



BOARD OF DIRECTORS
THURSDAY, JANUARY 22, 2026 - 6:30 PM

AGENDA

Public comments may be submitted via email to Administrative Services Manager, Alison Bell, at abell@midpeninsulawater.org. Please indicate in your email the agenda item to which your comment applies. Comments submitted before the meeting will be provided to the Board before or during the meeting. Comments submitted after the meeting is called to order will be included in correspondence that will be provided to the full Board.

This meeting will be conducted in-person, at the District's 1075 Old County Road, Suite A offices. The public may participate in-person or remotely via Zoom.

The zoom meeting link is available here: <https://www.midpeninsulawater.org/zoom>

Should Zoom not be operational, please check online at: www.midpeninsulawater.org for any updates or further instruction.

Teleconference location: 118 Woodrow Avenue, Asheville, North Carolina, 28801

1. OPENING

- A. Call to Order
- B. Establishment of Quorum
- C. Pledge of Allegiance

2. PUBLIC COMMENT

Members of the public are invited to participate and may address the Board on the Consent Agenda or any item of interest within the jurisdiction of the Board but not on its agenda today. In compliance with the Brown Act, the Board cannot discuss or act on items not on the agenda. Please complete a speaker's form and give it to the District Secretary, or submit comments by email per the instructions above. Each speaker is limited to three (3) minutes.

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

4. ACKNOWLEDGEMENTS/PRESENTATIONS – None

5. CONSENT AGENDA

All matters on the Consent Agenda are considered routine by the Board of Directors, or included in the approved fiscal year Operating or Capital Budget, and will be acted upon by a single vote by the Board. If Directors wish to discuss a consent item other than simple clarifying questions, a request for removal may be made. Such items are pulled for separate discussion and action after the Consent Agenda is acted upon.

- A. Approve Minutes for the Special Board Meeting on December 17, 2025
- B. Approve Minutes for the Special Board Meeting on January 8, 2026
- C. Approve Expenditures from December 1, 2025 through December 31, 2025

6. HEARING AND APPEALS – None

7. CAPITAL IMPROVEMENT PROGRAM

- A. Consider Resolution 2026-01 Authorizing Award of Construction Contract to Euro Style Management, for the West Belmont (N), Exbourne (W) Water Tank Improvements (CIP) #24-08 & 24-10) in the Amount of \$837,700 Plus a 10% Contingency of \$83,770 for a Total Budget of \$921,470
- B. Receive Semi-Annual Reports on 2025 COP Financing through December 31, 2025:
 - 1. Financial Reconciliation Report; and
 - 2. Capital Project Fund Report, Presented by Dan Bergmann of IGService

8. REGULAR BUSINESS AGENDA

- A. Receive Report and Review Investment Structure and Plan Performance for MPWD Public Agency Retirement Services (PARS) Other Post-Employment Benefits (OPEB) Pre-Funding Trust Program and Pension Rate Stabilization Program (PRSP), and Consider Resolution 2026-02 Approving Plan Investment Portfolio for 2026
- B. Receive Report on Accounting Internal Controls and Risk Assessment
- C. Consider Approval of the 2026 Strategic Plan Update
- D. Consider Resolution No. 2026-03 Approving a Compensation Adjustment for the General Manager, Effective October 1, 2025, Corresponding Second Amendment to the General Manager's Employment Agreement, and the Updated Salary Schedule, Effective October 1, 2025

9. MANAGEMENT AND BOARD REPORTS

- A. Management Reports
 - 1. Financial Report for the Month Ending December 31, 2025
 - 2. District Engineer
 - 3. Administrative Services Manager

4. Operations Manager

5. General Manager

B. Director Reports

10. COMMUNICATIONS

11. CLOSED SESSION

A. Conference with legal counsel - initiate litigation - one case. (Government Code section 54956.9 (d)(4))

12. RECONVENE TO OPEN SESSION

13. ADJOURNMENT

This agenda was posted at the Mid-Peninsula Water District's offices at 1075 Old County Road, Suite A, in Belmont, California, and on its website at www.midpeninsulawater.org.

ACCESSIBLE PUBLIC MEETINGS

Upon request, the Mid-Peninsula Water District will provide written agenda materials in appropriate alternative formats, or disability related modification or accommodation (including auxiliary aids or services), to enable individuals with disabilities to participate in public meetings and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested. Requests should be sent to the Administrative Services Manager at (650) 591-8941 or abell@midpeninsulawater.org. Requests should be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.

NEXT REGULAR BOARD MEETING:

THURSDAY, FEBRUARY 26, 2026 AT 6:30PM

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MEETING MINUTES

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

Wednesday, December 17, 2025
Belmont, California

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1. OPENING

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A. **Call to Order**

16 The special meeting of the Mid-Peninsula Water District was called to order by President
17 Wheeler at 6:30 PM.
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B. **Establishment of Quorum**

20 Present: President Wheeler, Vice President Vella, Director Zucca, Director Cotten, Director
21 Covington.
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23 Also Present: General Manager (GM) Kat Wuelfing, Administrative Services Manager
24 (ASM) Alison Bell, Operations Manager (OM) Sarah Scheidt, District Treasurer James
25 Ramsey, District Engineer Brandon Laurie, District Counsel Julie Sherman, Noll & Tam
26 Representative Tom Beil.
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C. **Pledge of Allegiance**

29 President Wheeler led the Pledge of Allegiance.
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D. **Board Member Group Photo, Acknowledging Completion of a Successful Year**

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E. **Election of Officer for 2026:**

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35 1. President

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37 2. Vice President

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39 President Wheeler asked for a motion to nominate the upcoming President.
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41 Director Cotten nominated Vice President Vella for President.
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43 Director Zucca seconded the motion.
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45 Roll call vote: 4-0-0

46 Director Cotten – Aye

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Director Zucca – Aye
Director Covington – Aye
President Wheeler – Aye

Director Wheeler nominated Director Zucca for Vice President.

Director Covington seconded the motion.

Roll call vote: 4-0-0
Director Wheeler – Aye
Director Covington – Aye
Director Cotten – Aye
President Vella – Aye

2. PUBLIC COMMENT

President Vella asked for public comments.
There were none.

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

President Vella asked if there were any additions, deletions, or items to be pulled from consent.
There were none.

4. ACKNOWLEDGEMENTS/PRESENTATIONS - None

- A. Proclamation honoring Kirk R. Wheeler for his dedication and service to the Mid-Peninsula Water District**
GM Wuelfing read from the Proclamation honoring Director Kirk Wheeler.
- B. Proclamation honoring Brian Schmidt for his dedication and service to the Mid-Peninsula Water District**
Former Director Schmidt was not present, so his proclamation was not read. It will be mailed to his home.
- C. Proclamation honoring Catherine M. Jordan for her dedication and service to the Mid-Peninsula Water District**
ASM Bell read from the Proclamation honoring former Director Cathy Jordan.

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5. CONSENT AGENDA

A. Approve Minutes for the Regular Board Meeting on November 19, 2025

B. Approve Expenditures from November 1, 2025 through November 30, 2025

Vice President Zucca moved to approve the consent agenda.
Director Wheeler seconded the motion.

Roll call vote: 5-0-0
Director Wheeler – Aye
Director Covington – Aye
Director Cotten – Aye
Vice President Zucca – Aye
President Vella – Aye

6. HEARING AND APPEALS - None

7. CAPITAL IMPROVEMENT PROGRAM

A. Receive Report on Dairy Lane Operations Center Rehabilitation Project (CIP #20-09)

Noll & Tam Representative Tom Beil and GM Wuelfing presented to the Board, updated plans for the Dairy Lane project and the Board provided feedback on building finishes and layout.

8. REGULAR BUSINESS AGENDA

A. Receive Report on Two by Two Meeting with the City of Belmont

GM Wuelfing, President Vella, and Director Cotten gave a summary of the annual Two by Two meeting that was held with the City of Belmont on December 9th.

B. Receive BAWSCA Update

President Vella gave a detailed overview of the November BAWSCA meeting. GM Wuelfing also commented on BAWSCA updates.

9. MANAGEMENT AND BOARD REPORTS

A. Management Reports

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1. Financial Reports for the Month Ending November 30, 2025

District Treasurer James Ramsey gave a financial update report.

2. District Engineer

District Engineer Brandon Laurie gave an update regarding capital projects.

3. Administrative Services Manager

ASM Bell gave an overview of her report.

4. Operations Manager

OM Scheidt gave an overview of her report.

5. General Manager

GM Wuelfing gave an overview of her report.

B. Director Reports

The Directors gave reports of their activities.

10. COMMUNICATIONS

There were none.

11. CLOSED SESSION

The Board adjourned to closed session at 9:32 PM.

A. Conference with Legal Counsel – initiate litigation – one case (Government Code §54956.9 Subdivision (d)(4))

12. RECONVENE TO OPEN SESSION

The Board reconvened to open session at 9:47 PM. There was no reportable action.

13. ADJOURNMENT

The special board meeting of the Mid-Peninsula Water District adjourned at 9:47 PM.

DISTRICT SECRETARY

APPROVED:

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BOARD PRESIDENT

NEXT REGULAR BOARD MEETING: THURSDAY, JANUARY 22, 2026 AT 6:30PM

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MEETING MINUTES

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

Thursday, January 8, 2026
Belmont, California

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Teleconference location: 400 Skyloft Dr. #203 Asheville North Carolina, 28801

1. **OPENING**

A. **Call to Order**

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

B. **Establishment of Quorum**

Present: President Vella, Director Wheeler, Director Cotten, Director Covington.

Vice President Zucca arrived at 6:12 PM.

Also Present: General Manager (GM) Kat Wuelfing, Administrative Services Manager (ASM) Alison Bell, Operations Manager (OM) Sarah Scheidt, District Treasurer James Ramsey, District Engineer Joubin Pakpour, District Counsel Catherine Groves.

C. **Pledge of Allegiance**

Director Cotten led the Pledge of Allegiance.

2. **PUBLIC COMMENT**

President Vella asked for public comments.

There were none.

3. **AGENDA REVIEW: ADDITIONS/DELETIONS**

President Vella asked if there were any additions or deletions to the agenda.

There were none.

4. **REGULAR BUSINESS AGENDA**

A. **Review of 2025 Accomplishment and progress on Strategic Plan**

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GM Wuelfing started the Special Board Meeting by sharing the many accomplishments of the District since the last strategic update. GM Wuelfing highlighted key infrastructure and financial accomplishments and went into great detail on many of the items so the newer Board Members could have more background information.

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B. Review and Discuss Potential Updates to Strategic Plan

GM Wuelfing presented to the Board on proposed updates to the strategic plan. President Vella commented to make sure that these items were obtainable as this document is reviewed yearly. Some key points that the Board would like the District to focus on are:

Tuition Reimbursement- How do we better engage staff to participate in the program? As well as making sure that this is a teachable moment for staff once they complete the program.

Cyber Security – As well as the trend of A.I., cyber security needs to be a focus for the District. The Board would like to make sure that management is looking into all options to train staff and put protections up for District data. GM Wuelfing shared that with the new IT providers, there is a vendor that provides cyber security training as part of their contract.

As a part of the discussion, the Board asked that the following priorities be added to the plan:

1. Develop and implement a survey into Waterline publications to gauge and track public awareness and satisfaction with the District.
2. Target 150-year renewal rate for water mains (approximately 3,300 linear feet/year).
3. Conduct ongoing cybersecurity training and assessment.

C. Review Director Assignments for 2026

It was determined that no additional Board Member needed to join Director Cotten on the ACWA/Joint Powers Insurance Authority Committee.

Director Covington will replace Director Wheeler on the Finance Committee, joining President Vella.

The suggestion was made by Vice President Zucca to add the Agenda Review Committee to the list of assignments.

5. ADJOURNMENT

The special board meeting of the Mid-Peninsula Water District adjourned at 8:03 PM.

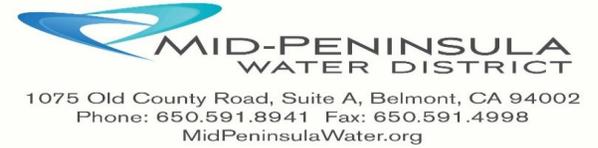
DISTRICT SECRETARY

APPROVED:

BOARD PRESIDENT

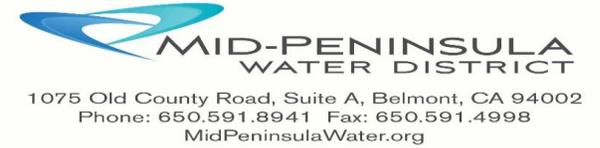
NEXT REGULAR BOARD MEETING: THURSDAY, JANUARY 22, 2026 AT 6:30PM

Disbursements Ledger
 Month of: DECEMBER



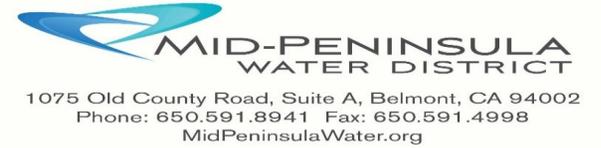
Account Name	Vendor Name	Description	Check Date	Check Number	Amount
Payroll Clearing A/C	adp	CASH DD	12/12/2025	104690	73,334.88
Payroll Clearing A/C	adp	CASH TAXES	12/12/2025	104690	32,774.61
Payroll Clearing A/C	adp	CASH TAXES	12/23/2025	104712	36,931.78
Payroll Clearing A/C	adp	CASH DD	12/23/2025	104712	71,604.79
Payroll Clearing A/C	Health Equity	HSA	12/12/2025	104688	840.00
Payroll Clearing A/C	Health Equity	HSA - MONTHLY FEES DECEMBER	12/12/2025	104688	76.70
Payroll Clearing A/C	Health Equity	HSA	12/23/2025	104709	840.00
Payroll Clearing A/C	ICMA contributions	457B	12/12/2025	104689	4,974.81
Payroll Clearing A/C	ICMA contributions	457B	12/23/2025	104710	4,974.81
Construction in Progress	K.J. WOODS CONSTRUCTION, INC.	21-01 PROGRESS PYMT NO 4	12/04/2025	39702	391,084.36
Construction in Progress	K.J. WOODS CONSTRUCTION, INC.	21-01 PROGRESS PAYMENT NO 5	12/18/2025	39723	24,751.06
Construction in Progress	MOTT MACDONALD	ENGINEERING SVCS OCT - DEC 2025 PROJ 21-01	12/18/2025	104698	626.00
Construction in Progress	PAKPOUR CONSULTING GROUP, INC	24-09 HALLMARK TANK IMPROVEMENTS	12/18/2025	104701	123.38
Construction in Progress	PAKPOUR CONSULTING GROUP, INC	15-63, 15-48 LOWER NOTRE DAME, WILLOW	12/18/2025	104701	5,205.38
Construction in Progress	PAKPOUR CONSULTING GROUP, INC	24-08/24-10 W. BELMONT & EXBOURNE TANK COAT	12/18/2025	104701	15,080.63
Construction in Progress	PAKPOUR CONSULTING GROUP, INC	21-01 DEKOVEN, LINCOLN,NEWLANDS, OAK KNOLL WMI	12/18/2025	104701	74,914.21
Accounts Payable	TODD PERRY	Refund Check 014800-000, 1689 SUNNYSLOPE AVE	12/04/2025	39714	48.48
Accounts Payable	RANDY YICK	Refund Check 006203-000, 2007 ARBOR AVE	12/04/2025	39720	73.47
Accounts Payable	JCHEN PROPERTIES INC.	Refund Check 014742-000, 326 TREASURE ISLAND DR	12/04/2025	39713	162.85
Accounts Payable	J&K RESIDENTIAL MANAGEMENT	Refund Check 004853-001, 1265 SIXTH AVE	12/04/2025	39712	61.23
Accounts Payable	PETER J. SIMON	Refund Check 006584-000, 1632 RALSTON AVE	12/04/2025	39716	630.36
Accounts Payable	SIERRA MOUNTAIN	Refund Check 014820-000, HYDRANT METER #20265016	12/04/2025	39715	1,858.08
Administrative	UMPQUA BANK	2026 LABOR LAW POSTER	12/18/2025	104705	48.80
Acwa Health Care	ACWA JPIA	JAN 2026 - EAP	12/11/2025	104667	42.16
Acwa Health Care	ACWA JPIA	JAN 2026 - MEDICAL	12/11/2025	104667	25,158.40
Awca Dental	ACWA JPIA	JAN 2026 - DENTAL	12/11/2025	104667	2,074.85
Acwa Vision	ACWA JPIA	JAN 2026 - VISION	12/11/2025	104667	362.44
Acwa Life/Ad&D	ACWA JPIA	JAN 2026 - LIFE	12/11/2025	104667	589.46
Standard Ldl/Sdl Disability	STANDARD INSURANCE COMPANY	DECEMBER 2025 PREMIUMS	12/04/2025	104662	1,742.69
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T1	12/12/2025	104691	3,522.06
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T1	12/12/2025	104691	2,371.01
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T2	12/12/2025	104691	3,912.45
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T2	12/12/2025	104691	3,809.24
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T1	12/23/2025	104713	3,545.48
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T2	12/23/2025	104713	3,991.19

Disbursements Ledger
 Month of: DECEMBER



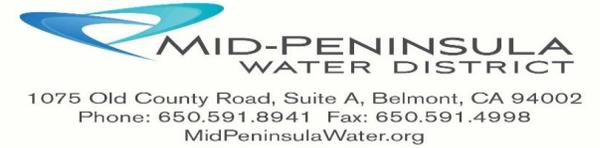
Account Name	Vendor Name	Description	Check Date	Check Number	Amount
Calpers Retirement - Er 2%@55	CALPERS	CALPERS EE T1	12/23/2025	104713	2,384.74
Calpers Retirement - Er 2%@55	CALPERS	CALPERS ER T2	12/23/2025	104713	4,099.33
Retirees' Acwa Health Care	ACWA JPIA	JAN 2026 - RETIREES	12/11/2025	104667	10,604.98
Directors' Acwa Health Care	ACWA JPIA	JAN 2026 - DIRECTORS	12/11/2025	104667	6,843.05
EE Safety Incentive/Wellness	UMPQUA BANK	SAFETY MTG 11-13-2025	12/18/2025	104705	215.76
Uniforms	RED WING SHOE STORE, INC.	BOOTS - SWIFT, MALDONADO, MICHAELIS	12/04/2025	104661	1,188.93
Uniforms	UNIFIRST	STAFF UNIFORMS WK ENDING 11-25-2025	12/04/2025	104665	174.65
Uniforms	UNIFIRST	UNIFORMS WEEK ENDING 12-2-2025 SHORT PAY PER DONYELL	12/18/2025	104707	262.49
Uniforms	UNIFIRST	UNIFORMS WEEK ENDING 12-9-2025, NEW ITEMS	12/18/2025	104707	245.79
Sfpuc Treated Water	SAN FRANCISCO WATER DEPT	WATER COMSUMPTION CHG 11-15 THRU 12-15-2025	12/31/2025	104714	445,607.97
Bawasca (Debt Service Surcharge)	SAN FRANCISCO WATER DEPT	BAWSCA BOND SURCHG 11-15 THRU 12-15-2025	12/31/2025	104714	33,212.00
Sfpuc Water Service Charge	SAN FRANCISCO WATER DEPT	WATER SVC CHG 11-15 THRU 12-15-2025	12/31/2025	104714	7,908.00
Lawn-Be-Gone Rebates	BAY AREA WATER SUPPLY & CONSERVATION AGEN	PRE INSPECT - 586 MIDDLE RD & POST INSPECT - 1648 SUNNYSLOPE	12/04/2025	39698	210.00
Rain Barrels Rebate	JONATHAN MENGER	RAIN BARREL REBATE - 1804 CHULA VISTA DRIVE	12/04/2025	39704	85.00
Water Quality	SWRCB	ANNUAL PERMIT FEE 7-1-2025 THRU 06-30-2026	12/11/2025	39717	881.00
Pumping	HASSETT HARDWARE	TARP/BUNGEE FOR TUNNELS PUMP	12/11/2025	104678	23.99
Storage Tanks	#3326 FERGUSON ENTERPRISES LLC	TANK GAUGES	12/11/2025	104674	184.88
Mains/Distribution	BAIRD TRUCKING INC.	FINES (SAND)	12/11/2025	104670	1,232.00
Mains/Distribution	GRANITE ROCK COMPANY	BASE ROCK	12/04/2025	104654	876.42
Mains/Distribution	GRANITE ROCK COMPANY	COLD MIX - LEAK ON ALAMEDA	12/11/2025	104677	450.75
Mains/Distribution	GRANITE ROCK COMPANY	COLD MIX - LEAKS ON EL CAMINO, SAN JUAN & LONGFELLOW	12/11/2025	104677	579.35
Mains/Distribution	SHANE HEADLEY	REIMBURSE FOR MAIN BREAK MEAL 11-26-2025	12/04/2025	39701	48.59
Mains/Distribution	STEVENS CREEK QUARRY, INC.	SAND	12/04/2025	39705	477.63
Mains/Distribution	UMPQUA BANK	SC PERMIT UTIL2025-00157 - BUCKLAND	12/18/2025	104705	902.60
Mains/Distribution	UNDERGROUND REPUBLIC WATER WORKS	HYMAX & CLAMP	12/04/2025	104664	6,348.22
Mains/Distribution	UNDERGROUND REPUBLIC WATER WORKS	WATER LIDS	12/18/2025	104706	1,289.35
Mains/Distribution	UNDERGROUND REPUBLIC WATER WORKS	HYMAX & REPAIR CLAMP	12/18/2025	104706	2,129.82
Meters & Service	AQUA-METRIC SALES CO.	TRANSMITTERS/MXU'S	12/11/2025	104669	16,040.26
Meters & Service	AQUA-METRIC SALES CO.	OMNI REGISTERS	12/11/2025	104669	12,062.23
Meters & Service	AQUA-METRIC SALES CO.	METERS	12/11/2025	104669	488.33
Meters & Service	AQUA-METRIC SALES CO.	BATTERIES FOR BASE STATIONS	12/11/2025	104669	1,693.46
Meters & Service	AQUA-METRIC SALES CO.	METERS & MXU'S	12/11/2025	104669	21,582.31

Disbursements Ledger
Month of: DECEMBER



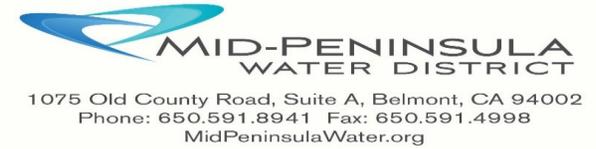
Account Name	Vendor Name	Description	Check Date	Check Number	Amount
Meters & Service	M&M BACKFLOW & METER	5/8" RESIDENTIAL METER TESTING	12/18/2025	39724	262.50
Meters & Service	MAX NEMKOVICH	BACKFLOW TEST/REPAIR - 3209 LONGFELLOW	12/18/2025	39725	250.00
Fire Hydrants	HASSETT HARDWARE	HYDRANT SUPPLIES	12/11/2025	104678	22.93
Fire Hydrants	HOME DEPOT	HYDRANT SUPPLIES	12/11/2025	104679	314.41
Employee Safety	GOTSAFETY	QUARTERLY TRAINING/INSPECTIONS 1-1-2026 THRU 3-31-2026	12/11/2025	104676	690.00
Employee Safety	GOTSAFETY	WEBSITE SUPPORT/INSPECTION JAN THRU MARCH 2026	12/11/2025	104676	150.00
Employee Safety	NORTHERN SAFETY CO. INC.	GLOVES, VESTS, NITRILE GLOVES	12/04/2025	104657	541.43
Employee Safety	NORTHERN SAFETY CO. INC.	LEATHER M-PACT GLOVES	12/04/2025	104657	59.77
Employee Safety	NORTHERN SAFETY CO. INC.	WADERS/STEEL TOE - MICHAELIS	12/11/2025	104682	143.21
Employee Safety	UMPQUA BANK	ORANGE JACKET & BIB TROUSERS	12/18/2025	104705	413.00
Buildings & Grounds	AIRGAS, LLC	CYLINDER RENTAL	12/11/2025	104668	300.05
Buildings & Grounds	BAY POINTE LANDSCAPE	DAIRY LANE MAINTENANCE - NOV 2025	12/18/2025	104692	1,425.00
Buildings & Grounds	MONTERO ENTERPRISES, INC.	JANITORIAL - DAIRY LANE - DEC 2025.	12/18/2025	104699	775.00
Buildings & Grounds	RECOLOGY SAN MATEO COUNTY	DAIRY LANE TRASH REMOVAL - NOV 2025	12/04/2025	104660	905.72
Equipment & Tools	GRAINGER	CUT OFF WHEELS	12/04/2025	104653	168.77
Equipment & Tools	HASSETT HARDWARE	WHITE PAINT FOR JOB - DS	12/11/2025	104678	11.47
Equipment & Tools	HASSETT HARDWARE	FOR TRUCK 805	12/11/2025	104678	67.74
Equipment & Tools	HASSETT HARDWARE	BATTERIES FOR PSI GAUGE	12/11/2025	104678	13.56
Equipment & Tools	HOME DEPOT	TOOLS FOR TRUCK 812	12/04/2025	104655	317.10
Equipment & Tools	HOME DEPOT	TOOLS FOR TRUCK 812	12/04/2025	104655	36.04
Equipment & Tools	HOME DEPOT	TOOLS FOR TRUCK 812	12/04/2025	104655	17.98
Equipment & Tools	HOME DEPOT	TOOLS FOR TRUCK 812	12/04/2025	104655	252.50
Equipment & Tools	HOME DEPOT	TOOLS FOR TRUCK 812	12/04/2025	104655	600.47
Equipment & Tools	HOME DEPOT	WORK LIGHTS & GRINDER	12/18/2025	104696	475.55
Equipment & Tools	HOME DEPOT	WORK LIGHTS & GRINDER	12/18/2025	104696	345.68
Equipment & Tools	INTERSTATE TRAFFIC CONTROL INC	SIGN STAND - TRUCK 812	12/11/2025	39710	288.75
Equipment & Tools	#3326 FERGUSON ENTERPRISES LLC	PIPE CLEANER	12/11/2025	104674	39.56
Equipment & Tools	UMPQUA BANK	TOOLS FOR TRUCK 812	12/18/2025	104705	402.01
Equipment & Tools	UNDERGROUND REPUBLIC WATER WORKS	SENSUS SECURITY SOCKET	12/04/2025	104664	96.34
Vehicle & Large Equip	Action Towing & Road Services	TOW FEE FOR FORD C-MAX	12/18/2025	39721	192.50
Vehicle & Large Equip	INTERSTATE BATTERY SYSTEM, INC.	BATTERIES FOR TRUCK 795	12/04/2025	104656	326.53
Vehicle & Large Equip	INTERSTATE BATTERY SYSTEM, INC.	BATTERY FOR 798 & 788	12/18/2025	104697	704.15
Vehicle & Large Equip	OREILLY AUTO PARTS, INC.	WIPER BLADES FOR TRUCKS	12/11/2025	104684	199.24
Vehicle & Large Equip	OREILLY AUTO PARTS, INC.	OIL FOR TRUCK 805	12/11/2025	104684	71.79

Disbursements Ledger
 Month of: DECEMBER



Account Name	Vendor Name	Description	Check Date	Check Number	Amount
Vehicle & Large Equip	TOWNE FORD SALES	OIL CHANGE - TRUCK 811	12/11/2025	39718	182.61
Vehicle & Large Equip	TOWNE FORD SALES	OIL CHANGE - TRUCK 810	12/11/2025	39718	194.49
Vehicle & Large Equip	TOWNE FORD SALES	OIL CHANGE - TRUCK 809	12/11/2025	39718	194.49
Vehicle & Large Equip	TOWNE FORD SALES	MAINTENANCE & CODE CHECK FORD C-MAX	12/18/2025	39727	800.00
Fuel	VALLEY OIL COMPANY	FUEL	12/18/2025	104708	3,328.63
Office Supplies	OFFICE DEPOT, INC.	CAR CHARGING PORT - V. FUNG	12/04/2025	104658	23.06
Office Supplies	OFFICE DEPOT, INC.	CAR CHARGER - V. FUNG	12/04/2025	104658	17.13
Office Supplies	OFFICE DEPOT, INC.	OFFICE SUPPLIES	12/04/2025	104658	163.68
Office Supplies	OFFICE DEPOT, INC.	BOOK ENDS - A. SWIFT	12/04/2025	104658	15.15
Office Supplies	OFFICE DEPOT, INC.	OFFICE SUPPLIES	12/04/2025	104658	21.21
Office Supplies	OFFICE DEPOT, INC.	OFFICE SUPPLIES	12/11/2025	104683	59.43
Office Supplies	OFFICE DEPOT, INC.	OFFICE SUPPLIES	12/11/2025	104683	8.45
Office Supplies	OFFICE DEPOT, INC.	OFFICE SUPPLIES	12/11/2025	104683	50.55
Postage	PITNEY BOWES INC	REFILL POSTAGE BANK	12/18/2025	104703	181.00
Printing/Printing Supplies	JOHN T. DAVIDSON OR DBA JRocket77	PRINTING BRD VACANCY POSTCARDS - NOV 2025	12/18/2025	104694	1,553.57
Equipment Services/Maintenance	KBA DOCUMENT SOLUTIONS, LLC	KYOCERA MAINTENANCE AGREEMENT 10-21 THRU 11-20-2025	12/11/2025	104680	49.51
Equipment Services/Maintenance	RAY MORGAN COMPANY	RICOH LEASE 10-20-25 THRU 11-20-25	12/11/2025	104685	2,314.46
Computer Supplies & Upgrades	STEPFORD BUSINESS, INC.	POWER ADAPTER FOR GETAC	12/11/2025	104687	176.94
Website Hosting Services	LIFTOFF DIGITAL	WEBSITE HOSTING & MAINTENANCE - NOV 2025	12/11/2025	104681	657.50
Website Hosting Services	LIFTOFF DIGITAL	WEBSITE HOSTING & MAINTENANCE - DEC 2025	12/11/2025	104681	582.50
Website Hosting Services	UMPQUA BANK	API SVCS - NOV 2025	12/18/2025	104705	91.07
Security & Safety	SONITROL / PACIFIC WEST SECURITY, INC.	HID KEYFOBS (5)	12/11/2025	104686	49.22
PROPERTY LEASE	SWEDCOM CORPORATION	1075 OCR - JAN 2026	12/18/2025	104704	12,238.00
Dues & Publications	UMPQUA BANK	ZOOM SUBSCRIPTION	12/18/2025	104705	110.00
Dues & Publications	UMPQUA BANK	CSMFO MBMRSH 2026 - PLATH	12/18/2025	104705	60.00
Dues & Publications	UMPQUA BANK	MERCURY NEWS SUBSCRIPTION	12/18/2025	104705	14.00
Dues & Publications	UMPQUA BANK	iCLOUD SUBSCRIPTION	12/18/2025	104705	0.99
BAWSCA Water Management Charge	SAN FRANCISCO WATER DEPT	BAWSCA MGMT CHG 11-15 THRU 12-15-2025	12/31/2025	104714	2,785.00
Software Licenses	BAY AREA WATER SUPPLY &	DROPLET PORTAL LICENSING FEE - JULY - SEPT 2025	12/04/2025	39698	225.00
Software Licenses	DOCUSIGN INC.	ANNUAL LICENSE -11-8-25 THRU 11-7-26	12/11/2025	104672	5,520.00
Software Licenses	ESRI INC	SOFTWARE RENEWAL 12-12-2025 THRU 12-11-2026	12/04/2025	104652	5,500.00
Software Licenses	STEPFORD BUSINESS, INC.	ADOBE ACROBAT LICENSES 11-26-25 THRU 11-25-26	12/11/2025	104687	26.25
Software Licenses	STEPFORD BUSINESS, INC.	ADOBE ACROBAT LICENSES 11-26-25 THRU 11-25-2026	12/11/2025	104687	1,785.00
Claims	STEVE SUNWOO	CLAIM REIMBURSEMENT UB AC 008978-000 - 2209	12/18/2025	39726	100.91

Disbursements Ledger
 Month of: DECEMBER



Account Name	Vendor Name	Description	Check Date	Check Number	Amount
Utilities - Internet/Cable	ACC BUSINESS	INTERNET - 1075 OCR, STE A	12/11/2025	39707	175.00
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	12/04/2025	39697	63.81
Utilities - Internet/Cable	AT&T	SCADA ANALOG PHONE LINE	12/04/2025	39697	678.49
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	12/04/2025	39697	63.81
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	12/04/2025	39697	63.90
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	12/11/2025	39708	63.97
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	12/11/2025	39708	64.00
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	12/18/2025	39722	81.21
Utilities - Internet/Cable	AT&T	DAIRY LANE ANALOG LINE	12/18/2025	39722	31.88
Utilities - Internet/Cable	COMCAST	INTERNET - VARIOUS SITES	12/04/2025	104649	1,129.64
Utilities - Internet/Cable	ACCT 8516 COMCAST BUSINESS	VOICE EDGE SVCS THRU 11-14-2025	12/04/2025	104650	837.82
Utilities - Internet/Cable	T-MOBILE	AMI EPEATER CELLULAR	12/04/2025	104663	31.40
Utilities - Cell Telephone	VERIZON WIRELESS	CELL PHONES & DEVICES 10-16 THRU 11-15-2025	12/04/2025	104666	967.07
Utilities - Electric - Pumping	CFM/PPC DEPT PG&E	HANNIBAL PUMP STATION	12/18/2025	104702	7,315.86



AGENDA ITEM NO. 7.A.

