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

June 22, 2017
Belmont, California

1. OPENING

A. Call to Order:

The regular meeting of the Mid-Peninsula Water District Board of Directors was called to order by President Stuebing at 6:31PM.

B. Establishment of Quorum:

PRESENT: Directors Stuebing, Vella, Linvill and Zucca

ABSENT: Director Warden

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 Representative Brandon Laurie and District Treasurer Jeff Ira.

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

2. PUBLIC COMMENTS

None.

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

None.

4. ACKNOWLEDGEMENTS/PRESENTATIONS

None.

5. CONSENT AGENDA

A. Approve Minutes for the Regular Board Meeting of May 25, 2017

Director Zucca commented on large reimbursement checks made payable to staff. Director Vella stated that employees should not be asked to pay out of pocket for work related expenses. General Manager Rudock agreed, clarifying that this was an isolated training event. She also shared that a report is being developed in compliance with state law itemizing employee reimbursements greater than \$100.

B. Approve Expenditures from May 19, 2017 through June 14, 2017

Director Zucca moved to approve the minutes for the Regular Board Meetings on May 25, 2017 and expenditures from May 19, 2017 through June 14, 2017. Director Vella second and it was unanimously approved.

6. HEARINGS AND APPEALS

None.

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

A. **Receive Informational Update to the MPWD CIP Summary**

District Operations Manager Ramirez reviewed the updated Exhibit "A" CIP Summary that is attached to the MPWD Comprehensive System Analysis. He reported that the 4% annual inflationary adjustment was inadvertently not applied to the first two years, and that now there was a key for the color coding reflecting engineering design and construction for the projects. Director Zucca commented that the cost escalator was a large oversight. General Manager Rudock agreed and clarified that the projected inflationary factor was accounted for over the length of the program with the exception of the first two years.

Director Zucca also stated that he has some concerns with respect to an abbreviated report. General Manager Rudock shared that it was an updated CIP Attachment "A" and not a status report.

Director Zucca shared a sample project tracker from his engineering firm with staff. General Manager Rudock verified that the next quarterly report would include similar detailed capital project spreadsheets as was discussed with the Board during the first quarterly report on April 27, 2017.

8. **REGULAR BUSINESS AGENDA**

A. **Receive Report on Sale and Valuation of 1510, 1513 and 1515 Folder Drive Properties and Evaluation of 3 Dairy Lane Property by real Estate Brokers, Tom Hovorka and Cheryl Villanueva**

General Manager Rudock reported that the market comparison report was sought in order to provide staff and the Board with information regarding the rough estimate in value of the properties, so the Board would have that information for its discussion pertaining to surplus property. The full report was available at the front desk for public review. The valuation report was prepared by the real estate brokers that were utilized by the MPWD almost 10 years ago for similar property valuations. She introduced the real estate brokers, Tom Hovorka and Cheryl Villanueva, to make their summary presentation.

Mr. Hovorka and Ms. Villanueva gave a brief overview highlighting various market conditions and property valuation details contained within the Executive Summary. Directors Zucca and Vella both commented that they are concerned with the findings outlined in the staff report regarding shop area office problems. Both stated that staff housing issues are priority and need to be addressed immediately.

Director Linvill commented that she would like to see a date added to the land survey report that was completed and issued last year. District Engineer Brandon Laurie acknowledged the oversight and advised that he would see to it that notation was made.

Director Vella inquired about the price per square foot evaluation parameters. Mr. Hovorka reported that local properties in neighboring cities zoned R1 were used as comparative properties.

103 General Manager Rudock stated that staff is recommending the surplus and sale of
104 1513/1515 Folger Drive and suggested a contract be negotiated between Mr. Hovorka
105 and Ms. Villanueva as co-listing agents for the District and be brought back to the Board
106 for consideration.

107
108 District Counsel Sherman reminded the Board and staff about the rules for surplus of
109 public property and that the process takes several months to complete.

110
111 Director Linvill asked District Counsel if contracting with the brokers that completed the
112 market valuation presents any impermissible conflicts of interest. District Counsel
113 Sherman acknowledged the topic would need to be researched further. The Board
114 directed District Counsel to proceed with the research and report back.

115
116 Director Zucca concluded by asking staff to create a Dairy Lane priority task report.
117 General Manager Rudock reported that after the structural analysis is completed, staff
118 will be in a better position for reporting on the prioritization of tasks.

119
120 **B. Receive Presentation on MPWD 2017 Website Redesign by John Davidson d/b/a**
121 **Jrocket77 Marketing & Graphic Design**

122 General Manager Rudock welcomed John Davidson of Jrocket77 Marketing and Graphic
123 Design and asked that he share an update on the new MPWD website.

