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

February 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 President Warden at 6:35PM.

B. Establishment of Quorum:

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

A quorum was present.

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

District Treasurer Jeff Ira was absent.

C. Pledge of Allegiance – The Pledge of Allegiance was led by District Secretary/Administrative Services Manager Candy Pina.

2. **PUBLIC COMMENTS**

District Engineer Joubin Pakpour introduced Purissima Hills Water District's General Foreman, Phil Witt, in the audience to observe the meeting.

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

None.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

A. Research Project Summary Presentation by Rocky Rapids Youth Robotics Team on Lawn Replacement and Water Conservation with Hydrozoning and Xeriscaping

General Manager Rudock welcomed the team and expressed appreciation for working with the MPWD and Jeanette Kalabolas on a water conservation themed project.

Administrative Specialist, Jeanette Kalabolas gave a brief summary about the project's objective and the team introduced themselves. Each member then proceeded to demonstrate the individual robotic tasks chosen for competition at the First LEGO League challenge in the fall of 2017.

B. MPWD Certificate of Appreciation Presentation to Rocky Rapids Robotics Team

President Warden presented a Certificate of Recognition to the team recognizing their effort in the development of a PDF flyer that is now being used in-house at the MPWD as a companion document with the "Lawn Be Gone" Rebate Program application.

51 The team concluded their presentation by sharing highlights from their display board and
52 PDF created. A brief recess followed for interaction among Directors and the team
53 members and to allow the team to pack up their project.
54

55 President Warden reconvened the meeting at 6:53PM.
56

57 **5. CONSENT AGENDA**

58 **A. Approve Minutes for the Regular Board Meeting of January 25, 2018**

59 Director Stuebing brought to staff's attention that the January 25, 2018 Regular Board
60 Minutes Title Item B under #4 Acknowledgements/Presentations needed to be updated
61 to reflect Vice President Vella as Acting President and Board representative that
62 presented the 2018 Calendar Contest Awards winners with staff, in President Warden's
63 absence. General Manager Rudock recognized and confirmed the minutes would be
64 amended.
65

66 **B. Approve Expenditures from January 19, 2018 through February 15, 2018**

67 Vice President Vella moved to approve the minutes for the Regular Board Meeting on
68 January 25, 2018 and expenditures from January 19, 2018 through February 15, 2018.
69 Director Zucca seconded and it was unanimously approved.
70

71 **6. HEARINGS AND APPEALS**

72 None.
73

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

76 None.
77

78 **8. REGULAR BUSINESS AGENDA**

79 **A. Consider Resolution 2018-02 Adopting a Revised MPWD Cash Reserve Policy**

80 General Manager Rudock summarized the Cash Reserve Policy and new
81 maximum target of \$3 million as discussed at the Board's January 11, 2018
82 Special Meeting. She then presented the three (3) options for cash reserves on
83 account in excess of the \$3 million target, also discussed at the January 11th
84 Special Board meeting. The options included \$500,000 to fund the MPWD's
85 approved pay-go Capital program, \$1.5 million to fund the MPWD OPEB liability,
86 and \$1.6 million to fund the MPWD pension liability in a newly established
87 Pension Rate Stabilization Program with PARS. The proposed plan for funding
88 the liabilities included quarterly contributions.
89

90 Board discussion followed and Vice President Vella moved to approve
91 Resolution 2018-02. Director Zucca seconded and it was unanimously approved.
92

93 **B. Consider Resolution 2018-03 Authorizing Participation in the PARS Combination**
94 **IRS Section 115 Trust Plan, including the MPWD Other Post-Employment Benefits**
95 **(OPEB) Plan and Establishment of a Pension Rate Stabilization Program (PRSP) to**
96 **Pre-Fund MPWD Pension Liabilities and Authorizing the Transfer of \$1,600,000**
97 **from MPWD Cash reserves to the MPWD PRSP**

98 General Manager Rudock revisited the advantages to pre-funding pension
99 liabilities as initially reported and discussed during the January 11, 2018 Board's
100 Special Meeting.

101
102 Board discussion followed and Vice President Vella moved to approve
103 Resolution 2018-03. Director Zucca seconded and it was unanimously approved.

104
105 **C. Consider Resolution 2018-04 Authorizing the Transfer of \$1,500,000 from MPWD**
106 **Cash Reserves to the MPWD PARS OPEB Plan under the PARS Public Agencies**
107 **Post-Employment Benefits Trust**

108 General Manager Rudock summarized the highlights of the recommended transfer to the
109 MPWD PARS OPEB Plan. A question was raised about the use of the funds by the
110 MPWD after transfer. Staff replied that the OPEB Plan funds are and would be
111 restricted for the MPWD's retiree healthcare benefits obligations. As for the previous
112 agenda item and the PRSP, the funds would be restricted for use in payment for the
113 MPWD's pension liabilities, both current and its unfunded accrued pension obligations.

114
115 The Board further discussed the accessibility of available funds in excess of the \$3
116 million cash reserves, in the event of an emergency. General Manager Rudock replied
117 that the MPWD had adequate levels of insurance, including excess coverage that would
118 be available in emergency infrastructure and property incidents. She suggested another
119 potential option would be to open a bank line of credit for liquid cash for operations if
120 needed in an emergency and that staff would inquire about the cost and timeline for this
121 option. The Board directed staff to report back on that option.