DATE: January 22, 2026
TO: Board of Directors
FROM: Kat Wuelfing, General Manager
Sarah Scheidt, Operations Manager

SUBJECT: Consider Resolution 2026-01 Authorizing Award of Construction Contract to Euro Style Management, for the West Belmont (N), Exbourne (W) Water Tank Improvements (CIP) #24-08 & 24-10) in the Amount of \$837,700 Plus a 10% Contingency of \$83,770 for a Total Budget of \$921,470

RECOMMENDATION

Approve Resolution 2026-01.

FISCAL IMPACT

Original FY24/25 Capital Improvement Program (CIP) Cost Estimate for 24-08 and 24-10:

Construction:	\$ 526,500
Design	\$ 145,000
Inspection	\$ 55,000
Contingency	\$ 78,500
Total:	\$ 805,000

*2025 Engineer's Opinion of Probable Cost (EOPC) **\$ 820,000**

The fiscal year 2025-26 budget included Proposed Pay-Go Capital projects:

24-08 Exbourne West Tank Recoating with an estimate of	\$ 679,271
24-10 West Belmont North Tank Recoating with an estimate of	\$ 144,271
Total Budgeted:	\$ 823,542

Lowest Responsible Bid	\$ 837,700
Plus 10% Contingency	\$ 83,770
Total Construction Contract cost	\$ 921,470

*The 2025 EOPC of \$820,000 was for construction only and is based on escalated costs of the original construction estimate of \$526,500 in 2024 dollars as well as additional project scope for miscellaneous appurtenance upgrades on both tanks including ladders, Saf-T-Climbs, level indicators, roof safety gates, roof vents, ventilation blower with minor electrical work, and other work.

Approved Design Costs through FY 25/26	\$ 188,030
FY 24/25 Total Project Expenditures (PCG/ZFA/Daines LS)	\$ 104,057
Total Actual Design Costs to Date in FY 25/26	\$ 57,021
Balance of Approved Design Costs through 25/26	\$ 26,952.45

Expected Total 25/26 Project Design Costs	\$ 83,973
Total Construction Contract Cost (with 10% Contingency) FY 25/26	\$ 921,470
Estimated CM/Inspection Cost FY 25/26	<u>\$ 90,000</u>
Total Estimated Project Cost for FY 25/26	\$1,095,443

Total Project Cost FY 24/25 – 26/27	\$1,199,500
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The District included \$823,542 in the FY 25/26 CIP budget, which was intended to reflect the total project cost although expenses will extend into FY 26/27. If Resolution 2026-01 is approved by the Board, the addition of \$271,901 to the project budget will be proposed as a mid-year budget adjustment in February, with the understanding that expenditures will extend into the next fiscal year.

BACKGROUND

The District hired a tank consultant CSI Services to inspect the exteriors and interiors of several of the District’s tanks in September 2023. From the consultant’s report, District staff and District Engineer agreed it was time to create capital projects to replace the exterior coatings on the west tank at Exbourne and the north tank at West Belmont. In addition, the consultant report recommended full removal and replacement of the interior lining of the west tank at Exbourne.

District staff and District Engineer prepared an update to the District’s CIP that included, among other capital projects, CIP project 24-08 to recoat the exterior and replace the interior lining of the west tank at Exbourne and 24-10 to recoat the exterior of the north tank at West Belmont. The update to the District CIP was presented to the Board Finance Committee before being approved by the Board at their July 2024 regular meeting. The proposed contract with Euro Style Management, is to perform the work identified in these projects, as discussed below.

DISCUSSION

Project scope includes relining the interior and spot repair/overcoat of the exterior coating of the 1 million gallon (MG) Exbourne (W) potable steel water tank; spot repair/overcoat of the exterior coating of the 0.75 MG West Belmont (N) potable steel water tank; along with miscellaneous appurtenance upgrades on both tanks including ladders, Saf-T-Climbs, level indicators, roof safety gates, roof vents, ventilation blower with minor electrical work, and other work.

The contractor will have 65 working days to complete the work from the effective date of the Notice to Proceed anticipated to be issued for March 6, 2026 or earlier.

The form of the contract for Euro Style Management, of Sacramento, CA is the same form that has been used now for several capital construction projects and has been approved by District Counsel.

Euro Style Management was selected based on low bid after a competitive bid process where five other contractors also submitted bids. Reference the attached Results and Award Recommendation Letter from Pakpour Consulting Group for additional information on the selection process.

Attachments:

Resolution 2026-01
Form of Contract for Construction for CIP 24-08 and 24-10
Pakpour Consulting Group, Inc, West Belmont (N), Exbourne (W) Water Tank Improvements Bid
Results and Award Recommendation Letter dated January 12, 2026

RESOLUTION 2026-01

AUTHORIZING AWARD OF CONSTRUCTION CONTRACT TO EURO STYLE MANAGEMENT, FOR THE WEST BELMONT (N), EXBOURNE (W) WATER TANK IMPROVEMENTS (CIP #24-08 & 24-10) IN THE AMOUNT OF \$837,700 PLUS A 10% CONTINGENCY OF \$83,770 FOR A TOTAL BUDGET OF \$921,470

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the District solicited competitive bids for the West Belmont (N) and Exbourne (W) Water Tank Improvements (CIP #24-08 & 24-10); and

WHEREAS, in response to the District's solicitation, six (6) construction firms submitted bids; and

WHEREAS, based on review of these bids by the District Engineer and District staff, staff recommends that a contract be awarded to EURO STYLE MANAGEMENT of Sacramento, CA whose bid meets all the requirements of the specification documents and has been determined to be the lowest responsive and responsible bidder.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby:

1. Awards a contract for construction of the West Belmont (N) and Exbourne (W) Water Tank Improvements (CIP #24-08 & 24-10), to EURO STYLE MANAGEMENT, in the amount of \$837,700; and
2. Authorizes a 10% project contingency in the amount of \$83,770 for a total project budget of \$921,470; and
3. Authorizes the General Manager to execute a contract on behalf of the District with EURO STYLE MANAGEMENT, in full conformity with the terms and conditions of this Resolution, the bid and the specification documents.

REGULARLY PASSED AND ADOPTED this 22nd day of January 2026 by the following vote.

AYES:
NOES:
ABSTENTIONS:
ABSENCES:

Board President

ATTEST:

District Secretary

CONTRACT

THIS CONTRACT is made and entered into as of this ____ day of _____, 20____, by and between the **MID-PENINSULA WATER DISTRICT**, hereinafter called the "Owner" or "District" and _____, hereinafter collectively called the "Contractor."

THE PARTIES AGREE AS FOLLOWS:

1. **SCOPE OF WORK.** The Contractor shall perform all the work and furnish all the labor, materials, tools, equipment, machinery, services, transportation, incidentals and appurtenances required to complete the construction and installation of the work in accordance with the plans and specifications approved by the District entitled: **WEST BELMONT (N), EXBOURNE (W) WATER TANK IMPROVEMENTS (CIP #24-08 & 24-10)**, dated ____ 20____, and which are appended hereto and made part of this agreement.

2. **BEGINNING OF WORK AND CONTRACT TIME OF COMPLETION.** After the Contract has been executed by the Owner, the Contractor shall begin work within five (5) working days from the effective date of the Notice to Proceed, issued by Owner, and shall complete all items required under this Contract within **Sixty-five (65) working days from the effective date of the Notice to Proceed.**

3. **CONTRACT PRICE.** In consideration of the performance of the work as set forth in the Contract Documents, the Owner agrees to pay to the Contractor the amounts set forth in the Contractor's Proposal dated _____ 20____, as it may be hereafter adjusted in accordance with the Contract Documents, and to make such payments in the manner and at the times provided in the Contract Documents. The Contractor agrees to complete the work within the time specified herein and to accept as full payment the amounts provided for herein.

4. **COMPONENTS OF CONTRACT.** This Contract shall consist of the following documents each of which is on file in the Owner's office and all of which are hereby referred to and by this reference made a part hereof as fully and completely as if they were fully set forth herein:

- a) This Contract
- b) Notice Inviting Sealed Bids
- c) The Contractor's signed Proposal
- d) General Provisions
- e) Special Provisions (including permits)
- f) Technical Specifications
- g) Contract Drawings
- h) Addenda (if any)
- i) Contract Bonds
- j) Standard Specifications

The Contract will also include Contract Change Orders, if any, issued by the Owner as provided in the Contract Documents. The Contract represents the entire integrated agreement between the parties hereto and supersedes prior negotiations, agreements or representations, whether written or oral, except representations contained in the Contractor's Qualifications Statement submitted prior to the award of Contract, if one was required. In the event of a conflict or inconsistency between Contractor's Proposal and this Contract, this Contract shall prevail.

5. **WORKERS' COMPENSATION CERTIFICATION.** By its signature hereunder, the Contractor certifies that it is aware of the provisions of Section 3700 of the California Labor Code which require every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that Code, and agrees to comply with such provisions before commencing the performance of the work of this Contract.

6. **NOTICES.** Any notices required or permitted under this Contract may be given by personal delivery to an authorized representative of the recipient or by certified or registered United States mail. In the case of the Contractor, notices shall be addressed to the business address specified in its Proposal. In the case of the Owner, notices shall be addressed to:

Mid-Peninsula Water District
1075 Old County Road, Suite A
Belmont, CA 94002
Attn: Kat Wuelfing

A copy of any notices to the Owner shall also be concurrently mailed or delivered personally to the District Engineer.

Notice shall be presumed to be received three (3) business days after deposit in the mail, postage prepaid, or upon the date of delivery, if personally given.

7. **GOVERNING LAW.** This Contract is executed and shall be performed in San Mateo County, California. It shall be governed by and construed in accordance with the laws of the State of California.

8. **RECORDS.** Owner representatives shall have the right to review and inspect any records of the Contractor related to this Contract during normal business hours at the location where such records are maintained.

9. **LEGAL ACTIONS; AGENT FOR SERVICE OF PROCESS.** Any action relating to this Contract, including all disputes between the parties, shall be instituted and prosecuted in a court of competent jurisdiction in San Mateo County in the State of California.

Each party hereby appoints the individual listed opposite its name to act as its initial agent for service of process relating to any such action.

Mid-Peninsula Water District
1075 Old County Road, Suite A
Belmont, CA 94002
(650) 591-1435

Name of Individual Agent for
Service of Process

CONTRACTOR:

Name of Individual Agent for
Service of Process

Street Address

Telephone

IN WITNESS WHEREOF, the parties hereto have signed this Contract as of the day and year first above written.

MID-PENINSULA WATER DISTRICT:

CONTRACTOR:

BY: _____
General Manager (MPWD)

Name Under Which Business is Conducted

ATTEST: _____
District Secretary

BY: Name: _____

Title: _____
(President or Vice President)

APPROVED AS TO FORM:

Attorney for the District

California Contractor License No.:

Expiration Date: _____

Business Address:

Note: Format for Contract execution by Contractor will be adapted for a sole owner, partnership, corporation, LLC or joint venture, as appropriate.



January 12, 2026

10012.30

Board of Directors
 Mid-Peninsula Water District
 1075 Old County Road, Ste A
 Belmont, CA 94002

**Subject: West Belmont (N), Exbourne (W) Water Tank Improvements
 Bid Results and Award Recommendation
 Mid-Peninsula Water District**

Dear Board Members,

The Mid-Peninsula Water District (District) held a bid opening on January 6, 2026, at 2:00 pm for the West Belmont (N), Exbourne (W) Water Tank Improvements (Capital Improvement Project Nos. 24-08 and 24-10). The District received 6 bids out of 7 prospective eligible bidders. They are listed in ascending order based on the lowest total bid price:

	<u>Bidders</u>	<u>Total Bid Price</u>
1	Euro Style Management	\$ 837,700.00
2	Polytech Industrial	\$ 853,142.00
3	Unified Field Services	\$ 938,182.00
4	Olympus & Associates	\$ 1,396,360.00
5	Resource Development Company	\$ 1,419,100.00
6	Viking Painting	\$ 1,435,500.00
	Engineer’s Opinion of Probable Cost	\$ 820,000.00

The lowest responsive and responsible bidder for the project is Euro Style Management (ESM) with a bid of \$837,700, which is \$17,700.00 (~2%) higher than the Engineer’s Opinion of Probable Cost and \$15,442.00 lower than the second lowest responsive bidder Polytech Industrial.

Bid Analysis

Enclosed, please find the Bid Analysis with cost breakdowns for each contractor’s bid items and Bid Checklist verifying responsiveness. We also analyzed each bid item ensuring no anomalies or busts.

January 12, 2026 – Page 2

Board of Directors –West Belmont (N), Exbourne (W) Water Tank Improvements Bid Results and Award Recommendation

ESM has successfully completed domestic water tank structural retrofit related projects of similar scope and value with the City of Redwood City, City of Palo Alto, and City of Roseville. ESM also completed the Skyline Tank No. 3 Exterior Coating for Westborough Water District in 2022 and is currently (in 2025-2026) structurally retrofitting and relining the same tank with great success and partnership.

Based on our analysis, *Pakpour Consulting Group* recommends the Board of Directors authorize contract award to Euro Style Management in the amount of **\$837,700** as the lowest, responsive and responsible bidder.

Very truly yours,

Pakpour Consulting Group, Inc.

DocuSigned by:

FD1650F8C0904EA...
Joubin Pakpour, PE
District Engineer

Enclosures:

Bid Analysis
Bid Checklist

Note to Contractors:

This recommendation will be presented to the Board of Directors at the MPWD Board Meeting held on Thursday, January 22, 2026.

Pursuant to General Provision G3.08, any protest of the staff recommendation for award of contract must be submitted within 48 hours of your receipt of this letter (by Wednesday, January 14, 2026, 9:00 am).

cc: *Kat Wuelfing, Mid-Peninsula Water District, via email KWuelfing@midpeninsulawater.org
Sarah Scheidt, Mid-Peninsula Water District, via email SScheidt@midpeninsulawater.org
Michael Anderson, Mid-Peninsula Water District, via email MikeA@midpeninsulawater.org
Julie Sherman, Hanson Bridgett, via email JSherman@hansonbridgett.com
Zac Koussouris, Euro Style Management, via email support@esm.cc
Jesse Neurenberg, Resource Development Company, via email ahampel@resourcedevelopmentco.com
Chad Johnson, Unified Field Services, via email chadjohnson@ufsc.us
Andrew McLaughlin, Polytech Industrial, via email andrewm@polytechcoatings.com
Lazarus Tsiopos, Olympus & Associates, via email gtsiopos@aol.com
Jeff Dortch, Viking Painting, via email jeffdortch@jeffcoptg.com*

J:\Projects\MPWD - 10012.00\30 - West Belmont (N), Exbourne (W) Tank Improvements\Design\Correspondence\Letter\30-MPWD-Board-26.01.12-Bid Results-Award Recommendation.docx

BID ANALYSIS
West Belmont (N), Exbourne (W) Water Tank Improvements
Mid-Peninsula Water District
Bid Opening - 1/6/26

Bid Item No.	Item	QTY.	UNIT	Engineers Opinion of Probable Cost (EOPC)		Euro Style Managment \$837,700		Polytech Industrial \$853,142		Unified Field Services \$938,182		Olympus & Associates \$1,396,360		Resource Development Co. \$1,419,100		Viking Painting \$1,435,500		All Bidders Average		All Bidders Average Less EOPC	
				Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price	Unit Price	Total Price
1	Mobilization	1	LS	\$ 40,000.00	\$ 40,000.00	\$ 38,000.00	\$ 38,000.00	\$ 42,657.00	\$ 42,657.00	\$ 55,000.00	\$ 55,000.00	\$ 20,000.00	\$ 20,000.00	\$ 46,200.00	\$ 46,200.00	\$ 151,900.00	\$ 151,900.00	\$ 58,959.50	\$ 58,959.50	\$ 18,959.50	47%
2	Water Pollution Control Plan (BMPs)	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 3,000.00	\$ 3,000.00	\$ 900.00	\$ 900.00	\$ 2,500.00	\$ 2,500.00	\$ 7,500.00	\$ 7,500.00	\$ 63,300.00	\$ 63,300.00	\$ 10,900.00	\$ 10,900.00	\$ 14,683.33	\$ 14,683.33	\$ 4,683.33	47%
3	Exterior Recoating	1	LS	\$ 100,000.00	\$ 100,000.00	\$ 130,500.00	\$ 130,500.00	\$ 91,835.00	\$ 91,835.00	\$ 126,265.00	\$ 126,265.00	\$ 179,000.00	\$ 179,000.00	\$ 220,100.00	\$ 220,100.00	\$ 236,400.00	\$ 236,400.00	\$ 164,016.67	\$ 164,016.67	\$ 64,016.67	64%
4	Install Ventilation Blower	1	LS	\$ 45,000.00	\$ 45,000.00	\$ 44,000.00	\$ 44,000.00	\$ 67,320.00	\$ 67,320.00	\$ 75,000.00	\$ 75,000.00	\$ 65,000.00	\$ 65,000.00	\$ 65,600.00	\$ 65,600.00	\$ 77,200.00	\$ 77,200.00	\$ 65,686.67	\$ 65,686.67	\$ 20,686.67	46%
5	Install 6" Mushroom Vents	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 3,000.00	\$ 3,000.00	\$ 6,600.00	\$ 6,600.00	\$ 7,500.00	\$ 7,500.00	\$ 6,900.00	\$ 6,900.00	\$ 44,500.00	\$ 44,500.00	\$ 8,600.00	\$ 8,600.00	\$ 12,850.00	\$ 12,850.00	\$ 2,850.00	29%
6	Install Saf-T-Climb (Exterior Ladder)	1	LS	\$ 2,000.00	\$ 2,000.00	\$ 5,000.00	\$ 5,000.00	\$ 14,400.00	\$ 14,400.00	\$ 14,000.00	\$ 14,000.00	\$ 10,050.00	\$ 10,050.00	\$ 4,500.00	\$ 4,500.00	\$ 6,000.00	\$ 6,000.00	\$ 8,991.67	\$ 8,991.67	\$ 6,991.67	350%
7	Replace Center Vent Frame/Screen	1	LS	\$ 2,000.00	\$ 2,000.00	\$ 7,000.00	\$ 7,000.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 3,075.00	\$ 3,075.00	\$ 6,400.00	\$ 6,400.00	\$ 2,400.00	\$ 2,400.00	\$ 3,745.83	\$ 3,745.83	\$ 1,745.83	87%
8	Replace Roof Hatch Seals	1	LS	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 825.00	\$ 825.00	\$ 3,400.00	\$ 3,400.00	\$ 2,400.00	\$ 2,400.00	\$ 1,954.17	\$ 1,954.17	\$ 954.17	95%
9	Replace Roof Safety Gate	1	LS	\$ 2,500.00	\$ 2,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,950.00	\$ 1,950.00	\$ 3,300.00	\$ 3,300.00	\$ 2,400.00	\$ 2,400.00	\$ 2,125.00	\$ 2,125.00	\$ (375.00)	-15%
10	Replace Level Indicator Assembly	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 12,000.00	\$ 12,000.00	\$ 13,800.00	\$ 13,800.00	\$ 13,500.00	\$ 13,500.00	\$ 9,750.00	\$ 9,750.00	\$ 9,000.00	\$ 9,000.00	\$ 18,000.00	\$ 18,000.00	\$ 12,675.00	\$ 12,675.00	\$ 2,675.00	27%
11	Replace Interior Ladder	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 14,000.00	\$ 14,000.00	\$ 21,600.00	\$ 21,600.00	\$ 21,000.00	\$ 21,000.00	\$ 10,050.00	\$ 10,050.00	\$ 9,900.00	\$ 9,900.00	\$ 34,200.00	\$ 34,200.00	\$ 18,458.33	\$ 18,458.33	\$ 8,458.33	85%
12	Replace Anchor Chair Nuts	1	LS	\$ 1,000.00	\$ 1,000.00	\$ 6,700.00	\$ 6,700.00	\$ 5,100.00	\$ 5,100.00	\$ 5,000.00	\$ 5,000.00	\$ 14,835.00	\$ 14,835.00	\$ 8,000.00	\$ 8,000.00	\$ 6,700.00	\$ 6,700.00	\$ 7,722.50	\$ 7,722.50	\$ 6,722.50	672%
13	Replace CP Handhole Covers	1	LS	\$ 1,000.00	\$ 1,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,800.00	\$ 4,800.00	\$ 5,000.00	\$ 5,000.00	\$ 2,400.00	\$ 2,400.00	\$ 2,300.00	\$ 2,300.00	\$ 39,200.00	\$ 39,200.00	\$ 9,616.67	\$ 9,616.67	\$ 8,616.67	862%
14	Exterior Recoating	1	LS	\$ 160,000.00	\$ 160,000.00	\$ 187,500.00	\$ 187,500.00	\$ 129,251.00	\$ 129,251.00	\$ 96,114.00	\$ 96,114.00	\$ 200,000.00	\$ 200,000.00	\$ 262,100.00	\$ 262,100.00	\$ 133,800.00	\$ 133,800.00	\$ 168,127.50	\$ 168,127.50	\$ 8,127.50	5%
15	Interior Lining	1	LS	\$ 400,000.00	\$ 400,000.00	\$ 342,000.00	\$ 342,000.00	\$ 391,279.00	\$ 391,279.00	\$ 455,303.00	\$ 455,303.00	\$ 830,000.00	\$ 830,000.00	\$ 639,500.00	\$ 639,500.00	\$ 606,200.00	\$ 606,200.00	\$ 544,047.00	\$ 544,047.00	\$ 144,047.00	36%
16	Install Saf-T-Climb (Exterior Ladder)	1	LS	\$ 1,000.00	\$ 1,000.00	\$ 5,000.00	\$ 5,000.00	\$ 14,400.00	\$ 14,400.00	\$ 13,500.00	\$ 13,500.00	\$ 10,050.00	\$ 10,050.00	\$ 4,300.00	\$ 4,300.00	\$ 6,000.00	\$ 6,000.00	\$ 8,875.00	\$ 8,875.00	\$ 7,875.00	788%
17	Replace Roof Hatch Seals	1	LS	\$ 1,000.00	\$ 1,000.00	\$ 1,500.00	\$ 1,500.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 825.00	\$ 825.00	\$ 3,400.00	\$ 3,400.00	\$ 2,200.00	\$ 2,200.00	\$ 1,920.83	\$ 1,920.83	\$ 920.83	92%
18	Replace Roof Safety Gate	1	LS	\$ 2,500.00	\$ 2,500.00	\$ 1,500.00	\$ 1,500.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,800.00	\$ 1,950.00	\$ 1,950.00	\$ 3,300.00	\$ 3,300.00	\$ 2,200.00	\$ 2,200.00	\$ 2,091.67	\$ 2,091.67	\$ (408.33)	-16%
19	Replace Level Indicator Assembly	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 12,000.00	\$ 12,000.00	\$ 13,800.00	\$ 13,800.00	\$ 13,500.00	\$ 13,500.00	\$ 9,750.00	\$ 9,750.00	\$ 8,400.00	\$ 8,400.00	\$ 16,700.00	\$ 16,700.00	\$ 12,358.33	\$ 12,358.33	\$ 2,358.33	24%
20	Replace Interior Ladder	1	LS	\$ 10,000.00	\$ 10,000.00	\$ 14,000.00	\$ 14,000.00	\$ 21,600.00	\$ 21,600.00	\$ 21,000.00	\$ 21,000.00	\$ 10,050.00	\$ 10,050.00	\$ 9,300.00	\$ 9,300.00	\$ 32,100.00	\$ 32,100.00	\$ 18,008.33	\$ 18,008.33	\$ 8,008.33	80%
21	Replace CP Handhole Covers	1	LS	\$ 1,000.00	\$ 1,000.00	\$ 4,000.00	\$ 4,000.00	\$ 4,800.00	\$ 4,800.00	\$ 5,000.00	\$ 5,000.00	\$ 2,400.00	\$ 2,400.00	\$ 2,300.00	\$ 2,300.00	\$ 40,000.00	\$ 40,000.00	\$ 9,750.00	\$ 9,750.00	\$ 8,750.00	875%
TOTAL					\$ 820,000.00		\$ 837,700.00		\$ 853,142.00		\$ 938,182.00		\$ 1,396,360.00		\$ 1,419,100.00		\$ 1,435,500.00		\$ 1,146,664.00	\$ 326,664.00	40%

BID-CHECKLIST
West Belmont (N), Exbourne (W) Water Tank Improvements
Mid-Peninsular Water District
Bid Opening 1/6/26

Item No.	Item	Euro Style Management	Polytech Industrial	Unified Field Services	Olympus & Associates	Resource Development	Viking Painting
1	Proposal Execution (B-9 thru B-14)	X	X	X	X	X	X
2	Addendum No. 1 Acknowledgement (B-10) with attachment	X	X	X	X	X	X
3	Addendum No. 2 Acknowledgement (B-10) with attachment	X	X	X	X	X	X
4	Addendum No. 3 Acknowledgement (B-10) with attachment	X	X	X	X	X	X
5	Bid Schedule (B-15)	X	X	X	X	X	X
6	List of Subcontractors (B-17)	X	X	X	X	X	X
7	Non-Collusion Declaration (B-19)	X	X	X	X	X	X
8	Bidders Bond (B-21) or Bid Security Form (B-23)	X	X	X	X	X	X
9	Statement of Qualifications (B-25 thru B-32)	X	X	X	X	X	X
9	License Checks? DIR and CSLB	X	X	X	X	X	X
10	QP-1 Cert?	X	X	X	X	X	X

Total Bid Price	\$837,700.00	\$853,142.00	\$938,182.00	\$1,396,360.00	\$1,419,100.00	\$1,435,500.00
Ascending Order #	1	2	3	4	5	6

Engineer's Opinion of Probable Cost	\$820,000.00
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AGENDA ITEM NO. 7.B.

DATE: January 22, 2026
TO: Board of Directors
FROM: James W Ramsey, District Treasurer
Kat Wuelfing, General Manager

SUBJECT: Receive Semi-Annual Reports on 2025 COP Financing through December 31, 2025:
1. Financial Reconciliation Report; and
2. Capital Project Fund Report, Presented by Dan Bergmann of IGService

RECOMMENDATION

Receive semi-annual reports.

FISCAL IMPACT

MPWD 2025 COP CIP PROJECTS - RECONCILIATION @ 12/31/2025		
Date	Activity	COP Funds
4/1/2025	Net Proceeds as of 12/21/16 to COP CIP	33,000,000
7/1/2025	Transfer from cost of issuance	(28,815)
12/31/2025	Project Costs	(1,038,308)
12/31/2025	Total Dividends Earned	892,110
12/31/2025	Balance	32,824,988

DISCUSSION

Staff's 2025 COP Reconciliation Report is attached. Trustee bank statements were reconciled and the project fund balance at December 31, 2025, was \$32,824,988.

Attachments: 2025 COP Semi-Annual Reconciliation Report December 31, 2025
2025 COP Semi-Annual Project Fund Report through December 31, 2025

COST OF ISSUANCE		
Date	Activity	Closing Costs
4/1/2025	Deposit from Net Proceeds	279,829
4/1/2025	Total Issuance Costs	(251,014)
7/7/2025	Transfer to Project Funds	(28,815)
	Total	-

COP Completed Project Costs		
Project Completed Date	Activity	Project Costs
12/31/2025	Total Dividends Earned (April 1, 2025 - December 31, 2025)	1,038,308
	Total	1,038,308

Dividends Earned		
Date	Activity	Interest Earned
12/31/2025	Total Dividends Earned (April 1, 2025 - December 31, 2025)	1,001,179
12/31/2025	Total Market Value Adjustments	(109,068)
	Total	892,110

Updated: 12/31/2025



January 14, 2026

Ms. Kat Wuelfing
General Manager
Mid-Peninsula Water District

Email: kwuelfing@midpeninsulawater.org

Re: 2025 Certificate of Participation (COP) Reporting through December 31, 2025
FIRST REPORT

Dear Ms. Wuelfing:

This is a report on Series 2025 COP spending through December 31, 2025. This is the first report.

Total COP funds spent are \$1,038,307.81. This is 3.1 percent of the beginning fund amount. (Table 1)

Spending through December 31, 2025, was \$1,038,307.81. This is for Requisitions #1 through #7, as identified in Table 2. Of the total, the largest payments were reimbursements to Mid-Peninsula for expenses incurred for architectural charges for the Dairy Lane building and architectural charges for the Folger Lane EOC project. These values reconcile exactly to the project detail and to the Bank of New York monthly statements. (Tables 1, 2, and 3)

Bar Chart Showing Spending. The bar chart shows actual COP spending through December 31, 2025, combined with the FY25/26 budgeted amount of \$13,750,000, and the total \$33 million projected spent over five years.

