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

May 25, 2017
Belmont, California

1. OPENING

A. Call to Order:

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

B. Establishment of Quorum:

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

ABSENT: None

A quorum was present.

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

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

2. PUBLIC COMMENTS

Mr. Britto Vincent, a Belmont resident on San Juan Blvd asked the Board to consider a 3-month leak adjustment base period in lieu of the current 2-month policy. President Stuebing advised that staff would respond to him within the next week.

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

None

4. ACKNOWLEDGEMENTS/PRESENTATIONS

A. Employee Service Recognition – 15 Years: Stan Olsen, Lead Operator

General Manager Rudock advised the Board that Stan was not able to attend this evening. She remarked on Stan's loyalty to the MPWD and his transition from shop mechanic to lead operator.

Operations Manager Ramirez also reported on a number of Stan's accomplishments and responsibilities.

President Stuebing extended the Board's congratulations to Stan.

5. CONSENT AGENDA

A. Approve Minutes for the Special Board Meeting of March 20, 2017, Regular Board Meeting of March 23, 2017, and Regular Board Meeting of April 27, 2017 (No Quorum)

50 Director Vella asked that grammar and spelling errors on lines 315 and 352 be amended
51 to read accurately under the Regular Board Meeting minutes recorded for March 23,
52 2017.

53
54 **B. Approve Expenditures from March 17, 2017 through April 19, 2017 and from April**
55 **20, 2017 through May 18, 2017**

56 Director Vella moved to approve the minutes for the Special Board Meeting on March
57 20, 2017, Regular Board Meetings on March 23, 2017 and April 27, 2017 and
58 expenditures from March 17, 2017 through April 19, 2017 and April 20, 2017 through
59 May 18, 2017. Director Warden seconded, and it was unanimously approved.
60

61 **6. HEARINGS AND APPEALS**

62 None
63

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

66 **A. Receive Reconciliation Quarterly Report on 2016 COP Financing for period**
67 **January 1, 2017 through March 31, 2017 and Discuss 2016 COP Sample Project**

68 Municipal Finance Advisor Bud Levine compiled a transaction summary of the 2016
69 financing project and distributed it to the Board. Mr. Levine briefed the Board on the
70 highlights from the transaction summary.
71

72 Director Zucca inquired of staff how current revenues were tracking in comparison to
73 drought revenues. General Manager Rudock replied that current revenues were on track
74 with those received in FY 2016-2017.
75

76 Director Warden requested an analysis of how much the District would save if the bond
77 was to be paid off early, which Mr. Levine said would be simple to produce.
78

79 Director Warden commented that the pay-off subject should be revisited and discussed
80 during strategic planning to come up with a plan.
81

82 District Treasurer Ira reminded the Board and staff that the District's critical focus, policy
83 and priority should remain on the total \$52 million CIP.
84

85 **B. Review FY 2017/2018 COP Capital Improvement Program**

86 General Manager Rudock reviewed the projects identified in the MPWD CIP Summary
87 for FY 2017/2018, including those that are projected for planning and engineering
88 design, and construction.
89

90 **C. Consider Resolution 2017-07 Authorizing a Professional Service Agreement with**
91 **Hydroscience Engineers, Inc. referenced as Contract No. 03-1621-CIP in the**
92 **amount of \$332,951 for Engineering Services in Conjunction with the El Camino**
93 **real Water Main replacement (CIP 15-76) and Malcolm Avenue Area Water Main**
94 **Replacement (CIP 15-74) Projects**

95 Operations Manager Ramirez briefly reported on the project scope of work, which
96 included the addition of the Malcolm Avenue area water main replacements. He advised
97 that staff worked closely with District Engineer Pakpour to finalize the proposal
98 presented. He added that the approach is aggressive, but feels the job will conclude in
99 two years or less.
100

101 Director Zucca commented that he does not want to deviate from the approved CIP.
102 Staff responded that it is committed to the CIP and the Malcolm area was included after
103 project site visits and operational issues and modeling proved it was sensible.

104
105 Director Warden expressed coordination and budget concerns. He also wanted re-
106 assurance from staff that joint costs were being considered between the City of Belmont
107 and MPWD. General Manager Rudock confirmed that the budget would be adhered to
108 and shared cost opportunities explored where appropriate.

