11 | \$ 5,445.00 | 0 | \$ 495.00 | \$ - | 11 | \$ 495.00 | \$ 5,445.00 | 11 | \$ 5,445.00 | 100% | 0 | \$ - | 0% | 11 | \$ 5,445.00 | 100% |
| 20 | Traffic Striping (Detail 21) | LF | \$ 2.10 | 1350 | \$ 2,835.00 | 0 | \$ 2.10 | \$ - | 1350 | \$ 2.10 | \$ 2,835.00 | | \$ - | 0% | 0 | \$ - | 0% | 0 | \$ - | 0% |
| 21 | Pavement Marking (Stop Marking + Stop Bar) | EA | \$ 158.00 | 10 | \$ 1,580.00 | 0 | \$ 158.00 | \$ - | 10 | \$ 158.00 | \$ 1,580.00 | | \$ - | 0% | 0 | \$ - | 0% | 0 | \$ - | 0% |
| 22 | Type II Slurry Seal | SF | \$ 0.99 | 43,000 | \$ 42,570.00 | 0 | \$ 0.99 | \$ - | 43000 | \$ 0.99 | \$ 42,570.00 | 42914 | \$ 42,484.86 | 100% | 0 | \$ - | 0% | 42914 | \$ 42,484.86 | 100% |
| 23 | Traffic Control Plan | LS | \$ 9,375.00 | 1 | \$ 9,375.00 | 0 | \$ 9,375.00 | \$ - | 1 | \$ 9,375.00 | \$ 9,375.00 | 0.25 | \$ 2,343.75 | 25% | 0.75 | \$ 7,031.25 | 75% | 1 | \$ 9,375.00 | 100% |
| 24 | Water Pollution Control Plan | LS | \$ 7,500.00 | 1 | \$ 7,500.00 | 0 | \$ 7,500.00 | \$ - | 1 | \$ 7,500.00 | \$ 7,500.00 | 0.25 | \$ 1,875.00 | 25% | 0.75 | \$ 5,625.00 | 75% | 1 | \$ 7,500.00 | 100% |
| 25 | Street Sweeping | EA | \$ 340.00 | 25 | \$ 8,500.00 | 0 | \$ 340.00 | \$ - | 25 | \$ 340.00 | \$ 8,500.00 | 2 | \$ 680.00 | 8% | 6 | \$ 2,040.00 | 24% | 8 | \$ 2,720.00 | 32% |
| | Change Order No. 1 | | | | | 1 | \$ 7,877.00 | \$ 7,877.00 | 1 | \$ 7,877.00 | \$ 7,877.00 | | \$ - | 0% | 1 | \$ 7,877.00 | 100% | 1 | \$ 7,877.00 | 100% |
| | Change Order No. 2 | | | | | 1 | \$ 2,504.80 | \$ 2,504.80 | 1 | \$ 2,504.80 | \$ 2,504.80 | | \$ - | 0% | 1 | \$ 2,504.80 | 0% | 1 | \$ 2,504.80 | 100% |
| | Change Order No. 3 | | | | | 1 | \$ 1,613.45 | \$ 1,613.45 | 1 | \$ 1,613.45 | \$ 1,613.45 | | \$ 1,613.45 | 100% | | | | 0 | \$ 1,613.45 | 100% |
| | | | | | | | | | | | | | | | | | | | | |
| | Contract Amount | | | | \$620,807.00 | | | \$11,995.25 | | | \$632,802.25 | | | | | | | | | |
| | Amount Earned | | | | | | | | | | | | \$97,909.06 | 15% | | \$511,803.05 | 81% | | \$609,712.11 | 96% |
| | Retention (5%) | | | | | | | | | | | | (\$4,896.00) | | | | | | (\$30,486.00) | |
| | Progress Payment No.1 | | | | | | | | | | | | | | | | | | (\$200,773.75) | |
| | Progress Payment No.2 | | | | | | | | | | | | | | | | | | (\$285,439.30) | |
| | Amount Due | | | | | | | | | | | | \$93,013.06 | | | | | | \$93,013.06 | |
| | Amount Remaining on Contract | | | | | | | | | | | | | | | | | | \$23,090.14 | 4% |

Prepared By



Joubin Pakpour, P.E.

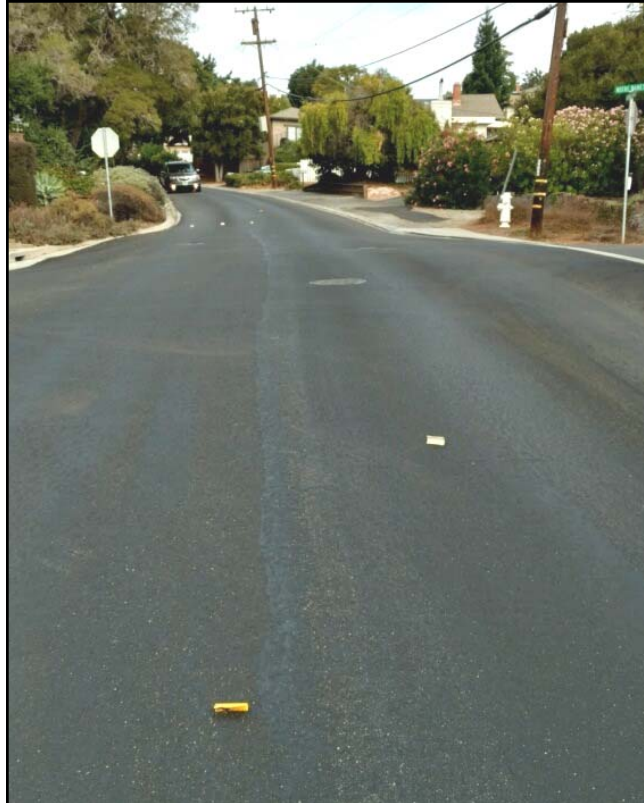
District Engineer

| | | |
|------------------------------|---------------|----|
| Amount Remaining on Contract | \$23,090.14 | 4% |
| Total Retention Being Held | (\$30,486.00) | |
| Total Pending Change Orders | \$ - | |

**Alameda de las Pulgas Water Main Replacement Project
Mid-Peninsula Water District, Belmont, CA
August 17 thru September 2, 2016**



