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

JANUARY 13, 2015
Belmont, California

1. **OPENING**

A. **Call to Order:**

The special meeting of the Mid-Peninsula Water District Board of Directors was called to order by Vice President Linvill at 6:00PM.

B. **Pledge of Allegiance** – The Pledge of Allegiance was led by Director Stuebing.

C. **Establishment of Quorum:**

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

ABSENT: None

A quorum was present.

ALSO PRESENT: General Manager Rudock, District Secretary Pina, Operations Superintendent Young, District Engineer Pakpour, District Counsel Cassman, and District Treasurer Ira.

2. **PUBLIC COMMENTS**

None

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

None

4. **REGULAR BUSINESS**

- A. Receive General Manager's Report on 2014 Strategic Plan Accomplishments
- B. Review and Consider Organizational Mission Statement, Vision Statement, and Strategic Goals
- C. Develop and Approve 2015 Strategic Plan, including Strategic Initiatives and Project Management
- D. Consider and Approve 2015 Director Assignments
- E. Discuss General Manager Performance Assessment Link to 2015 Strategic Plan
- F. Other Topics for the Good of the Order

President Linvill introduced consultant, Julie Brown, of Julie M. Brown and Associates, who had previously worked with the Board on developing the Strategic Plan document along with the General Manager's performance evaluation document. President Linvill turned the facilitation of the meeting over to Julie Brown. The MPWD's Mission and Vision statements were discussed. The MPWD Mission Statement was acknowledged by all to be good. A parking lot item was created for further Board discussion on the language for the Vision Statement.

The Board's 2014 Accomplishments, 2015 Priorities and related action plan items were gathered and listed.

51 **2014 Accomplishments**

- 52 • Successfully completed negotiations with MPWD Employee Association
- 53 • Completed Buckland tanks replacement project
- 54 • Improved City of Belmont coordination, including city leaders, public works, parks and
- 55 recreation, and community development
- 56 • Improved organizational morale and built harmonious work environment
- 57 • Improved interactions between Board of Directors and General Manager through
- 58 consistent communications
- 59 • Completed compensation study and resulting equity adjustments; related professional
- 60 experiences to salaries
- 61 • Improved communications between General Manager/Staff, Board of Directors/General
- 62 Manager
- 63 • Completed new construction standards and specifications to establish consistency in
- 64 system construction
- 65 • Modified organizational focus away from in-house construction toward operations and
- 66 maintenance expertise
- 67 • Managed cost containment, particularly expenses to within less than 1% variance
- 68 • Reviewed connection fees and rates; proactively determined appropriate rate structure
- 69 to support infrastructure
- 70 • Continued improvement and transparency around financial controls
- 71 • Continued water conservation education efforts resulting in a 17% water use decrease in
- 72 per capita water demand
- 73 • Avoided worker's compensation claims as a result of workplace safety
- 74 • Established communication process that linked goals and strategies to ongoing work
- 75 efforts

76
77 **2015 Priorities**

- 78 • Commence UWMP (Urban Water Management Plan) update
- 79 • Work with City of Belmont to coordinate capital projects, MPWD UWMP update and
- 80 Belmont's General Plan update and related development policies
- 81 • Complete the water hydraulic model
- 82 • Complete development of Capital Improvement Program (CIP)/Master Plan
- 83 • Finish the Human Resources manual
- 84 • Complete rate study and Proposition 218 process
- 85 • Complete and launch new MPWD website
- 86 • Complete miscellaneous fees update
- 87 • Complete nitrification monitoring plan
- 88 • Create Board bylaws
- 89 • Develop key organizational policies/manuals
- 90 • Implement inventory controls and related policy
- 91 • Implement new financial management system
- 92 • Develop financial control policies and procedures

- 93 • Finalize indoor/outdoor water use efficiency ordinances
94 • Develop project monitoring system to improve tracking and reporting between General
95 Manager and Board of .
96

97 **ACTION PLAN FOR 2015 STRATEGIC PRIORITIES**

98 **Strategic Element #1- External Relationships and Customer Service**
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100 **A. Work with City of Belmont to coordinate capital projects, MPWD Urban Water**
101 **Management Plan (UWMP) update and Belmont's General Plan update and related**
102 **development policies**