109
110 **D. Consider Resolution 2017-08 Authorizing a Professional Services Agreement with**
111 **West Yost Associates referenced as Contract No. 04-1621-CIP in the amount of**
112 **\$317,306 for Engineering Services in Conjunction with the State Route 101**
113 **Crossing at the Palo Alto Medical Facility (CIP 15-71)**

114 Operations Manager Ramirez again briefly reported on the project scope of work and
115 advised that staff has already met with Caltrans to discuss coordination.

116
117 General Manager Rudock reported that she has also reached out to PAMF
118 representatives to request an onsite meeting.

119
120 District Counsel Cassman concluded this item by advising Resolution 2017-17 and
121 Resolution 2017-08 could be combined for the Board's Vote. Director Vella moved to
122 approve the resolutions and Director Zucca seconded. Roll call was taken and the
123 resolutions were unanimously approved.

124
125 **E. Discuss Funding of 2017 MPWD Capital Project known as the Francis, Academy**
126 **and Davey Glen Water Main Replacement Project in Coordination with 2017 City of**
127 **Belmont Sewer replacement Program**

128 General Manager Rudock reported staff is close to finalizing the joint agreement
129 between MPWD and the City of Belmont, which is tentatively scheduled to be presented
130 at next month's Board meeting. Operations Manager Ramirez stated that shared costs
131 will be identified in a separate exhibit, as will those to be borne separately by the MPWD
132 and the City of Belmont.

133
134 Vice President Warden inquired about the status of communications and asked that staff
135 create a report outlining cooperation to date. Staff advised on past and present
136 interactions. A debate followed and the Board reached the collective conclusion that the
137 next step is to reach out to the City of Belmont through the assigned MPWD strategic
138 planning outreach sub-committee composed of Vice President Warden and Director
139 Zucca to arrange a meeting to discuss communications further.

140
141 President Stuebing redirected the conversation back to Staff's recommendation.

142
143 Director Linvill asked for clarification on the staff report as it discusses using Capital
144 Project Reserves and COP Project funds. General Manager Rudock advised Staff's
145 recommendation is that Capital reserves be used for Francis and Academy water main
146 replacements, and COP funds for the Davey Glen project.

147
148 Staff will bring this item back for the Board's consideration next month in order to keep
149 on schedule with the coordination with the City of Belmont.

150
151

- 152 **8. REGULAR BUSINESS AGENDA**
- 153 **A. Receive Draft Structural and Conditional Assessment for the Folger Pump House**
- 154 **Building by the Cornerstone Structural Engineering Group, Inc. (CSEG)**
- 155 Operations Manager Ramirez summarized findings from the structural assessment
- 156 report provided by CSEG. All structures were deemed safe, and are in no danger of
- 157 collapsing and pose no imminent threat to the public. Staff reported it would request
- 158 additional services so that the significant cracks in the pump station building would be
- 159 measured and tracked by CSEG.
- 160
- 161 **B. Review Final Draft MPWD Operating and Capital Pay-Go Budgets for Fiscal Year**
- 162 **2017/2018 and:**
- 163 **1) Consider Resolution 2017-09 Approving the MPWD FY 2017/2018 Operating**
- 164 **Budget and;**
- 165 **2) Consider Resolution 2017-10 Approving the MPWD FY 2017/2018 Capital Pay-**
- 166 **Go Budget**
- 167 General Manager Rudock summarized the key factors identified in the staff report.
- 168
- 169 Director Linvill commented that she feels the Pay-Go (Miscellaneous Capital
- 170 Outlay/Projects) Budget balance for FY 2017/2018 is not necessary because it is
- 171 nominal and the General Manager has authority or can request it from Board as needed.
- 172 Staff agreed and the Board acknowledged it.
- 173
- 174 General Manager Rudock stated for the record the reason behind approving the budget
- 175 now instead of next month was that District Counsel had advised given there would be
- 176 no scheduled FY 2017/2018 water rate increase, the Board would need to approve the
- 177 budget before customer notices could be distributed.
- 178
- 179 Director Linvill moved to approve the FY 2017/2018 Operating Budget, Director Warden
- 180 seconded. Roll call was taken, and it was unanimously approved.
- 181
- 182 **C. Consider Nomination of Director to the Boards of the Bay Area Water Supply and**
- 183 **Conservation Agency (BAWSCA) and the Bay Area Regional Water System**
- 184 **Financing Authority**
- 185 The Board agreed unanimously that Director Vella would continue his tenure as
- 186 MPWD's representative on the BAWSCA Board of Directors. Director Zucca moved to
- 187 approve the nomination, Director Warden second, and it was unanimously approved.
- 188
- 189 **D. BAWSCA Update by Director Vella**
- 190 Director Vella shared highlights from the last Board Meeting he attended on May 18,
- 191 2017. A hand-out on the High Risk of Extinction for the Natural Fall-Run Chinook
- 192 Salmon Population in the Lower Tuolumne River was shared with the Board and staff.
- 193 Because the Restore Hetch Hetchy Movement continues, BAWSCA will increase its FY
- 194 2017/2018 Budget. Agencies can also expect to see a three percent increase in their
- 195 Annual Membership Assessments. Robert Guzzetta's, California Water Service
- 196 Company's Board Appointee, retirement from the BAWSCA Board was also
- 197 acknowledged.
- 198
- 199
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203 **9. MANAGER AND BOARD REPORTS**