**Alameda de las Pulgas Water Main Replacement Project
Mid-Peninsula Water District, Belmont, CA
August 17 thru September 2, 2016**



**Mid-Peninsula Water District
Alameda de las Pulgas Water Main Replacement Project
Project No. 10012.15**

**Change Order No. 3
R.J. Gordon, Inc.
September 7, 2016**

Item No. 1 – City of San Mateo Permit (Business License Fee)

On July 20, 2016, the District received a call from the City of San Mateo (CSM) requesting the District to obtain an encroachment to use La Casa Avenue within CSM limits as one of the detour routes for this project. The City of Belmont (City) recommended this route at the pre-construction meeting held on June 1, 2016, with City and R.J. Gordon (RJG), three days prior to start of the construction. The District obtained the permit on behalf of RJG and RJG paid for the CSM business license. This item is to reimburse RJG for the business license expense.

| | |
|---|------------------|
| Total Cost of Item No. 1 | \$ 132.30 |
| Total Working Days Increase for Item No. 1 | 0 Days |

Item No. 2 – Remove 20 LF of Existing PVC pipe

On July 29, 2016, RJG notified the District the existing 8" PVC water main was closer than originally anticipated to the new water main alignment at Belle Monti Avenue. The District requested RJG to remove an approximate 20 LF section of the 8" PVC along with an oversized thrust block prior to installing the new water main. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed RJG's total cost for the additional work and determined it conformed to the project specifications. Extra Work Report dated July 29, 2016.

| | |
|---|--------------------|
| Total Cost of Item No. 2 | \$ 1,224.14 |
| Total Working Days Increase for Item No. 2 | 0.5 Days |

Item No. 3 – Installation of 8" MJ Cap at Cipriani Avenue tie-in

On August 4, 2016 RJG notified the District the existing 8" valve at the intersection of Alameda de las Pulgas (ADLP) and Cipriani Avenue was leaking and could not be shutdown. This valve required closure and a portion of an existing 8" water main removed prior to any tie-in at Cipriani Ave. Since the valve was abandoned as part of this project, the District requested RJG to install a temporary 8" cap with thrust block after the valve and continue with tie-ins. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed RJG's total cost for the additional work and determined it conformed to the project specifications. Extra Work Report dated August 4, 2016.

| | |
|---|------------------|
| Total Cost of Item No. 3 | \$ 832.94 |
| Total Working Days Increase for Item No. 3 | 0 Days |

Item No. 4 – Removing Concrete Block at Intersection of Cipriani Avenue and ADLP

On August 4, 2016 RJG discovered a 6.5 ft long by 6 in thick concrete block under the asphalt directly along the new water main alignment at the Cipriani and ADLP intersection. The District requested RJG to jack hammer and remove the concrete block. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed RJG's total cost for the additional work and determined it conformed to the project specifications. Extra Work Report dated August 04, 2016.

| | |
|---|------------------|
| Total Cost of Item No. 4 | \$ 271.60 |
| Total Working Days Increase for Item No. 4 | 0.25 Days |

Item No. 5 – Exposing and Removing a Brick Wall at the Cipriani Avenue and ADLP Intersection

On August 4, 2016 RJG discovered a brick wall along the new water main alignment under the existing asphalt at the Cipriani and ADLP intersection. The District requested RJG to fully expose and remove the brick wall. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed RJG's total cost for the additional work and determined it conformed to the project specifications. Extra Work Report dated August 05, 2016.

| | |
|---|------------------|
| Total Cost of Item No. 5 | \$ 512.10 |
| Total Working Days Increase for Item No. 5 | 0.25 Days |

Item No. 6 – Two Changeable Message Boards

On June 6th, 2016, RJG requested to start work a week sooner (June 6th instead of June 13th). This request was approved by the District however the rent for the two changeable message boards did not transfer to RJG until June 13th and the District was charged for the period of June 6th thru June 13th instead. This is to reimburse the District for RJG's request. Western Traffic Supply, Inc invoice dated July 26, 2016.

| | |
|---|--------------------|
| Total Cost of Item No. 6 | (\$ 550.00) |
| Total Working Days Increase for Item No. 6 | 0 Days |

Item No. 7 – Repair a ¾" Water Service Line Damaged by RJG

On June 20th, 2016, RJG damaged a marked ¾" water service line. This line was repaired by the District staff on a time and material basis. District Invoice No. 2441-0716, dated July 7, 2016.

| | |
|---|--------------------|
| Total Cost of Item No. 7 | (\$ 243.65) |
| Total Working Days Increase for Item No. 7 | 0 Days |

Item No. 8 – Trench Plate Shift at Lyon & Alameda

On Saturday July 30th, 2016, the District received a call from the Belmont Police Department that a trench plate on Lyon/Alameda had shifted and punctured an oil pan on a vehicle. The District contacted RJG to fix the trench plate however RJG did not have anyone available at that time. Per RJG request, the District reset the plates and placed additional cutback around them. This work was done on time and material basis. District Invoice No. 2445-0816, dated August 5, 2016.

| | |
|---|--------------------|
| Total Cost of Item No. 8 | (\$ 565.98) |
| Total Working Days Increase for Item No. 8 | 0 Days |

| | |
|---|--------------------|
| Total Cost of Change Order No. 3 | \$ 1,613.45 |
| Overall Working Days Increase for Change Order No. 3 | 1 Day |

Other Terms Remain in Effect

Change Order No.3 fully resolves all cost and time issues related to the work described above, including any indirect effects or the effect of this Change Order on any other work performed by RJG. This Change Order does not modify or supersede any provision of the Contract, unless, and only to the extent, explicitly stated in this Change Order.

Signature Block

Prepared by:

Reviewed and Approved by:

Feraydoon Farsi
District Project Manager
Pakpour Consulting Group

Tammy Rudock
General Manager
Mid-Peninsula Water District

Reviewed and Approved by:

Reviewed and Approved by:

Mike Anderson
District Inspector
Mid-Peninsula Water District

John Johnson
President/CEO
R.J. Gordon Construction, Inc.

Reviewed and Approved by:

Joubin Pakpour, P.E.
District Engineer
Pakpour Consulting Group, Inc.