124
125 Mr. Davidson provided a handout for the Board, which were distributed, and presented
126 the beta site. He highlighted a number of features: a newly designed home page,
127 responsive formatting, modified slider banner, news flash crawler, home page jumper
128 items and back-end automated features. A prominent new feature will be the Customer
129 Connection, wherein interested customers and users will be able to sign up for MPWD
130 news and/or alerts. He shared that there was much coordination with staff during the
131 pre-design, including the new financial management system for more efficient online bill
132 pay and continued coordination for the Sensus Customer Portal.

133
134 Director Zucca asked if social media capabilities and possibilities were taken into
135 consideration during the design phase. Mr. Davidson advised social platform integration
136 was considered, however, ultimately it was determined that messaging control was the
137 priority. General Manager Rudock stated it was more efficient for staff to control the
138 content and messaging on the MPWD website rather than added workload in managing
139 social media sites that require constant monitoring and response as needed.

140
141 General Manager Rudock reported that staff will present on the new Utility Billing
142 System and Customer Portal in the coming months. There are some technical issues
143 with the Customer Portal that are being resolved.

144
145 Director Linvill inquired about a Facts/Answer/Question (FAQ) page. General Manager
146 Rudock responded that several links within the new website design already offer this
147 feature and more will be added over time.

148
149 Director Zucca asked if a public records request (PRA) application is available online.
150 General Manager Rudock replied that it was not included in this update but would be
151 required in the next couple of years and be added. Staff responds to electronic PRAs
152 accordingly with direct links, when available, to requested content found at the MPWD
153 website.

154
155 Director Vella asked if staff will have the capability in a few years' time to quantify an
156 increase or decrease in the number of customer calls after the launch of the new
157 customer portal. General Manager Rudock responded that should be measurable.
158 Presently, it would be a manual process.

159
160 Mr. Davidson finalized his presentation stating that his work onsite with staff was
161 constructive and that we are pushing for a web site "go live" release date of August 31,
162 2017.

163
164 The Board thanked Mr. Davidson for the visit and presentation.

165
166 General Manager Rudock took the opportunity during the website discussion to discuss
167 a closely related issue, the recent Grand Jury Report dated June 19, 2017, regarding
168 "San Mateo County's Independent Special Districts Website Transparency Update". The
169 Special District Leadership Foundation (SDLF) requirements for website transparency
170 used by the Grand Jury were reviewed with the Board. The MPWD website complies
171 with all but two of the SDLF requirements: the election procedures and deadlines, and
172 authorizing statute. As previously reported, those items will be added during the website
173 redesign process. The MPWD's response to the Grand Jury report and
174 recommendations will be brought back to the Board for consideration and formal action.

175
176 **C. Consider Resolution 2017-11 Authorizing Capital Pay-Go Budget for Fiscal Year**
177 **2017/2018, including Francis and Academy Water Main replacement Projects**
178 **totaling \$702,000 in Coordination with the 2017 City of Belmont Sewer**
179 **Replacement Project**

180 District Operations Manager Ramirez recommended the Board adopt Resolution 2017-
181 11 authorizing a Capital Pay-Go Budget for Fiscal Year 2017/2018, including Francis
182 and Academy Water Main replacement Projects totaling \$702,000 in coordination with
183 the 2017 City of Belmont Sewer Replacement Project. The funding would come from FY
184 2017/2018 operating surplus and capital reserves. He also reported that once the
185 resolution is approved, staff will finalize a joint agreement with the City of Belmont that
186 defines and clarifies project cost responsibilities, including cost sharing schedules.

187
188 Director Zucca asked staff to clarify the decision making process when it comes to
189 spending capital reserves. General Manager Rudock referred the Board to the FY
190 2017/2018 Capital Pay-Go Budget on page 32 of the agenda packet, and the projected
191 Transfer from Capital Reserves in the amount of \$217,122, which is part of the Board's
192 consideration when reviewing and approving the budget.

193
194 Director Zucca moved to approve Resolution 2017-11 and Director Vella seconded. Roll
195 call was taken and the nomination was unanimously approved.

196
197 Director Zucca provided an update on his and Vice President Warden's committee
198 communications with City of Belmont officials for project coordination and outreach.
199 Director Zucca will follow up for future meetings and coordination of a long-term plan.

200
201 **D. Consider Ordinance No. 117 Rescinding Stage 1 Water Shortage Response of**
202 **MPWD Water Shortage Contingency Plan regarding Mandatory Restrictions on**
203 **Outdoor Water Use and Amending Ordinance Nos. 111 and 113**

204 General Manager Rudock reported that the majority of water suppliers within the San
205 Francisco Regional Water System were taking action to rescind local water conservation
206 targets given the water supply is more than adequate to meet demand, and there was no
207 conservation target imposed by the SFPUC for FY 2017/2018. There was discussion
208 about the potential for redefining Stage 1 of the MPWD's WSCP, rather than rescinding
209 it, since there are mandatory state water conservation requirements. District Counsel
210 and staff will review this matter.