Sincerely,

Dan Bergmann, P.E.
Principal

Table 1: Bank of New York MPWD Account 09021570

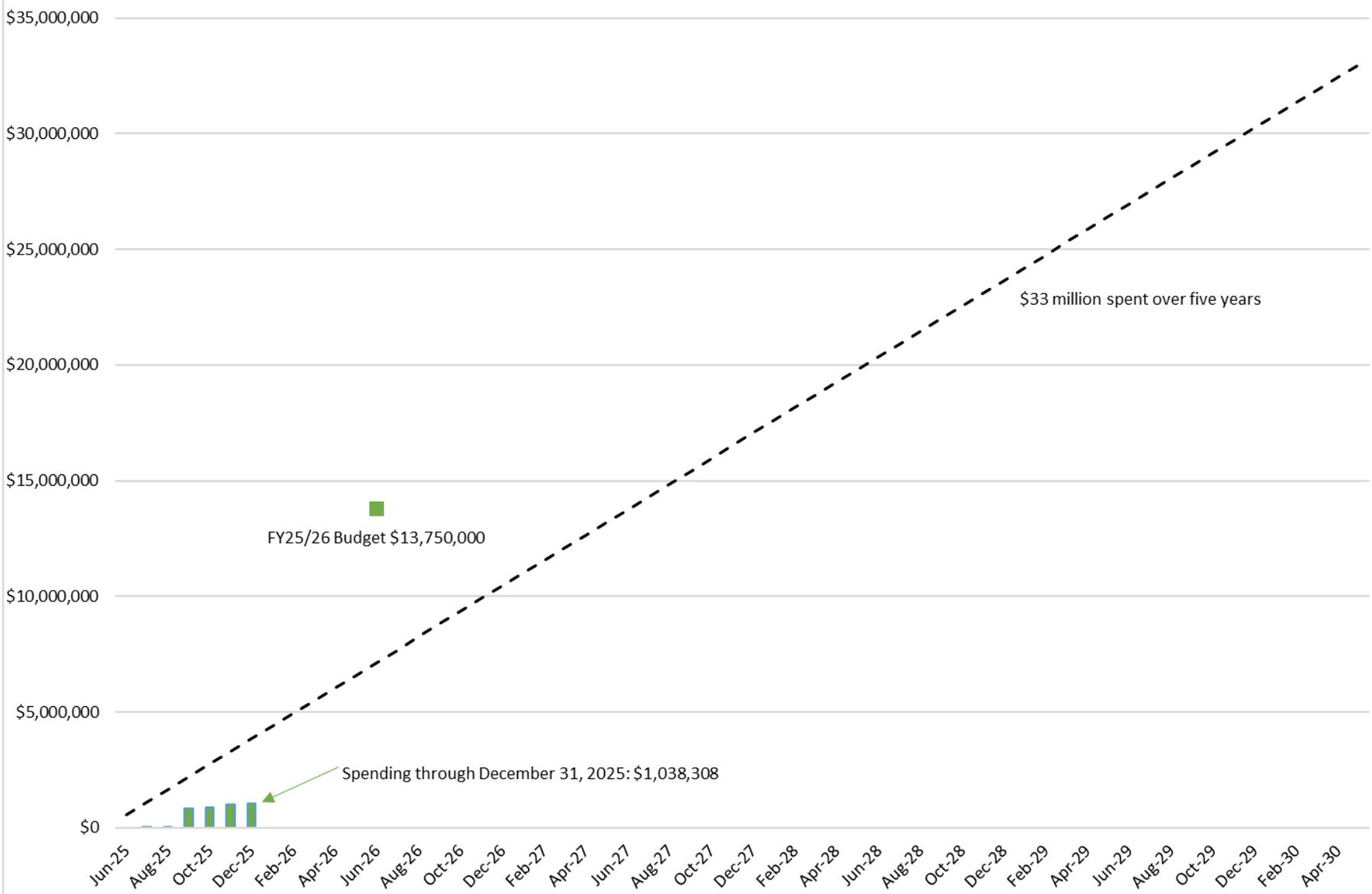
Quarter Ending	Investment Returns	Expenditures		Month-End Project Fund Mkt Value
		Monthly	Subtotals	
April 2025 Beginning Balance		-		\$33,000,000.00
May-25	(110,698.47)	-		32,889,301.53
Jun-25	241,480.31	-		33,130,781.84
Jul-25	92,500.24	(10,745.64)		33,212,536.44
Aug-25	137,250.35	(38,850.51)		33,310,936.28
Sep-25	240,502.54	(775,076.15)		32,776,362.67
Oct-25	86,897.36	(66,913.42)		32,796,346.61
Nov-25	52,055.26	(116,714.32)		32,731,687.55
Dec-25	152,123.14	(30,007.77)	(1,038,307.81)	32,853,802.92
Totals	\$892,110.73	(1,038,307.81)	(\$1,038,307.81)	\$32,853,802.92
Percent Spent		3.1%		

Table 2											
MPWD Projects: Through December 31, 2025		Requisitions									
Project	#	1	2	3	4	5	6	7	Subtotals	Construction	Planning
Dairy Lane Operations Ctr Project	20-09	600.00		600.00	225,068.03	106.31	8,221.75	6,695.00	241,291.09		241,291.09
Dekoven Tank Improvements	15-89 08-1621	2,134.13	3,844.13	13,396.88	4,770.94	6,404.23	11,857.19	7,696.96	50,104.46		50,104.46
SR 101 Crossing at PAMF Ph2	15-72 04-1621	7,898.63	7,158.38	67,942.12	9,598.31	4,873.31	13,783.88	8,925.06	120,179.69		120,179.69
Harbor Blvd Water Main	20-07	112.88	-	-	-	-	-	-	112.88		112.88
Folger Dr Emergency Operations Ctr	24-07	-	27,848.00	3,373.00	450,326.87	55,529.57	74,091.87	4,470.00	615,639.31		615,639.31
Old County Road WMR	05-1621	-	-	-	-	-	8,759.63	-	8,759.63		8,759.63
Transmission Main Assessment	20-05	-	-	-	-	-	-	2,220.75	2,220.75		2,220.75
		-	-	-	-	-	-	-	-	-	-
		-	-	-	-	-	-	-	-	-	-
Month		July	August	September		October	November	December	\$1,038,307.81	\$0.00	\$1,038,307.81
		\$10,745.64	\$38,850.51	\$85,312.00	\$689,764.15	\$66,913.42	\$116,714.32	\$30,007.77	\$1,038,307.81	\$1,038,307.81	
Totals, grouped to reconcile with BNY statements		\$10,745.64	\$38,850.51	\$775,076.15		\$66,913.42	\$116,714.32	\$30,007.77	\$1,038,307.81		

Table 3

MPWD Series 2025 COP Projects: Through December 31, 2025			
	Cost Projections	Actual Spending	
Project	Initial Budget	COP Spent This Reporting Period	Total COP
CIP 20-09 Dairy Lane Operations Center Rehabilitation - Architect	\$975,000	\$241,291.09	\$241,291.09
CIP 20-10 Dairy Lane Operations Center Rehabilitation - Construction	12,025,000	\$0.00	\$0.00
CIP 24-07 Folger Drive Emergency Operations Ctr (EOC)	5,600,000	\$615,639.31	\$615,639.31
CIP 15-89 Dekoven Tanks Replacement	7,590,000	\$50,104.46	\$50,104.46
CIP 15-72b SR 101 Crossing at PAMF Hosptial - Phase 2	2,765,000	\$120,179.69	\$120,179.69
Projects not specified in budget			
05-1621 Old County Road WMR	8,760	\$8,759.63	\$8,759.63
CIP 20-05 Transmission Main Assessment	2,221	\$2,220.75	\$2,220.75
CIP 20-07 Harbor Blvd Water Main	113	\$112.88	\$112.88
Other Projects not yet identified	4,488,907		
TOTALS	\$33,455,000	\$1,038,307.81	\$1,038,307.81

Series 2025 COP Actual Spending As of December 31, 2025





AGENDA ITEM NO. 8.A.

DATE: January 23, 2025
TO: Board of Directors
FROM: Kat Wuelfing, General Manager
James Ramsey, District Treasurer

SUBJECT: Receive Report and Review MPWD Investment Structure and Plan Performance for MPWD Public Agency Retirement Services (PARS) Other Post-Employment Benefits (OPEB) Pre-Funding Trust Program and Pension Rate Stabilization Program (PRSP), And Consider Resolution 2026-02 Approving Plan Investment Portfolio for 2026

RECOMMENDATION

Approve Resolution 2026-02 for retention of the MPWD's Plan in the PFM Asset Management (Pooled Account) investment portfolio in 2026.

FISCAL IMPACT

Attached is the annual client report prepared by PARS and PFM Asset Management.

The MPWD OPEB plan's discount rate (return on investment) target is 5.50%, as projected in the MPWD GASB 75 actuarial report dated October 1, 2024.

Summary of MPWD's OPEB Plan as of November 30, 2025:

Initial Contribution (August 2011)	\$ 81,159
Additional Contributions	\$ 2,979,777
Total Contributions	\$ 3,060,936
Disbursements	\$ <211,892>
Net Investment Earnings	\$ <u>1,739,693</u>
Account Balance	\$ 4,588,736

Summary of MPWD's PRSP as of November 30, 2025:

Initial Contribution (August 2018)	\$ 400,000
Additional Contributions	\$1,200,000
Total Contributions	\$1,600,000
Disbursements	<\$1,615,686>
Net Investment Earnings	\$ <u>629,457</u>
Account Balance	\$ 613,771

BACKGROUND

The investment strategy initially selected on May 16, 2011 for the MPWD PARS OPEB trust account was the Moderately Conservative HighMark PLUS. The investment objective was to “provide current income with moderate capital appreciation.” Approximately 15%-20% of public agencies participating in PARS OPEB plans selected the Moderately Conservative portfolio.

The Board has reviewed the plan annually since inception and between 2012 through 2017 it confirmed the retention of the Moderately Conservative HighMark PLUS investment strategy for the trust account.

In 2018 (via Resolution 2017-21), the Board elected to change the investment portfolio to the PARS Moderate HighMark Plus strategy (Active), and has been the Board’s strategy since then.

DISCUSSION

Jennifer Meza and Tanner Love from PARS and Dennis Mullins from PFM Asset Management (PFMAM; formerly known as HighMark Capital Investment) will be present via Zoom to review the MPWD OPEB and PRSP programs.

Should the Board want to consider a change in investment strategy, at the back of the PARS presentation (attached) is a description of all investment portfolio options, which include:

- § Conservative;
- § Moderately Conservative;
- § Moderate;
- § Balanced; and
- § Capital Appreciation.

Staff recommends, via attached Resolution 2026-02, that MPWD remain in the Moderate-Strategic Blend Strategy; Pooled Account (formerly HighMark Moderate HighMark Plus (Active)) investment portfolio for 2026.

Attachments: Resolution 2026-02
(Presentation) MPWD PARS 115 Trust – OPEB Prefunding Program & PRSP dated January 22, 2026

RESOLUTION NO. 2026-02

**APPROVING THE 2026 INVESTMENT PORTFOLIO
FOR THE MPWD PARS 115 TRUST PLAN – OPEB AND PRSP**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District (MPWD) initiated an OPEB (Other Post Employment Benefits) IRS Section 115 Trust with PARS (Public Agency Retirement Services) in August of 2011; and

WHEREAS, in 2011 the MPWD selected as its investment strategy the PARS Moderately Conservative HighMark PLUS portfolio; and

WHEREAS, between 2012-2017, after review and consideration of its investment strategy and performance, the Board approved retention of the PARS Moderately Conservative HighMark PLUS investment portfolio for the MPWD OPEB trust account; and

WHEREAS, the MPWD PARS OPEB trust account investment strategy, annual performance, and portfolio options were reviewed and discussed by the Board of Directors at its regular meeting on November 15, 2017, after a presentation by staff, and PARS and HighMark Capital Management investment representatives, and the Board determined it was a good time to change to the PARS Moderate HighMark Plus (Active) investment portfolio for 2018; and

WHEREAS, on February 22, 2018, the Board approved Resolution No. 2018-03 and the establishment of a Pension Rate Stabilization Program (PRSP) in combination with its OPEB plan; and

WHEREAS, on December 20, 2018, after review and consideration of the MPWD's

combined PARS 115 Trust Plan – OPEB and PRSP (the 115 Plan) investment strategy and performance in 2018, the Board approved retention of the PARS Moderate HighMark Plus (Active) investment portfolio for 2019; and

WHEREAS, on December 19, 2019, after review and consideration of the MPWD 115 plan's investment strategy and performance in 2019, the Board approved retention of the PARS Moderate HighMark Plus (Active) Investment portfolio for 2020; and

WHEREAS, on December 17, 2020, after review and consideration of the MPWD 115 plan's investment strategy and performance in 2020, the Board approved retention of the PARS Moderate HighMark Plus (Active) Investment portfolio in 2021; and

WHEREAS, on March 25, 2021, the Board reviewed and discussed the Active versus Passive investment management strategy after a presentation by PARS and HighMark Capital Management, and agreed to continue with the Active management strategy; and

WHEREAS, on December 16, 2021, after review and consideration of the MPWD 115 plan's investment strategy and performance in 2021, the Board approved retention of the PARS Moderate HighMark Plus (Active) Investment portfolio in 2022; and

WHEREAS, on December 15, 2022, after review and consideration of the MPWD 115 plan's investment strategy and performance in 2022, the Board approved retention of the PARS Moderate HighMark Plus (Active) Investment portfolio in 2023; and

WHEREAS, on December 14, 2023, after review and consideration of the MPWD IRS Section 115 plan's investment strategy and performance in 2023, the Board approved retention of the PARS Moderate HighMark Plus (Active) Investment portfolio in 2024; and

WHEREAS, HighMark Capital Investment is now known as PFM Asset Management (PFMAM) and in 2024 the name of the investment portfolio was updated to the Moderate-Strategic Blend Strategy; Pooled Account; and

WHEREAS, on January 23, 2025, after review and consideration of the MPWD IRS Section 115 plan's investment strategy and performance in 2024, the Board approved retention of the PARS Moderate HighMark Plus (Active) Investment portfolio in 2025; and

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby approves retention of the PARS Moderate-Strategic Blend Strategy; Pooled Account investment portfolio for the MPWD PARS 115 Trust Plan in 2026.

REGULARLY PASSED AND ADOPTED this 22nd day of January 2026 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

Board President

ATTEST:

District Secretary

PARS

PUBLIC AGENCY
RETIREMENT SERVICES



MID-PENINSULA WATER DISTRICT

PARS 115 Trust – OPEB Prefunding Program &
Pension Rate Stabilization Program Plan Client Review
January 22, 2026

CONTACTS



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PFM Asset Management is a division of U.S. Bancorp Asset Management, Inc. See additional disclosures at the end of this presentation

The

PARS SECTION 115 TRUST

for prefunding OPEB & Pension obligations

PARS 115 TRUST TEAM

As of September 30, 2025

Trust Administrator & Consultant*



- Serves as record-keeper, consultant, and central point of contact
- Monitors plan compliance (IRS/GASB/State Government Code)
- Sub-trust accounting
- Processes contributions/disbursements
- Coordinates all agency services
- Hands-on, dedicated support teams

40+ Years of Experience (1984-2025)	2,300+ Plans under Administration	1,100+ Public Agency Clients	550+ 115 Trust Clients	750K+ Plan Participants	\$10.5B+ Assets under Administration
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* See important information regarding PARS in the Disclaimer page at the end of the presentation.

Trustee



- 5th largest commercial bank and one of the nation's largest trustees for Section 115 trusts
- Safeguard plan assets
- Oversight protection as plan fiduciary
- Custodian of assets

162 Years of Experience (1863-2025)	\$11.0T Assets under Administration
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Investment Manager



- A division of U.S. Bancorp Asset Management, Inc.
- Fixed income and multi asset portfolios
- Strategic Blend and Index platform options
- Customized portfolios (with minimum asset level)

41 Years of Investment Experience (As of 9/30/2025)	\$247.5B* Assets under Management & Advisement
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*Please see disclosures at the end of this presentation

PARS PLANS AND PROGRAMS

115 Combo Trust

1 Pension Rate Stabilization Program (PRSP)

A pension prefunding trust designed specifically to address GASB 68 liabilities on its financial statements and stabilize future costs.

2 OPEB Trust Program

An OPEB prefunding trust designed to address OPEB liabilities and increase investment rates of return (discount rate).

3 Alternate Retirement System (ARS)

An alternative to Social Security for part-time employees offered to provide a valuable benefit for employees and permanent payroll savings to the Agency.

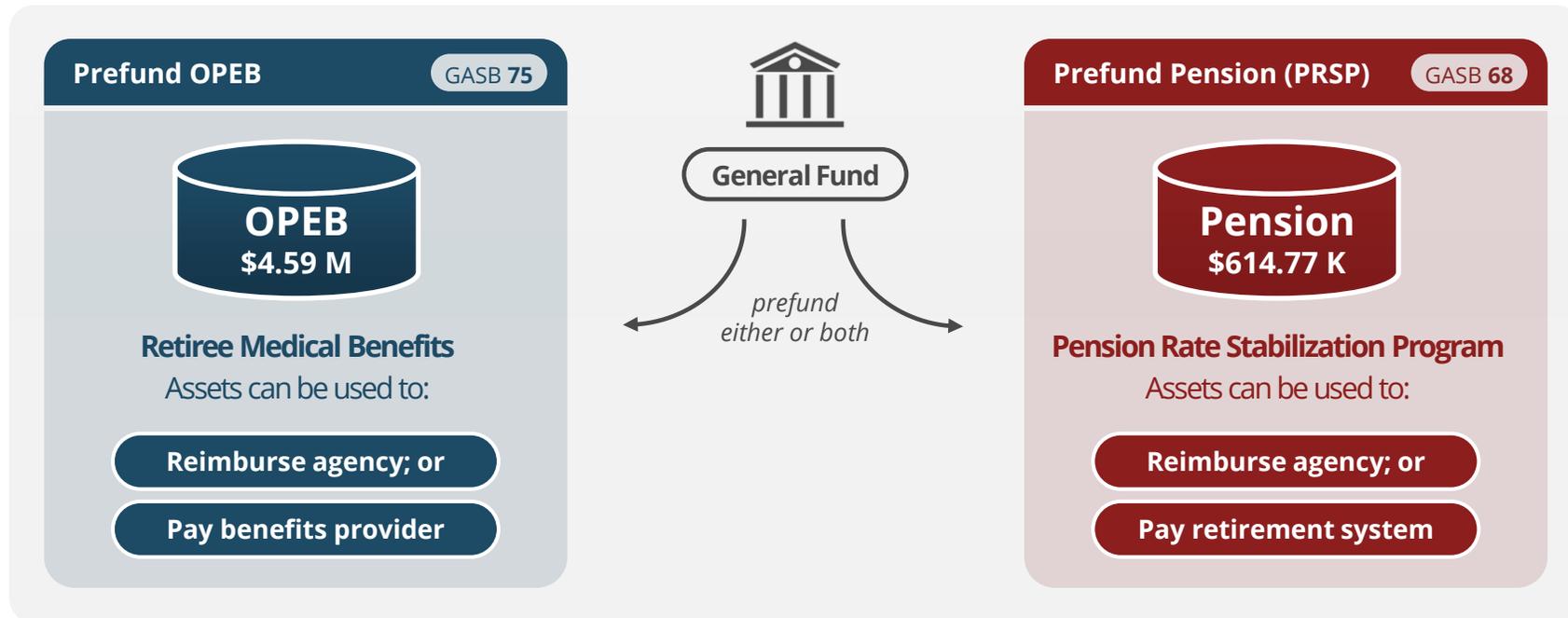
4 Supplemental Defined Contribution Plan

A locally designed retirement plan offered in addition to PERS or 37-Act retirement system with the goal of attracting and retaining select employees to the Agency.

5 Accumulated Leave Plan

A Defined Contribution solution that reduces leave balances on an annual basis during employment and minimizes total payout amounts.

PARS IRS-APPROVED SECTION 115 TRUST



Subaccounts

OPEB and pension assets are individually sub-accounted, and can be divided by dept., bargaining group, or cost center.



Financial Stability

Assets in the PARS Section 115 Combination Trust can be used to address unfunded liabilities.



Flexible Investing

Allows separate investment strategies for OPEB and pension subaccounts.



Anytime Access

Trust funds are available anytime; OPEB for OPEB and pension for pension.



Economies-of-Scale

OPEB and pension assets aggregate and reach lower fees on tiered schedule sooner – saving money!



No Set Up Cost or Minimums

No set-up costs, no minimum annual contribution amounts, and no fees until assets are added.

SECTION 115 TRUST BACKGROUND

- Section 115 Trusts are used by local governments to fund essential governmental functions (i.e., pension benefits and retiree health care) into an irrevocable trust
- The PARS Trust received the first IRS Private Letter Ruling (PLR) in June 2015 to fund both OPEB and Pension Liabilities for a multiple-employer trust
- Any income derived from a Section 115 Trust is tax exempt
- Govt Code Section 53216.6 and 53620 govern plan investments within the Trust
- Once contributions are placed into The PARS Trust, assets from the Trust can be used for specific benefit plan purposes including:
 - Reimbursing the District for OPEB Pay-as-you-Go expenses
 - Reimbursing the District for PERS Contributions
 - Pay OPEB expenses directly to retiree
 - Paying down specific CalPERS liabilities
 - Paying plan expenses (actuarial valuation or audit)

The

PARS OPEB TRUST PROGRAM

for prefunding Other Post-Employment Benefits

SUMMARY OF AGENCY'S OPEB PLAN

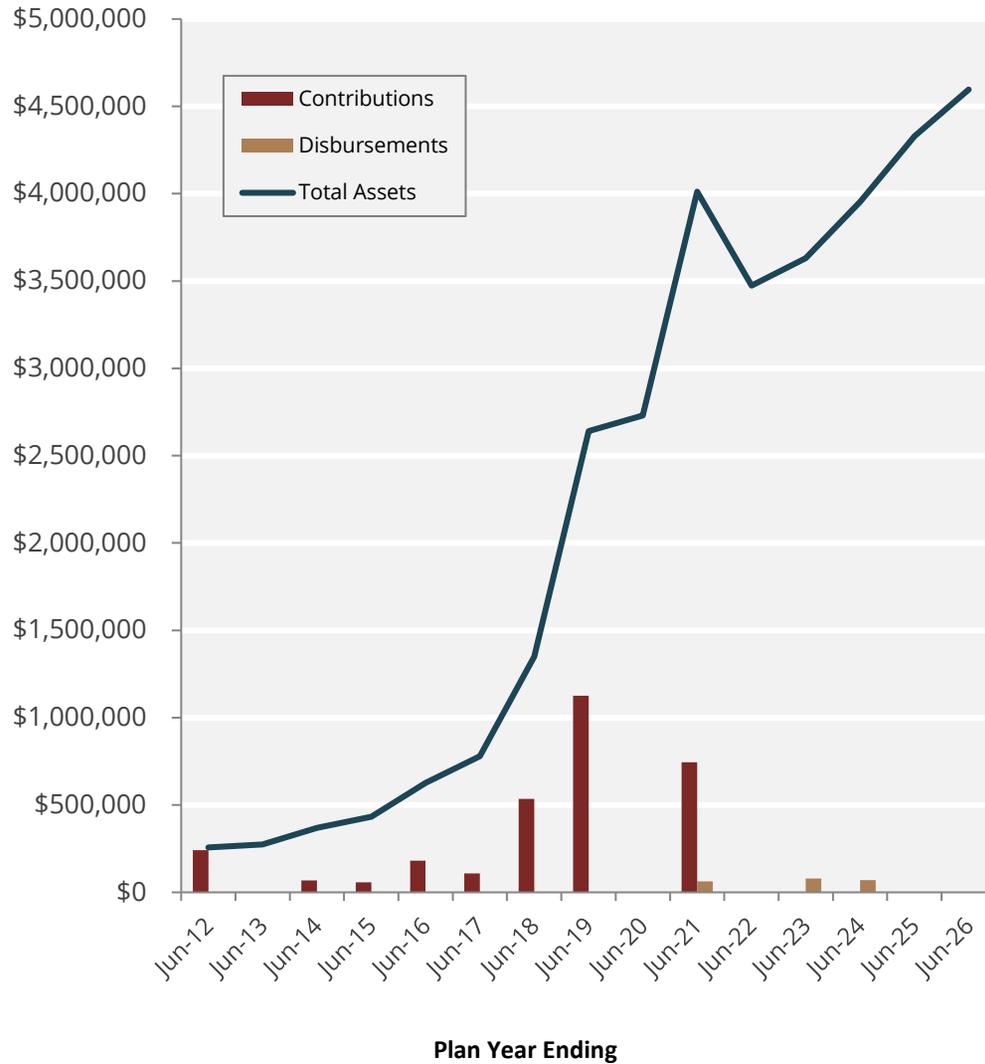
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	April 28, 2011
Plan Administrator:	General Manager
Current Investment Strategy:	Moderate-Strategic Blend Strategy; Pooled Account <i>*Inception - December 2017: Moderately Conservative PLUS</i>

AS OF DECEMBER 31, 2025:

Initial Contribution:	August 2011: \$81,159
Additional Contributions:	\$2,979,777
Total Contributions:	\$3,060,936
Disbursements:	(\$211,892)
Net Investment Earnings:	\$1,747,176
Account Balance:	\$4,596,219

SUMMARY OF AGENCY'S OPEB PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF DECEMBER 31, 2025 :



Year	Contributions	Disbursements	Total Assets
Jun-12*	\$241,627	\$0	\$257,032
Jun-13	\$0	\$0	\$273,541
Jun-14	\$68,054	\$0	\$368,264
Jun-15	\$56,925	\$0	\$432,917
Jun-16	\$181,575	\$0	\$626,357
Jun-17	\$108,702	\$0	\$778,799
Jun-18	\$534,110	\$0	\$1,349,599
Jun-19	\$1,125,000	\$0	\$2,641,487
Jun-20	\$0	\$0	\$2,729,661
Jun-21	\$744,943	\$62,530	\$4,010,677
Jun-22	\$0	\$0	\$3,473,591
Jun-23	\$0	\$79,657	\$3,630,749
Jun-24	\$0	\$69,706	\$3,954,068
Jun-25	\$0	\$0	\$4,328,467
Jun-26**	\$0	\$0	\$4,596,219

*Plan Year Ending June 2012 is based on 11 months of activity

**Plan Year Ending June 2026 is based on 6 months of activity

OPEB ACTUARIAL RESULTS

- We have received the actuarial report by Actuarial Retirement Consulting dated October 1, 2024, with a measurement date as of June 30, 2024. In the table below, we have summarized the results.

Demographic Study	Measurement Date: June 30, 2023	Measurement Date: June 30, 2024
Actives	17	15
Retirees	7	9
Total	24	24

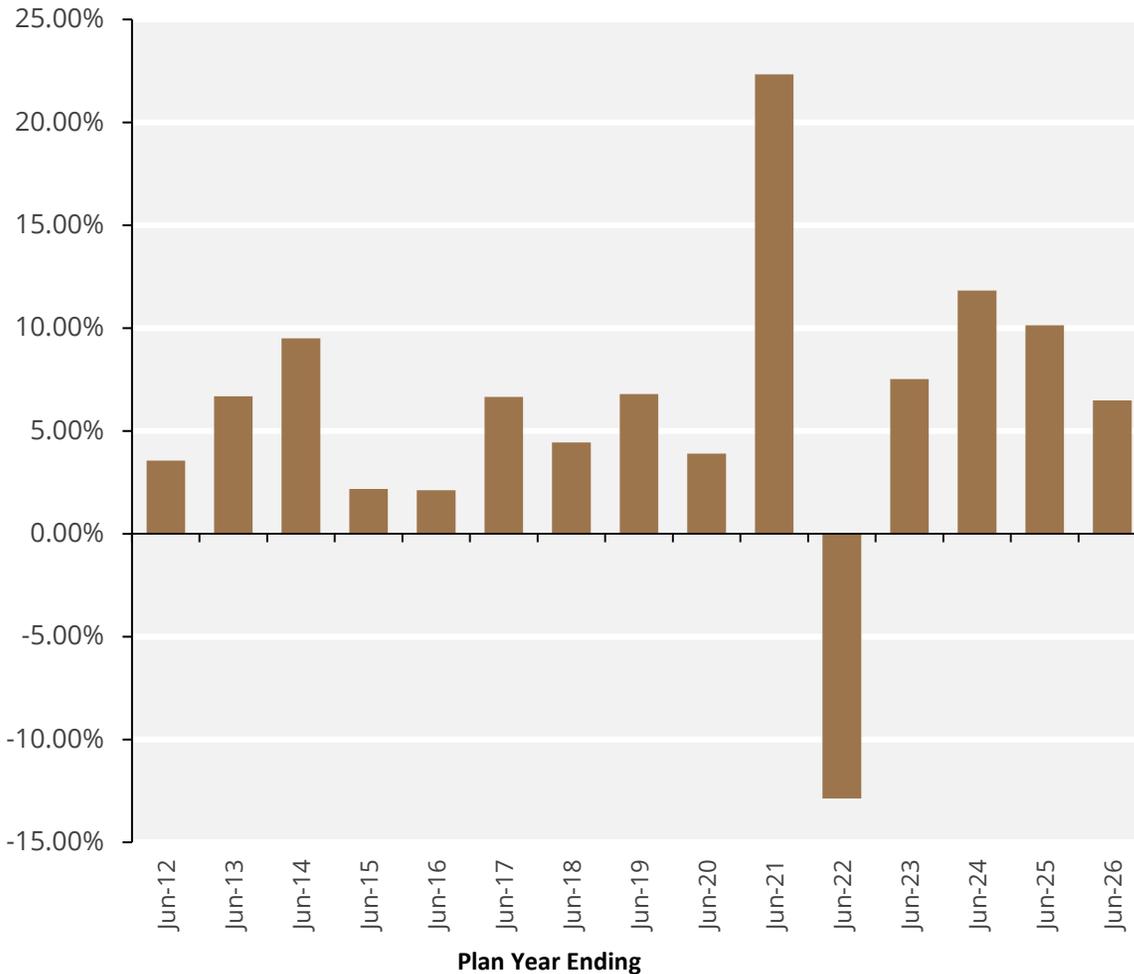
OPEB ACTUARIAL RESULTS

	Measurement Date: June 30, 2023 Discount Rate: 5.50%	Measurement Date: June 30, 2024 Discount Rate: 5.50%
Total OPEB Liability (TOL)	\$3,495,503	\$3,293,509
Fiduciary Net Position	\$3,630,749	\$3,954,069
Net OPEB Liability (NOL)	(\$135,246)	(\$660,560)*
Funded Ratio (%)	103.9%	120.06%
Service Cost Plus Interest	\$282,967 <i>FY 2022-23</i>	\$241,766 <i>FY 2023-24</i>
Annual Benefit Payments (Pay-as-you-Go)	\$91,690 <i>FY 2022-23</i>	\$87,835 <i>FY 2023-024</i>

*As of December 31, 2025, assets at \$4,596,219 (approx. ~139.5% funded assuming no change in TOL).
Rule of thumb: For every one percent increase in the discount rate, the unfunded liability is lowered by 10-12%.

OPEB PLAN TOTAL RETURNS

AS OF DECEMBER 31, 2025



Year	Returns
Jun-12*	3.56%
Jun-13	6.69%
Jun-14	9.50%
Jun-15	2.18%
Jun-16	2.11%
Jun-17	6.65%
Jun-18	4.43%
Jun-19	6.79%
Jun-20	3.89%
Jun-21	22.34%
Jun-22	-12.87%
Jun-23	7.51%
Jun-24	11.82%
Jun-25	10.13%
Jun-26**	6.48%

Inception to Date (Annualized)
6.09%

*Plan Year Ending June 2012 is based on 11 months of activity

**Plan Year Ending June 2026 is based on 6 months of activity

Returns are net of the embedded fund fees and gross of trustee and trust administrator fees

Information as provided by US Bank, Trustee for PARS; Not FDIC Insured; No Bank Guarantee; May Lose Value. Past performance does not guarantee future results. Performance returns are impacted by agency plan activity and may not reflect the deduction of applicable fees, which could reduce returns. Information is deemed reliable but may be subject to change.

The advisor to the PARS portfolios is U.S. Bank, and PFM Asset Management serves as sub-advisor to U.S. Bank to manage these portfolios. Please see important additional disclosures to the PARS portfolios included in the individual strategy information at the end of this presentation.