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

| DESCRIPTION | APPROVED FY 2016-2017 BUDGET \$ | ACTUAL 7/1/16 8/31/16 | REMAINING BALANCE/ (OVER BUDGET) | Target YTD % 17.0% |
|---|---------------------------------------|-----------------------------|--|-------------------------|
| | | | | Y-T-D % OF BUDGET |
| OPERATING REVENUE | | | | |
| WATER COMMODITY CHARGES | 8,100,000 | 1,814,268 | 6,285,732 | 22.4% |
| FIXED SYSTEM CHARGES | 2,663,720 | 431,269 | 2,232,451 | 16.2% |
| FIRE SERVICE CHARGES | 14,400 | 2,483 | 11,918 | 17.2% |
| SERVICE LINE & INSTALLATION CHARGES | 25,000 | - | 25,000 | NA |
| WATER SYSTEM CAPACITY CHARGES | 200,000 | - | 200,000 | NA |
| WATER DEMAND OFFSET CHARGES | 10,000 | - | 10,000 | NA |
| MISCELLANEOUS CHARGES | 10,000 | 372 | 9,628 | 3.7% |
| INTEREST REVENUE - LAIF | 10,000 | 4,964 | 5,036 | 49.6% |
| LEASE OF PHYSICAL PROPERTY | 200,000 | 27,995 | 172,005 | 14.0% |
| PROPERTY TAX REVENUE | 255,000 | 4,583 | 250,417 | 1.8% |
| TOTAL OPERATING REVENUE | 11,488,120 | 2,285,932 | 9,202,188 | 19.9% |
| OPERATING EXPENDITURES | | | | |
| SALARIES & WAGES | 1,668,500 | 253,310 | 1,415,190 | 15.2% |
| PAYROLL TAXES & BENEFITS | 1,163,800 | 159,805 | 1,003,996 | 13.7% |
| PURCHASED WATER | 4,976,000 | 1,080,648 | 3,895,352 | 21.7% |
| OUTREACH & EDUCATION | 133,900 | 4,328 | 129,572 | 3.2% |
| M&R - OPS SYSTEM | 398,250 | 44,047 | 354,203 | 11.1% |
| M&R - FACILITIES & EQUIPMENT | 162,000 | 24,271 | 137,729 | 15.0% |
| MAJOR MAINTENANCE | 12,000 | - | 12,000 | NA |
| OFFICE SUPPLIES & EQUIPMENT | 326,750 | 48,774 | 277,976 | 14.9% |
| MEMBERSHIP & GOV FEES | 217,500 | 26,720 | 190,780 | 12.3% |
| BAD DEBT & CLAIMS | 37,000 | 485 | 36,515 | 1.3% |
| UTILITIES | 288,300 | 42,585 | 245,715 | 14.8% |
| PROFESSIONAL SERVICES | 501,950 | 54,778 | 447,172 | 10.9% |
| TRAINING/TRAVEL & RECRUITMENT | 31,000 | 4,153 | 26,847 | 13.4% |
| RESTRICTED EARNINGS | (10,000) | (4,964) | (5,036) | 49.6% |
| RESERVES | - | - | - | NA |
| DEPRECIATION | 950,000 | 149,238 | 800,762 | 15.7% |
| TOTAL OPERATING EXPENDITURES | 10,856,950 | 1,888,176 | 8,968,774 | 17.4% |
| OPERATING REVENUE LESS EXPENDITURES | 631,170 | 397,756 | 233,414 | 63.0% |
| NET TRANSFERS TO CAPITAL | (631,170) | (397,756) | (233,414) | 63.0% |
| NET RESULTS OF OPERATIONS | - | - | - | |
| OPERATING EXPENDITURES LESS DEPRECIATION | 9,906,950 | 1,738,939 | 8,168,011 | 17.6% |

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

Target YTD %
17.0%

| ACCOUNT NUMBER | ACCOUNT DESCRIPTION | APPROVED FY 2016-2017 BUDGET \$ | ACTUAL 7/1/2016 8/31/2016 | REMAINING BALANCE/ (OVER BUDGET) | Y-T-D % OF BUDGET |
|-------------------|-------------------------------------|---------------------------------------|---------------------------------|--|-------------------------|
| 4010 | WATER COMMODITY CHARGES | 8,100,000 | 1,814,268 | 6,285,732 | 22.4% |
| 4020 | FIXED SYSTEM CHARGES | 2,663,720 | 431,269 | 2,232,451 | 16.2% |
| 4030 | FIRE SERVICE CHARGES | 14,400 | 2,483 | 11,918 | 17.2% |
| 4050 | SERVICE LINE & INSTALLATION CHARGES | 25,000 | - | 25,000 | NA |
| 4060 | WATER SYSTEM CAPACITY CHARGES | 200,000 | - | 200,000 | NA |
| 4070 | WATER DEMAND OFFSET CHARGES | 10,000 | - | 10,000 | NA |
| 4090 | MISCELLANEOUS REVENUES | <u>10,000</u> | <u>372</u> | <u>9,628</u> | 3.7% |
| 4000 | TOTAL WATER AND FEE CHARGES | <u>11,023,120</u> | <u>2,248,390</u> | <u>8,774,730</u> | 20.4% |
| 4102 | Interest Revenue- LAIF | <u>10,000</u> | <u>4,964</u> | <u>5,036</u> | 49.6% |
| 4100 | INTEREST REVENUE | <u>10,000</u> | <u>4,964</u> | <u>5,036</u> | 49.6% |
| 4201 | Lease of Physical Property | 200,000 | 27,995 | 172,005 | 14.0% |
| 4202 | Property Tax Revenue (A) | <u>255,000</u> | <u>4,583</u> | <u>250,417</u> | 1.8% |
| 4200 | OTHER REVENUE | <u>455,000</u> | <u>32,578</u> | <u>422,422</u> | 7.2% |
| 4000 | TOTAL OPERATING REVENUE | <u>11,488,120</u> | <u>2,285,932</u> | <u>9,202,188</u> | 19.9% |
| | | | - | | |
| 6011 | Salaries & Wages | 1,575,000 | 243,580 | 1,331,420 | 15.5% |
| 6012 | Director Compensation | 11,000 | 800 | 10,200 | 7.3% |
| 6017 | Capital Salaries & Wages | <u>-</u> | <u>36,168</u> | <u>(36,168)</u> | NA |
| 6010 | GROSS REGULAR WAGES | <u>1,586,000</u> | <u>280,547</u> | <u>1,305,453</u> | 17.7% |
| 6017 | CAPITAL SALARY & WAGES reversed | <u>-</u> | <u>(36,168)</u> | <u>36,168</u> | N/A |
| 6021 | Overtime Labor | 45,500 | 4,327 | 41,173 | 9.5% |
| 6022 | Standby Labor | <u>37,000</u> | <u>4,603</u> | <u>32,397</u> | 12.4% |
| 6020 | SUB-TOTAL SALARY & WAGES | <u>1,668,500</u> | <u>253,310</u> | <u>1,415,190</u> | 15.2% |
| 6031 | FICA/Medicare PR Tax | 131,500 | 15,851 | 115,649 | 12.1% |
| 6038 | ACWA Health Care | 320,000 | 47,001 | 272,999 | 14.7% |
| 6039 | ACWA Dental | 31,000 | 3,712 | 27,288 | 12.0% |
| 6040 | ACWA Vision | 4,350 | 656 | 3,694 | 15.1% |
| 6041 | ACWA Life/AD&D | 4,200 | 655 | 3,545 | 15.6% |
| 6042 | Standard LDL/SDL Disability | 12,400 | 2,112 | 10,288 | 17.0% |
| 6043 | Workers' Comp Insurance | 50,400 | 5,951 | 44,449 | 11.8% |
| 6044 | Unemployment | 1,000 | - | 1,000 | NA |
| 6045 | CALPERS Retirement - ER 2%@55 | 235,000 | 21,203 | 213,797 | 9.0% |
| 6054 | CAPITAL PAYROLL TAXES & BENEFITS | - | 17,185 | (17,185) | N/A |
| 6046 | Retirees' ACWA Health Care | 269 56,000 | 10,271 | 45,729 | 18.3% |