122
123 Director Stuebing moved to approve Resolution 2018-04. Director Zucca seconded and
124 it was unanimously approved.

125
126 **D. Consider Resolution 2018-05 Adopting a Debt Management Policy**

127 General Manager Rudock reported that no further edits had been made to the proposed
128 policy since last November 2017 and advised that comments provided by Director Zucca
129 were incorporated.

130
131 Vice President Vella moved to approve Resolution 2018-05. Director Zucca seconded
132 and it was unanimously approved.

133
134 **E. Receive Mid-Year Review of MPWD FY 2018/2018 Operating and Capital Budgets**
135 **and Consider Resolution 2018-06 Approving the Amended Budgets**

136 General Manager Rudock clarified last month's statement she made about the increased
137 water commodity revenues potentially being related to the installation of new meters.
138 She reported that not enough meters had been installed to make such a difference, and
139 that it was more likely as a result of increased customer consumption. Outsourcing
140 meter installation was briefly discussed by the Board. The General Manager replied that
141 staff would be considering that option during its reorganization planning.

142
143 A brief review of the highlights from the proposed mid-year budget changes was
144 presented by staff.

145
146 Director Stuebing commented that the mid-year amended budget seemed very
147 conservative. General Manager Rudock responded that it was extremely challenging to

148 project the water commodity revenues because there was so much precipitation and
149 less water used last fiscal year.

150
151 Vice President Vella moved to approve Resolution 2018-06. Director Stuebing
152 seconded and it was unanimously approved.

153
154 **F. Review and Approve MPWD Employee Wellness Incentive Program**

155 General Manager Rudock introduced the proposed new Employee Wellness Incentive
156 Program that was initiated and created from employee ideas, and reviewed by District
157 Counsel.

158
159 A brief Board discussion followed and Director Zucca moved to approve. Director
160 Stuebing seconded and it was unanimously approved.

161
162 **9. MANAGER AND BOARD REPORTS**

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

164 General Manager Rudock reported that the District Counsel would be drafting the Board
165 Bylaws from the previous versions by the General Manager and the Board Committee.
166 She further requested input from the Board regarding the comparator agencies for the
167 upcoming Total Compensation Study. Best practices include 10 comparators and the
168 previous study listed 13 public agencies. President Warden confirmed that the Financial
169 Committee would review the comparator agencies with the General Manager and
170 confirm the final list.

171
172 Director Linvill asked if staff would be publically addressing the upcoming Board
173 Elections. General Manager Rudock responded that the MPWD website would be
174 updated as the election process grew nearer in order to guide potential candidates to the
175 appropriate San Mateo County Elections Office website for more information. District
176 Counsel Sherman stated that she would provide guidance to the Board and staff with
177 regard to use of public funds for election-related activities.

178
179 President Warden commented that the March Agenda may need adjusting due to the
180 large number of discussion items. General Manager Rudock acknowledged and would
181 advise him before agenda preparation.

182
183 She also shared details about a recent meeting staff had at the request of the City of
184 Brisbane about the MPWD AMI installation project. A copy of the new Belmont permit
185 card with the MPWD required sign off noticeably included was distributed to the Board.
186 Director Zucca concluded by sharing details about the pairing of the City of Brisbane and
187 MPWD staff.

188
189 **1. Supplemented by Administrative Services Manager's Report**

190 None.

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192 **2. Supplemented by Operations Manager's Report**

193 Operations Manager Ramirez summarized a few items from his report, including
194 Zone 2 AMI metering, USA tags, and GovDeals.com auction results.

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3. Supplemented by District Engineer's Report

District Engineer Pakpour shared that the recent meeting between the District and the City of Belmont helped iron out capital project and contractor communications. He also gave a status update on the current CIP project.

B. Financial Reports

1. Receive Financial Reports for Month Ended January 31, 2017

General Manager Rudock reported that commodity charges continued to come in higher than projected and when reviewing from an operating revenue verses non-revenue perspective, total revenues are about 10% higher than projected. She reminded that the winter months of January through March are upon us and that next month would be informative.

C. Director Reports

Director Stuebing reported he recently attended the San Mateo County CSDA Chapter Special Districts meeting, the CSDA meeting agenda called for the election of new officers. That election was postponed for lack of a quorum. But the meeting was held as scheduled. Another meeting he attended was the LAFCO Independent Special District Committee for Consolidated Oversight Board. Eleven of 12 Districts showed up and Menlo Park Fire Protection District was selected as the primary Special Districts' member and San Mateo County Mosquito and Vector Control District was chosen as the alternate; both agencies are recipients of the majority of the revenues managed by the oversight board.

No other Directors had reports.

10. COMMUNICATIONS

None.

11. CLOSED SESSION

The Board adjourned into Closed Session at 8:24PM to discuss one matter.

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION AND ASSOCIATED NEGOTIATIONS

**Government Code §§54957 and 54957.6
Title: General Manager**

The Board came out of closed session at 9:15PM. District Counsel reported that no reportable action had been taken.


12. ADJOURNMENT

The meeting was adjourned at 9:16PM.



DISTRICT SECRETARY

APPROVED:



BOARD PRESIDENT