211
212 No action was taken. This item was postponed and after legal review will be revised and
213 brought back to the Board.

214
215 **E. Review and Cast Ballot in California Special Districts Association 2017 Board**
216 **Elections**

217 President Stuebing reported that he and Vice President Warden reviewed the ballot
218 information and candidate statements and recommended the MPWD cast its vote in the
219 CSDA 2017 Board Election for Stanley R. Caldwell and Robert Silano in an effort to
220 boost the local effort. Director Vella moved to approve the recommended ballot and
221 Director Linvill seconded. Roll call was taken and the ballot for the CSDA 2017 Board
222 Election was unanimously approved.

223
224 **F. Consider Resolution 2017-12 Placing in Nomination Director Matthew P. Zucca as**
225 **a Member of the Association of California Water Agencies (ACWA) Region 5 Board**
226 Director Zucca shared he is primarily looking to become more involved at the regional
227 level to gain an outside agency industry perspective.

228
229 Director Stuebing suggested that a recommendation letter be written and forwarded to
230 the ACWA Region 5 Nomination Committee. General Manager Rudock asked for
231 direction on who should write the letter of recommendation. Director Stuebing advised
232 that he would write and submit the letter to staff to include it on MPWD letterhead.
233 Director Vella moved to approve the nomination and Director Linvill seconded. Roll call
234 was taken and the nomination was unanimously approved.

235
236 **9. MANAGER AND BOARD REPORTS**

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

238 General Manager Rudock summarized key components from her report and confirmed
239 future agenda items would include bringing back the WSCP Stage 1 consideration and
240 the construction contract award for the 2017 Water Main Replacement Project.

241
242 **1. Supplemented by Administrative Services Manager's Report**

243 Administrative Services Manager Candy Pina reported staff would be hosting Stan
244 Olsen's 15-Year Service Anniversary luncheon on Thursday, June 29, 2017.

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

247 Operations Manager Ramirez reported staff continues to install Zone 2 meters and
248 USA call tags continue at record levels. He also shared that one of the motors at
249 Tunnels Pump Station is experiencing some issues and may need to be replaced.
250 He added that PG&E incentive programs were explored to no avail; however, future
251 partnership opportunities may be sought.

252
253 Director Linvill asked why staff had not issued a report on the recent Monserat/San
254 Juan Main Break. District Manager Rudock advised that claims had been filed and

255 there was a potential for litigation and, therefore, there was nothing to report at this
256 time besides the incident notice and briefing provided by staff and posted on the
257 website. She shared that she will coordinate a Closed Session update to discuss
258 claims for the Board at an upcoming meeting. Lastly, she complemented
259 coordination with Pat Halleran of the Belmont Police Department for working with the
260 MPWD and local media and MPWD staff for doing a good job at making the
261 temporary repair and restoring service to customers.

262
263 **3. Supplemented by District Engineer's Report**

264 District Engineer Representative Brandon Laurie reported that bids would open for
265 the MPWD 2017 Water Main Replacement Project on Thursday, July 20, 2017. A
266 follow-up report will be generated and distributed to the Board next month.

267
268 **B. Financial Reports**

269 General Manager Rudock reported the FY 2016/2017 budget and expenditures year to
270 date are on target. She also stated that revenues are on the rise due to an increase in
271 water sales.

272
273 **C. Director Reports**

274 None.

275
276 **10. FUTURE AGENDA ITEMS**

277 Staff was instructed by the Board to remove this section from the Agenda since a 3-month
278 summary of future agenda items is provided in the General Manager's report.

279
280 **11. COMMUNICATIONS**

281 General Manager Rudock reported that she received a thank you note from Hunter
282 Crawford-Shelmadine, the student she mentored under Carlmont High School's Biotech
283 Institute Program. She also reported that staff had been invited to attend the Eagle Scout
284 Court of Honor Ceremony for Thomas Kish on Saturday, July 8, 2017 at 2:00PM. He was
285 the Eagle Scout who designed and installed the District's "Sustainable Demo Gardens"
286 across the street from its Dairy Lane Operations Center. She advised that she would be
287 unable to attend due to a prior commitment and asked if a Board member could attend in
288 her absence. Director Zucca agreed to attend and present on behalf of the MPWD a
289 Certificate of Recognition to Thomas for his Eagle Scout achievement.

290
291 **12. ADJOURNMENT**

292 The meeting was adjourned at 9:03PM.

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296 DISTRICT SECRETARY

297
298 APPROVED:

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301 BOARD PRESIDENT
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