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

| |
|-----------------------|
| Target YTD % 17.0% |
|-----------------------|

| ACCOUNT NUMBER | ACCOUNT DESCRIPTION | APPROVED FY 2016-2017 BUDGET \$ | ACTUAL 7/1/2016 8/31/2016 | REMAINING BALANCE/ (OVER BUDGET) | Y-T-D % OF BUDGET |
|-------------------|---|---------------------------------------|---------------------------------|--|-------------------------|
| 6047 | Directors' ACWA Health Care | 108,000 | 18,468 | 89,532 | 17.1% |
| 6049 | Medical Reimbursement | 1,000 | 137 | 863 | 13.7% |
| 6050 | Employee Service Recognition | 7,000 | 990 | 6,010 | 14.1% |
| 6051 | Safety Incentive Program | 7,200 | 1,200 | 6,000 | 16.7% |
| 6052 | Uniforms | 24,750 | 4,098 | 20,652 | 16.6% |
| 6053 | PARS OPEB Expense | 170,000 | 27,500 | 142,500 | 16.2% |
| 6030 | SUB-TOTAL PAYROLL TAXES & BENEFITS | 1,163,800 | 176,989 | 986,811 | 15.2% |
| 6054 | CAPITAL PAYROLL TAXES & BENEFITS | - | (17,185) | 17,185 | N/A |
| 6000 | PERSONNEL COSTS | 2,832,300 | 413,114 | 2,419,186 | 14.6% |
| 6101 | SFPUC Treated Water | 4,500,000 | 988,362 | 3,511,638 | 22.0% |
| 6102 | BAWSCA (Debt Service Surcharges) | 476,000 | 79,242 | 396,758 | 16.6% |
| 6103 | Rates Stabilization | - | - | - | NA |
| 6104 | SFPUC Water Service Charge | - | 13,044 | (13,044) | N/A |
| 6100 | PURCHASED WATER | 4,976,000 | 1,080,648 | 3,895,352 | 21.7% |
| 6301 | Water Conservation Program | 7,200 | - | 7,200 | NA |
| 6302 | School Conservation Program | 7,200 | (56) | 7,256 | -0.8% |
| 6303 | Public Outreach & Education | 25,750 | 870 | 24,880 | 3.4% |
| 6305 | HET Rebates | 24,750 | 29 | 24,721 | 0.1% |
| 6306 | Washing Machine Rebates | 25,750 | 29 | 25,721 | 0.1% |
| 6307 | Lawn-Be-Gone Rebates | 38,100 | 3,427 | 34,673 | 9.0% |
| 6308 | Rain Barrel Rebates | 5,150 | 29 | 5,121 | 0.6% |
| 6304 | TOTAL WATER CONSERVATION REBATES | 93,750 | 3,514 | 90,236 | 3.7% |
| 6300 | OUTREACH/EDUCATION | 133,900 | 4,328 | 129,572 | 3.2% |
| 6401 | Water Quality | 67,000 | 14,429 | 52,571 | 21.5% |
| 6402 | Pumping | 78,250 | 4,161 | 74,089 | 5.3% |
| 6403 | Storage Tanks | 15,000 | - | 15,000 | NA |
| 6404 | Mains/Distribution | 100,000 | 8,253 | 91,747 | 8.3% |
| 6405 | Meters & Service | 30,000 | 3,451 | 26,549 | 11.5% |
| 6406 | Fire Hydrants (B) | 31,000 | 12,488 | 18,512 | 40.3% |
| 6407 | Regulator Stations | 6,000 | - | 6,000 | NA |
| 6408 | Safety | 32,000 | 464 | 31,536 | 1.4% |
| 6409 | SCADA Maintenance | 15,000 | 801 | 14,199 | NA |
| 6410 | Generator Maintenance | 24,000 | - | | |
| 6400 | M&R - OPS SYSTEMS | 398,250 | 44,047 | 354,203 | 11.1% |
| 6501 | M&R-Buildings&Grounds | 93,000 | 15,521 | 77,479 | 16.7% |
| 6502 | M&R- Equipment&Tools | 21,000 | 2,612 | 18,388 | 12.4% |
| 6503 | M&R- Vehicles & Large Equipment | 19,000 | 2,039 | 16,961 | 10.7% |
| 6504 | M&R - Fuel | 29,000 | 4,099 | 24,901 | 14.1% |
| 6500 | M&R - FACILITIES & EQUIPMENT | 162,000 | 24,271 | 137,729 | 15.0% |
| 6601 | Cathodic Protection Survey | 12,000 | - | 12,000 | NA |