The

PARS PENSION RATE STABILIZATION PROGRAM

for prefunding pension obligations

SUMMARY OF AGENCY'S PENSION PLAN

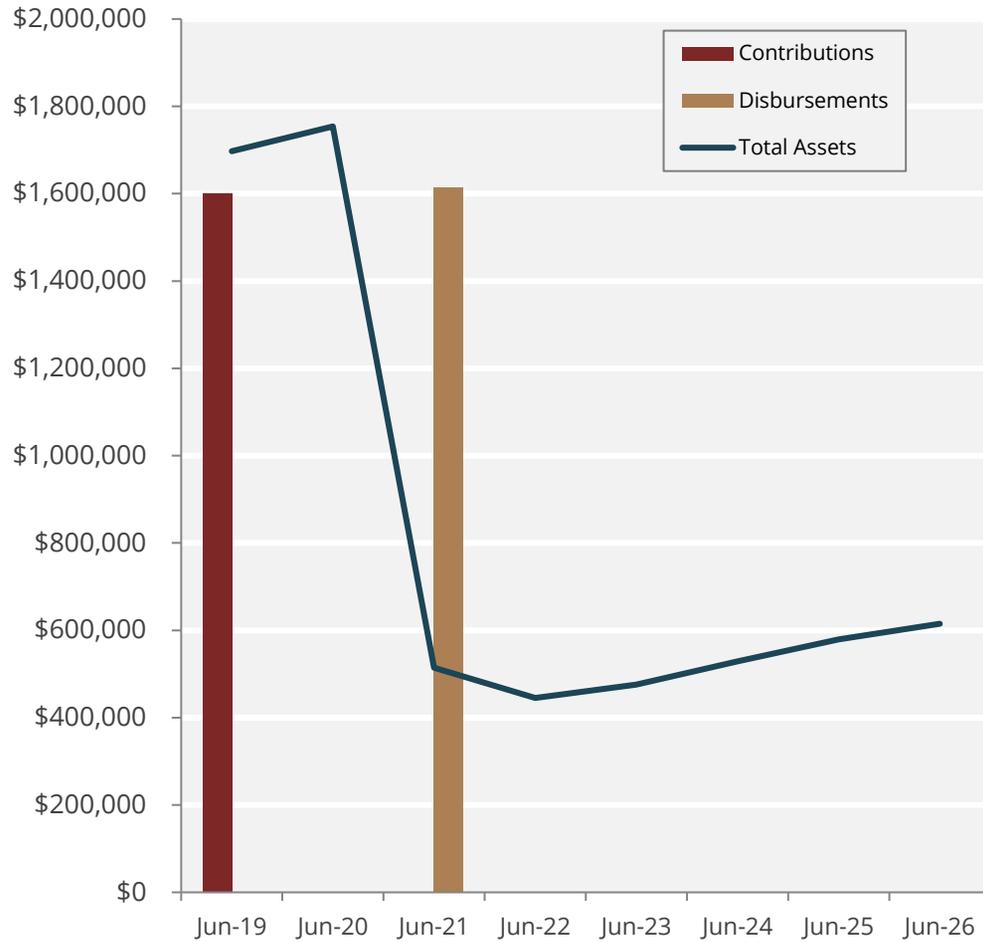
Plan Type:	IRC Section 115 Irrevocable Exclusive Benefit Trust
Trustee Approach:	Discretionary
Plan Effective Date:	February 22, 2018
Plan Administrator:	General Manager
Current Investment Strategy:	Moderate-Strategic Blend Strategy; Pooled Account

AS OF DECEMBER 31, 2025:

Initial Contribution:	August 2018: \$400,000
Additional Contributions:	\$1,200,000
Total Contributions:	\$1,600,000
Disbursements:	\$1,615,686
Net Investment Earnings:	\$630,458
Account Balance:	\$614,772

SUMMARY OF AGENCY'S PENSION PLAN

HISTORY OF CONTRIBUTIONS, DISBURSEMENTS, AND TOTAL ASSETS AS OF DECEMBER 31, 2025 :



Year	Contributions	Disbursements	Total Assets
Jun-19*	\$1,600,000	\$0	\$1,697,313
Jun-20	\$0	\$0	\$1,753,971
Jun-21	\$0	\$1,615,686	\$514,373
Jun-22	\$0	\$0	\$445,100
Jun-23	\$0	\$0	\$475,779
Jun-24	\$0	\$0	\$528,881
Jun-25	\$0	\$0	\$578,959
Jun-26**	\$0	\$0	\$614,772

Plan Year Ending

*Plan Year Ending June 2019 is based on 11 months of activity
 **Plan Year Ending June 2026 is based on 6 months of activity



PENSION FUNDING STATUS

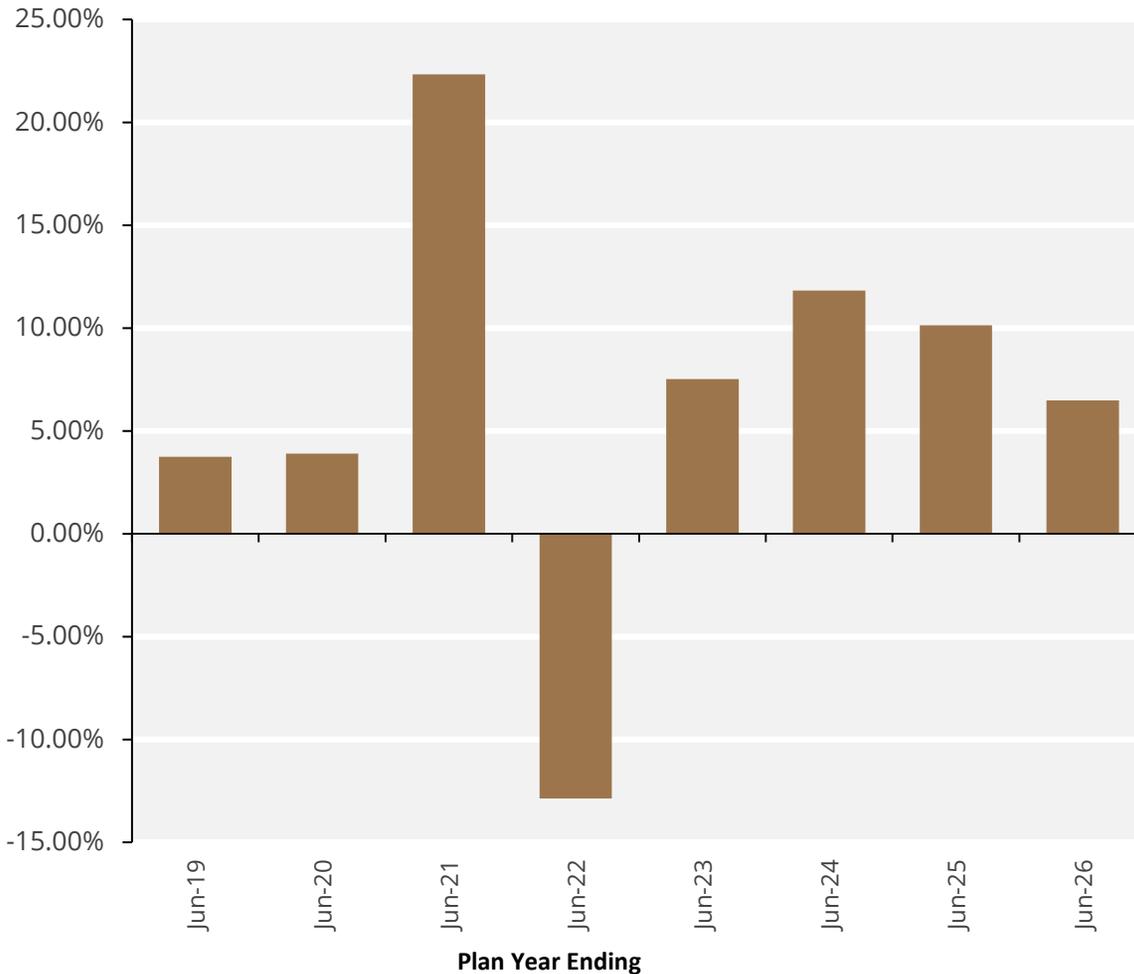
As of June 30, 2024, Mid-Peninsula Water District’s CalPERS pension plan is funded as follows*:

Combined Miscellaneous Groups *	Valuation as of June 30, 2023	Valuation as of June 30, 2024	Change
Actuarial Liability	\$12.3 M	\$12.5 M	1.2% ↑
Assets	\$11.3 M	\$11.5 M	1.8% ↑
Unfunded Liability	\$1.1 M	\$1.0 M	5.4% ↓
Funded Ratio	91.4%	91.9%	0.6% ↑
Employer Contribution Amount	\$227.6 K (FY 24-25)	\$252.9 K (FY 25-26)	11.1% ↑
Employer Contribution Amount – Projected *	---	\$331.5 K (FY 31-32)	31.1% ↑

* Data through 2031-32 from Agency’s latest CalPERS actuarial valuation.

PENSION PLAN TOTAL RETURNS

AS OF DECEMBER 31, 2025



Year	Returns
Jun-19*	3.74%
Jun-20	3.89%
Jun-21	22.32%
Jun-22	-12.87%
Jun-23	7.51%
Jun-24	11.82%
Jun-25	10.13%
Jun-26**	6.48%

Inception to Date (Annualized)
6.72%

*Plan Year Ending June 2019 is based on 11 months of activity

**Plan Year Ending June 2026 is based on 6 months of activity

Returns are net of the embedded fund fees and gross of trustee and trust administrator fees

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INVESTMENT REVIEW



PARS OPEB and Pension Trust Moderate Strategic Blend

Investment Performance Review For the Quarter Ended September 30, 2025

Client Management Team

PFM Asset Management
A division of U.S. Bancorp Asset Management, Inc.

PFM Asset Management

1 California Street
Suite 1000
San Francisco, CA 94111

1735 Market Street
43rd Floor
Philadelphia, PA 19103

About PFM Asset Management*

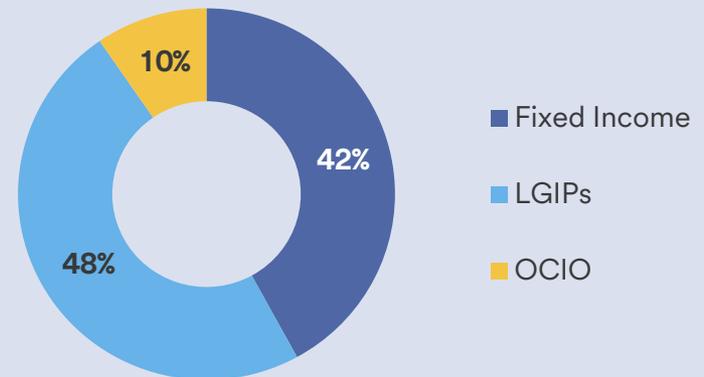
Our Investment Solutions

- **Outsourced Chief Investment Officer (OCIO):** Multi-asset class portfolios for institutional investors
- **Fixed Income:** High-quality, short- and intermediate-term portfolios for operating funds, reserves, working capital, self-insurance funds and bond proceeds
- **Local Government Investment Pools (LGIPs):** services for programs with options ranging from fully liquid cash management to a fixed-rate, fixed-term investment
- **Specialized Solutions:** Arbitrage rebate, escrow restructuring, bond proceeds investments, structured investments

40+ years of experience in the public sector**

\$177.5b in public sector assets under management**

Assets by Investment Solution¹



¹Illustrates public sector assets under management by investment solution as of June 30, 2025. Total may not add up to 100% due to rounding.

*A division of U.S. Bancorp Asset Management, Inc.

**As of June 30, 2025. Public sector includes government, pool, and TERM. Total assets under management for U.S. Bancorp Asset Management, Inc. were \$404.9 billion.

Financial Markets & Investment Strategy Review

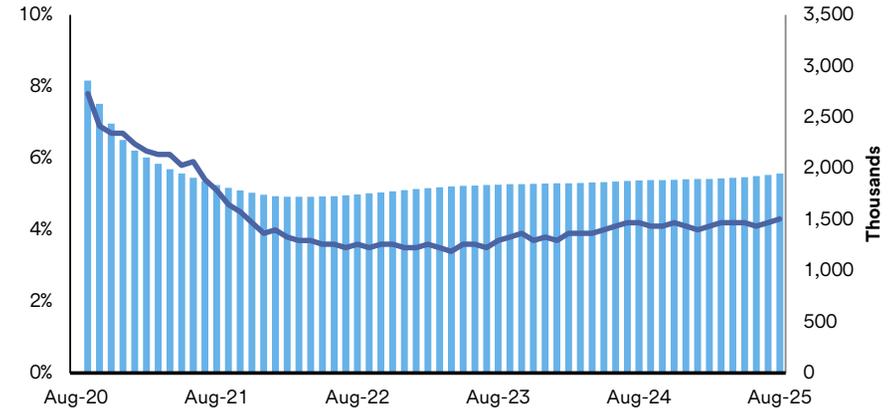
Index or Average Name	QTD	YTD	One Year	Three Year	Five Year	Seven Year	Ten Year
DOMESTIC EQUITY							
S&P 500 (TR)	8.12%	14.83%	17.60%	24.91%	16.46%	14.44%	15.29%
Russell 3000	8.18%	14.40%	17.41%	24.09%	15.73%	13.70%	14.70%
Russell 1000 Growth	10.51%	17.24%	25.53%	31.58%	17.56%	18.09%	18.81%
Russell 1000	7.99%	14.60%	17.75%	24.61%	15.98%	14.17%	15.02%
Russell 1000 Value	5.33%	11.65%	9.44%	16.95%	13.87%	9.52%	10.71%
Russell Midcap	5.33%	10.42%	11.11%	17.67%	12.65%	10.06%	11.38%
Russell Midcap Growth	2.78%	12.84%	22.02%	22.82%	11.25%	11.99%	13.36%
Russell Midcap Value	6.18%	9.50%	7.58%	15.50%	13.66%	8.64%	9.95%
Russell 2000 Growth	12.19%	11.65%	13.56%	16.67%	8.41%	6.61%	9.90%
Russell 2000	12.39%	10.39%	10.76%	15.20%	11.55%	6.75%	9.76%
Russell 2000 Value	12.60%	9.04%	7.88%	13.55%	14.59%	6.39%	9.22%
INTERNATIONAL EQUITY							
MSCI EAFE	4.77%	25.14%	14.99%	21.68%	11.15%	7.71%	8.16%
MSCI AC World	7.62%	18.44%	17.27%	23.10%	13.54%	11.27%	11.90%
MSCI AC World ex USA	6.89%	26.02%	16.45%	20.65%	10.25%	7.48%	8.22%
MSCI AC World ex USA Small Cap	6.68%	25.54%	15.93%	19.34%	9.96%	7.16%	8.36%
MSCI EM (Emerging Markets)	10.64%	27.53%	17.32%	18.19%	7.01%	6.16%	7.98%
LISTED REAL ASSETS							
FTSE Nareit / Equity REITs - INV	4.77%	4.51%	-1.98%	10.79%	9.32%	6.10%	6.60%
MSCI US REIT INDEX	4.49%	3.75%	-2.88%	9.50%	8.03%	4.89%	5.31%
MSCI World Core Infrastructure	1.80%	15.48%	8.21%	11.33%	7.86%	7.46%	8.26%
FIXED INCOME							
Bloomberg U.S. Aggregate	2.03%	6.13%	2.88%	4.92%	-0.45%	2.06%	1.84%
Bloomberg U.S. Government/Credit	1.91%	5.93%	2.67%	4.87%	-0.61%	2.22%	1.99%
Bloomberg U.S. Intermediate Government/Credit	1.51%	5.70%	4.01%	5.17%	0.81%	2.61%	2.09%
Bloomberg U.S. Treasury (1-3 Y)	1.12%	3.99%	3.89%	4.35%	1.53%	2.24%	1.67%
ICE BofA U.S. High Yield	2.40%	7.06%	7.23%	10.96%	5.53%	5.17%	6.07%
Bloomberg Global Aggregate	0.60%	7.91%	2.40%	5.44%	-1.56%	0.79%	1.14%
CASH EQUIVALENT							
Bloomberg 3 Month T-Bill	1.08%	3.21%	4.43%	4.85%	3.03%	2.66%	2.11%

Source: Investment Metrics. Returns are expressed as percentages. Please refer to the last page of this document for important disclosures relating to this material.

THE ECONOMY

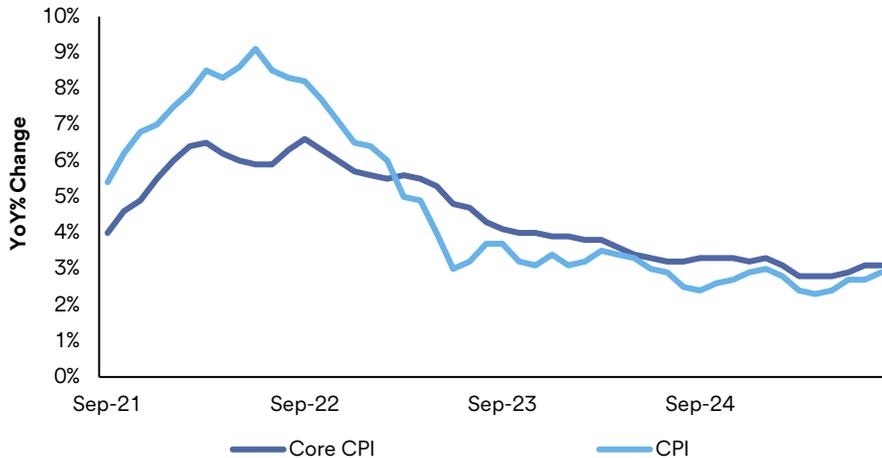
- In the second quarter, U.S. real gross domestic product (GDP) grew at a seasonally adjusted annualized rate of 3.8%, marking the strongest growth since Q3 2023. This rebound in growth was supported by an uptick in consumer spending and business investment. While the data still points to some moderation in activity compared to last year, the slowdown may not be as severe as originally feared.
- The U.S. unemployment rate ticked up over the quarter, rising to 4.3% in August. The latest initial jobless claims ended the quarter slightly lower at 218.0k (for the week ending September 20) after an early September spike, while the outstanding claims also fell to approximately 1,926.0k signaling layoffs remain subdued despite broader signs of labor market cooling. The other side of the “low-hire, low-fire” environment can be seen in the duration of unemployment, with 25.7% of the job seekers experiencing unemployment for more than six months, the highest share since February 2022.
- Inflation accelerated in the third quarter. Headline inflation (CPI) grew at a year-over-year (YoY) rate of 2.9% in August, the highest rate since January, as prices of food and energy rose while core CPI, which excludes volatile food and energy, grew at 3.10% on an annual basis.

U.S. Unemployment and Monthly Average Continued Claims



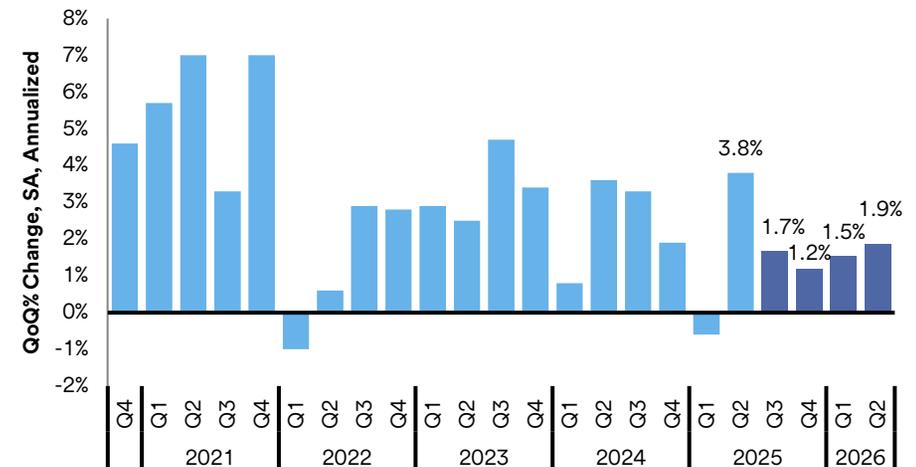
Source: Bloomberg.

U.S. Inflation Rate
Seasonally Adjusted (SA)



Source: Bureau of Labor Statistics.

U.S. GDP Growth

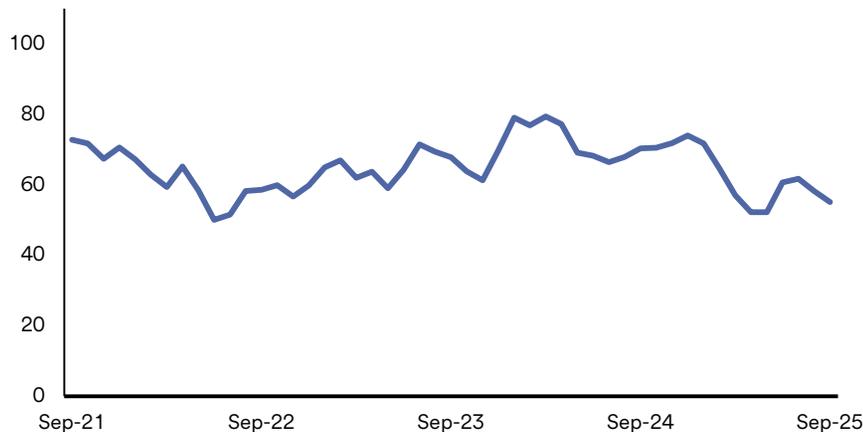


Source: Bloomberg. Light blue bars indicate actual numbers; dark blue bars indicate forecasted estimates.

WHAT WE'RE WATCHING

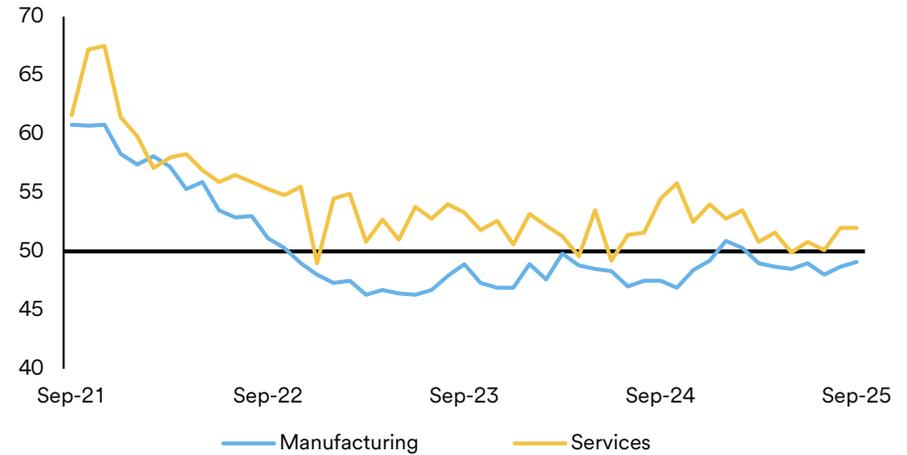
- The Federal Reserve (Fed) cut rates in the third quarter by a quarter percentage point, prompted by increasing weakness in the labor market. The Fed also signaled that two more quarter-percentage-point rate reductions are likely before the end of the year. However, with inflation above the 2% policy target, the Fed will be focused on balancing maximum employment and price stability. Outside of the U.S., the European Central Bank (ECB) which preceded the U.S. with cuts earlier in the year, held rates flat in the third quarter.
- U.S. consumer sentiment, as measured by the University of Michigan survey of consumers, fell during the third quarter as consumers continued to express concerns about the impact of high prices on personal finances. Consumer spending, which drives more than two-thirds of the economy, rose 0.6% month-over-month in August, supported by higher-income consumers benefiting from a strong wealth effect as equity markets continue to rise.
- Manufacturing in the U.S. remains challenged, with the ISM U.S. Manufacturing PMI reading coming in at 49.1 in September. This marked the seventh consecutive month of contraction as input prices remain elevated while demand is relatively weak. The threat of volatility stemming from trade and tariffs has mostly passed, though some trade agreement deadlines are set in Q4, which pose continued uncertainty for many countries and companies.

University of Michigan Consumer Sentiment



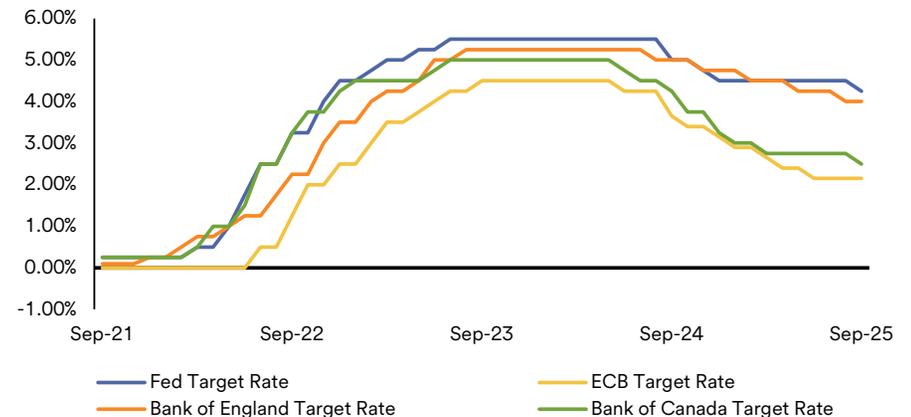
Source: Bloomberg.

U.S. ISM Manufacturing & Services PMI



Source: Bloomberg.

Global Central Bank Rates



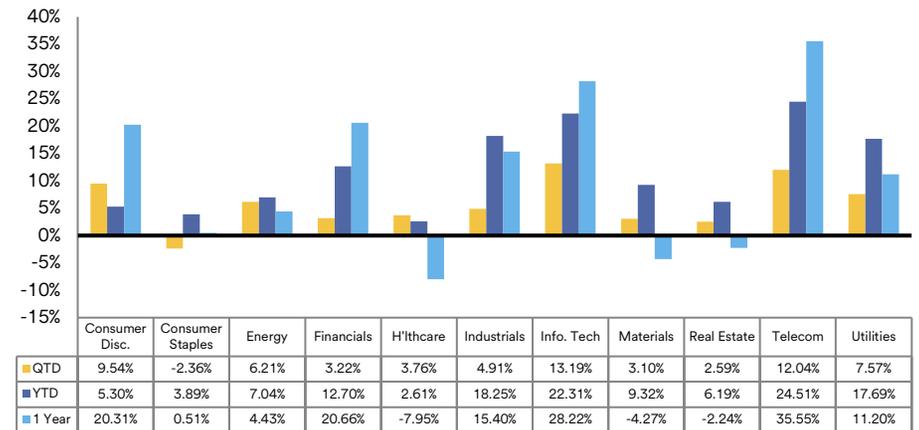
Source: Bloomberg.

DOMESTIC EQUITY

- The S&P 500 Index (S&P) posted an 8.1% return in the third quarter (of 2025). The Index has hit 23 new all-time closing highs and the year-to-date (YTD) return stands at 14.8%.
- Within the S&P, the performance varied greatly across sectors, with 10 of the 11 seeing positive returns. The best performing sectors were Information Technology (13.2%), Communication Services (12.0%), and Consumer Discretionary (9.5%). Real Estate saw a relatively weak return (2.6%) while only Consumer Staples saw a negative return (-2.4%).
- Positive returns were seen across all capitalizations with large caps, as represented by the Russell 1000 Index, returning 8.0% during the quarter while mid and small caps, as represented by the Russell Midcap and Russell 2000 indices returned 5.3% and 12.4% respectively. Small caps outperformed large caps over the quarter, and the Russell 2000 ended the quarter at an all-time high.
- According to FactSet Earnings Insight as of September 26, 2025, analysts are projecting earnings growth of 7.9% in Q3 2025, up from a prior estimate of 7.3% at the start of the quarter. This unusual upward revision (over the past 10 years estimates fell an average of 3.2% during the quarter) was led by the Information Technology sector as companies benefiting from artificial intelligence (AI) continued to have an outsized impact on the market. For calendar year 2025, analysts are projecting YoY earnings growth of 10.9%. If the projected earnings growth in Q3 is correct and comes to fruition, this will mark the ninth consecutive quarter of earnings growth for the index.
- At quarter end, the forward 12-month adjusted positive price-to-earnings (P/E) ratio (including only positive earnings results for consistency) for the S&P 500 is 27.4, which is above the 5-year average of 23.3. The Russell 2000 Index, which represents small cap stocks, had an adjusted positive forward P/E ratio of 21.2, also above its 5-year average of 17.7.

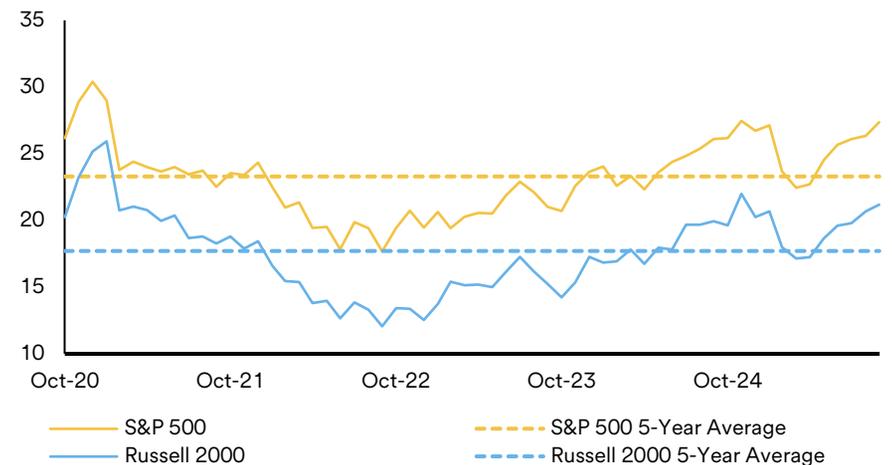
S&P 500 Index Performance by Sector

Periods Ended September 30, 2025



Source: Bloomberg.

P/E Ratios of Major Stock Indices*



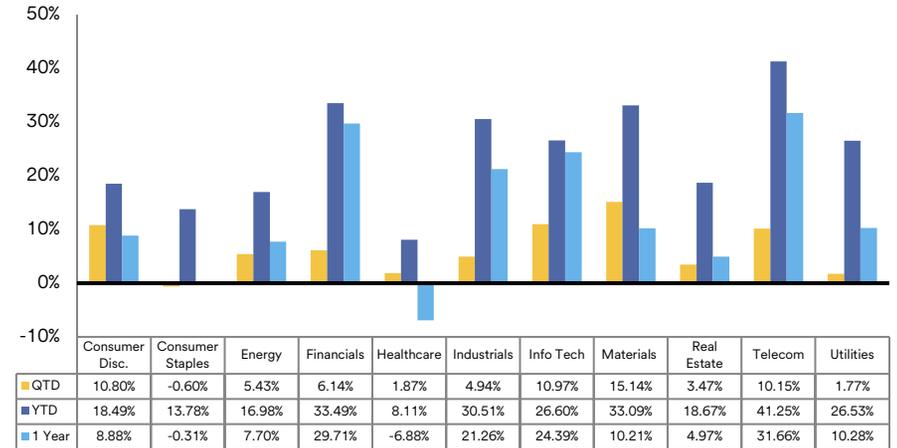
Source: Bloomberg.

*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

INTERNATIONAL EQUITY

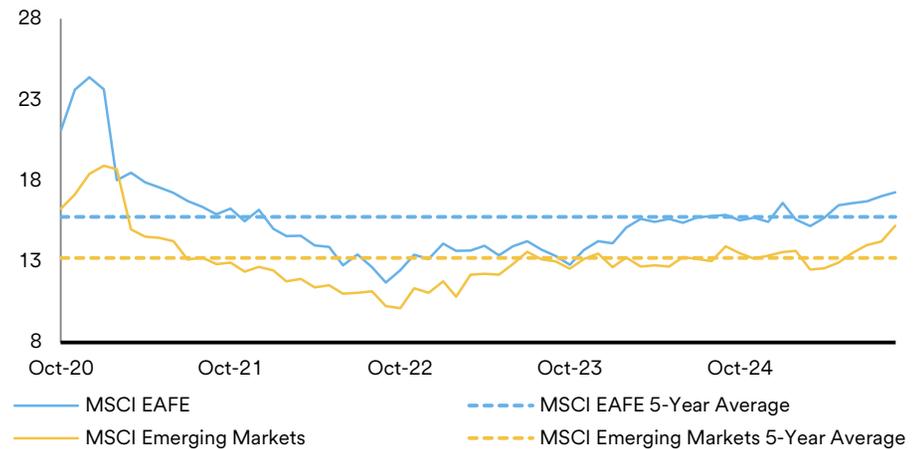
- Markets outside of the United States, as measured by the MSCI ACWI ex-U.S. Index, cooled somewhat in the third quarter returning 6.9%, just over half of the previous quarter’s strong returns.
- 10 of the 11 sectors posted positive returns for the quarter. The top performing sectors were Materials (15.1%), Information Technology (11.0%) and Consumer Discretionary (10.8%). The worst performers for the quarter were Healthcare (1.9%), Utilities (1.8%), and Consumer Staples (-0.6%).
- Developed ex-U.S. Markets, as represented by the MSCI EAFE Index, underperformed emerging markets (EM), as represented by the MSCI Emerging Market Index, returning 4.8% versus 10.6% for the quarter. Returns from all international indices are in U.S. Dollars (USD) and were positively impacted by the continued softness of the U.S. dollar.
- Of the five largest-weighted countries in the MSCI EAFE Index, the MSCI Japan (8.0%) and MSCI United Kingdom (5.9%) indices outperformed the overall EAFE index. The MSCI France (3.2%) and MSCI Switzerland (1.4%) indices underperformed while the MSCI Germany Index (-1.1%) was the only of the top five that saw negative returns.
- Of the five largest-weighted countries in EM, MSCI China (20.7%), MSCI Taiwan (14.3%), and MSCI Korea (12.8%) outperformed the MSCI Emerging Markets index, while MSCI Brazil (8.3%) and MSCI India (-7.6%) underperformed. Taiwan and Korea continued their streak of double-digit returns supported by semiconductor names positively impacted by the AI theme.
- Value stocks outperformed growth stocks for the quarter as represented by the broad benchmarks. The MSCI AC World ex-USA Growth Index returned 5.7%, while the MSCI AC World ex-USA Value Index returned 8.1%. Within EM, growth outperformed value, returning 12.0% versus 7.9%. Small caps, as represented by the MSCI ACWI ex-U.S. Small Cap Index posted a return of 6.7%.
- Non-U.S. equity valuations rose over the third quarter. Both sit slightly above long-term averages. As of quarter-end, the MSCI EAFE’s Adjusted Positive Forward P/E stood at 17.3 versus a 5-year average of 15.7. MSCI EM ended the quarter with an Adjusted Positive Forward P/E ratio of 15.2, above its 5-year average of 13.2.

MSCI ACWI ex-U.S. Sectors
Periods Ended September 30, 2025



Source: Bloomberg.

P/E Ratios of MSCI Equity Indices*



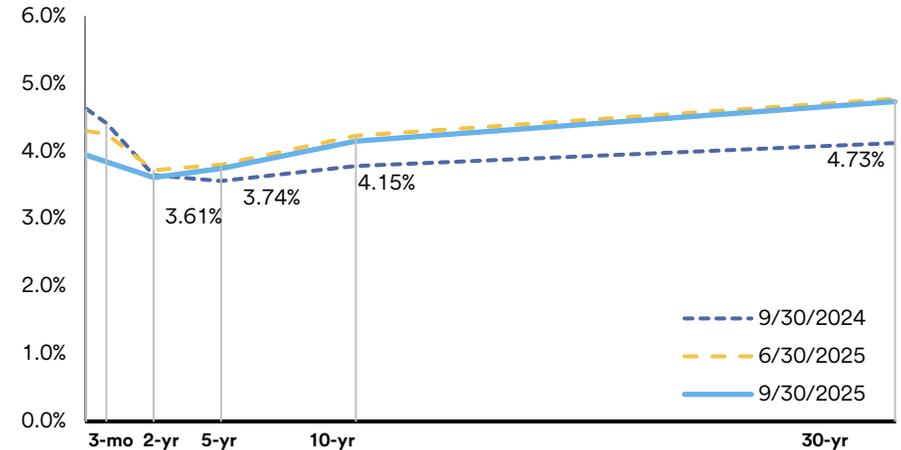
Source: Bloomberg.

*P/E ratios are calculated based on one-year forward estimates and adjusted to include only positive earnings results for consistency.