- 103 ➤ Board Liaison-All Directors involved
104

105 **Key Steps**

- 106 • Complete water hydraulic modeling
107 • Develop Capital Improvement Plan
108 • Update MPWD Urban Water Management Plan (UWMP) and coordinate with City of
109 Belmont General Plan update and related development policies
110 • Identify and act on appropriate actions to collaborate with the City of Belmont on
111 shared accountabilities/projects
112

113 Target Completion Date-Ongoing
114

115 **B. Complete and launch new MPWD website**

- 116 ➤ Board Liaison-Tammy Rudock
117

118 **Key Steps**

- 119 • Finalize website content transfer
120 • Coordinate elements with Special District Leadership Foundation transparency best
121 management practices
122 • Present to Board of Directors for input on 2/26/15
123 • Incorporate feedback and suggested revisions
124 • Launch new website by 4/15/15
125

126S **Strategic Element #2-Resource Management**
127

128 **A. Complete Nitrification Monitoring Plan**

- 129 ➤ Board Liaison – Henry Young
130

131 **Key Steps**

- 132 • Develop internal working draft
133 • Include key standard operating procedures
134 • Submit draft to the State Water Resources Control Board/Division of Drinking Water
135 for review - 4/1/15

- 136 • Present vetted plan to the Board of Directors for approval - 5/1/15
137

138 **B. Finalize Indoor / Outdoor Water Use Efficiency Ordinances**

- 139 ➤ Board Liaison- Tammy Rudock/District Counsel
140

141 Key Steps

- 142 • District Counsel update to Board of Directors on meeting with Belmont's City
143 Attorney regarding enforcement challenges
144 • Finalize "one-stop shop" processes with City of Belmont and City of San Carlos
145 • Develop flowchart describing applicant procedures
146 • Present cost-of-service fee to Board of Directors for approval
147 • Incorporate into Belmont/San Carlos coordination efforts
148

149 Target Completion Date-12/1/15
150

151 **C. Commence UWMP (Urban Water Management Plan) update**

- 152 a. Board Liaison- Matt Zucca/Tammy Rudock
153

154 Key Steps

- 155 • Develop and issue Request for Proposal (RFP)
156 - Select appropriate consultant after development of criteria for plan needs
157 - Create contract and initiate work
158 • Initiate planning process with consultant
159 b. Create alignment during MPWD plan development as possible with Belmont's
160 general plan process and zoning ordinance change processes; also include San
161 Carlos as part of effort
162 c. Develop workshops for staff and presentations to BOD (Board of Directors)
163 regarding plan development, status and recommendations
164 d. Schedule and develop plan for public review of draft
165 e. Complete public hearing and incorporate appropriate feedback
166 f. Submit in appropriate format after Board approval
167

168 Target Completion Date- 6/30/16

169 **Strategic Element #3-Infrastructure Management and Operations**

170 **A. Finalize Operations & Maintenance (O&M) Manual**

- 171 ➤ Board Liaison-Henry Young
172 ○ O& M manual → Henry → present at least one procedure monthly beginning
173 2/26/15
174

175 **B. Complete the MPWD water hydraulic model**

- 176 ➤ Board Liaison-District Engineer/Tammy Rudock/Henry Young
177

178 Key Steps

- 179 • Carry forward assessment work in progress to identify additional needs by zone
- 180 - Zone 8 by 2/26/15
- 181 - Zone 2 by 5/28/15
- 182 - Zone 1 by 8/20/15
- 183 • Complete all water hydraulic modeling and mapping and integrate needs into one
- 184 plan
- 185 • Identify and prioritize projects for in-house construction by operations
- 186 • Prioritize capital projects for Capital Improvement Program (CIP) development

187

188 **C. Complete development of CIP/Master Plan**

- 189 ➤ Board Liaison-District Engineer/Tammy Rudock/Henry Young/Candy Pina

190

191 **Key Steps**

- 192 • Finalize development of 5-year CIP
- 193 • Assess financial impact on agency operations
- 194 • Link capital needs to 5-year rate study activity (Proposition 218)
- 195 • Determine ability to incorporate information into July 1, 2015 rates/5-year program
- 196 • Present to Board of Directors for approval

197

198 Target Completion Date-10/22/15

199 **Strategic Element #4-Human Resource Management**

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201 **A.Finalize key organizational policies/manuals**

- 202 ○ **Finish Human Resources (HR) Manual**
- 203 ○ Board Liaison- Tammy Rudock/Candy Pina/District Counsel