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

| |
|-----------------------|
| Target YTD % 17.0% |
|-----------------------|

| ACCOUNT NUMBER | ACCOUNT DESCRIPTION | APPROVED FY 2016-2017 BUDGET \$ | ACTUAL 7/1/2016 8/31/2016 | REMAINING BALANCE/ (OVER BUDGET) | Y-T-D % OF BUDGET |
|-------------------|--|---------------------------------------|---------------------------------|--|-------------------------|
| 6602 | Leak Detection Survey | - | - | - | NA |
| 6600 | MAJOR MAINTENANCE | 12,000 | - | 12,000 | NA |
| 6701 | Office Supplies | 18,000 | 1,996 | 16,004 | 11.1% |
| 6702 | Insurance- Liability/Vehicles | 87,750 | 12,107 | 75,643 | 13.8% |
| 6703 | Postage (C) | 3,250 | 1,192 | 2,058 | 36.7% |
| 6704 | Printing/Printing Supplies | 13,000 | 2,013 | 10,987 | 15.5% |
| 6705 | Equipment Services/Maintenance | 56,750 | 3,762 | 52,988 | 6.6% |
| 6706 | Computer Supplies & Upgrades | 11,750 | 1,783 | 9,967 | 15.2% |
| 6707 | Security & Safety | 10,750 | 770 | 9,980 | 7.2% |
| 6708 | Other Fees | 500 | 16 | 484 | 3.3% |
| 6709 | Customer Credit Card Svs Fees | 125,000 | 25,137 | 99,863 | 20.1% |
| 6700 | OFFICE SUPPLIES & EQUIP | 326,750 | 48,774 | 277,976 | 14.9% |
| 6801 | Dues & Publications | 39,500 | 5,900 | 33,600 | 14.9% |
| 6802 | Gov't Fees & Licenses | 73,250 | 3,955 | 69,295 | 5.4% |
| 6803 | BAWSCA Membership Assessments | 68,750 | 11,865 | 56,885 | 17.3% |
| 6804 | Env Health - Cross Connection Inspection | 31,000 | 5,000 | 26,000 | 16.1% |
| 6805 | Software License | 5,000 | - | 5,000 | NA |
| 6800 | MEMBERSHIP & GOV FEES | 217,500 | 26,720 | 190,780 | 12.3% |
| 6901 | Bad Debt | 7,000 | 92 | 6,909 | 1.3% |
| 6902 | Claims | 30,000 | 393 | 29,607 | 1.3% |
| 6900 | BAD DEBT & CLAIMS | 37,000 | 485 | 36,515 | 1.3% |
| 7001 | Utilities-Internet/Cable (D) | 7,500 | 2,538 | 4,962 | 33.8% |
| 7002 | Utilities-Cellular Telephones | 11,850 | 2,533 | 9,317 | 21.4% |
| 7003 | Utilities-Electric-Pumping | 220,000 | 28,437 | 191,563 | 12.9% |
| 7004 | Utilities-Electric-Bldgs&Grounds | 24,000 | 4,517 | 19,483 | 18.8% |
| 7005 | Utilities-Telephones | 17,500 | 3,472 | 14,028 | 19.8% |
| 7006 | Utilities-Sewer - NPDES | 7,450 | 1,087 | 6,363 | 14.6% |
| 7000 | UTILITIES | 288,300 | 42,585 | 245,715 | 14.8% |
| 7101 | Prof Serv - District Counsel | 100,000 | 10,705 | 89,295 | 10.7% |
| 7102 | Prof Serv - District Engineer | 100,000 | 14,613 | 85,387 | 14.6% |
| 7103 | Prof Serv - IT | 19,750 | 3,280 | 16,470 | 16.6% |
| 7104 | Prof Serv- Annual Finance Audit | 20,000 | - | 20,000 | NA |
| 7105 | Prof Serv - Mngmt Consult | - | - | - | NA |
| 7106 | Prof Serv- Accounting & Payroll | 21,750 | 3,392 | 18,358 | 15.6% |
| 7107 | Prof Serv- Customer Billing | 72,250 | 13,018 | 59,232 | 18.0% |
| 7108 | Prof Serv - Answering Svs | 4,500 | 8 | 4,492 | 0.2% |
| 7110 | Prof Serv - Miscellaneous | 160,000 | 9,161 | 150,839 | 5.7% |
| 7111 | Prof Serv - District Treasurer | 3,700 | 600 | 3,100 | 16.2% |
| 7100 | PROFESSIONAL SERVICES | 501,950 | 54,778 | 447,172 | 10.9% |
| 7201 | Director Travel | 271 5,000 | - | 5,000 | NA |
| 7202 | Director Expense | 1,000 | - | 1,000 | NA |