FIXED INCOME

- The U.S. bond market, represented by the Bloomberg U.S. Aggregate Index, returned 2.0% during the third quarter.
- The Bloomberg U.S. Treasury Index closed the quarter returning 1.5%. As the Fed cut rates for the first time in September 2025 and guided two more rate cuts for the year, the yield curve flattened slightly as rates fell across the duration spectrum. 30-year Treasury yields fell to 4.7%, while the 2-year ended at 3.6%. Cash markets continued to provide higher yields than the 2-year Treasuries.
- Corporate credit saw positive returns across the quality spectrum for the quarter. The Investment Grade Bloomberg U.S. Corporate (IG Corp) Index returned 2.6% while High Yield bonds, as represented by the ICE BofA High Yield (HY) Index, returned 2.4%. Spreads tightened slightly over the quarter and are now below the 10-year average for both investment-grade and high yield. High profit margins, continued issuance, continued buybacks and ongoing mergers and acquisitions (M&A) activity points to positive corporate sentiment.
- The fixed-rate mortgage market, as measured by the Bloomberg U.S. Mortgage-Backed Securities (MBS) Index returned 2.4%. On the commercial side, the Bloomberg U.S. Agency CMBS Index returned 1.6% while the non-agency CMBS Index posted a return of 1.9%.

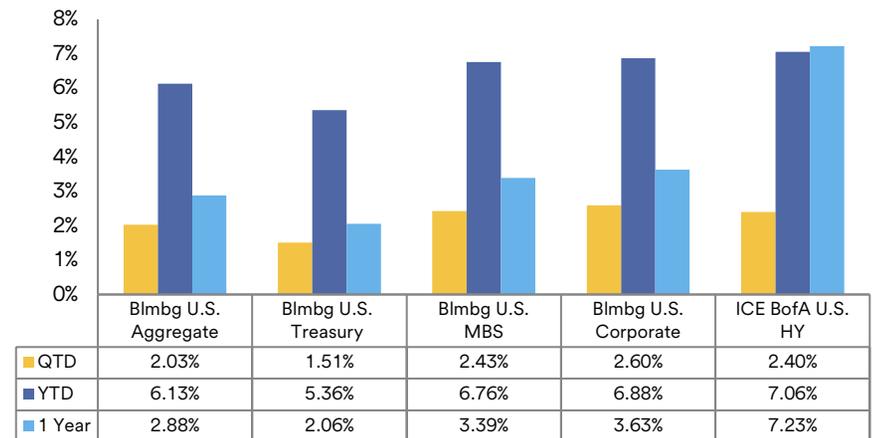
U.S. Treasury Yield Curve



Source: Bloomberg.

Returns for Fixed-Income Segments

Periods Ended September 30, 2025

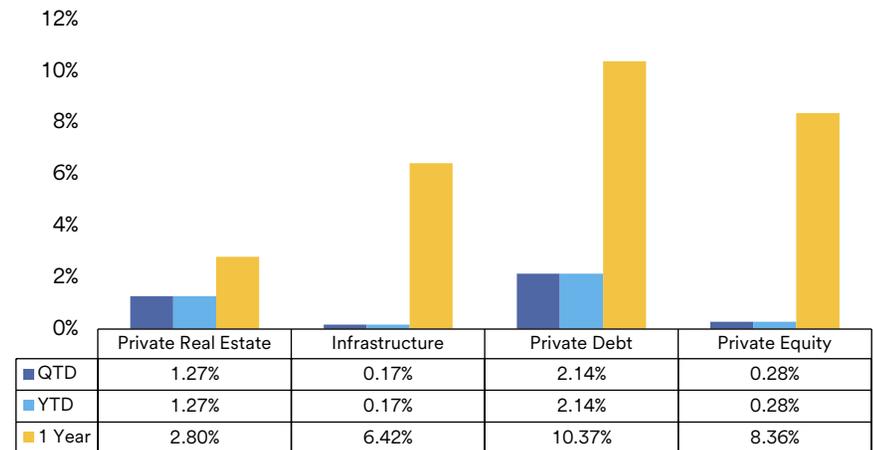


Source: Bloomberg.

ALTERNATIVES

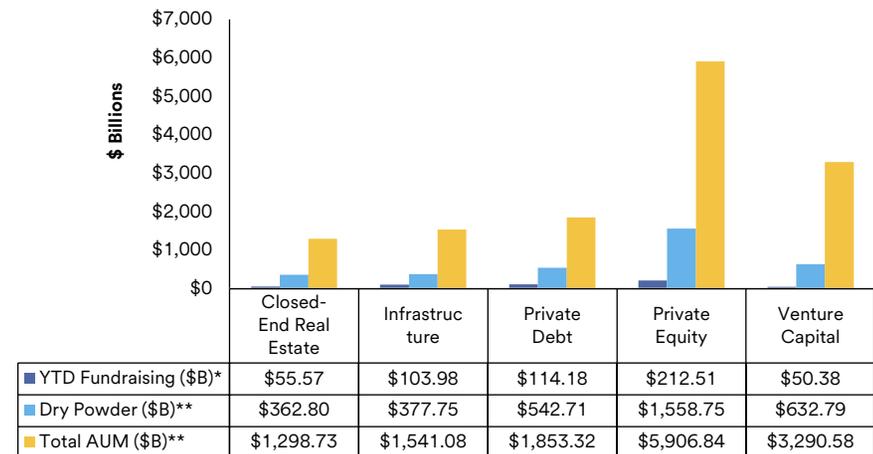
- Real estate investment trusts (REITs), as measured by the MSCI U.S. REITs Index, returned 4.8% in the third quarter (a reversal from negative returns in the second quarter) leading to a YTD return of 4.7%. Private real estate, as measured by the NCREIF Property Index, gained 1.27% in the first quarter of 2025. Q1 2025 marked the second quarter of positive total returns in two years as property value declines leveled off across most sectors. The Seniors Housing category was the top performer, returning 1.9%, while Hotels returned a marginally positive 0.5%.
- Listed infrastructure, as measured by the MSCI World Core Infrastructure Index, returned 1.8% in the third quarter, down from a 5.4% return in the prior quarter. By the end of Q2 2025, 39 private infrastructure funds raised \$104.0 billion, maintaining the brisk pace of Q1. Most of the capital went to funds larger than \$5 billion which seek to capitalize on rising AI demand. Infrastructure dry powder has fallen from the previous year and stands at \$377.8 billion as of the end of 2024. According to PitchBook, infrastructure funds posted a return of 0.2% in Q1 2025. The asset class has generated an annualized return of 11.1% for the five years ended Q1 2025.
- By the end of Q2 2025, 82 private debt funds raised \$114.2 billion, with fundraising now on pace for another strong year by historical standards. Private debt dry powder remains above the long-term average at \$542.7 billion as of the end of 2024; although over 50% has been outstanding for more than two years. According to PitchBook, private debt funds posted a return of 2.14% in Q1 2025. The asset class has generated an annualized return of 10.37% for the five years ended Q1 2025.
- As of Q2 2025, 252 private equity funds raised \$212.5 billion – continuing the slower pace compared to the historical norms as constrained distributions hindered fundraising efforts. The bulk of the capital raised continues to flow to experienced managers raising capital for funds larger than \$1 billion. Global private equity dry powder, which accounts for the bulk of private capital dry powder, remains high at \$1.6 trillion as of the end of 2024. Recent private equity performance continues to feel the effects of higher borrowing costs and a slowdown in deal activity. According to PitchBook, private equity funds posted a return of 0.3% in Q1 2025. The asset class has generated an annualized return of 18.29% for the five years ended Q1 2025.

Returns for Private Capital Assets



Source: NCREIF, PitchBook.
As of March 31, 2025, the most recent period for which all index data is available.

Private Capital Fundraising & Dry Powder



Sources: Pitchbook.
* Total capital raised in 2025 as of June 30, 2025 - most recent period for which ALL fundraising data is available.
** Cumulative dry powder and total AUM as of December 31, 2024.
*** Excluding open-end, evergreen fund vehicles.

Factors to Consider Over the Next 6-12 Months

Monetary Policy (Global):



- The Fed cut rates by 25 bps in September citing rising downside risks to employment despite inflation remaining above its 2% target. Further rate cuts expected in 2025 and 2026.
- Major central banks have already eased (ECB and BOE) or are in the process of further easing (U.S. and Canada) except for the BOJ.

Economic Growth (Global):



- Resilient U.S. growth driven by robust consumer spending and elevated business investment despite growing softness in the labor market.
- Trade tensions, elevated tariffs and a prolonged U.S. government shutdown remain key downside risks, while AI driven investment and fiscal support in some regions provide partial offsets.

Inflation (U.S.):



- Inflation accelerated in Q3 led by rising goods prices and sticky services costs, keeping core inflation closer to 3%, well above the Fed's 2% target – a consideration for further rate cuts.
- Fed Chair Powell noted tariffs have begun to push up goods prices in some categories, but the base case is for these effects to be short-lived.

Financial Conditions (U.S.):



- Financial conditions eased as tariff announcements were digested, renewing market confidence which resulted in equities reaching new all-time highs and credit spreads tightening to historical lows.
- Financial conditions expected to remain tailwind as monetary policy eases.

Consumer Spending (U.S.):



- Slower nominal wage growth combined with higher inflation has eroded real purchasing power. However, consumer activity remained resilient, driven by spending from higher income households.
- Further labor market softness, a significant correction in the equity market or higher pass-through of tariffs to goods prices remain the largest threats to consumer spending.

Labor Markets (U.S.):



- Labor market conditions continued to cool with net new job creation nearing zero while being concentrated in just a few service sectors. Continued weakening can have impact on consumption.
- Despite some signs of cooling, the layoff rate remains low and points towards employers adopting a “no hire, no fire” approach.

Corporate Fundamentals:



- Earnings growth expectations are positive across global equities, but expectations within U.S. positively impacted by AI spending tailwinds.
- In the U.S., capex deduction changes and rate cuts are positives while tariff/cost pressure impact on both earnings growth expectations and profit margins needs attention.

Valuations:



- U.S. equities and credit markets trade at valuations that are expensive relative to their history.
- Resilient growth, AI related spending tailwinds and higher profit margins are supportive of the current valuations while inflation and tariff risks are not fully reflected in the current valuations.

Political/Policy Risks:



- Reconciliation bill passage, ongoing trade deals, peace progress on Israel– Hamas conflict are positives on policy front.
- Prolonged U.S. government shutdown, legal challenges to tariffs and possibility of further tariffs, Russia-Ukraine conflict are negatives.



Statements and opinions expressed about the next 6-12 months were developed based on our independent research with information obtained from Bloomberg. The views expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (September 30, 2025) and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness, or suitability.

Investment Strategy Overview

Asset Class	Our Q4 2025 Investment Outlook	Comments
U.S. Equities		<ul style="list-style-type: none"> Equity market rally on the back of trade deals led us to maintain neutral positioning through Q3 unwinding defensive stance taken in Q2. Looking ahead, we remain neutral at a time when easing monetary and fiscal policies and strong corporate earnings are positives while higher inflation, softening labor market, tariff/trade tensions (effective tariff rate currently at ~20%) and elevated valuations lead to some caution. Small-caps have been rallying recently in anticipation of Fed rate cuts, higher liquidity and improving sentiment, reaching their all time high at the end of Q3. We expect to remain neutral until we see some recovery across employment and manufacturing indicators.
Large-Caps		
Small-Caps		
Non-U.S. Equities		<ul style="list-style-type: none"> International equities have posted strong returns this year. Valuations are attractive relative to U.S. equities, but multiples have continued to creep higher this year as earnings growth has not kept the pace. Across Europe and China, we believe that there are structural/geopolitical issues that need to be addressed for long-term sustained outperformance. Fed rate cuts, weaker USD, improved sentiment and continued stimulus in China led to strong performance for EM equities but tariff driven uncertainty remains in place.
Developed Markets		
Emerging Markets		
Fixed Income		<ul style="list-style-type: none"> Fed cut rates by 25 bps in September for the first time in 2025 and provided guidance for two more rate cuts this year. Yield curve has steepened in anticipation of the rate cuts. We expect long term rates to be range-bound due to inflation expectations and fiscal debt concerns. We remain duration neutral at this time. Absolute yield levels look attractive even as credit spreads are closer to historical lows. We are neutral to credit sectors at this time given the tighter spreads even as corporate fundamentals remain strong.
Core Bonds		
Investment Grade Credit		
High Yield Credit		
Diversifying Assets		<ul style="list-style-type: none"> REIT performance has been sensitive to the long-term yields and have recently shown recovery in performance. Rate cuts and period of slow but continued growth are expected to be tailwinds. Improving AI sentiment bodes well for data center buildout and utilities are long-term tailwinds for listed infrastructure.
Listed Real Estate		
Listed Global Infrastructure		

● Current outlook ○ Outlook one quarter ago



The view expressed within this material constitute the perspective and judgment of PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., at the time of distribution (September 30, 2025) and are subject to change.

Sources

Factset

<https://www.bea.gov/sites/default/files/2024-12/gdp3q24-3rd-fax.pdf>

<https://www.bls.gov/news.release/pdf/empsit.pdf>

<https://www.bls.gov/news.release/pdf/cpi.pdf>

<http://www.sca.isr.umich.edu/>

NCREIF

PitchBook

Cliffwater

Disclosures

Indices shown are not available for investment. The index data reference herein is the property of the index provider and/or its licensors. The index provider assumes no liability in connections with its use and does not sponsor, endorse or recommend the products or services contained herein. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

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Plan Performance Summary

Asset Allocation & Performance

	Allocation		Performance(%)							Inception Date
	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	
Total Portfolio	100.00	4.42	10.52	8.88	13.04	7.07	6.86	N/A	7.45	02/01/2016
<i>Blended Benchmark</i>		<i>4.64</i>	<i>10.18</i>	<i>9.01</i>	<i>13.17</i>	<i>7.27</i>	<i>7.07</i>	<i>N/A</i>	<i>7.71</i>	
Domestic Equity	30.47	8.11	14.36	17.24	22.92	15.23	12.34	N/A	14.32	02/01/2016
<i>Russell 3000 Index</i>		<i>8.18</i>	<i>14.40</i>	<i>17.41</i>	<i>24.12</i>	<i>15.74</i>	<i>13.71</i>	<i>14.71</i>	<i>15.22</i>	
Columbia Contrarian Core Inst3	6.23	7.71	14.52	17.26	25.78	16.73	14.85	14.97	21.80	02/01/2024
<i>S&P 500</i>		<i>8.12</i>	<i>14.83</i>	<i>17.60</i>	<i>24.94</i>	<i>16.47</i>	<i>14.45</i>	<i>15.30</i>	<i>22.99</i>	
Putnam Core Equity Fund Y	2.69	8.26	13.22	15.98	25.92	18.24	15.00	15.64	15.98	10/01/2024
Schwab US Large-Cap ETF	19.89	8.04	14.73	17.95	24.89	16.04	14.28	15.13	17.95	10/01/2024
<i>S&P 500</i>		<i>8.12</i>	<i>14.83</i>	<i>17.60</i>	<i>24.94</i>	<i>16.47</i>	<i>14.45</i>	<i>15.30</i>	<i>17.60</i>	
Undisc Managers Behavioral Val R6	0.87	5.31	2.60	2.27	13.85	19.84	8.37	10.47	9.12	02/01/2024
<i>Russell 2000 Value Index</i>		<i>12.60</i>	<i>9.04</i>	<i>7.88</i>	<i>13.56</i>	<i>14.59</i>	<i>6.40</i>	<i>9.23</i>	<i>13.46</i>	
<i>Russell 2000 Index</i>		<i>12.39</i>	<i>10.39</i>	<i>10.76</i>	<i>15.21</i>	<i>11.56</i>	<i>6.76</i>	<i>9.77</i>	<i>16.02</i>	
Columbia Small Cap Growth Inst3	0.41	14.20	16.75	21.42	23.81	7.80	11.96	14.87	21.42	10/01/2024
<i>Russell 2000 Growth Index</i>		<i>12.19</i>	<i>11.65</i>	<i>13.56</i>	<i>16.68</i>	<i>8.41</i>	<i>6.62</i>	<i>9.90</i>	<i>13.56</i>	
<i>Russell 2000 Index</i>		<i>12.39</i>	<i>10.39</i>	<i>10.76</i>	<i>15.21</i>	<i>11.56</i>	<i>6.76</i>	<i>9.77</i>	<i>10.76</i>	
Emerald Growth Institutional	0.37	17.99	24.36	27.59	23.39	11.99	9.81	11.80	29.42	02/01/2024
<i>Russell 2000 Growth Index</i>		<i>12.19</i>	<i>11.65</i>	<i>13.56</i>	<i>16.68</i>	<i>8.41</i>	<i>6.62</i>	<i>9.90</i>	<i>18.57</i>	
<i>Russell 2000 Index</i>		<i>12.39</i>	<i>10.39</i>	<i>10.76</i>	<i>15.21</i>	<i>11.56</i>	<i>6.76</i>	<i>9.77</i>	<i>16.02</i>	
International Equity	15.48	5.60	24.39	14.50	19.10	9.15	7.18	N/A	8.57	02/01/2016
<i>MSCI AC World ex USA (Net)</i>		<i>6.89</i>	<i>26.02</i>	<i>16.45</i>	<i>20.67</i>	<i>10.26</i>	<i>7.49</i>	<i>8.23</i>	<i>8.96</i>	
MFS International Growth R6	2.28	3.49	19.50	10.47	19.69	9.30	8.93	10.28	17.89	02/01/2024
<i>MSCI AC World ex USA (Net)</i>		<i>6.89</i>	<i>26.02</i>	<i>16.45</i>	<i>20.67</i>	<i>10.26</i>	<i>7.49</i>	<i>8.23</i>	<i>19.37</i>	
Fidelity International Index	6.20	4.62	26.17	15.60	22.34	11.38	7.97	8.34	18.80	07/01/2024
<i>MSCI EAFE (net)</i>		<i>4.77</i>	<i>25.14</i>	<i>14.99</i>	<i>21.70</i>	<i>11.15</i>	<i>7.71</i>	<i>8.17</i>	<i>18.27</i>	
Goldman Sachs GQG Ptnrs Intl Opportunities	2.22	0.35	16.26	5.19	19.33	9.40	10.47	N/A	4.28	07/01/2024
<i>MSCI AC World ex USA (Net)</i>		<i>6.89</i>	<i>26.02</i>	<i>16.45</i>	<i>20.67</i>	<i>10.26</i>	<i>7.49</i>	<i>8.23</i>	<i>20.18</i>	
Fidelity Emerging Markets Index Fund	4.77	10.65	28.11	18.64	18.05	6.64	5.94	7.72	9.21	08/01/2025
<i>MSCI EM (net)</i>		<i>10.64</i>	<i>27.53</i>	<i>17.32</i>	<i>18.21</i>	<i>7.02</i>	<i>6.17</i>	<i>7.99</i>	<i>8.53</i>	

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

Asset Allocation & Performance

	Allocation		Performance(%)							Inception Date
	%	1 Quarter	Year To Date	1 Year	3 Years	5 Years	7 Years	10 Years	Since Inception	
Other Growth	4.90	2.17	11.27	3.75	N/A	N/A	N/A	N/A	12.36	02/01/2024
Cohen & Steers Inst Realty Shares	2.32	1.24	5.81	-3.28	9.54	8.10	7.36	7.57	10.95	06/01/2024
<i>MSCI US REIT Index</i>		4.81	4.72	-1.69	10.87	9.30	6.14	6.61	12.82	
Lazard Global Listed Infrastructure Inst	1.32	1.80	17.99	15.63	15.26	11.65	9.19	9.72	15.63	10/01/2024
<i>MSCI World Core Infrastructure Index (Net)</i>		1.80	15.48	8.21	11.34	7.86	7.47	8.27	8.21	
NYLI CBRE Global Infrastructure	1.27	4.33	15.37	9.13	12.54	8.95	8.06	8.69	14.46	06/01/2024
<i>FTSE Global Core Infrastructure 50/50 Index (Net)</i>		3.80	13.45	6.94	11.45	8.53	7.16	7.68	13.38	
Fixed Income	46.65	2.20	6.40	3.36	5.77	0.61	2.52	N/A	2.36	02/01/2016
<i>Blmbg. U.S. Aggregate</i>		2.03	6.13	2.88	4.93	-0.45	2.06	1.84	1.82	
Baird Aggregate Bond Inst	12.63	2.14	6.29	3.08	5.58	-0.12	2.47	2.26	6.07	03/01/2024
iShares Core US Aggregate Bond ETF	10.41	2.04	6.13	2.89	4.92	-0.45	2.04	1.81	5.78	03/01/2024
<i>Blmbg. U.S. Aggregate</i>		2.03	6.13	2.88	4.93	-0.45	2.06	1.84	5.78	
Dodge & Cox Income	7.89	2.51	6.94	3.39	6.57	1.29	3.27	3.23	5.57	02/01/2024
PGIM Total Return Bond R6	8.00	2.37	6.57	3.73	6.58	0.39	2.79	2.82	5.61	02/01/2024
<i>Blmbg. U.S. Aggregate</i>		2.03	6.13	2.88	4.93	-0.45	2.06	1.84	4.58	
Voya Intermediate Bond	4.47	2.11	6.48	3.52	6.05	0.31	2.66	2.59	3.27	05/01/2025
<i>Blmbg. U.S. Aggregate</i>		2.03	6.13	2.88	4.93	-0.45	2.06	1.84	2.86	
NYLI MacKay High Yield Corp Bond Fund	3.27	1.85	5.76	5.97	9.67	5.29	5.08	5.82	7.96	03/01/2024
<i>ICE BofA US High Yield Index</i>		2.40	7.06	7.23	10.97	5.53	5.18	6.07	9.51	
Cash Equivalent	2.50	1.06	3.22	4.42	4.60	2.87	2.47	N/A	2.01	02/01/2016
<i>ICE BofA 3 Month U.S. T-Bill</i>		1.08	3.17	4.38	4.77	2.98	2.62	2.08	2.15	
First American Government Obligation - X	2.50	1.06	3.22	4.42	4.78	2.98	2.56	N/A	4.78	02/01/2024
<i>ICE BofA 3 Month U.S. T-Bill</i>		1.08	3.17	4.38	4.77	2.98	2.62	2.08	4.80	

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Calendar Year Comparative Performance

	Performance(%)						
	2024	2023	2022	2021	2020	2019	2018
Total Portfolio	9.48	14.07	-14.61	9.29	12.52	17.70	-4.01
<i>Blended Benchmark</i>	10.03	13.56	-13.74	10.21	12.02	17.66	-3.37
Domestic Equity	21.76	24.55	-18.76	23.40	18.35	29.31	-6.02
<i>Russell 3000 Index</i>	23.81	25.96	-19.21	25.66	20.89	31.02	-5.24
Columbia Contrarian Core Inst3	23.51	32.21	-18.45	24.45	22.44	33.08	-8.81
Putnam Core Equity Fund Y	26.47	27.99	-15.87	30.75	17.66	32.50	-7.91
Schwab US Large-Cap ETF	24.91	26.87	-19.45	26.75	20.90	31.40	-4.53
<i>S&P 500</i>	25.02	26.29	-18.11	28.71	18.40	31.49	-4.38
Undisc Managers Behavioral Val R6	10.35	14.57	-1.10	34.50	3.62	23.34	-15.20
<i>Russell 2000 Value Index</i>	8.05	14.65	-14.48	28.27	4.63	22.39	-12.86
<i>Russell 2000 Index</i>	11.54	16.93	-20.44	14.82	19.96	25.53	-11.01
Columbia Small Cap Growth Inst3	24.45	26.39	-36.51	-2.54	70.41	41.18	-1.92
Emerald Growth Institutional	19.41	19.06	-24.50	4.04	38.85	28.70	-11.57
<i>Russell 2000 Growth Index</i>	15.15	18.66	-26.36	2.83	34.63	28.48	-9.31
<i>Russell 2000 Index</i>	11.54	16.93	-20.44	14.82	19.96	25.53	-11.01
International Equity	4.09	14.02	-15.77	4.68	13.90	23.74	-15.46
<i>MSCI AC World ex USA (Net)</i>	5.53	15.62	-16.00	7.82	10.65	21.51	-14.20
MFS International Growth R6	9.24	14.96	-15.02	9.65	15.82	27.31	-8.79
<i>MSCI AC World ex USA (Net)</i>	5.53	15.62	-16.00	7.82	10.65	21.51	-14.20
Fidelity International Index	3.71	18.31	-14.24	11.45	8.17	22.00	-13.52
<i>MSCI EAFE (net)</i>	3.82	18.24	-14.45	11.26	7.82	22.01	-13.79
Goldman Sachs GQG Ptnrs Intl Opportunities	5.99	21.25	-11.10	12.49	15.77	27.64	-6.04
<i>MSCI AC World ex USA (Net)</i>	5.53	15.62	-16.00	7.82	10.65	21.51	-14.20
Fidelity Emerging Markets Index Fund	6.80	9.50	-20.07	-3.04	17.82	18.26	-14.63
<i>MSCI EM (net)</i>	7.50	9.83	-20.09	-2.54	18.31	18.42	-14.57

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Calendar Year Comparative Performance

	Performance(%)						
	2024	2023	2022	2021	2020	2019	2018
Other Growth	N/A	N/A	N/A	N/A	N/A	N/A	N/A
Cohen & Steers Inst Realty Shares	6.24	12.72	-24.73	42.47	-2.57	33.01	-3.99
<i>MSCI US REIT Index</i>	<i>8.75</i>	<i>13.74</i>	<i>-24.51</i>	<i>43.06</i>	<i>-7.57</i>	<i>25.84</i>	<i>-4.57</i>
Lazard Global Listed Infrastructure Inst	6.71	10.89	-1.30	19.87	-4.48	22.26	-3.73
<i>MSCI World Core Infrastructure Index (Net)</i>	<i>5.73</i>	<i>4.01</i>	<i>-7.93</i>	<i>17.13</i>	<i>-0.80</i>	<i>26.64</i>	<i>-2.66</i>
NYLI CBRE Global Infrastructure	7.68	3.96	-6.08	15.22	1.17	28.46	-6.56
<i>FTSE Global Core Infrastructure 50/50 Index (Net)</i>	<i>9.53</i>	<i>2.21</i>	<i>-4.87</i>	<i>14.88</i>	<i>-4.06</i>	<i>25.13</i>	<i>-3.99</i>
Fixed Income	2.16	6.95	-12.08	-0.72	7.21	8.23	-0.39
<i>Blmbg. U.S. Aggregate</i>	<i>1.25</i>	<i>5.53</i>	<i>-13.01</i>	<i>-1.55</i>	<i>7.51</i>	<i>8.72</i>	<i>0.01</i>
Baird Aggregate Bond Inst	1.85	6.43	-13.35	-1.46	8.63	9.48	-0.30
iShares Core US Aggregate Bond ETF	1.37	5.59	-13.06	-1.67	7.42	8.68	-0.05
Dodge & Cox Income	2.26	7.70	-10.87	-0.91	9.45	9.73	-0.31
PGIM Total Return Bond R6	3.03	7.78	-14.86	-1.15	8.10	11.14	-0.63
Voya Intermediate Bond	2.93	7.07	-14.16	-0.99	8.22	10.06	-0.25
<i>Blmbg. U.S. Aggregate</i>	<i>1.25</i>	<i>5.53</i>	<i>-13.01</i>	<i>-1.55</i>	<i>7.51</i>	<i>8.72</i>	<i>0.01</i>
NYLI MacKay High Yield Corp Bond Fund	7.14	11.97	-7.81	5.35	5.28	13.03	-1.34
<i>ICE BofA US High Yield Index</i>	<i>8.20</i>	<i>13.46</i>	<i>-11.22</i>	<i>5.36</i>	<i>6.17</i>	<i>14.41</i>	<i>-2.27</i>
Cash Equivalent	4.73	4.98	1.48	0.02	0.36	2.08	1.71
<i>ICE BofA 3 Month U.S. T-Bill</i>	<i>5.25</i>	<i>5.02</i>	<i>1.46</i>	<i>0.05</i>	<i>0.67</i>	<i>2.28</i>	<i>1.87</i>
First American Government Obligation - X	5.19	5.00	1.54	0.03	0.40	2.12	1.74
<i>ICE BofA 3 Month U.S. T-Bill</i>	<i>5.25</i>	<i>5.02</i>	<i>1.46</i>	<i>0.05</i>	<i>0.67</i>	<i>2.28</i>	<i>1.87</i>

Returns are gross of investment advisory fees and net of mutual fund fees. Returns are expressed as percentages and for periods over one year are annualized. Asset class level returns may vary from individual underlying manager returns due to cash flows. Total Portfolio returns prior to 1/1/2024 were provided by previous Advisor and believed to be accurate and reliable. Returns for January 2024 were calculated by the legacy performance system of previous Advisor and believed to be accurate and reliable.

Historical Hybrid Composition - PARS Moderate

Allocation Mandate	Weight (%)
Jul-2025	
Russell 3000 Index	30.00
MSCI AC World ex USA (Net)	15.00
MSCI US REIT Index	2.50
MSCI World Core Infrastructure Index (Net)	2.50
Blmbg. U.S. Aggregate	44.25
ICE BofA US High Yield Index	3.75
ICE BofA 3 Month U.S. T-Bill	2.00
Oct-2012	
Blmbg. U.S. Aggregate	33.50
S&P 500	26.50
ICE BofA 1-3 Yr. Gov/Corp	10.00
Russell 2000 Index	7.50
MSCI EAFE (net)	6.00
Russell Midcap Index	5.00
FTSE 1 Month T-Bill	5.00
MSCI EM (net)	3.25
Wilshire US REIT Index	1.75
ICE BofA US High Yield Index	1.50
Apr-2007	
S&P 500	43.00
Blmbg. U.S. Aggregate	30.00
ICE BofA 1-3 Yr. Gov/Corp	15.00
FTSE 1 Month T-Bill	5.00
MSCI EAFE (net)	5.00
Russell 2000 Index	2.00

Allocation Mandate	Weight (%)
Jul-1986	
S&P 500	50.00
Blmbg. U.S. Aggregate	30.00
ICE BofA 1-3 Yr. Gov/Corp	15.00
FTSE 1 Month T-Bill	5.00

*The benchmark for the PARS Moderate strategy defined above was assigned to the PARS OPEB and Pension Trust Moderate Strategic Blend upon its inception on February 2016

IMPORTANT DISCLOSURES

This material is for general information purposes only and is not intended to provide specific advice or a specific recommendation, as it was prepared without regard to any specific objectives or financial circumstances.

PFMAM professionals have exercised reasonable professional care in the preparation of this performance report. Information in this report is obtained from sources external to PFMAM and is generally believed to be reliable and available to the public; however, we cannot guarantee its accuracy, completeness or suitability. We rely on the client's custodian for security holdings and market values. Transaction dates reported by the custodian may differ from money manager statements. While efforts are made to ensure the data contained herein is accurate and complete, we disclaim all responsibility for any errors that may occur. References to particular issuers are for illustrative purposes only and are not intended to be recommendations or advice regarding such issuers. Fixed income manager and index characteristics are gathered from external sources. When average credit quality is not available, it is estimated by taking the market value weights of individual credit tiers on the portion of the strategy rated by a NRSRO.

It is not possible to invest directly in an index. The index returns shown throughout this material do not represent the results of actual trading of investor assets. Third-party providers maintain the indices shown and calculate the index levels and performance shown or discussed. Index returns do not reflect payment of any sales charges or fees an investor would pay to purchase the securities they represent. The imposition of these fees and charges would cause investment performance to be lower than the performance shown.

The views expressed within this material constitute the perspective and judgment of PFMAM at the time of distribution and are subject to change. Any forecast, projection, or prediction of the market, the economy, economic trends, and equity or fixed-income markets are based upon certain assumptions and current opinion as of the date of issue and are also subject to change. Some, but not all assumptions are noted in the report. Assumptions may or may not be proven correct as actual events occur, and results may depend on events outside of your or our control. Changes in assumptions may have a material effect on results. Opinions and data presented are not necessarily indicative of future events or expected performance.

PFM Asset Management serves clients in the public sector and is a division of U.S. Bancorp Asset Management, Inc., which is the legal entity providing investment advisory services. U.S. Bancorp Asset Management, Inc. is a registered investment adviser, a direct subsidiary of U.S. Bank N.A. and an indirect subsidiary of U.S. Bancorp. U.S. Bank N.A. is not responsible for and does not guarantee the products, services, or performance of U.S. Bancorp Asset Management, Inc.

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Public Agency Retirement Services (“PARS”) is a third-party and not affiliated with PFMAM, USBAM or U.S. Bank. PARS serves as the trust administrator to the Public Agencies Post-Employment Benefits Trust, Public Agencies Post-Retirement Health Care Plan Trust, and the Public Agency Retirement System Trust (the “Trusts”). U.S. Bank N.A. serves as the discretionary trustee to the Trusts. In its capacity as discretionary trustee, U.S. Bank N.A. delegates the investment management of the Trusts to its affiliate USBAM through a sub-advisory agreement. PARS is serviced by PFMAM, a division of USBAM.

U.S. Bank N.A. pays the sub-adviser up to 67% of the annual management fee for assets sub-advised under its sub-advisory agreement with U.S. Bank N.A. Refer to your U.S. Bank N.A. fee schedule for investment management fees applied to your specific portfolio. U.S. Bank N.A. compensates the sub-adviser for these services from its own fees.

