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

March 22, 2018
Belmont, California

1. OPENING

A. Call to Order:

The regular meeting of the Mid-Peninsula Water District Board of Directors was called to order by Vice-President Vella at 6:30PM.

B. Establishment of Quorum:

PRESENT: Directors Vella, Stuebing, Zucca and Linvill.

Director Warden was absent. Director Vella chaired the Board Meeting.

A quorum was present.

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

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

2. PUBLIC COMMENTS

None.

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

None.

4. ACKNOWLEDGEMENTS/PRESENTATIONS

A. 15-Year Service Anniversary on March 3, 2018 – Robby Piccolotti

B. 10-Year Service Anniversary on April 1, 2018 – Jeanette Kalabolas

General Manager Rudock shared that Robby Piccolotti was unable to attend the meeting. She acknowledged that Jeanette Kalabolas was in the audience and briefed the Board on her duties and responsibilities at the MPWD and expressed appreciation for her service. District Administrative Services Manager Candy Pina also commented on Jeanette's "can do" attitude and teamwork.

5. CONSENT AGENDA

A. Approve Minutes for the Regular Board Meeting of February 22, 2018

B. Approve Expenditures from February 16, 2018 through March 14, 2018

C. Consider Resolution 2018-07 Authorizing an ICMA-RC 401 Governmental Money Purchase Plan and Trust as a Voluntary Employee Benefit and Approving the Administrative Services Agreement

Director Stuebing moved to approve the minutes for the Regular Board Meeting on February 22, 2018, expenditures from February 16, 2018 through March 14, 2018 and

52 the adoption of Resolution 2018-07 Authorizing an ICMA-RC 401 Governmental Money
53 Purchase Plan and Trust as a Voluntary Employee Benefit and Approving the
54 Administrative Services Agreement. Director Linvill seconded and it was unanimously
55 approved.
56

57 **6. HEARINGS AND APPEALS**

58 None.

59
60 **7. MPWD FY 2016-2021 CAPITAL IMPROVEMENT PROGRAM AND 2016 COP**
61 **(CERTIFICATES OF PARTICIPATION) FINANCING**

62 None.

63
64 **8. REGULAR BUSINESS AGENDA**

65 **A. Discuss Preliminary Revenue Requirements and Water Rate Update for FY**
66 **2018/2019**

67 General Manager Rudock shared water rate projections from SFPUC's financial
68 projections provided at the Annual Wholesalers meeting held February 15, 2018,
69 introduced Alex Handlers with Bartle Wells Associates and acknowledged that
70 Bud Levine from Wulff, Hansen and Company was also in the attendance.
71

72 Alex Handlers with Bartle Wells Associates gave a presentation on the
73 Preliminary Water Rates draft long-term finance plan and water rate update
74 developed with staff. An overall 4.1% water rate increase is proposed as a result
75 of the updated financial projections for FY 2018/2019, including continued
76 nominal increases to the monthly fixed system charges and a 2.8% commodity
77 charge increase.

78
79 The Board discussed the projected revenue requirements for FY 2018/2019 and
80 required water rates as outlined in the Cash Flow Projections chart in the
81 updated report.
82

83 General Manager Rudock reported that the water rate increase approved by the
84 Board during the Proposition 218 water rate process in 2015 was 6% for FY
85 2018/2019. The updated financials projected an overall water rate increase of
86 4.1%, which would be 1.9% less than what was previously approved. If
87 approved by the Board, customers would receive the legally-required notice thirty
88 days prior to the July 1, 2018 effective date. Staff will bring this item back next
89 month for consideration.
90

91 **B. Discuss Preliminary WORKING DRAFT MPWD Fiscal Year 2018/2019 Operating**
92 **and Capital Budget Summaries and Assumptions**

93 General Manager Rudock shared highlights from the proposed Preliminary Working
94 Draft budget summaries. A brief Board discussion followed.
95

96 Director Zucca noted a correction to the staff report highlights for Operations and
97 Projected Water Commodity Charges if the Board approved a 2.8% increase to
98 commodity charges. General Manager Rudock stated she would correct that for
99 next month's discussion.

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C. Receive Structural Review and Retrofit Strategy Report by Cornerstone Structural Engineering Group for the MPWD’s Dairy Lane Headquarters Building and Premises

District Engineer Pakpour reported on the findings from the Cornerstone Structural Engineering Group’s seismic evaluation and retrofit recommendations for the 3 Dairy Lane Building.

Director Linvill commented that although evaluation results yielded no imminent structural threats, she recommends the 3 Dairy Lane retrofit remain a priority.

Vice President Vella inquired about emergency operations coordination with the City of Belmont. General Manager Rudock advised that although there is a list of shared agency resources at the county level, each agency is responsible for its operational Emergency Operations Center. Vice President Vella expressed that joint coordination efforts with the City of Belmont should not be discounted. Director Zucca commented that all MPWD properties need to be considered when developing an Emergency Action Plan. General Manager Rudock confirmed that the MPWD is actively engaged with, and a member of, the San Mateo County Emergency Managers Association, including attending monthly meetings, and sharing equipment, fuel, and resources listings in the event of an emergency.