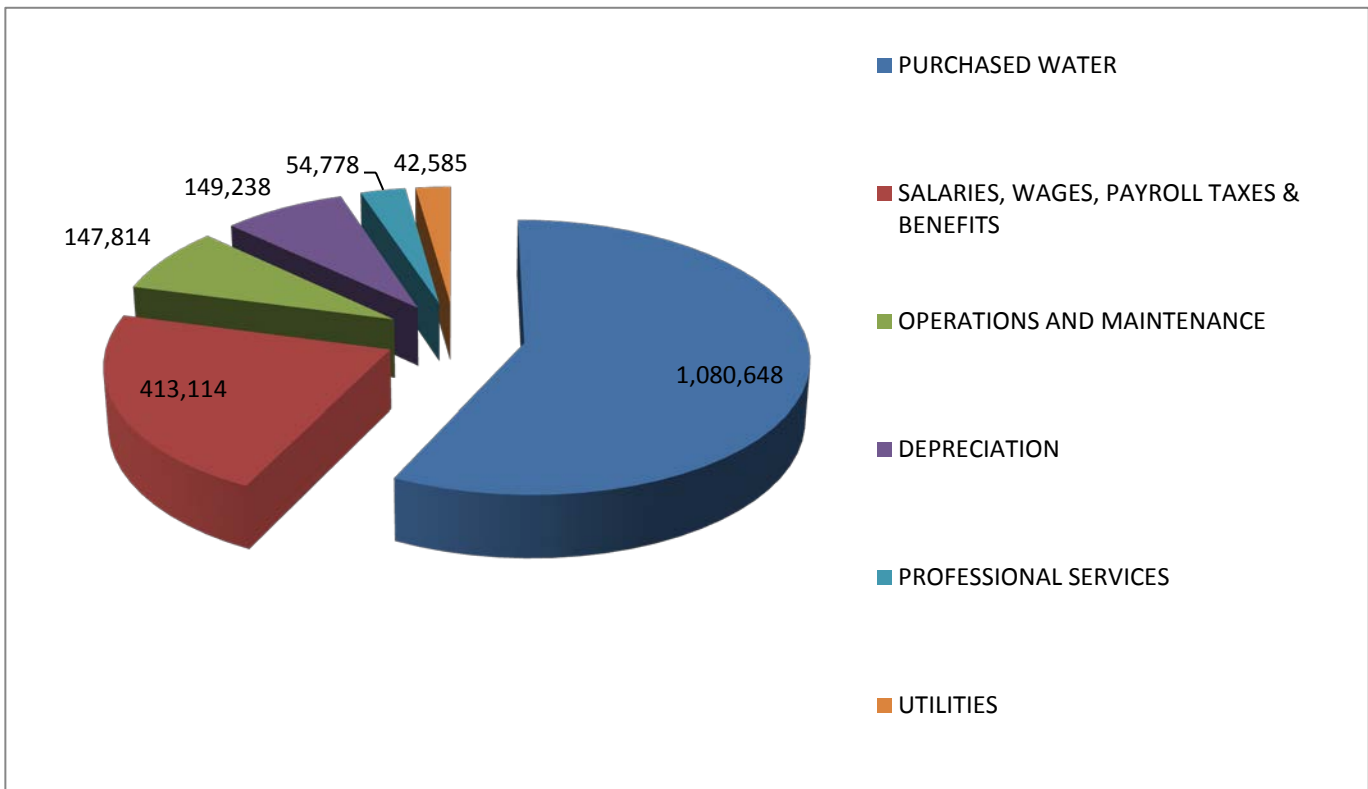
**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2016-2017
DETAILED**

| | | | | | Target YTD % 17.0% |
|---------------------------------------|---|---------------------------------------|---------------------------------|--|-------------------------|
| ACCOUNT NUMBER | ACCOUNT DESCRIPTION | APPROVED FY 2016-2017 BUDGET \$ | ACTUAL 7/1/2016 8/31/2016 | REMAINING BALANCE/ (OVER BUDGET) | Y-T-D % OF BUDGET |
| 7203 | Elections | - | - | - | NA |
| 7204 | Employee Travel/Training | 20,000 | 3,056 | 16,944 | 15.3% |
| 7205 | Meetings Expense | 5,000 | 1,097 | 3,903 | 21.9% |
| 7200 | TRAINING & TRAVEL | 31,000 | 4,153 | 26,847 | 13.4% |
| 7302 | Restricted Earnings Expense - Interest LAIF | (10,000) | (4,964) | (5,036) | 49.6% |
| 7300 | RESTRICTED EARNINGS EXPENSE | (10,000) | (4,964) | (5,036) | 49.6% |
| 8001 | Working Reserves: Capital | - | - | - | NA |
| 8002 | Working Reserves: Operating | 61,123 | - | 61,123 | NA |
| 8000 | RESERVES | - | - | - | NA |
| 9010 | DEPRECIATION | 950,000 | 149,238 | 800,762 | 15.7% |
| SUB-TOTAL - OPERATING EXPENSES | | 8,024,650 | 1,475,062 | 6,549,588 | 18.4% |
| TOTAL OPERATING EXPENSES | | 10,856,950 | 1,888,176 | 8,968,774 | 17.4% |
| NET OPERATING SURPLUS/(LOSS) | | | | | |
| TRANSFER TO CAPITAL | | 631,170 | 397,756 | 233,414 | 63.0% |
| | | | - | | |

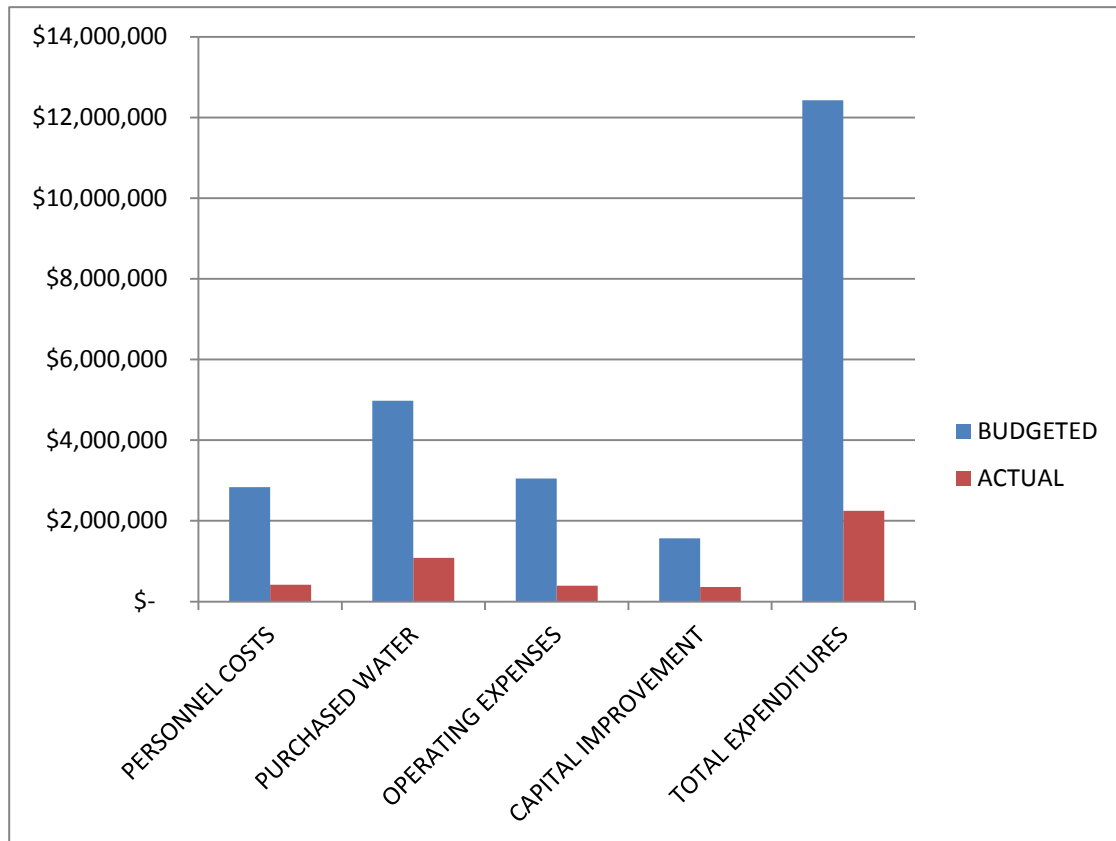
- (A) Property Taxes mostly paid in April and December.
 (B) 4 Fire hydrants purchased totaling \$8526.
 (C) Postage of \$1000 put in meter.
 (D) June 2016 bills included in this month.