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Additional Disclosures

Assets under management as of 6/30/2024 represent the assets managed by PFM asset Management LLC (PFMAM). As of 10/1/2024 PFMAM and U.S. Bancorp Asset Management, Inc. (USBAM) formerly separately registered investment advisers consolidated into one legal entity and one registered investment adviser with the SEC, with USBAM as the continuing legal entity and registered investment adviser.

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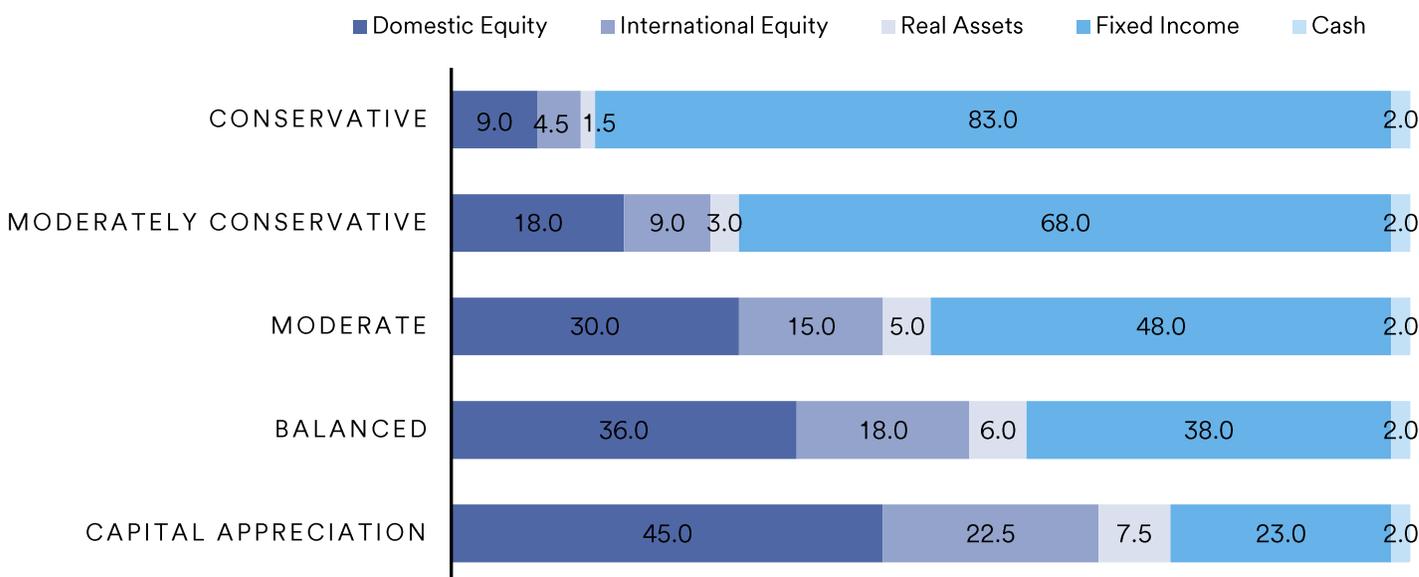
PARS OPEB and Pension Trust Program

Strategy	Asset Class	Strategic Range	Policy	Tactical	Gross Annualized Total Rate of Return						
					Portfolio	3Q25*	YTD	1-Yr	3-Yr	5-Yr	ITD
Conservative	Equity	5-20%	15%	15%	Strategic Blend	2.81	7.64	5.04	7.96	2.63	3.64
	Fixed Income	60-95%	83%	83%	Benchmark	2.82	7.05	5.36	7.50	2.64	3.49
	Cash	0-20%	2%	2%	Index	2.87	7.66	5.29	7.44	2.23	3.62
					Benchmark	2.82	7.05	5.36	7.50	2.64	3.67
Moderately Conservative	Equity	20-40%	30%	30%	Strategic Blend	3.52	8.93	6.68	10.22	4.59	4.86
	Fixed Income	50-80%	68%	68%	Benchmark	3.60	8.51	6.84	9.92	4.49	4.93
	Cash	0-20%	2%	2%	Index	3.59	9.14	7.19	9.78	4.24	4.66
					Benchmark	3.60	8.51	6.84	9.92	4.49	4.91
Moderate	Equity	40-60%	50%	50%	Strategic Blend	4.42	10.52	8.88	13.04	7.07	7.45
	Fixed Income	40-60%	48%	48%	Benchmark	4.64	10.18	9.01	13.17	7.27	7.71
	Cash	0-20%	2%	2%	Index	4.60	10.85	9.65	12.94	7.05	6.85
					Benchmark	4.64	10.18	9.01	13.17	7.27	7.17
Balanced	Equity	50-70%	60%	60%	Strategic Blend	4.80	11.24	9.86	14.38	8.39	8.17
	Fixed Income	30-50%	38%	38%	Benchmark	5.17	11.04	10.08	14.80	8.62	8.50
	Cash	0-20%	2%	2%	Index	5.15	11.83	10.96	14.63	8.45	7.93
					Benchmark	5.17	11.04	10.08	14.80	8.62	8.15
Capital Appreciation	Equity	65-85%	75%	75%	Strategic Blend	5.52	12.88	11.63	16.85	10.28	8.39
	Fixed Income	10-30%	23%	23%	Benchmark	5.96	12.65	11.86	17.37	10.64	9.32
	Cash	0-20%	2%	2%	Index	5.91	13.53	13.11	17.02	10.69	9.44
					Benchmark	5.96	12.65	11.86	17.37	10.64	9.97

*Returns for periods under one year are not annualized. Returns are gross of investment management fees and net of fund embedded fees.

Please see important disclosures on the following page and your U.S. Bank fee schedule for investment management fees applied to your specific portfolio, as net of fee performance will differ.

Strategy	Portfolio	Gross Calendar Year Returns							
		2024	2023	2022	2021	2020	2019	2018	2017
Conservative	Strategic Blend	4.54	8.99	-12.51	2.12	8.91	10.47	-1.52	7.06
	Index	4.25	7.77	-12.06	1.97	8.27	10.34	0.44	N/A
	Blended Benchmark	4.77	7.82	-10.59	2.24	7.81	10.12	-0.60	5.25
Moderately Conservative	Strategic Blend	6.61	11.32	-13.32	5.27	10.64	13.64	-2.83	9.44
	Index	6.67	9.84	-12.92	5.19	9.84	13.44	-2.58	7.96
	Blended Benchmark	6.79	10.29	-12.35	5.50	9.89	13.55	-1.87	8.13
Moderate	Strategic Blend	9.48	14.07	-14.61	9.29	12.52	17.70	-4.01	13.38
	Index	9.99	12.72	-14.02	10.16	11.32	17.51	-4.04	11.31
	Blended Benchmark	10.03	13.56	-13.74	10.21	12.02	17.66	-3.37	11.66
Balanced	Strategic Blend	11.04	15.14	-14.89	11.36	13.46	18.61	-4.50	15.22
	Index	11.86	14.52	-14.95	12.53	12.12	19.62	-5.00	13.38
	Blended Benchmark	11.61	15.19	-14.58	12.54	13.07	19.78	-4.18	13.54
Capital Appreciation	Strategic Blend	13.04	17.63	-16.09	14.34	14.62	22.10	-7.94	N/A
	Index	13.75	16.57	-14.70	16.05	12.17	20.68	-6.45	15.62
	Blended Benchmark	13.82	17.60	-15.64	15.93	14.37	22.81	-5.53	16.57



Strategic Blend - Holdings: Portfolios are invested in a strategic mix of actively managed and passive index-based investment vehicles.

- Baird Aggregate Bond Fund
- Cohen & Steers Institutional Realty Fund
- Columbia Contrarian Core Fund
- Columbia Small Cap Growth Fund
- Dodge Cox Income Fund
- Emerald Growth Fund
- Fidelity International Index Fund
- First American Government Obligations Fund
- Goldman Sachs GQG International Opportunities Fund
- Fidelity Emerging Markets Index Fund
- iShares Core U.S. Aggregate ETF
- Lazard Global Infrastructure Fund
- NYLI CBRE Global Infrastructure Fund
- NYLI MacKay High Yield Corporate Bond Fund
- MFS International Growth Fund
- PGIM Total Return Bond Fund
- Putnam Core Equity Fund
- Schwab US Large CAP ETF
- Undiscovered Managers Behavioral Fund
- Voya Intermediate Bond Fund

Index - Holdings: Portfolios are invested in passive index-based investment vehicles.

- Fidelity Total Stock Market Index Fund
- First American Government Obligations Fund
- iShares Core MSCI Total International Stock ETF
- iShares Core US Aggregate Bond ETF
- iShares Global Infrastructure ETF
- SPDR High Yield Bond ETF
- Vanguard Real Estate ETF

For illustrative purposes only and subject to change at PFMAM's discretion. Individual portfolio allocations and holdings will vary based on many factors, including each portfolio's specific investment policy and market conditions.

Benchmark Definitions

		Conservative	Moderately Conservative	Moderate	Balanced	Capital Appreciation
7/1/2025 - Current:	Russell 3000 Index	9.00%	18.00%	30.00%	36.00%	45.00%
	MSCI AC World ex USA (Net)	4.50%	9.00%	15.00%	18.00%	22.50%
	MSCI US REIT Index	0.75%	1.50%	2.50%	3.00%	3.75%
	MSCI World Core Infra Index (Net)	0.75%	1.50%	2.50%	3.00%	3.75%
	Blmbg. U.S. Aggregate	76.50%	62.50%	44.25%	35.00%	21.25%
	ICE BofA US High Yield Index	6.50%	5.50%	3.75%	3.00%	1.75%
	ICE BofA 3 Month U.S. T-Bill	2.00%	2.00%	2.00%	2.00%	2.00%

Historical Benchmark Definitions

		Conservative	Moderately Conservative	Moderate	Balanced		Capital Appreciation
10/1/2012 – 6/30/2025:	S&P 500	7.50%	15.50%	26.50%	32.00%	Since Inception:	39.50%
	Russell Mid Cap	1.50%	3.00%	5.00%	6.00%		16.00%
	Russell 2000	2.50%	4.50%	7.50%	9.00%		10.50%
	Wilshire REIT	0.50%	1.00%	1.75%	2.00%		10.25%
	MSCI EM Free (Net USD)	1.00%	2.00%	3.25%	4.00%		7.50%
	MSCI EAFE (Net USD)	2.00%	4.00%	6.00%	7.00%		5.25%
	Bloomberg US Aggregate Bond	52.25%	49.25%	33.50%	27.00%		5.00%
	ICE BofA 1-3 Yr US Corp/Govt	25.75%	14.00%	10.00%	6.75%		3.00%
	ICE BofA US High Yield Master II	2.00%	1.75%	1.50%	1.25%		2.00%
	FTSE 1 Month T-Bill	5.00%	5.00%	5.00%	5.00%		1.00%

About the Adviser: PFM Asset Management (PFMAM)

PFM Asset Management is the division of U.S. Bancorp Asset Management, Inc. that provides investment services to the public sector. We have more than 40 years of experience working with public sector clients. Our solutions include local government investment pools (LGIPs), fixed income strategies, outsourced chief investment officer (OCIO), and other specialized solutions.

Inception Date Information

<i>Conservative Strategic Blend</i>	07/01/2016
<i>Conservative Index</i>	02/01/2017
<i>Moderately Conservative Strategic Blend</i>	07/01/2015
<i>Moderately Conservative Index</i>	08/01/2015
<i>Moderate Strategic Blend</i>	02/01/2016
<i>Moderate Index</i>	09/01/2016
<i>Balanced Strategic Blend</i>	10/01/2015
<i>Balanced Index</i>	12/01/2015
<i>Capital Appreciation Strategic Blend</i>	10/1/2017
<i>Capital Appreciation Index</i>	04/01/2016

Gross returns are time weighted and are calculated based on trade-date accounting. Actual returns for each agency's participation within the portfolio may vary from returns shown based on each agency's own cash flows as well as the specific portfolio in which they are invested. The advisor to the PARS portfolios is U.S. Bank N.A., and PFM Asset Management, a division of U.S. Bancorp Asset Management, Inc., serves as sub-advisor to U.S. Bank N.A. to manage these portfolios.

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AGENDA ITEM NO 8.B.

TO: Board of Directors
FROM: James W Ramsey, CPA, District Treasurer
DATE: January, 22, 2026

SUBJECT: Receive Report on the Annual Assessment and Reporting on Internal Controls

RECOMMENDATION

Receive annual assessment on internal controls for the District.

FISCAL IMPACT

None.

BACKGROUND

The San Mateo County Civil Grand Jury released a report on June 27, 2024 titled "Assessing and Reporting Internal Controls in San Mateo County Agencies and School Districts." The Grand Jury Report was based on a survey sent to 75 separate entities, including municipalities, school districts, independent special districts and joint power authority. Survey responses were received from 54 entities.

The MPWD along with 27 other special districts and cities within San Mateo County were required to respond to the Grand Jury. The Board discussed this and approved a response letter at the July 2024 Board meeting.

The findings deemed by the report to be applicable to MPWD were as follows:

- F2: Beginning by no later than March 31, 2025 and at least annually thereafter, each governing board will require its management to complete its annual assessments of internal controls.

- F3: Beginning by no later than June 30, 2025 and annually thereafter, each governing board will require management to report the results of its annual assessment of the entity's internal controls.

The District approved its first internal control assessment on February 27, 2025. Pursuant to the Grand Jury report, the District is required to reassess at least once a year.

DISCUSSION

Internal control is a process used by management to help achieve the objectives of the agency. They should be designed in a way that assists the organization to run its operations efficiently and effectively, report reliable information about its operations, and comply with applicable laws and regulations. Internal controls are designed so that the agency will achieve its objectives.

There are currently two (2) different but similar standards that entities use to design their internal controls: the standards established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) and the Governmental Accountability Office (GAO) (aka the "Green Book"). There are an overall 17 principles in both standards that are broken up by components, of which both standards have identified 5 components.

Internal controls must also be applied across the organization as a whole. The whole framework can be demonstrated by the following graphic:



As such our assessment of the internal control environment is as follows:

Attribute	Present?	Functioning?
Control Environment	Yes	Yes
Risk Assessment	Yes	Yes
Control Activities	Yes	Yes
Information and Communication	Yes	Yes
Monitoring Activities	Yes	Yes

See the attached pages for the detailed analysis of the assessment.

We do not expect any significant changes to the internal control assessment but will provide a listing of changes as the assessment is refined.

Current year changes include adding in consideration for the strategic plan and updating of job descriptions.

Note that the internal controls discussed are related to the District's business processes and other risks from outside the agency are addressed in other policy documents such as the financial management policy, the personnel manual, the emergency operations manual, and others.

Attachments:

2026 Internal Controls Assessment

SECTION I: THE CONTROL ENVIRONMENT

The control environment is the foundation for an internal control system. It provides the discipline and structure, which affect the overall quality of internal control. It influences how objectives are defined and how control activities are structured. The oversight body and management establish and maintain an environment throughout the entity that sets a positive attitude toward internal control.

<i>Relevant Principles</i>	<i>Attributes</i>	<i>Describe the Established Controls Supporting the Relevant Principles or Point of Focus</i>
<p>The organization demonstrates a commitment to integrity and ethical values.</p>	<ol style="list-style-type: none"> 1. Sets the tone at the top 2. Establishes standards of conduct. 3. Evaluates adherence to standards of conduct. 4. Addresses deviations in a timely manner 	<p>The District has a financial management policy that it adopted in April 2024 that addresses various elements including tone at the top and standards of conduct. Within the policy, there are sections related to "Asset Protection and Fraud in the Workplace".</p> <p>The District also has a personnel manual that contains the Ethics Policy. The District has won the "District Transparency Certificate of Excellence" by the Special Leadership Foundation for demonstrating completion of certain requirements, including conducting ethics training for all board members. Within the personnel manual, Section 8 discusses performance evaluations, standards of conduct, and discipline and termination.</p> <p>The District also updates its strategic plan objectives on an annual basis. The strategic plan identifies goals, objectives, and priorities that dictate the direction of the District. This is then updated with accomplishments from the previous plan.</p>
<p>Those charged with governance demonstrate independence from management and exercise oversight of the development and performance of the system of internal control.</p>	<ol style="list-style-type: none"> 1. Establishes oversight responsibilities. 2. Apply relevant expertise. 3. Operate independently. 4. Provide oversight for the system of internal control. 	<p>The District's management team presents the various reports to the Board of Directors on a monthly basis. Sections include: operational status updates; administrative status updates; financial status updates; as well as conditions that may give rise to risks. During the meetings, the Board of Directors are encouraged to ask questions as well as provide direction to the General Manager, management, and staff. Additionally, all reports provided to the Board are included in a Board packet that is available to the public to ensure accountability as well as meet legal requirements.</p> <p>The strategic plan is updated to reflect progress on the Board's priorities.</p>

<i>Relevant Principles</i>	<i>Attributes</i>	<i>Describe the Established Controls Supporting the Relevant Principles or Point of Focus</i>
<p>Management establishes, with oversight by those charged with governance, structures, reporting lines, and appropriate authorities and responsibilities in the pursuit of objectives.</p>	<ol style="list-style-type: none"> 1. Considers all structures of the entity. 2. Establishes reporting lines and flow of information. 3. Defines, assigns, and limits authorities and responsibilities. 	<p>Pursuant to direction from the Board of Directors, management has developed an organization chart that is updated on an annual basis that clearly outlines reporting roles and flows of information. Additionally, all approved job classifications include job descriptions that have been authorized and approved by the Board of Directors. Job descriptions include lines of reporting and accountability. Any significant changes to job descriptions are taken both to the Board of Directors as well as the bargaining group.</p>
<p>The organization demonstrates a commitment to attract, develop, and retain competent individuals in alignment with objectives.</p>	<ol style="list-style-type: none"> 1. Establishes policies and practices. 2. Evaluates competence and addresses shortcomings. 3. Attracts, develops, and retains individuals. 4. Plans and prepares for succession. 	<p>As noted above, the District has developed a comprehensive personnel manual that include policies related to the recruitment, hiring, training, promotion, and compensation (direct and indirect) of personnel that is available for the public to view. Additionally, the Board of Directors reviews the compensation and benefits package periodically to ensure that the District is competitive in obtaining and retaining talent. All job descriptions that are approved by the Board of Directors contains core competencies and education requirements. Finally, the Board of Directors has established an informal policy of having two people in the same role for a short period in order to facilitate the transfer of knowledge.</p>
<p>The organization holds individuals accountable for their system of internal control responsibilities in the pursuit of objectives.</p>	<ol style="list-style-type: none"> 1. Enforces accountability through structures, authorities, and responsibilities. 2. Establishes performance measures, incentives, and rewards. 3. Evaluates performance measures, incentives, and rewards for ongoing relevance. 4. Considers excessive pressures. 5. Evaluates performance and rewards or disciplines in individuals. 	<p>As noted above, the District has several policies in place including a personnel manual and a financial management policy. Within the personnel manual, there are sections relating to the standards of conduct and the ramifications if there are deviations from those standards.</p>

SECTION II: RISK ASSESSMENT

Every entity faces a variety of risks from external and internal sources. Risk is defined as the possibility that an event will occur and adversely affect the achievement of objectives. Risk assessment involves a dynamic and iterative process for identifying and assessing risks to the achievement of objectives. Risks to the achievement of these objectives from across the entity are considered relative to established risk tolerances. Thus, risk assessment forms the basis for determining how risks will be managed.

A precondition to risk assessment is the establishment of objectives, linked at different levels of the entity. Management specifies objectives within categories relating to operations, reporting, and compliance with sufficient clarity to be able to identify and analyze risks to those objectives. Management also considers the suitability of the objectives for the entity. Risk assessment also requires management to consider the impact of possible changes in the external environment and within its own business model that may render internal control ineffective.

<i>Relevant Principles</i>	<i>Attributes</i>	<i>Describe the Established Controls Supporting the Relevant Principles or Point of Focus</i>
<p><i>The organization specifies objectives with sufficient clarity to enable the identification and assessment of risks relating to objectives.</i></p>	<p>Operations Objectives</p> <ol style="list-style-type: none"> 1. Reflects management’s choices. 2. Considers tolerances for risk. 3. Includes operations and financial performance goals. 4. Forms a basis for committing of resources. 	<p>Objectives are documented within the District's financial management policy document as well as the personnel manual.</p> <p>Priorities and goals of the District are also outlined by the Strategic Plan. The Strategic Plan is reviewed and approved by the Board of Directors on an annual basis during a special meeting.</p>
	<p>External Financial Reporting Objectives</p> <ol style="list-style-type: none"> 1. Complies with applicable accounting standards. 2. Considers materiality. 3. Reflects entity activities. 	
	<p>Internal Reporting Objectives</p> <ol style="list-style-type: none"> 1. Reflects management’s choices. 2. Considers the required level of precision. 3. Reflects entity activities. 	
	<p>Compliance Objectives</p> <ol style="list-style-type: none"> 1. Reflects external laws and regulations 2. Considers tolerances for risk. 	
	<p>External Nonfinancial Reporting Objectives</p> <ol style="list-style-type: none"> 1. Complies with externally established standards and frameworks. 2. Considers the required level of precision. 3. Reflects entity activities. 	<p>Emergency manuals and plans have been developed to address risks such as earthquakes, fires, and flooding. Additionally, management monitors the activities of other governmental agencies to determine if there will be an impact to the District. These activities are all reported back to the Board of Directors.</p>

<i>Relevant Principles</i>	<i>Attributes</i>	<i>Describe the Established Controls Supporting the Relevant Principles or Point of Focus</i>
The organization identifies risks to the achievement of its objectives across the entity and analyzes risks as a basis for determining how the risks should be managed.	<ol style="list-style-type: none"> 1. Includes entity, subsidiary, division, operating unit, and functional levels. 2. Analyzes internal and external factors. 3. Involves appropriate levels of management. 4. Estimates significance of risks identified, including those related to accounting estimates. 5. Determines how to respond to risks. 	Risks identified are communicated monthly to the Board of Directors through status reports that discuss operational as well as financial risks and status of the mitigation of those risks.
The organization considers the potential for fraud in assessing risks to the achievement of objectives.	<ol style="list-style-type: none"> 1. Considers various types of fraud. 2. Assesses incentives and pressures. 3. Assesses opportunities. 4. Assesses attitudes and rationalizations. 	Fraud is addressed in both the financial management policy as well as the personnel manual. The potential for fraud is also discussed during Board meetings on relevant agenda items to ensure that risks are addressed appropriately.
The organization identifies and assesses changes that could significantly impact the system of internal control.	<ol style="list-style-type: none"> 1. Assesses changes in the external environment. 2. Assesses changes in the business model. 3. Assess change in leadership. 	Through discussions during the Board meetings, operational changes are discussed and direction, if needed, is provided to management who then carry it out.

SECTION III: CONTROL ACTIVITIES

Control activities are the actions established through policies and procedures that help ensure that management’s directives to mitigate risks to the achievement of objectives are carried out. Control activities are performed at all levels of the entity, at various stages within business processes, and over the technology environment. They may be preventive or detective in nature and may encompass a range of manual and automated activities such as authorizations and approvals, verifications, reconciliations, and business performance reviews. Segregation of duties is typically built into the selection and development of control activities. Where segregation of duties is not practical, management selects and develops alternative control activities.

<i>Relevant Principles</i>	<i>Attributes</i>	<i>Describe the Established Controls Supporting the Relevant Principles or Point of Focus</i>
The organization selects and develops control activities that contribute to the mitigation of risks to the achievement of objectives to acceptable levels.	<ol style="list-style-type: none"> 1. Integrates with risk assessment 2. Considers entity-specific factors. 3. Determines relevant business processes. 4. Evaluates a mix of control activity types. 5. Considers at what level activities are applied. 6. Addresses segregation of duties. 	Management has developed a set of internal controls by transaction cycles that are guided by the Financial Management Policy that include segregate duties between authorization, recording, and custody to ensure that no one person has the ability to complete all three phases of a transaction.
The organization selects and develops general control activities over technology to support the achievement of objectives.	<ol style="list-style-type: none"> 1. Determines dependency between the use of technology in business processes and general IT controls. 2. Establishes relevant technology infrastructure control activities including identifying the risks arising from the use of IT and controls that address such risks. 3. Establishes relevant security management process control activities. 4. Establishes relevant technology acquisition, development, and maintenance process controls activities. 	The ability to change financial information (i.e...record transactions) is limited to only authorized personnel. Additionally, access to specific servers is determined by the General Manager based on the access needed for a particular position or contractor. The IT environment is maintained and monitored by an external vendor with specific expertise.
The organization deploys control activities through policies that establish what is expected and procedures that put policies into action.	<ol style="list-style-type: none"> 1. Establishes policies and procedures to support deployment of management’s directives. 2. Establishes responsibility and accountability for executing policies and procedures. 3. Performs in a timely manner. 4. Takes corrective actions. 5. Performs using competent personnel. 6. Reassesses policies and procedures. 	The District has established a financial management policy and a personnel management policy that established policies and procedures to support the deployment of management’s directive. Additionally, they provide for accountability measures to address any deviations.

SECTION IV: INFORMATION AND COMMUNICATION SYSTEMS

Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to affect the principles within each component, is present and functioning. Ongoing evaluations, built into business processes at different levels of the entity, provide timely information. Separate evaluations, conducted periodically, will vary in scope and frequency depending on assessment of risks, effectiveness of ongoing evaluations, and other management considerations. Findings are evaluated against criteria established by regulators, recognized standard-setting bodies or management and the board of directors, and deficiencies are communicated to management and the board of directors as appropriate.

<i>Relevant Principles</i>	<i>Attributes</i>	<i>Describe the Established Controls Supporting the Relevant Principles or Point of Focus</i>
<p>The organization obtains or generates and uses relevant, quality information to support the functioning of the system of internal control.</p>	<ol style="list-style-type: none"> 1. Identifies information requirements and defines how information flows through the system. 2. Captures internal and external sources of data, including capturing and presenting in the financial statements, information about events and conditions and other than transactions. 3. Maintains quality throughout processing 4. Considers costs and benefits. 	<p>The District utilizes Springbrook as the financial management software. Springbrook captures all transactions that impact the District, including but not limited to: payroll, accounts payable, cash management, capital asset tracking, and utility billing. The transactions are reviewed periodically for accuracy and completeness. The District also utilizes ESRI to capture and report data about land records and maintains a water system database. Other critical software includes Granicus as a document management software and Spatial Wave as a Geospatial asset management server. All information in the software is reviewed periodically to ensure accuracy and completeness.</p>
<p>The organization internally communicates information, including objectives and responsibilities for the system of internal control, necessary to support the functioning of the system of internal control.</p>	<ol style="list-style-type: none"> 1. Communicates internal control information, including significant matters that support the preparation of the financial statements and related reporting responsibilities in the information system and other components of the system of internal control between people within the entity. 2. Provides separate communication lines, such as whistle-blower hotlines. 3. Selects relevant method of communication. 	<p>The District has policies and procedures as noted under control environment. Responsibility for controls is communicated to the personnel responsible – including job descriptions, manuals, etc. The Board of Directors are presented with a planning communication letter at the beginning of the audit and a final governance letter at the conclusion of the audit that contains management and audit responsibilities, along with any significant matters, respectively.</p>

<i>Relevant Principles</i>	<i>Attributes</i>	<i>Describe the Established Controls Supporting the Relevant Principles or Point of Focus</i>
<p>The organization communicates with external parties regarding matters affecting the functioning of the system of internal control.</p>	<ol style="list-style-type: none"> 1. Communicates to external parties, including significant matters that support the preparation of the financial statements and related reporting responsibilities in the information system and other components of the system of internal control. 2. Enables inbound communications. 3. Communicates with those charged with governance. 4. Provides separate communication lines, such as whistle-blower hotlines. 5. Selects relevant method of communication. 	<p>The District has open external communication channels with the independent auditor, as well as other impacted agencies such as the County of San Mateo. The District manages inbound communications through a central line. Communication lines to the Board of Directors primarily consists of either monthly board packets, emails on a more urgent basis, or if on a sensitive manner, a phone call.</p>

SECTION V: MONITORING OF CONTROLS

Ongoing evaluations, separate evaluations, or some combination of the two are used to ascertain whether each of the five components of internal control, including controls to affect the principles within each component, is present and functioning. Ongoing evaluations, built into business processes at different levels of the entity, provide timely information. Separate evaluations, conducted periodically, will vary in scope and frequency depending on assessment of risks, effectiveness of ongoing evaluations, and other management considerations. Findings are evaluated against criteria established by regulators, recognized standard-setting bodies or management and the board of directors, and deficiencies are communicated to management and the board of directors as appropriate.

<i>Relevant Principles</i>	<i>Attributes</i>	<i>Describe the Established Controls Supporting the Relevant Principles or Point of Focus</i>
The organization selects, develops, and performs ongoing and/or separate evaluations for monitoring the effectiveness of controls and the identification and remediation of control deficiencies identified.	<ol style="list-style-type: none"> 1. Considers a mix of ongoing and separate evaluations. 2. Considers rate of change. 3. Establishes baseline understanding. 4. Uses knowledgeable personnel. 5. Integrates with business processes. 6. Adjusts scope and frequency of separate evaluations depending on risk. 7. Objectively evaluates and provides feedback. 	The District's management team presents the various reports to the Board of Directors on a monthly basis. Sections include: operational status updates; administrative status updates; financial status updates; as well as conditions that may give rise to risks. During the meetings, the Board of Directors are encouraged to ask questions as well as provide direction to the General Manager, management, and staff. Additionally, all reports provided to the Board are included in a Board packet that is available to the public to ensure accountability as well as meet legal requirements.
The organization evaluates and communicates control deficiencies in a timely manner to those parties responsible for taking corrective action, including senior management and those charged with governance, as appropriate.	<ol style="list-style-type: none"> 1. Assesses results of ongoing and separate evaluations. 2. Communicates deficiencies. 3. Monitors corrective actions taken. 	Financial statements and findings are reviewed by management and the Board of Directors.

Version history and key changes:

- February 27, 2025 – Adoption of Internal Control Risk Assessment
- January 22, 2026 – Minor changes to the risk assessment to consider the strategic plan in the overall risk assessment.



AGENDA ITEM NO. 8.C.

DATE: January 22, 2026
TO: Board of Directors
FROM: Kat Wuelfing, General Manager

SUBJECT: CONSIDER APPROVAL OF THE UPDATED STRATEGIC PLAN, INCLUDING DIRECTOR ASSIGNMENTS

RECOMMENDATION

Approve the Updated 2026 Strategic Plan and Director Assignments.

FISCAL IMPACT:

None.

DISCUSSION:

A Special Meeting of the Board of Directors to review and update the MPWD Strategic Plan was held on January 8, 2026. At this meeting, the Board discussed accomplishments made on the 2025 Strategic Plan, and gave guidance and direction on the proposed draft 2026 plan. Following the Special Meeting, updates were made to the draft, including the addition of the following priorities:

1. **No. 2-A.5:** Develop and implement a survey into Waterline publications to gauge and track public awareness and satisfaction with the District.
2. **No. 4-B.2:** Target 150-year renewal rate for water mains (approximately 3,300 linear feet/year).
3. **No. 6-B.5:** Conduct ongoing cybersecurity training and assessment.

It is recommended that the Board approve the updated 2026 Strategic Plan.

Attachments: Updated Strategic Plan, dated January 2026



MID-PENINSULA WATER DISTRICT

2026 Update

STRATEGIC PLAN



MID-PENINSULA WATER DISTRICT

STRATEGIC PLAN

Updated January 2026

BOARD OF DIRECTORS

Louis J. Vella, President
Matthew P. Zucca, Vice President
JoAnn Covington, Director
Chuck Cotten, Director
Kirk R. Wheeler, Director

APPOINTED OFFICIALS

Julie Sherman, District Counsel
Joubin Pakpour, District Engineer
James Ramsey, District Treasurer

EXECUTIVE STAFF

Kathryn Wuelfing, General Manager
Sarah Scheidt, Operations Manager
Alison Bell, Board Secretary/Administrative Services Manager

INTRODUCTION

This Plan reflects the Mid-Peninsula Water District (MPWD) Board of Directors' (Board's) vision for the District. Updated annually, the Plan documents the District's Vision and Mission Statements, as well as the Board's goals and 6 Strategic Elements. These elements and the priorities associated with them are developed and refined through collaboration with the Board and District management, and serve to guide staff's efforts and allocation of both financial and staff resources. This serves to prioritize staff's efforts, facilitate communication with the Board on the breadth and intensity of staff activities, and to make sure staff and the Board are aligned in our goals.

In recent years, the document has been updated to reflect a shift in the District's work culture that has evolved over time into a "People First, Mission Always" focus. In 2025, a new Strategic Element of "Emergency Preparedness" was added. Many of the concepts captured in this element were included in previous Strategic Plans, throughout the other elements. However, since the January 2025 wildland/urban interface (WUI) fires in Los Angeles County, there has been renewed energy and focus on emergency preparedness at the local and state levels, including more opportunities for engagement with our various emergency preparedness partners. Given this, staff recommended highlighting these efforts under their own Strategic Element, reflecting the importance of these functions and the necessary staff resource investment that will be required to take advantage of and participate in the opportunities currently available to the District. Updates in 2026 include updates to specific priorities, removing completed items, adding new priorities, and updating ongoing priorities to reflect the current needs of the District.