204

205 **Key Steps**

- 206 • Complete draft manual
- 207 • Review draft with District Counsel
- 208 • Meet and confer with MPWD Employee Association for review and input
- 209 • Present HR manual to Board of Directors for review and approval by 6/25/15

210

211 Target Completion Date – 6/25/15

- 212
- 213 ○ **Create Board of Directors Bylaws**
- 214 ➤ Board Liaison-Matt Zucca/Betty Linvill/District Counsel

215

216 **Key Steps**

- 217 • Develop necessary content framework
- 218 • Obtain comparable bylaws for review
- 219 • Create draft bylaws
- 220 • Revise drafts based on legal counsel input
- 221 • Submit to the full Board of Directors for approval by 12/16/15

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223 Target Completion Date –12/16/15

224

225 **Strategic Element #5-Financial Management**

226 **A. Complete rate study and Proposition 218 process**

227 ➤ Board Liaison- Tammy Rudock/Candy Pina/Henry Young/District Treasurer/District
228 Counsel/District Engineer/Bartle Wells

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Key Steps

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- Create schedule for study and process for implementation by 7/1/15

232

- Develop rates at levels adequate to fund costs of providing service, including long-term operating and capital needs

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- Consider financial challenges: SFPUC wholesale water purchase rate increases, capital improvement needs, reduced water sales, and ongoing operating costs inflation

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- Financial Plan:

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- Develop 10-year financial projections to determine annual revenue needs

239

- Evaluate financial scenarios and rate increase alternatives

240

- Water Rate Analysis:

241

- Evaluate rate structure alternatives or modifications as directed

242

- Analyze customer and usage data

243

- Develop new rates based on a cost-of-service approach

244

- Develop emergency water shortage rates to support financial stability during periods of reduced water sales

245

246

- Phase in rate adjustments over time to minimize the annual impact on ratepayers

247

- Build consensus for final recommendations

248

- Conduct public rates workshop

249

- Incorporate feasible input

250

- Finalize rate study and new rate schedule

251

- Proposition 218 process:

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- Create customer protest hearing notice

253

- Conduct public hearing

254

- Board approval of new rate schedule

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- Implement new rates by 7/1/15

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257 **B. Miscellaneous fees update/fee schedule**

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258 ➤ Board Liaison- Tammy Rudock/Candy Pina/Henry Young/District Treasurer/District
259 Counsel/Bartle Wells

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Key Steps

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- Identify operational activities for inclusion into updated fee schedule

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- Consider cost-of-service approach

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- Benchmark charges by similar agencies

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- Draft proposed fee schedule

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- Complete after agency rate study by 10/1/15

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C. Implement new financial management system

- Board Liaison- Candy Pina/Tammy Rudock/Henry Young/District Treasurer/External Consultant

Key Steps

- Develop and issue RFP
- Select responsive proposal
- Create contract to present to BOD for approval
- Schedule kickoff meeting and create project timeline
- Coordinate system components with staff
- Develop system transition schedule
- Train staff on new system
- Implement new financial management system by 12/1/15

D. Develop/finalize financial control policies and procedures, including implementation of inventory controls and policy

- Board Liaison- Tammy Rudock/Candy Pina/Henry Young/District Counsel/District Treasurer

- Financial Control and Inventory Control Manuals

Key Steps

- Coordinate financial control and inventory control manuals with staff
- Review drafts with District Counsel and District Treasurer
- Present policy manuals to Board of Directors for review and approval
 - Financial control manual by 6/1/16
 - Inventory control policy by 6/1/16

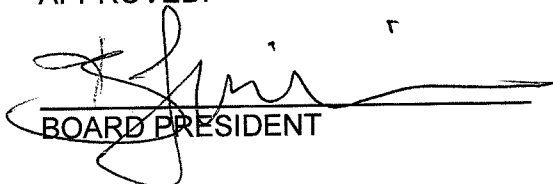
President Linvill suggested that the Director Assignments for 2015 remain the same as they were for 2014. She further suggested that the 2015 Strategic Plan be integrated into the GM Performance Assessment for 2015.

5. ADJOURNMENT

Director Vella motioned to adjourn at 8:28PM, Director Stuebing seconded, and it was unanimously approved.


DISTRICT SECRETARY

APPROVED:


BOARD PRESIDENT