MID-PENINSULA WATER DISTRICT
ACTUAL OPERATING EXPENDITURES SUMMARY
Aug-16

| OPERATING EXPENDITURES | ACTUAL \$ | % OF TOTAL |
|---|------------------|-------------------|
| PURCHASED WATER | 1,080,648 | 57.2% |
| SALARIES, WAGES, PAYROLL TAXES & BENEFITS | 413,114 | 21.9% |
| OPERATIONS AND MAINTENANCE | 147,814 | 7.8% |
| DEPRECIATION | 149,238 | 7.9% |
| PROFESSIONAL SERVICES | 54,778 | 2.9% |
| UTILITIES | 42,585 | 2.3% |
| TOTAL OPERATING EXPENDITURES | 1,888,176 | 100% |



2014/2015 BUDGET vs ACTUAL TOTAL EXPENDITURES Aug-16



| | BUDGETED | ACTUAL | BUDGETED % OF TOTAL | ACTUAL % OF TOTAL |
|---------------------------|---------------------|---------------------|---------------------------|-------------------------|
| TOTAL EXPENDITURES | | | | |
| PERSONNEL COSTS | \$ 2,832,300 | \$ 413,114 | 23% | 18% |
| PURCHASED WATER | \$ 4,976,000 | \$ 1,080,648 | 40% | 48% |
| OPERATING EXPENSES | \$ 3,048,650 | \$ 394,414 | 25% | 18% |
| CAPITAL IMPROVEMENT | \$ 1,565,000 | \$ 358,910 | 13% | 16% |
| TOTAL EXPENDITURES | \$12,421,950 | \$ 2,247,086 | 100% | 100% |

**MID-PENINSULA WATER DISTRICT
BUDGET FOR FY 2016-2017
CAPITAL OUTLAY/CAPITAL PROJECTS**

| DESCRIPTION | APPROVED AMENDED FY 2016-2017 BUDGET \$ | ACTUAL 7/1/2016 8/31/2016 | REMAINING BALANCE/ (OVER BUDGET) | Target YTD % 17.0% |
|--|--|---------------------------------|--|-------------------------|
| | | | | Y-T-D % OF BUDGET |
| CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP) | | | | |
| AMI Meter Change Out Program | 500,000 | 10,879 | 489,121 | 2.2% |
| Karen Road Water Main Replacement - CIP | 100,000 | 9,774 | 90,226 | 9.8% |
| Folger Pump Station Demolition - CIP | 50,000 | 1,160 | 48,840 | 2.3% |
| Alameda de las Pulgas Water Main Replacement Project - CIP (B) | 700,000 | 333,699 | 366,301 | 47.7% |
| CAPITAL IMPROVEMENTS - WIP TOTAL | 1,350,000 | 355,512 | 994,488 | 26.3% |
| CAPITAL OUTLAY | | | | |
| Financial Management System (FMS) - Comprehensive Replacement | 95,000 | - | 95,000 | 0.0% |
| Implementation of Sensus Consumer Portal | 70,000 | 3,398 | 66,602 | 4.9% |
| Miscellaneous Capital Outlay/Projects | 50,000 | - | 50,000 | 0.0% |
| CAPITAL OUTLAY TOTAL | 215,000 | 3,398 | 211,602 | 1.6% |
| CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL | 1,565,000 | 358,910 | 1,206,090 | 22.9% |
| DEPRECIATION | 950,000 | 149,238 | 800,762 | 15.7% |
| TRANSFER FROM OPS | 631,170 | 397,756 | 233,414 | 63.0% |
| TRANSFER (TO)/FROM CAPITAL RESERVES | (16,170) | (188,084) | 171,914 | 1163.2% |
| CAPITAL OUTLAY/CAPITAL PROJECTS | (1,565,000) | (358,910) | (1,206,090) | 22.9% |
| NET RESULTS OF CAPITAL | - | (0) | 0 | N/A |