Strategic priority items are classified as either "Project Priorities" or "Ongoing Priorities." In Strategic Plans prior to 2025, these were referred to as "A" or "B," and intended to generally reflect the current priority for each item. However, in practice, District resources

Strategic Elements

- 

1) Employee Services

 - Maintain a workplace worthy of our employees and community.
- 

2) External Relationships & Customer Service

 - Partners with our community. Leaders in our industry.
- 

3) Resource Management & Resiliency

 - Dedicated stewards of our most essential natural resource.
- 

4) Infrastructure Management & Operations

 - Maintain and invest judiciously in a reliable distribution system.
- 

5) Financial Management

 - Honest and transparent stewardship of public funds.
- 

6) Emergency Preparedness

 - Service first, emergency preparedness always.

OUR MISSION

The mission of the Mid-Peninsula Water District is to deliver a safe, high quality, reliable supply of water for current and future generations in a cost effective, environmentally sensitive and efficient manner.

OUR VISION

Providing quality water and essential service, since 1929...now...and into the future.

STRATEGIC GOALS



1. Demonstrate outstanding stewardship in the management of District water resources, demands and infrastructure.



2. Provide exceptional levels of service and value to the community in a cost-effective manner.



3. Foster open and candid communication with community, staff and directors that results in collaborative, innovative operations.

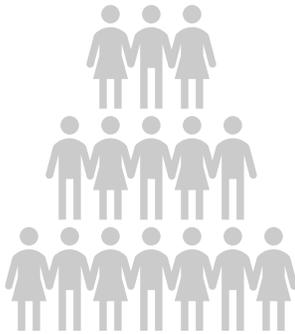


4. Be viewed as an industry leader for water management best practices.

Strategic
Element 1

Employee Services

**Maintain a
workplace worthy of
our employees and
community.**



OBJECTIVES

- Foster a culture of learning and innovation.
- Promote professional development and growth.
- Prioritize health and safety, and support employee safety and wellness programs.
- Continue pro-active succession planning.
- Support employee well-being and work-life balance.
- Foster a diverse and inclusive workforce.
- Promote employee engagement and recognition.

Project Priorities

No. 1-A.1: Complete update of the Personnel Manual, and revise format so that it is more readily updateable.

No. 1-A.2: Review and update Rules of the Board of Directors.

No. 1-A.3: Explore options for employee benefits to support employee retention, (e.g., family leave, workforce housing support, etc.).

No. 1-A.4: Review and consider updating District's tuition reimbursement policy, under Personnel Manual update.

No. 1-A.5: Complete recruitment and on-boarding for new Division 3 Director.

Ongoing Priorities

No. 1-B.1: Organizational development, including:

- Continue succession planning and employee leadership development training,
- Continue in-house Operator certification training of Maintenance Technicians,
- Continue educational and professional development for all employees, and
- Ongoing assessment of staffing levels and needs.

No. 1-B.2: Maintain staff cohesiveness throughout duration of separated workplaces, and work to reunite staff at Dairy Lane Operations Center following building rehabilitation.

No. 1-B.3: Proactively plan for succession (e.g., share knowledge and skills among team members, create written Standard Operating Procedures, allow overlap of new hire and retiring personnel, etc.).

No. 1-B.4: Review safety and wellness programs annually, and update as needed.

No. 1-B.5: Periodically review artificial intelligence use policy for appropriateness as technology evolves.

Strategic
Element 2

External Relationships & Customer Service

Partners with our
community. Leaders
in our industry.



OBJECTIVES

- Provide community members with prompt, professional, and courteous service.
- Empower efficient and thorough customer service through tools and education.
- Emphasize customer service as a priority for all employees.
- Maintain active working relationships with external agencies.
- Maintain outreach and project coordination with City of Belmont, City of San Carlos, and the County of San Mateo.
- Engage in local, regional and state industry organizations and activities.

Project Priorities

No. 2-A.1: Explore options for customer water data portals (e.g., WaterSmart, DropCounter, etc.).

No. 2-A.2: Develop outreach campaign that celebrates the work our employees are doing in terms of both the benefit to the community, and highlighting their work as an aspirational career, in a similar light to public safety employees.

No. 2-A.3: Pursue obtaining the Special District Leadership Foundation (SDLF) District of Distinction accreditation.

No. 2-A.4: Develop and implement a customer feedback survey that gets embedded into the signature line of our key customer-facing frontline staff. Report out results of the surveys to the Board on a regular basis.

No. 2-A.5: Develop and implement a survey into Waterline publications to gauge and track public awareness and satisfaction with the District.

No. 2-A.6: Conduct customer outreach in connection with capital projects – particularly the West Belmont and Exbourne tank recoating and Dekoven Tank replacement projects.

No. 2-A.7: Adopt new Board agenda preparation software and public-facing agenda webpage.

No. 2-A.8: Support and engage in the City of Belmont's 100th Anniversary activities.

No. 2-A.9: Complete and adopt an MOU with the City of Belmont re: application of trench and paving standards.

Ongoing Priorities

No. 2-B.1: Continue to coordinate with City of Belmont public works department on capital projects.

No. 2-B.2: Continue to build relationships with local and state elected officials. Consider opportunities to engage federal representatives.

No. 2-B.3: Maintain active engagement and participation in the Bay Area Water Supply and Conservation Agency (BAWSCA).

No. 2-B.4: Continue to monitor and ensure that a high level of customer service is always maintained, especially under the 4-day workweek.

No. 2-B.5: Encourage participation of all staff in professional organizations (e.g., Alliance for Water Efficiency [AWWA], BayWork, California Water Efficiency Partnership [CalWEP], California Society of Municipal Finance Officers [CMSFO], etc.).

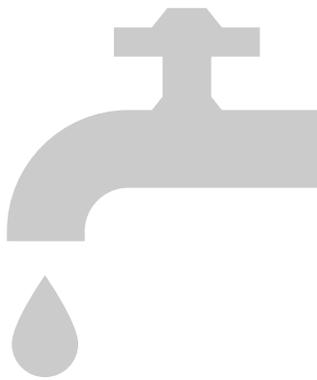
No. 2-B.6: Participate in annual two-by-two meetings between District Board and management and City of Belmont Council and management.

No. 2-B.7: Participate in local career development / school presentation opportunities through Sequoia Union High School District or other local organizations.

Strategic
Element 3

Resource Management & Resiliency

Dedicated stewards of
our most essential
natural resource.



OBJECTIVES

- Provide water efficiency programs, education, and outreach to customers.
- Optimize water efficiency in our water distribution system.
- Ensure a high level of water quality for our customers.
- Develop long-term resource sustainability and resiliency through water conservation measures and partnerships.
- Invest in resilient infrastructure.
- Pursue opportunities for more sustainable fuel and energy use.

Project Priorities

No. 3-A.1: Update the District’s Urban Water Management Plan (UWMP), due July 1, 2026, with a focus on the updated water demand projections relative to San Francisco Public Utilities Commission (SFPUC) supply.

No. 3-A.2: Update the District’s Water Shortage Contingency Plan (WSCP), due July 1, 2026, with a focus on refining customer messaging and demand management actions at each shortage level.

No. 3-A.3: Comply with *Making Water Conservation a California Way of Life* legislation by:

- Classifying all commercial, institutional, and industrial (CII) accounts by June 2027;
- Identifying all CII accounts with mixed use meters (MUMs) by June 2027;
- Evaluating options and provide policy recommendation for conversion of CII MUMs to dedicated irrigation meters, or alternative State-approved method (full implementation required by June 2039); and
- Reviewing the Department of Water Resources (DWR) Landscape Area Measurement (LAM) data, and monitor for LAM changes in our system to ensure State data is appropriately representative (ongoing).

No. 3-A.4: Establish a non-functional turf ban ordinance, per AB 1572, and work with customers on education and implementation.

Ongoing Priorities

No. 3-B.1: Continue participating in San Francisco Peninsula Regional Potable Reuse Project (SPRP) as it evolves. Evaluate potential water supply alternative options and partnerships as they occur.

No. 3-B.2: Explore solar, renewable fuels/non-fossil sources, sustainable building materials, and other related climate-positive opportunities.

No. 3-B.3: Design solar panel and batteries specs as part of Dairy Lane Operations Center building rehabilitation project, and include as a contingency or subsequent phase project.

No. 3-B.4: Continue to evaluate demand reduction strategies, including policies, as demand increases in District.

No. 3-B.5: Engage with the Cities of Belmont and San Carlos on any major developments or policies that could have substantial water demand impacts.

Strategic
Element 4

Infrastructure Management & Operations

Maintain and invest judiciously in a reliable distribution system.



OBJECTIVES

- Maintain proactive operations and maintenance programs.
- Embrace technology for streamlined operations.
- Prioritize documentation to support consistent practices and succession planning.
- Maintain a long-term capital improvement program that protects the community's investment.
- Follow industry best management practices.

Project Priorities

No. 4-A.1: Complete Capital Improvement Plan (CIP) projects:

- Folger Drive Emergency Operations Center
- Dairy Lane Operations Center Rehabilitation
- Transmission main assessment (Hillcrest line)
- West Belmont (N) & Exbourne (W) Tank recoating projects
- Hallmark Tank Recoating and Retrofit Project
- Install air valves on Tunnels main
- Dekoven Tank replacement
- SR 101 Crossing at the Palo Alto Medical Facility (PAMF) Hospital
- Lower Notre Dame, Willow Water Main Improvements

No. 4-A.2: Develop and implement Water Service Regulations from Water Service Ordinance No. 103 and industry best management practices.

No. 4-A.3: Create an educational web-page for the cross-connection control program within the District's website.

No. 4-A.4: Initiate the cross-connection control plan Hazard Assessments for non-residential water service connections.

No. 4-A.5: Transition to and integrate District workflows with new IT Managed Service Provider.

No. 4-A.6: Evaluate creation of a pre-qualification list for pipeline project contractors.

Ongoing Priorities

No. B-4.1: Develop a long-term asset management and replacement plan that addresses meters, trees, pumps, and other key assets.

No. 4-B.2: Target 150-year renewal rate for water mains (approximately 3,300 linear feet/year).

No. 4-B.3: Continue to evaluate vehicle fleet, and consider new California Air Resources Board (CARB) Advanced Clean Fleets rule, including Peninsula Clean Energy electric vehicle opportunities.

No. 4-B.4: Maintain a calibrated hydraulic model of the District's system.

No. 4-B.5: Update GIS database as projects and developments are complete, and evaluate adopting additional functions within Spatial Wave (i.e., leak tracking).

Strategic
Element 5

Financial Management

Honest and transparent stewardship of public funds.



OBJECTIVES

- Monitor and ensure that water rates and fees represent a good value to our customers.
- Complete annual budget process on a timely basis.
- Utilize data-driven financial planning and budgeting, and conduct routine monitoring of projections.
- Maintain financial management policy and internal control procedures in accordance with best management practices.
- Utilize Board Finance Committee for detailed review of financial matters.
- Foster a culture of financial responsibility among all employees.
- Leverage technology for financial efficiency.
- Maintain clear financial reporting and transparency.

Project Priorities

No. A-5.1: Complete and implement fee update studies and policies:

- Miscellaneous Fees (including review of credit card fees).
- Water Capacity Charges.
- Water Demand Offset charges and policy.

No. A-5.2: Complete third party review of our billing system and practices.

No. A-5.3: Pursue development of an Annual Comprehensive Financial Report (ACFR) that meets Government Finance Officers Association (GFOA) standards for the Certificate of Achievement for Excellence in Financial Reporting (COA) Program.

No. A-5.4: Review and revise internal accounting tracking codes and process for CIP projects.

Ongoing Priorities

No. B-5.1: Continually evaluate and pursue grant and other tax-based funding and partnership opportunities.

No. B-5.2: Continue to monitor investments in U.S. Treasuries and compare them to other investment strategies, including utilizing other appropriate investments such as government-sponsored agencies, public agency investment pools (e.g., CalCLASS, CalTRUST, CAMP, LAIF, etc.), and/or money market funds.

No. B-5.3: Annually evaluate rate increase based on revenue needs.

No. B-5.4: Issue the audit report within six months of year-end.

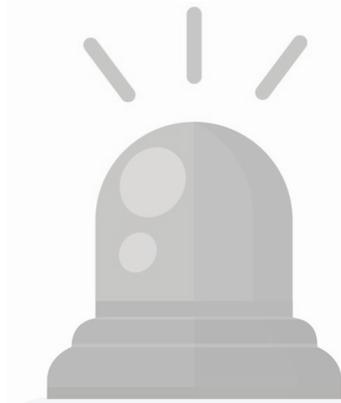
No. B-5.5: Consider divestment from companies that lack greenhouse compliance and focus on environmental, social, and governance (ESG) investment opportunities, to the extent that they support the highest level of financial stewardship.

Strategic
Element

6

Emergency Preparedness

**Service first,
emergency preparedness
always.**



OBJECTIVES

- Ensure meaningful and thoughtful compliance with risk and resilience regulations.
- Support emergency communication and public outreach by maintaining key stakeholder relationships.
- Protect critical systems from cyber and operational threats.
- Implement strategic water system resiliency, infrastructure hardening, and redundancy projects.
- Ensure that emergency preparedness underlies everything we do.

Project Priorities

No. 6-A.1: Update America’s Water Infrastructure Act (AWIA) Risk and Resilience Assessment, due June 30, 2026.

No. 6-A.2: Update AWIA Emergency Response Plan, due December 31, 2026.

No. 6-A.3: Model response of our system to largescale fire event scenarios based on collaboration with emergency response partners and share results with partners for training and to inform potential future projects.

No. 6-A.4: Exercise and document response at each of our emergency interties, in coordination with neighbor agencies.

No. 6-A.5: Develop a policy of National Incident Management System (NIMS) Incident Command System (ICS) training for staff based on roles.

No. 6-A.6: Conduct a fire vulnerability assessment of District infrastructure.

No. 6-A.7: Engage in County update of the Local Hazard Mitigation Plan, anticipated complete summer of 2026.

Ongoing Priorities

No. 6-B.1: Engage in tabletop and other planning exercises with city and county public safety partners.

No. 6-B.2: Support partner agency updates of their planning documents, as they arise.

No. 6-B.3: Engage in broader regional discussions about emergency planning practices for water agencies.

No. 6-B.4: Follow and engage in state-level policy development of emergency-related mandates for water agencies.

No. 6-B.5: Expand emergency preparation and resiliency messaging to customers (e.g., turn off irrigation system after earthquake, have 3 days of water stored on hand, etc.).

No. 6-B.5: Conduct ongoing cybersecurity training and assessment.

DIRECTOR ASSIGNMENTS/COMMITTEES

Updated January 22, 2026

ASSIGNMENT	2026
ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)/REGION 5	All
ACWA/JOINT POWERS INSURANCE AUTHORITY (JPIA)	Chuck Cotten (Directors are voting members GM is the alternate)
BAY AREA WATER SUPPLY & CONSERVATION AGENCY (BAWSCA)	Louis Vella Four-Year Term Ends: June 30, 2029
SAN MATEO CHAPTER - CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)	Louis Vella JoAnn Covington <i>Kat Wuelfing, General Manager</i>
GENERAL MANAGER SUPPORT & PERFORMANCE EVALUATION	Matt Zucca JoAnn Covington
HARBOR INDUSTRIAL ASSOCIATION (HIA)	Louis Vella Chuck Cotten
CHAMBER SAN MATEO COUNTY	All

STANDING COMMITTEE	2026
FINANCE COMMITTEE	JoAnn Covington Louis Vella <i>James Ramsey, District Treasurer</i>
AGENDA REVIEW COMMITTEE	President Vice President

AD HOC COMMITTEE	2026
TWO-BY-TWO WITH CITY OF BELMONT COMMITTEE	Louis Vella Chuck Cotten
DIVISION 3 DIRECTOR APPOINTMENT COMMITTEE	Louis Vella Chuck Cotten



AGENDA ITEM NO. 8.D.

DATE: January 22, 2026

TO: Board of Directors

FROM: Alison Bell, Administrative Services Manager

SUBJECT: Consider Resolution No. 2026-03 Approving a Compensation Adjustment for the General Manager, Effective October 1, 2025, Corresponding Second Amendment to the General Manager's Employment Agreement, and the Updated Salary Schedule, Effective October 1, 2025

RECOMMENDATION

Approve Resolution 2026-03.

DISCUSSION:

Materials to support this item will be provided at the Board meeting.



AGENDA ITEM NO. 9.A.1

TO: Board of Directors
FROM: James W Ramsey, CPA, District Treasurer
DATE: January 22, 2026

SUBJECT: RECEIVE REPORT ON BUDGET PERFORMANCE AND FINANCIAL POSITION FOR DECEMBER 2025

RECOMMENDATION

Receive and file.

FISCAL IMPACT

None noted.

BACKGROUND

Initial budget was adopted on June 26, 2025. There was a budget amendment during the October 23, 2025 Board Meeting to allocate \$294,876 of the \$500,000 budget amount that was previously earmarked for "Other Projects (Not Yet Identified)" to the Lower Notre Dame Ave/Willow Lane/Oak Knoll Cross Country WMI project for \$294,876.

DISCUSSION

Please find the enclosed fiscal year 2025/26 (FY 25/26) unaudited Statements of Financial Position as of December 31, 2025 and 2024, as well as the monthly budget report for the period of July 1 – December 31, 2025.

The following highlights significant activity through and as of December 31, 2025:

- The net surplus from operations is \$2,032,944, an increase of \$332,248 as compared to the same period last year. The primary changes stem from water commodity charges that is \$1,242,287 higher than this time last year and fixed system charges which is \$792,328 higher as compared to this time last year. This is offset by a decrease of \$611,064 in capacity charges as compared to the same time last year. Interest revenue is trending higher than last year by \$426,778 due to the addition of the 2026 COPs. Purchased water is also \$838,049 higher as compared to this time last year. Professional services is running \$170,996 less than this time

last year and administration & equipment is running \$195,654 less than this time last year. Additionally, the first full debt service payment for the 2026 COPs were made and total debt service was paid on December 1st of \$2,115,304, which is nearly \$1,000,000 more than last year.

- Water Commodity Charges totaled \$8,035,268. This is 54.8% of budget.
- Fixed System Charges were \$2,421,894, which is 56.2% of budget.
- There was a receipt for Water System Capacity Charges that was received during the month of October for \$196,275 for connection fees related to development.
- The total interest revenue from all sources is \$590,787 as of December 31, 2025.
- Total Operating Revenue is \$11,600,531 which is 54.8% of budget. Total Non-Operating Revenue is \$1,190,676 which is 61.5% of the budget.
- Total Revenue is \$11,600,531 which is 54.8% of budget.
- Combined Salaries & Wages and Payroll Taxes & Benefits is \$2,050,901, which is 49.8% of budget.
- Purchased Water is \$3,55,794. Purchased Water cost for the year ended June 30, 2025, was \$6,508,905.
- Total Operating Expenditures were \$9,763,863, which is 52.5% of budget.
- Capital expenditures include payments primarily towards CIP 21-01, Dekoven Tank Utility/Lincoln/Newlands/Oak Knoll Water Main Replacement. Total drawdowns from the COP funds totaled \$1,061,707.81 including reimbursing the District for expenses incurred prior to the issuance of the debt in the amount of \$689,764.
- Unrestricted Cash & Cash Equivalents is \$4,412,869, which is an increase of \$973,811 as compared to this time last year.
- Investments is \$11,916,602, a decrease of \$966,105 from last year. Amounts were transferred to BNY for debt service purposes.
- Restricted cash includes the proceeds from the 2025 COP issuance of \$33,000,000 as well as amounts recorded at PARS for OPEB. The account has a fair market value of \$32,853,802.92 available to spend. Total par amount of investments is \$26,569,000 invested in T-Bills and Bonds and \$6,436,598 in money market funds.
- Unrestricted Net Position was \$20,380,148 with Total Net Position of \$45,327,644.

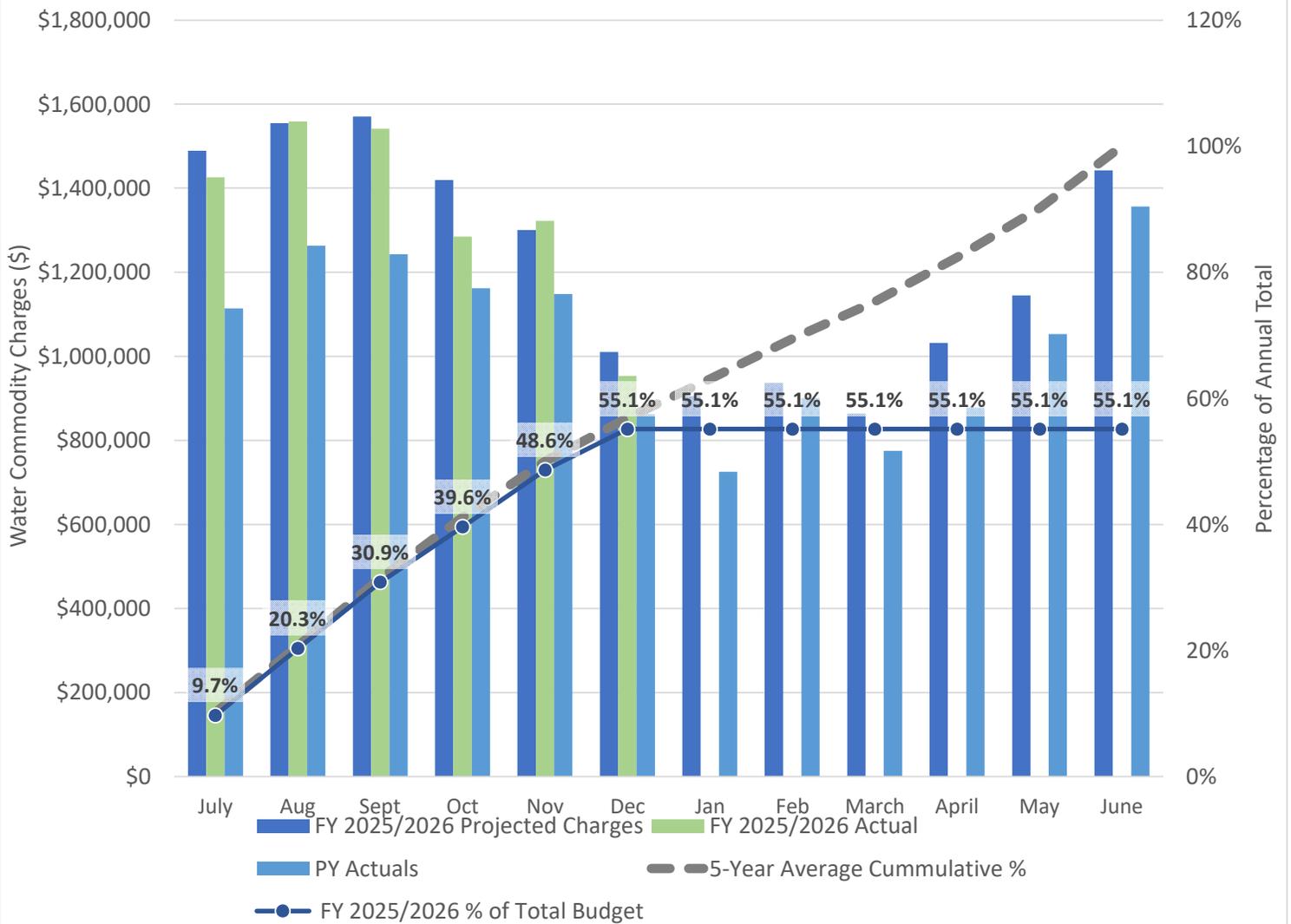
Attachments: Financial Reports

**MID-PENINSULA WATER DISTRICT
MONTHLY BUDGET REPORT-OPERATING
FOR THE 6 MONTHS ENDED DECEMBER 31, 2025
SUMMARY (UNAUDITED)**

Target 50.00%

DESCRIPTION	APPROVED FY 2025-26 BUDGET	ACTUALS 7/1/2025- 12/31/2025	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
OPERATING REVENUE				
WATER COMMODITY CHARGES	14,669,000	8,035,268	6,633,732	54.8%
FIXED SYSTEM CHARGES	4,310,700	2,421,894	1,888,806	56.2%
FIRE SERVICE CHARGES	18,000	9,134	8,866	50.7%
MISC CUSTOMER ACCOUNT FEES	107,000	74,814	32,186	69.9%
SERVICE LINE & INSTALLATION CHARGES	110,000	54,521	55,479	49.6%
MISCELLANEOUS OPERATING	25,000	10,500	14,500	42.0%
TOTAL OPERATING REVENUE (SOURCES)	19,239,700	10,606,131	8,633,569	55.1%
WATER SYSTEM CAPACITY CHARGES	-	196,275	(196,275)	0.0%
PROPERTY TAX REVENUE	555,900	312,720	243,180	56.3%
LEASE OF PHYSICAL PROPERTY	168,000	83,523	84,477	49.7%
MISCELLANEOUS NON-OPERATING	75,000	5,771	69,229	7.7%
INTEREST REVENUE - PARS	40,000	34,813	5,187	87.0%
INTEREST REVENUE - LAIF	75,000	21,724	53,276	29.0%
INTEREST REVENUE - COP	724,000	333,169	390,831	46.0%
INTEREST REVENUE - US TREASURIES	42,000	187,207	(145,207)	445.7%
INTEREST REVENUE - SWEEP ACCOUNT	251,000	13,875	237,125	5.5%
LANDSCAPE PERMIT REVENUE	4,000	1,600	2,400	40.0%
TOTAL NON-OPERATING REVENUE (SOURCES)	1,934,900	1,190,676	744,224	61.5%
TOTAL REVENUE (SOURCES)	21,174,600	11,796,806	9,377,794	55.7%
OPERATING EXPENDITURES (USES)				
SALARIES & WAGES	2,794,323	1,399,693	1,394,630	50.1%
PAYROLL TAXES & BENEFITS	1,327,100	651,208	675,892	49.1%
PURCHASED WATER	7,192,500	3,855,794	3,336,706	53.6%
OUTREACH & EDUCATION	78,000	14,385	63,616	18.4%
M&R - OPS SYSTEM	608,500	291,936	316,564	48.0%
M&R - FACILITIES & EQUIPMENT	225,000	146,748	78,252	65.2%
SYSTEM SURVEYS	740,000	2,028	737,972	0.3%
ADMINISTRATION & EQUIPMENT	754,000	311,970	442,030	41.4%
MEMBERSHIP & GOV FEES	396,950	306,794	90,156	77.3%
UTILITIES	580,000	307,814	272,186	53.1%
PROFESSIONAL SERVICES	1,043,850	328,896	714,954	31.5%
TRAINING/TRAVEL & RECRUITMENT	82,000	31,192	50,808	38.0%
DEBT SERVICE	2,759,755	2,115,304	644,451	76.6%
TOTAL OPERATING EXPENDITURES (USES)	18,581,978	9,763,863	8,818,115	52.5%
NET SURPLUS/LOSS	2,592,622	2,032,944	559,678	
DEBT SERVICE COVERAGE	1.54	1.68		

Analysis of Water Commodity Charges



	Expected		FY 2025/2026 Projected Charges	FY 2025/2026 Actual	FY 2025/2026 % of Total Budget
	5-Year Average Cummulative %	Monthly Percentage			
July	10.2%	10.2%	1,114,313	1,489,056	9.7%
August	20.7%	10.6%	1,263,340	1,554,724	20.3%
September	31.5%	10.7%	1,242,910	1,570,282	30.9%
October	41.1%	9.7%	1,162,175	1,419,114	39.6%
November	50.0%	8.9%	1,148,035	1,300,745	48.6%
December	56.9%	6.9%	862,208	1,010,391	55.1%
January	63.1%	6.2%	725,006	905,204	55.1%
February	69.4%	6.4%	900,824	936,412	55.1%
March	75.3%	5.9%	775,011	863,897	55.1%
April	82.4%	7.0%	878,167	1,032,000	55.1%
May	90.2%	7.8%	1,052,701	1,145,120	55.1%
June	100.0%	9.8%	1,356,461	-	55.1%
TOTAL		100.0%	\$ 12,481,150	\$ 14,669,000	\$ 8,085,281

MID-PENINSULA WATER DISTRICT
STATEMENT OF NET POSITION (UNAUDITED)
AS OF DECEMBER 31, 2025 AND DECEMBER 31, 2024

<u>ASSETS</u>	<u>AS OF</u> <u>12/31/2025</u>	<u>AS OF</u> <u>12/31/2024</u>
Current Assets		
Cash and cash equivalents	\$ 4,412,869	\$ 3,439,058
Investments	11,916,602	12,882,707
Accounts receivable	3,407,662	2,595,564
Total Current Assets	19,932,121	18,971,842
Restricted cash with fiscal agent	33,482,152	878,556
Lease receivable	813,519	958,464
Construction in progress	4,530,566	9,364,667
Capital : 0	37,412,311	29,443,544
Net OPEB asset	905,134	660,560
TOTAL ASSETS	\$ 97,075,803	\$ 60,277,633
Deferred Outflows of Resources		
Pension related deferred outflows	\$ 807,407	\$ 1,313,533
OPEB related deferred outflows	168,726	346,521
Total Deferred Outflows	\$ 976,133	\$ 1,660,054
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	\$ 508,382	\$ 19,292
Accrued expenses	51,528	55,122
Current portion of long-term debt	1,199,182	544,670
Total Current Liabilities	1,759,092	619,084
Noncurrent Liabilities		
Long-term portion of Certificates of Participation	48,650,002	15,776,229
Net pension liability	518,968	555,222
Total Noncurrent Liabilities	49,858,998	16,331,451
TOTAL LIABILITIES	51,618,090	16,950,535
Deferred Inflows of Resources		
Pension related deferred inflows	389,316	594,735
Lease receivable related deferred inflows	716,886	833,477
Total Deferred Inflows	1,106,202	1,428,212
<u>NET POSITION</u>		
Net investment in capital assets	\$ 24,947,496	\$ 13,122,645
Unrestricted	20,380,148	30,436,295
TOTAL NET POSITION	\$ 45,327,644	\$ 43,558,940

No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

**MID-PENINSULA WATER DISTRICT
MONTHLY BUDGET REPORT-CAPITAL
FOR THE 6 MONTHS ENDED DECEMBER 31, 2025
SUMMARY (UNAUDITED)**

Target 50.00%

DESCRIPTION	APPROVED FY 2025-26 BUDGET	ACTUALS 7/1/2025- 12/31/2025	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
CAPITAL ASSETS				
Capital Equipment	\$ 100,000	\$ -	\$ 100,000	-
24" Main Air Valve Install	150,000	-	150,000	-
TOTAL CAPITAL ASSET	250,000	-	250,000	-
CAPITAL PROJECTS - PAYGO				
		-		
CIP 21-01 Dekoven Tank Util/Lincoln/Newlands/Oak K	2,439,155	2,146,471	292,684	88.0%
CIP 24-08 Exbourne West Tank Recoating	679,271	44,293	634,977	6.5%
CIP 24-09 Hallmark North Tank Recoating	2,896,109	123	2,895,986	0.0%
CIP 24-10 West Belmont North Tank Recoating	144,271	27,808	116,463	19.3%
CIP 15-68/15-48 Lower Notre Dame Ave/ Willow Lane/Oak Knoll Cross Country WMI*	294,876	13,382	281,494	4.5%
Other Projects (Not Yet Identified)	205,124	-	205,124	-
TOTAL CAPITAL PROJECTS - PAYGO	6,658,805	2,232,078	4,426,728	33.5%
CAPITAL PROJECTS - DEBT FINANCING				
CIP 20-09 Dairy Lane Operations Center Rehabilitation - Architect	845,000	1,649	843,351	0.2%
CIP 20-10 Dairy Lane Operations Center Rehabilitation - Construction	3,006,250	-	3,006,250	-
CIP 24-07 Folger Property Improvements	5,340,000	76,005	5,263,995	1.4%
CIP 15-89 Dekoven Tanks Replacement	2,530,000	17,241	2,512,759	0.7%
CIP 15-72b SR 101 Crossing at PAMF Hospital - Phase 2	2,073,750	12,032	2,061,718	0.6%
TOTAL CAPITAL PROJECTS - DEBT FINANCING	13,795,000	106,927	13,688,073	0.8%
TOTAL CAPITAL PROJECTS	20,453,805	2,339,004	18,114,801	11.4%
TOTAL CAPITAL	20,703,805	2,339,004	18,364,801	11.3%

**MID-PENINSULA WATER DISTRICT
INVESTMENT & RESERVES REPORT (UNAUDITED)
AS OF NOVEMBER 30, 2025**

Cash Analysis					Interest Earned (Fiscal - to date)	Yield	Maturity Date	Days to Maturity
Account	Investment	Cost	Market Value					
Petty Cash	Cash	\$ 600	\$ 600	\$ -		n/a	n/a	n/a
Umpqua Credit Card	Cash	150,000	150,000	-		n/a	n/a	n/a
Wells Fargo & XBP	Cash	1,843,598	1,843,598	13,875		4.18%	n/a	n/a
LAIF	LAIF	2,416,470	2,416,470	23,435		4.24% +	n/a	0
PARS - Pension	* Money Market Funds	A 613,771	613,771	34,813		11.07% ++	n/a	0
PARS - OPEB	** Money Market Funds	A 4,588,736	4,588,736	184,237		11.07% ++	n/a	0
Zions	Money Market Funds	372	372			3.57%	n/a	0
	US Treasury Notes	4,971,175	4,966,424			4.25%	1/31/2026	62
	US Treasury Notes	3,630,783	3,628,870			4.85%	4/30/2026	151
	US Treasury Notes	0 1,659,272	1,662,422			4.25%	10/31/2026	335
	US Treasury Notes	1,659,988	1,658,514			4.85%	10/31/2027	700
	Total Zions	<u>11,921,589</u>	<u>11,916,602</u>	<u>83,612</u>				
BNY - Reserve	* Money Market Funds	14,578	14,578			3.53%	n/a	0
BNY - Project	Money Market Funds	6,436,598	6,436,598			3.53%	n/a	0
	US Treasury Notes	1,346,921	1,346,921			4.15%	1/31/2026	62
	US Treasury Notes	601,345	601,345			4.12%	2/28/2026	90
	US Treasury Notes	601,146	601,146			4.08%	3/31/2026	121
	US Treasury Notes	1,613,194	1,613,194			4.06%	4/30/2026	151
	US Treasury Notes	1,620,452	1,620,452			4.06%	5/31/2026	182
	US Treasury Notes	1,616,380	1,616,380			4.01%	6/30/2026	212
	US Treasury Notes	15,459,032	15,459,032			0.50% - 4.375%	FY 2027	Various
	US Treasury Notes	1,336,304	1,336,304			0.50% - 3.750%	FY 2028	Various
	US Treasury Notes	1,184,618	1,184,618			1.00% - 4.875%	FY 2029	Various
	US Treasury Notes	367,026	367,026			3.875% - 4.00%	FY 2030	Various
	Strips	214,501	214,501			3.957% - 4.018%	FY 2029	Various
	Strips	209,863	209,863			3.964% - 4.044%	FY 2030	Various
	Total BNY - Project	<u>32,607,382</u>	<u>32,607,382</u>	<u>324,364</u>				
	Total Cash and investments	<u>\$ 54,142,147</u>	<u>\$ 54,137,160</u>	<u>\$ 664,335</u>				

A - based on September values

* - Restricted accounts

** - amounts not reported in financial statements due to accounting treatment

+ - based on a rolling 12 - month average

++ - based on a 3-year annualized return

No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.