Director Vella asked about the building’s Immediate Occupancy Level Rating and the risk of a red-tag. District Engineer Pakpour confirmed that the building was evaluated as an essential facility. This is the same level of design as for hospitals, police / fire stations and schools. If the District moves ahead with a retrofit program, staff recommendation is to bring the building’s seismic performance up to an essential level facility. The analysis indicates the building currently does not meet an essential facility performance level and may not be able to be occupied after a major seismic event.

General Manager Rudock concluded that staff will be developing a phased rehabilitation and retrofit project and plan, including the recommendations, and a proposed project budget and schedule, and would bring that back for the Board’s consideration.

D. Consider Resolution 2018-08 Establishing Surplus Items List 18-01 and Declaring Items in District Inventory as Surplus and Authorizing Staff to Sell via GovDeals.com

Operations Manager Ramirez reported on the second list of surplus inventory items presented to GovDeals.com. Director Vella inquired about declared surplus items that go unclaimed at auction. Operations Manager Ramirez advised there were a number of alternative disposal options – resale through public ads, donate, keep, recycle, disposal, etc. Director Zucca commented that

145 if surplus does not sell, staff should bring their plan of action for disposal before
146 the Board for direction so that full transparency is maintained.

147
148 Director Stuebing moved to approve Resolution 2018-08 Establishing Surplus
149 Items List 18-01 and Declaring Items in District Inventory as Surplus and
150 Authorizing Staff to Sell via GovDeals.com. Director Linvill seconded and it was
151 unanimously approved.

152
153 **E. Consider Resolution 2018-09 approving a Salary Adjustment for the**
154 **General Manager effective January 1, 2015 and Corresponding Fourth**
155 **Amendment to the General Manager's Employment Agreement**

156 In accordance with the Brown Act, District Counsel Sherman provided an oral
157 summary of the proposed amendments to the General Manager's employment
158 agreement.

159
160 Director Linvill moved to approve Resolution 2018-09 approving a Salary
161 Adjustment for the General Manager effective January 1, 2015 and
162 Corresponding Fourth Amendment to the General Manager's Employment
163 Agreement. Director Stuebing second and it was unanimously approved.

164
165 Director Stuebing complimented General Manager Rudock on her efforts and
166 accomplishment in securing the joint Sanitary Sewer and Water Rehabilitation
167 Agreement with the City of Belmont.

168
169 **9. MANAGER AND BOARD REPORTS**

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

171 General Manager Rudock reported on the labor negotiations, which will begin
172 soon, the Moccasin Dam Breach advisory issued on March 22, 2018 by SFPUC
173 and February 2018 Water Conservation statistics.

174
175 **1. Supplemented by Administrative Services Manager's Report**

176 Administrative Services Manager Pina invited the Board to attend the service
177 anniversary luncheon MPWD will be hosting in honor of Jeanette Kalabolas
178 on Tuesday, March 27, 2018 at 12:00PM.

179
180 **2. Supplemented by Operations Manager's Report**

181 Operations Manager Ramirez reported on the water main break at Alameda
182 and El Verano Way. The Board had questions surrounding cast iron pipe
183 breaks. Operations Manager Ramirez responded staff is doing its best to
184 address hot spots identified by the hydraulic water modeling, adding that
185 breaks typically result from external elements that result in a pipe's corrosion
186 such as no wrap, quality of back-fill soil, age, etc.

187
188 Director Zucca inquired about lead piping within the system. Operations
189 Manager Ramirez confirmed MPWD is not aware of any lead pipes in the

190 ground; however, lead testing of schools within our service area continues per
191 the state requirement.

192
193 **3. Supplemented by District Engineer's Report**

194 District Engineer Pakpour gave a status update on the current CIP Project
195 and the upcoming FY 2018/2019 project and schedule.

196
197 **B. Financial Reports**

198 **Receive Financial Reports for Month Ended February 28, 2018**

199 General Manager Rudock reported Operating revenues are up 10% and
200 Operating expenses are down approximately 10-11% YTD. She also reminded
201 the Board that a debt services payment will be made May 1, 2018.

202
203 **C. Director Reports**

204 Director Stuebing reported that LAFCO terms are expiring and nominations are
205 due by June 12, 2018. General Manager Rudock advised that she would add
206 this item to next month's Agenda for the Board to discuss further.

207
208 Director Vella reported on the BAWSCA Board meeting he recently attended.

209
210 **10. COMMUNICATIONS**

211 General Manager Rudock reported that CSDA Term-Election Nominations are due
212 April 18, 2018. The Board shared with staff that they would not be making any
213 nomination and offered the best of luck to the candidates running.

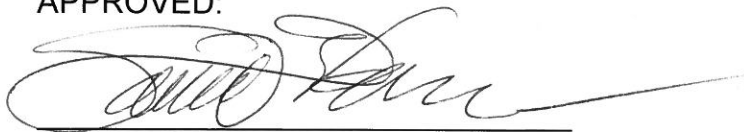
214
215 General Manager Rudock also reported on LAFCO and JPIA highlights.

216
217 **11. ADJOURNMENT**

218 The meeting was adjourned at 8:04PM.

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222 _____
223 DISTRICT SECRETARY

224 APPROVED:

225 
226 _____

227
228 BOARD PRESIDENT