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

205 General Manager Rudock opened by reporting on MPWD water conservation progress,
206 classification study, recent in-house staff and CIP team leadership training, as well as
207 the ACWA JPIA conference she attended May 8-12, 2017.

208
209 Director Zucca commented on the leadership training, expressing that this type of
210 exercise is great. It is an amazing way to maximize customer value.

211
212 Director Vella commented on buy-in and asked if staff had a plan in the event not
213 everyone is able to come together, and inquired further about mechanics in place,
214 authority to re-organize, as assessment is also a real part of the process.

215
216 Director Warden added that leadership starts from the position of General Manager and
217 trickles its way down.

218
219 Director Stuebing commented that leadership training is in many ways the equivalent of
220 preventative care and always enlightening.

221
222 General Manager Rudock acknowledged the Board's comments and advised that she is
223 prepared to take any action necessary to ensure the District is run efficiently, effectively
224 and in the best interests of the ratepayers. Two CSDA hand-outs were also presented to
225 the Board, one on the upcoming Elected Officials Harassment Prevention Webinar
226 scheduled for June 6, 2017 and another about "Special Districts Making a Difference".

227
228 General Manager Rudock concluded her report by sharing that staff met with the real
229 estate brokers hired to conduct District property market valuations. A report is being
230 finalized and will be presented at the next board meeting.

231
232 Director Linvill inquired about the appraisal and commented that an MAI appraiser
233 should have been consulted.

234
235 General Manager Rudock confirmed that the market comparison approach taken was
236 cost effective and identifies recommendations and options for the District. The District's
237 F St property and lots adjacent to the West Belmont Tanks site will be evaluated next.

238
239 District Counsel Cassman and General Manager Rudock advised that there are rules the
240 District needs to follow should the Board opt to sell its properties. They will be discussed
241 next month.

242
243 **1. Supplemented by Administrative Services Manager's Report**

244 None.

245
246 **2. Supplemented by Operations Manager's Report**

247 Operations Manager Ramirez reported that staff has completed the Zone 2 staging
248 of all 1,710 meters and installation will begin next month.

249
250 **3. Supplemented by District Engineer's Report**

251 None

252
253

254 **B. Financial Reports**
255 General Manager Rudock reported on the Capital Projects Budget. She advised that
256 more than half the budget has been utilized and currently stands at 83.5% YTD.
257

258 **C. Director Reports**
259 Director Warden reported that he recently had the opportunity to log into the new web
260 payment portal. He advised the process was flawless and congratulated staff on a job
261 well done.
262

263 **10. FUTURE AGENDA ITEMS**
264 None.

265
266 **11. COMMUNICATIONS**
267 None.

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269 **12. ADJOURNMENT**
270 The meeting was adjourned at 9:54PM.

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Sammy A Rudock
DISTRICT SECRETARY
for Candy Pina

APPROVED:

Carol A. Anthony
BOARD PRESIDENT