**MID-PENINSULA WATER DISTRICT
OPERATIONS SUMMARY
PREVIOUS YEAR COMPARISON**

| | Jul - Aug 16 | Jul - Aug 15 | \$ Change | % Change |
|--|--------------|--------------|------------|----------|
| Ordinary Income/Expense | | | | |
| Income | | | | |
| 4000 · OPERATING REVENUE | 2,248,390.34 | 1,829,896.14 | 418,494.20 | 22.87% |
| 4100 · INTEREST INCOME | 4,963.68 | 1,944.76 | 3,018.92 | 155.23% |
| 4200 · OTHER INCOME | 32,578.23 | 29,305.18 | 3,273.05 | 11.17% |
| Total Income | 2,285,932.25 | 1,861,146.08 | 424,786.17 | 22.82% |
| Expense | | | | |
| 6000 · PERSONNEL COSTS | 413,114.33 | 404,156.38 | 8,957.95 | 2.22% |
| 6100 · PURCHASED WATER | 1,080,647.73 | 869,964.27 | 210,683.46 | 24.22% |
| 6300 · OUTREACH/EDUCATION | 4,327.85 | 30,088.97 | -25,761.12 | -85.62% |
| 6400 · M&R - OPS SYSTEMS | 44,046.62 | 33,672.24 | 10,374.38 | 30.81% |
| 6500 · M&R - FACILITIES & EQUIPMENT | 24,271.14 | 10,602.42 | 13,668.72 | 128.92% |
| 6600 · MAJOR MAINTENANCE | 0.00 | 700.00 | -700.00 | -100.0% |
| 6700 · OFFICE SUPPLIES & EQUIPMENT | 48,774.37 | 49,826.96 | -1,052.59 | -2.11% |
| 6800 · MEMBERSHIP & GOV FEES | 26,720.11 | 22,070.94 | 4,649.17 | 21.07% |
| 6900 · BAD DEBT & CLAIMS | 484.63 | 4,096.48 | -3,611.85 | -88.17% |
| 7000 · UTILITIES | 42,584.75 | 56,851.20 | -14,266.45 | -25.09% |
| 7100 · PROFESSIONAL SERVICES | 54,777.97 | 98,744.19 | -43,966.22 | -44.53% |
| 7200 · TRAINING & TRAVEL | 4,152.76 | 4,614.17 | -461.41 | -10.0% |
| Total Expense | 1,743,902.26 | 1,585,388.22 | 158,514.04 | 10.0% |
| Net Ordinary Income | 542,029.99 | 275,757.86 | 266,272.13 | 96.56% |
| Other Income/Expense | | | | |
| Other Expense | | | | |
| 9000 · DEPRECIATION | 149,237.81 | 158,135.68 | -8,897.87 | -5.63% |
| Total Other Expense | 149,237.81 | 158,135.68 | -8,897.87 | -5.6% |
| 7302 - RESTRICTED EARNINGS EXPENSE - INTEREST LAIF | -4,963.68 | -1,944.76 | -3,018.92 | -155.2% |
| Total Restricted Earnings Expense | -4,963.68 | -1,944.76 | -3,018.92 | -155.2% |
| Net Operating Surplus/(Loss) | 397,755.86 | 119,566.94 | 278,188.92 | 232.7% |

**MID-PENINSULA WATER DISTRICT
CONDENSED BALANCE SHEET
PREVIOUS YEAR COMPARISON**

| | Aug 31, 16 | Aug 31, 15 | \$ Change | % Change |
|--|-------------------------------|-------------------------------|-------------------------------|--|
| ASSETS | | | | |
| CURRENT ASSETS | | | | |
| Total Checking/Savings | 4,268,489.66 | 3,464,169.16 | 804,320.50 | 23.22% |
| Total Accounts Receivable | 1,094,813.95 | 919,178.07 | 175,635.88 | 19.11% |
| Other Current Assets | | | | |
| Inventory (A) | 0.00 | 177,394.42 | -177,394.42 | -100.0% |
| Other Current Assets | 191,434.09 | 195,510.55 | -4,076.46 | -2.09% |
| Total Other Current Assets | 191,434.09 | 372,904.97 | -181,470.88 | -48.66% |
| TOTAL CURRENT ASSETS | 5,554,737.70 | 4,756,252.20 | 798,485.50 | 16.79% |
| FIXED ASSETS | | | | |
| Fixed Assets | 42,079,710.21 | 41,195,950.35 | 883,759.86 | 2.15% |
| Accumulated Depreciation | -25,913,329.78 | -25,011,865.48 | -901,464.30 | -3.6% |
| Construction in Progress | 910,458.82 | 120,576.72 | 789,882.10 | 655.09% |
| TOTAL FIXED ASSETS | 17,076,839.25 | 16,304,661.59 | 772,177.66 | 4.74% |
| TOTAL OTHER ASSETS | 219,777.55 | 198,895.55 | 20,882.00 | 10.5% |
| TOTAL ASSETS | 22,851,354.50 | 21,259,809.34 | 1,591,545.16 | 7.49% |
| LIABILITIES & EQUITY | | | | |
| LIABILITIES | | | | |
| CURRENT LIABILITIES | | | | |
| Total Accounts Payable | 114,531.32 | 174,965.61 | -60,434.29 | -34.54% |
| Total Other Current Liabilities (B) | 1,066,371.26 | 604,691.87 | 461,679.39 | 76.35% |
| TOTAL CURRENT LIABILITIES | 1,180,902.58 | 779,657.48 | 401,245.10 | 51.46% |
| TOTAL LONG TERM LIABILITIES (B) | 1,346,892.00 | 1,118,234.00 | 228,658.00 | 20.45% |
| TOTAL LIABILITIES | 2,527,794.58 | 1,897,891.48 | 629,903.10 | 33.19% |
| EQUITY | | | | |
| 3000 - Opening Bal Equity | 0.00 | 144.00 | -144.00 | -100.0% |
| 3800 - RESERVES * | 4,055,161.46 | 3,389,457.38 | 665,704.08 | 19.64% |
| 3940 - Fund Balance Invest in Ut Plant | 16,666,154.32 | 16,304,661.59 | 518,574.72 | 3.18% |
| Net Assets (B) | -397,755.86 | -332,345.11 | -222,492.74 | -66.95% |
| TOTAL EQUITY | 20,323,559.92 | 19,361,917.86 | 961,642.06 | 4.97% |
| TOTAL LIABILITIES & EQUITY | 22,851,354.50 | 21,259,809.34 | 1,591,545.16 | 7.49% |
| | | | | |
| | Balance @ Aug 2014 | Balance @ Aug 2015 | Balance @ Aug 2016 | Budget for Reserve Policy |
| * RESERVES | | | | |
| Capital Reserves | 1,779,466 | 889,457 | 1,555,161 | 2,500,000 |
| Emergency Reserves | 2,000,000 | 2,000,000 | 2,000,000 | 2,000,000 |
| Working Capital Reserves | 500,000 | 500,000 | 500,000 | 500,000 |
| TOTAL RESERVE FUNDS | 4,279,466 | 3,389,457 | 4,055,161 | 5,000,000 |

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

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