Reserves Analysis

Priority	Reserve	Target	Funded Amount	% Funded	Description of amount
1	Working Capital (Operating) Reserve	\$ 9,290,989	\$ 9,290,989	100.00%	50% of annual fiscal year budgeted expenditures
2	Capital Reserve	8,000,000	7,021,704	87.77%	Fixed amount
3	a IRC 115 Irrevocable Trust - Pension	555,222	613,771	110.55%	100% of the District's projected net pension/total OPEB liability, or \$500,000 if no liability is outstanding. Based on most recent audited financial statements.
	b IRC 115 Irrevocable Trust - OPEB	3,495,503	4,588,736	131.28%	
4	Rate Stabilization Reserves	1,200,000	-	0.00%	Fixed amount or \$500,000 if no bonds are outstanding
n/a	Project Funding	-	32,607,382	n/a	
n/a	Reserve for debt service	1,795,600	14,578	0.81%	Amount based on next scheduled debt service.
	Total Reserves	<u>\$ 24,337,314</u>	<u>\$ 54,137,160</u>	222.45%	

No assurance provided on financial statements. Financial statements do not include a statement of cash flows. Substantially all disclosures required by accounting principles generally accepted in the United States not included.



AGENDA ITEM NO. 9.A.2.

DATE: January 22, 2026
TO: Board of Directors
FROM: Joubin Pakpour, PE – District Engineer

SUBJECT: District Engineer Update

Lower Notre Dame, Willow Water Main Improvements (15-48 & 15-63)

Design has started with topographic survey subconsultant and utility locating.

SR101 Crossing @ PAMF Hospital, Phase II (15-72b)

The City of San Carlos finished the preliminary design of their sewer project; we met with them last week to confirm their layout and a few outstanding issues. We are now proceeding with our final design with the anticipation of starting construction this summer.

Dekoven Tanks Replacement (15-89)

The project is under design, with an anticipated start date of late winter 2026. We are meeting with legal counsel regarding moving existing antennas on the site.

Transmission Water Main Assessment (20-05)

Received proposal from a new start up firm, we are currently in negotiations on scope and budget.

West Belmont (N) & Exbourne (W) Tanks Improvements (24-08 & 24-09)

Please see separate report.

Dekoven, Lincoln, Newlands & Oak Knoll Water Main Improvements (15-09 & 15-19)

Please see separate report.

City Project Updates

2025 & 2026 Sewer Projects

Twin Pines Park Detention Basin Water Main Improvement – Project is placed on hold due to lack of funding by the City.



Memo

To: Mid-Peninsula Water District **Date:** 01/22/26
Attn: Board of Directors **Project No.:** 10012.29
Project Name: DLNO Water Main Improvements
Reference: Progress Payment No. 6
From: Joubin Pakpour, PE – District Engineer 

Construction Status

As of December 12, 2025, K.J. Woods Construction (KJW) has completed all contract items except slurry-sealing the project limits, and restriping. The District issued a substantial completion on December 12, 2025, and temporarily paused the project until the spring of 2026, at which time slurry sealing and restriping work will resume.

Vehicle Incident

As it was reported in the December board meeting, on October 22, 2025, at approximately 10:25 AM, while the crew was actively working on the water main installation at the intersection of Pine Knoll Drive and Oak Knoll Drive, a southbound vehicle on Pine Knoll Drive made contact with the excavator's track, resulting in damage to the lower passenger side of the vehicle. On December 22, 2025, KJW reached a settlement agreement with the driver. No further involvement is needed by the District.

Potential Change Orders

There was a discrepancy in the designer's bid item unit of measure for the valley gutter. The District is currently working with KJW to resolve the issue.

Change Order Summary

The project change orders total \$39,409.50, as broken down below. The industry standard for non-owner-initiated change orders for underground construction is approximately 10%. The total for this project is 2.09%, well below industry standards.

Change Order Description	Total Amount	% Increase/Decrease over Original Contract	% of Total Change Order
Owner Requested (MPWD):	\$ 18,291.06	0.97%	46.41%
Unforeseen Conditions:	\$ 25,378.44	1.34%	64.40%
Plans/Specifications:	\$ 0.00	0.0%	0.00%
Balancing Change Order:	\$ (4,260.00)	-0.22%	-10.81%
TOTAL:	\$ 39,409.50	2.09%	100.00%

Project Schedule and Request for Progress Payment No. 6

As of December 12, 2025, the contractor completed 98% of the contractual work **(\$1,879,634.50)** and has 22 of 137 working days remaining.

Enclosed, please find Progress Payment No. 6 due KJW for **\$16,083.50** (value of work minus 5 percent retention). The work performed to date has been satisfactory, and payment is recommended.

	Current Month	Total	
Original Contract Amount		\$ 1,888,000.00	
Approved Change Orders	\$ 0.00	\$ 39,409.50	2.09%
Final Contract Amount		\$ 1,927,409.50	
Previously Paid		\$ 1,769,569.27	
Current Request (Less Retention)	\$ 16,083.50	\$ 16,083.50	
Retention	\$ 846.49	\$ 93,981.73	
Total Value of Work Completed	\$ 16,930.00	\$ 1,879,634.50	98%
Total Remaining on Contract		\$ 47,775.00	2%



Dekoven, Lincoln, Newlands, and Oak Knoll Water Main Improvements
Progress Payment No. 06
December 1, 2025 to December 12, 2025



Bid Item	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
		Unit	Unit Price	Qty.	Total Price	Qty.	Unit Price	Total Price	Qty.	Unit Price	Total Price	Qty.	Amount Earned	%	Qty.	Amount Earned	%	Qty.	Amount Earned	%
1	12" DIP	LF	\$ 400.00	2185	\$ 874,000.00	30	\$ 400.00	\$ 12,000.00	2,215	\$ 400.00	\$ 886,000.00	0	\$ -	0%	2215	\$ 886,000.00	100%	2215	\$ 886,000.00	100%
2	8" DIP	LF	\$ 500.00	360	\$ 180,000.00	-51	\$ 500.00	\$ (25,500.00)	309	\$ 500.00	\$ 154,500.00	0	\$ -	0%	309	\$ 154,500.00	100%	309	\$ 154,500.00	100%
3	6" DIP	LF	\$ 480.00	260	\$ 124,800.00	25	\$ 480.00	\$ 12,000.00	285	\$ 480.00	\$ 136,800.00	0	\$ -	0%	285	\$ 136,800.00	100%	285	\$ 136,800.00	100%
4	Rehabilitate Existing 6" CIP Cross-Country	LF	\$ 500.00	310	\$ 155,000.00	0	\$ 500.00	\$ -	310	\$ 500.00	\$ 155,000.00	0	\$ -	0%	310	\$ 155,000.00	100%	310	\$ 155,000.00	100%
5	1" Service (Same Location)	EA	\$ 1,500.00	10	\$ 15,000.00	-4	\$ 1,500.00	\$ (6,000.00)	6	\$ 1,500.00	\$ 9,000.00	0	\$ -	0%	6	\$ 9,000.00	100%	6	\$ 9,000.00	100%
6	1" Service (Relocate)	EA	\$ 1,500.00	7	\$ 10,500.00	-7	\$ 1,500.00	\$ (10,500.00)	0	\$ 1,500.00	\$ -	0	\$ -	0%	0	\$ -	0%	0	\$ -	100%
7	12" Gate Valve	EA	\$ 4,500.00	21	\$ 94,500.00	1	\$ 4,500.00	\$ 4,500.00	22	\$ 4,500.00	\$ 99,000.00	0	\$ -	0%	22	\$ 99,000.00	100%	22	\$ 99,000.00	100%
8	8" Gate Valve	EA	\$ 2,500.00	7	\$ 17,500.00	0	\$ 2,500.00	\$ -	7	\$ 2,500.00	\$ 17,500.00	0	\$ -	0%	7	\$ 17,500.00	100%	7	\$ 17,500.00	100%
9	6" Gate Valve	EA	\$ 2,000.00	6	\$ 12,000.00	0	\$ 2,000.00	\$ -	6	\$ 2,000.00	\$ 12,000.00	0	\$ -	0%	6	\$ 12,000.00	100%	6	\$ 12,000.00	100%
10	2" Combination Air Valve	EA	\$ 10,000.00	1	\$ 10,000.00	3	\$ 10,000.00	\$ 30,000.00	4	\$ 10,000.00	\$ 40,000.00	0	\$ -	0%	4	\$ 40,000.00	100%	4	\$ 40,000.00	100%
11	Anode Test Station	EA	\$ 4,000.00	7	\$ 28,000.00	0	\$ 4,000.00	\$ -	7	\$ 4,000.00	\$ 28,000.00	0	\$ -	0%	7	\$ 28,000.00	100%	7	\$ 28,000.00	100%
12	Potential Test Station	EA	\$ 1,000.00	6	\$ 6,000.00	4	\$ 1,000.00	\$ 4,000.00	10	\$ 1,000.00	\$ 10,000.00	0	\$ -	0%	10	\$ 10,000.00	100%	10	\$ 10,000.00	100%
13	Insulating Test Station	EA	\$ 1,200.00	15	\$ 18,000.00	-5	\$ 1,200.00	\$ (6,000.00)	10	\$ 1,200.00	\$ 12,000.00	0	\$ -	0%	10	\$ 12,000.00	100%	10	\$ 12,000.00	100%
14	Potholing (District Requested)	EA	\$ 500.00	10	\$ 5,000.00	-5	\$ 500.00	\$ (2,500.00)	5	\$ 500.00	\$ 2,500.00	0	\$ -	0%	5	\$ 2,500.00	100%	5	\$ 2,500.00	100%
15	Water Main Abandonment (before)	LS	\$ 5,000.00	1	\$ 5,000.00	0	\$ 5,000.00	\$ -	1	\$ 5,000.00	\$ 5,000.00	0	\$ -	0%	1	\$ 5,000.00	100%	1	\$ 5,000.00	100%
16	Abandon Water Main/Remove GV at Dekoven/Lincoln Ave (after)	LS	\$ 10,000.00	1	\$ 10,000.00	0	\$ 10,000.00	\$ -	1	\$ 10,000.00	\$ 10,000.00	0	\$ -	0%	1	\$ 10,000.00	100%	1	\$ 10,000.00	100%
17	Abandon Water Main at Dekoven Tank	LS	\$ 5,000.00	1	\$ 5,000.00	0	\$ 5,000.00	\$ -	1	\$ 5,000.00	\$ 5,000.00	0	\$ -	0%	1	\$ 5,000.00	100%	1	\$ 5,000.00	100%
18	Abandon Water Main at Wooster Ave	LS	\$ 5,000.00	1	\$ 5,000.00	-1	\$ 5,000.00	\$ (5,000.00)	0	\$ 5,000.00	\$ -	0	\$ -	0%	0	\$ -	0%	0	\$ -	100%
19	Abandon Fire Hydrant	EA	\$ 500.00	3	\$ 1,500.00	0	\$ 500.00	\$ -	3	\$ 500.00	\$ 1,500.00	0	\$ -	0%	3	\$ 1,500.00	100%	3	\$ 1,500.00	100%
20	Remove Gate Valve and Gate Valve Box	EA	\$ 500.00	8	\$ 4,000.00	-1	\$ 500.00	\$ (500.00)	7	\$ 500.00	\$ 3,500.00	0	\$ -	0%	7	\$ 3,500.00	100%	7	\$ 3,500.00	100%



Dekoven, Lincoln, Newlands, and Oak Knoll Water Main Improvements
Progress Payment No. 06
December 1, 2025 to December 12, 2025



Item	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
		Unit	Unit Price	Qty.	Total Price	Qty.	Unit Price	Total Price	Qty.	Unit Price	Total Price	Qty.	Amount Earned	%	Qty.	Amount Earned	%	Qty.	Amount Earned	%
21	Abandon Gate Valve	EA	\$ 200.00	22	\$ 4,400.00	-3	\$ 200.00	\$ (600.00)	19	\$ 200.00	\$ 3,800.00	0	\$ -	0%	19	\$ 3,800.00	100%	19	\$ 3,800.00	100%
22	Fire Hydrant	EA	\$ 15,000.00	4	\$ 60,000.00	1	\$ 15,000.00	\$ 15,000.00	5	\$ 15,000.00	\$ 75,000.00	0	\$ -	0%	5	\$ 75,000.00	100%	5	\$ 75,000.00	100%
23	Sampling Station	EA	\$ 3,700.00	1	\$ 3,700.00	0	\$ 3,700.00	\$ -	1	\$ 3,700.00	\$ 3,700.00	0	\$ -	0%	1	\$ 3,700.00	100%	1	\$ 3,700.00	100%
24	Retaining Wall	EA	\$ 3,000.00	3	\$ 9,000.00	-1	\$ 3,000.00	\$ (3,000.00)	2	\$ 3,000.00	\$ 6,000.00	0	\$ -	0%	2	\$ 6,000.00	100%	2	\$ 6,000.00	100%
25	Service Pad	EA	\$ 800.00	2	\$ 1,600.00	-2	\$ 800.00	\$ (1,600.00)	0	\$ 800.00	\$ -	0	\$ -	0%	0	\$ -	0%	0	\$ -	100%
26	Curb and Gutter	LF	\$ 80.00	80	\$ 6,400.00	10	\$ 80.00	\$ 800.00	90	\$ 80.00	\$ 7,200.00	21	\$ 1,680.00	23%	69	\$ 5,520.00	77%	90	\$ 7,200.00	100%
27	Concrete Sidewalk/ Driveway Approach	SF	\$ 35.00	180	\$ 6,300.00	-100	\$ 35.00	\$ (3,500.00)	80	\$ 35.00	\$ 2,800.00	50	\$ 1,750.00	63%	30	\$ 1,050.00	38%	80	\$ 2,800.00	100%
28	City Standard Concrete Valley Gutter	LF	\$ 60.00	45	\$ 2,700.00	49	\$ 60.00	\$ 2,940.00	94	\$ 60.00	\$ 5,640.00	0	\$ -	0%	94	\$ 5,640.00	100%	94	\$ 5,640.00	100%
29	Striping, Marking type 2, 22, 27B	LF	\$ 6.50	1170	\$ 7,605.00	0	\$ 6.50	\$ -	1170	\$ 6.50	\$ 7,605.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
30	12" White	LF	\$ 55.00	30	\$ 1,650.00	0	\$ 55.00	\$ -	30	\$ 55.00	\$ 1,650.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
31	Pavement Marking	SF	\$ 105.00	84	\$ 8,820.00	0	\$ 105.00	\$ -	84	\$ 105.00	\$ 8,820.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
32	Storm Water Pollution Control Plan/BMPs	LS	\$ 12,075.00	1	\$ 12,075.00	0	\$ 12,075.00	\$ -	1	\$ 12,075.00	\$ 12,075.00	0	\$ -	0%	1	\$ 12,075.00	100%	1	\$ 12,075.00	100%
33	Type II Slurry Seal	SF	\$ 0.55	54000	\$ 29,700.00	0	\$ 0.55	\$ -	54000	\$ 0.55	\$ 29,700.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
34	Street Sweeping	DAY	\$ 300.00	50	\$ 15,000.00	-31	\$ 300.00	\$ (9,300.00)	19	\$ 300.00	\$ 5,700.00	0	\$ -	0%	19	\$ 5,700.00	100%	19	\$ 5,700.00	100%
35	Traffic Control Plan	LS	\$ 30,000.00	1	\$ 30,000.00	0	\$ 30,000.00	\$ -	1	\$ 30,000.00	\$ 30,000.00	0	\$ -	0%	1	\$ 30,000.00	100%	1	\$ 30,000.00	100%
36	Remove & Replace Monument	EA	\$ 2,500.00	2	\$ 5,000.00	-1	\$ 2,500.00	\$ (2,500.00)	1	\$ 2,500.00	\$ 2,500.00	1	\$ 2,500.00	100%	0	\$ -	0%	1	\$ 2,500.00	100%
37	Trench Shoring	LS	\$ 67,000.00	1	\$ 67,000.00	0	\$ 67,000.00	\$ -	1	\$ 67,000.00	\$ 67,000.00	0	\$ -	0%	1	\$ 67,000.00	100%	1	\$ 67,000.00	100%
38	Vertical Depth Adjustment (1 ft to 3 ft)	LF	\$ 200.00	100	\$ 20,000.00	-45	\$ 200.00	\$ (9,000.00)	55	\$ 200.00	\$ 11,000.00	55	\$ 11,000.00	100%	0	\$ -	0%	55	\$ 11,000.00	100%
39	2" Asphalt Concrete Overlay	TON	\$ 650.00	25	\$ 16,250.00	0	\$ 650.00	\$ -	25	\$ 650.00	\$ 16,250.00	0	\$ -	0%	25	\$ 16,250.00	100%	25	\$ 16,250.00	100%
	Item 1- Locating Existing Service Connections					1	\$ 3,400.32	\$ 3,400.32	1	\$ 3,400.32	\$ 3,400.32	0	\$ -	0%	1	\$ 3,400.32	100%	1	\$ 3,400.32	100%



Dekoven, Lincoln, Newlands, and Oak Knoll Water Main Improvements
Progress Payment No. 06
December 1, 2025 to December 12, 2025



Item	Description	Original Contract Amount			Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date			
		Unit	Unit Price	Qty.	Total Price	Qty.	Unit Price	Total Price	Qty.	Unit Price	Total Price	Qty.	Amount Earned	%	Qty.	Amount Earned	%	Qty.	Amount Earned	%
Change Order No. 1	Item 2 - ABN Water Main Encounter				1	\$ 4,132.68	\$ 4,132.68	1	\$ 4,132.68	\$ 4,132.68	0	\$ -	0%	1	\$ 4,132.68	100%	1	\$ 4,132.68	100%	
	Item 3 - Conforming Material				1	\$ 871.27	\$ 871.27	1	\$ 871.27	\$ 871.27	0	\$ -	0%	1	\$ 871.27	100%	1	\$ 871.27	100%	
	Item 4 - Mismarked Water Main				1	\$ 3,237.73	\$ 3,237.73	1	\$ 3,237.73	\$ 3,237.73	0	\$ -	0%	1	\$ 3,237.73	100%	1	\$ 3,237.73	100%	
	Item 5 - Abandon 6" Water Main				1	\$ 4,253.28	\$ 4,253.28	1	\$ 4,253.28	\$ 4,253.28	0	\$ -	0%	1	\$ 4,253.28	100%	1	\$ 4,253.28	100%	
	Item 6 - Remove Abandoned Service Line				1	\$ 624.47	\$ 624.47	1	\$ 624.47	\$ 624.47	0	\$ -	0%	1	\$ 624.47	100%	1	\$ 624.47	100%	
	Item 7 - Oak Knoll Drive Cross Country				1	\$ 3,783.60	\$ 3,783.60	1	\$ 3,783.60	\$ 3,783.60	0	\$ -	0%	1	\$ 3,783.60	100%	1	\$ 3,783.60	100%	
	Item 8 - Oak Knoll Drive Rock Encounter				1	\$ 1,099.96	\$ 1,099.96	1	\$ 1,099.96	\$ 1,099.96	0	\$ -	0%	1	\$ 1,099.96	100%	1	\$ 1,099.96	100%	
	Item 9 - Delay Due to Faulty Gate Valve at New Lands				1	\$ 1,839.93	\$ 1,839.93	1	\$ 1,839.93	\$ 1,839.93	0	\$ -	0%	1	\$ 1,839.93	100%	1	\$ 1,839.93	100%	
	Item 10 - Delay Due to Faulty Gate Valve At Oak Knoll and Caping Existing Main				1	\$ 4,259.75	\$ 4,259.75	1	\$ 4,259.75	\$ 4,259.75	0	\$ -	0%	1	\$ 4,259.75	100%	1	\$ 4,259.75	100%	
	Change Order No. 2	Item 1 - Blow-Off at the End of Wosster Ave Cross Country				1	\$ 4,366.51	\$ 4,366.51	1	\$ 4,366.51	\$ 4,366.51	0	\$ -	0%	1	\$ 4,366.51	100%	1	\$ 4,366.51	100%
Item 2 - New ARV Outside the Project Limits					1	\$ 8,800.00	\$ 8,800.00	1	\$ 8,800.00	\$ 8,800.00	0	\$ -	0%	1	\$ 8,800.00	100%	1	\$ 8,800.00	100%	
Item 3 - Price Adjustment for Service Connection					1	\$ 3,000.00	\$ 3,000.00	1	\$ 3,000.00	\$ 3,000.00	0	\$ -	0%	1	\$ 3,000.00	100%	1	\$ 3,000.00	100%	
Contract Amount						\$1,888,000.00				\$ 39,409.50					\$1,927,409.50					
Amount Earned													\$16,930.00	1%		\$1,862,704.50	97%		\$1,879,634.50	98%
Retention (5%)													(\$846.49)						(\$93,981.73)	
PP01																			(\$429,167.01)	
PP02																			(\$613,770.78)	
PP03																			(\$310,796.06)	
PP04																			(\$391,084.36)	
PP05																			(\$24,751.06)	
Amount Due														\$16,083.50					\$16,083.50	
Amount Remaining on Contract																			\$47,775.00	2%

Prepared By DocuSigned by:

Joubin Pakpour

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Joubin Pakpour, PE
District Engineer

Contract Amount Remaining	\$47,775.00	2%
Total Retention Held	(\$93,981.73)	
Total Pending Change Orders	\$ -	



**Mid-Peninsula Water District
DLNO Water Main Improvements
Change Order Summary**



Project Manager: Feraydoon Jahanian-Farsi
Job Number: 10012.29

Change Order No.	Date	Items	Description	Total Approved Change Order Cost			
				Owner Requested	Unforeseen Site Conditions	PS&E Change Orders	Balancing Change Order
1	11/09/25	1	Locating Existing Service Connection	-	\$ 3,400.32	-	-
		2	4" Abandon Water Main Encounter	-	\$ 4,132.68	-	-
		3	Conforming Material Compliance with the Submittals	\$ 871.27	-	-	-
		4	Mismarked Water Main at Oak Knoll Drive	-	\$ 3,237.73	-	-
		5	Abandon 6" Water main at 2629 Lincoln Avenue	\$ 4,253.28	-	-	-
		6	Remove Abandoned Service line	-	\$ 624.47	-	-
		7	Oak Knoll Drive Cross Country	-	\$ 3,783.60	-	-
		8	Oak Knoll Drive Rock Encounter Sta 49+66	-	\$ 1,099.96	-	-
		9	Delay Due to Faulty Gate Valve at Intersection of Dekoven Avenue and Newlands Avenue	-	\$ 1,839.93	-	-
		10	Delay Due to faulty Gate Valve at Intersection of Pine Knoll Drive and Oak Knoll Drive and Caping Existing Main	-	\$ 4,259.75	-	-
2	11/19/25	1	Blow-Off at the End of Wooster Avenue Cross Country Line	\$ 4,366.51	-	-	-
		2	New Air Release Valve at 2303 Cipriani Blvd	\$ 8,800.00	-	-	-
		3	Price Adjustment for Service Connections	-	\$ 3,000.00	-	-
BCO 1	01/12/26	1	Balancing Change Order	-	-	-	\$ (4,260.00)
Change Orders Summary:				\$ 18,291.06	\$ 25,378.44	\$ -	\$ (4,260.00)

Change Order Total	Change Order Descriptions	Total Amount	%Increase/Decrease over Original Contract	% of Total Change Order
Change Order 1 \$ 27,502.99	Total Owner Requested Change Orders (MPWD):	\$ 18,291.06	0.97%	46.41%
Change Order 2 \$ 16,166.51	Total Unforeseen Conditions Change Orders:	\$ 25,378.44	1.34%	64.40%
Balancing Change Order \$ (4,260.00)	Total PS&E Change Orders:	\$ -	0.00%	0.00%
(a) Total \$ 39,409.50	Balancing Change Order:	\$ (4,260.00)	-0.22%	-10.81%
	TOTAL PROJECT CHANGE ORDERS (a):	\$ 39,409.50	2.09%	100.00%

TOTAL ORIGINAL CONTRACT AMOUNT (b): \$1,888,000.00
TOTAL REVISED CONTRACT AMOUNT (c) = (a) + (b): \$1,927,409.50

#

**Mid-Peninsula Water District Water District
Dekoven, Lincoln, Newlands, and Oak Knoll Water Main Improvements
PCG Project No. 10012.29**

**Preliminary Balancing Change Order
K.J. Woods Construction, Inc.
January 12, 2026**

Balancing Change Order

Bid Item No. 1 – 12” DIP

An additional 30 LF of 12” DIP was installed.

The original contract amount for Bid Item No. 1 was increased by: \$12,000.00

Bid Item No. 2 – 8” DIP

A deduction of 51 LF of 8” DIP was not installed.

The original contract amount for Bid Item No. 2 was decreased by: <\$25,500.00>

Bid Item No. 3 – 6” DIP

An additional 25 LF of 6” DIP was installed.

The original contract amount for Bid Item No. 3 was increased by: \$12,000.00

Bid Item No. 5 – 1” Service (Same Location)

A deduction of 4 EA of 1” Service (Same Location) were not installed.

The original contract amount for Bid Item No. 5 was decreased by: <\$6,000.00>

Bid Item No. 6 – 1” Service (Relocate)

A deduction of 7 EA of 1” Service (Relocation) were not installed.

The original contract amount for Bid Item No. 6 was decreased by: <\$10,5000.00>

Bid Item No. 7 – 12” Gate Valve

An additional 1 EA of 12” Gate Valve was installed.

The original contract amount for Bid Item No. 7 was increased by: \$4,500.00

Bid Item No. 10 – 2” Combination Air Valve

An additional 3 EA of 2” Combination Air Valve were installed at Intersection Of Cipriani Blvd and Newlands Ave, Intersection of Lincoln Ave and Dekoven Ave and Wooster Ave end of easement main.

The original contract amount for Bid Item No. 10 was increased by: \$30,000.00

Bid Item No. 12 – Potential Test Station

An additional 4 EA of Potential Test Station were installed.

The original contract amount for Bid Item No. 12 was increased by: \$4,000.00

Bid Item No. 13 – Insulating Test Station

A deduction of 5 EA of Insulating Test Station were not installed.

The original contract amount for Bid Item No. 13 was decreased by: <\$6,000.00>

Bid Item No. 14 – Potholing (District Requested)

A deduction of 5 EA of Potholing (District Requested) were not performed.

The original contract amount for Bid Item No. 14 was decreased by: <\$2,500.00>

Bid Item No. 18 – Abandon Water Main at Wooster Ave

A deduction of 1 LS of Abandon Water Main at Wooster Ave was not performed.

The original contract amount for Bid Item No. 18 was decreased by: <\$5,000.00>

Bid Item No. 20 – Remove Gate Valve and Gate Valve Box

A deduction of 1 EA of Remove Gate Valve and Gate Valve Box was not performed.

The original contract amount for Bid Item No. 20 was decreased by: <\$500.00>

Bid Item No. 21 – Abandon Gate Valve

A deduction of 3 EA of Abandon Gate Valve were not performed.

The original contract amount for Bid Item No. 21 was decreased by: <\$600.00>

Bid Item No. 22 – Fire Hydrant

An additional 1 EA of Fire Hydrant was installed at Oak Knoll Dr top of the cross country main.

The original contract amount for Bid Item No. 22 was increased by: \$15,000.00

Bid Item No. 24 – Retaining Wall

A deduction of 1 EA of Retaining Wall was not installed.

The original contract amount for Bid Item No. 24 was decreased by: <\$3,000.00>

Bid Item No. 25 – Service Pad

A deduction of 2 EA of Service Pads were not installed.

The original contract amount for Bid Item No. 25 was decreased by: <\$1,600.00>

Bid Item No. 26 – Curb and Gutter

An additional 10 LF of Curb and Gutter was installed.

The original contract amount for Bid Item No. 26 was increased by: \$800.00

Bid Item No. 27 – Concrete Sidewalk/Driveway Approach

A deduction of 100 LF of Concrete Sidewalk/Driveway Approach was not installed.

The original contract amount for Bid Item No. 27 was decreased by: <\$3,500.00>

Bid Item No. 28 – City Standard Concrete Valley Gutter

An additional 49 SF of Curb and Gutter was installed.

The original contract amount for Bid Item No. 28 was increased by: \$2,940.00

Bid Item No. 34 – Street Sweeping

A deduction of 31 day Street Sweeping were not performed.

The original contract amount for Bid Item No. 34 was decreased by: <\$9,300.00>

Bid Item No. 36 – Remove and Replace Monument

A deduction of 1 EA Remove and Replace Monument was not installed.

The original contract amount for Bid Item No. 36 was decreased by: <\$2,500.00>

Bid Item No. 38 – Vertical Depth Adjustment

A deduction of 45 LF of Vertical Depth Adjustment was not installed.

The original contract amount for Bid Item No. 38 was decreased by: <\$9,000.00>

Preliminary Balancing Change Order Total Amount: <\$4,260.00>*

*Although the district added three additional Combination Aire Valve and a Fire Hydrant Assembly for total value of \$45,000.00, total Contract amount was decreased by <\$4,260.00> primarily because of the reduction in LF of 8” water main, service connections, street sweeping and vertical depth adjustment, in addition to other minor bid item adjustments as listed above.

Prepared by:

Feraaydoon Jahanian-Farsi.
Associate Engineer
Pakpour Consulting Group

Reviewed and approved by:

Joubin Pakpour, PE
District Engineer
Pakpour Consulting Group

Reviewed and approved by:

Maitri Desai
Project Inspector
Pakpour Consulting Group

Reviewed and approved by:

Kat Wuelfing
General Manager
Mid-Peninsula Water District



AGENDA ITEM NO. 9.A.3

TO: Board of Directors
FROM: Alison Bell, Administrative Services Manager
DATE: January 22, 2026

ADMINISTRATIVE SERVICES MANAGER'S REPORT

December/January

New Maintenance Technician

Our new Maintenance Technician, Andy Villanueva started on January 5th! Andy joined the District with hands-on experience in public works maintenance and operations. He worked as a street maintenance and sewer collection operator with the City of Burlingame, where he supported street repairs, drainage system maintenance, sewer operations, traffic control, and equipment operation. He holds a Grade I Collection System Maintenance certification, forklift certification, CPR training, and is bilingual. His combined field experience, technical skills, and strong work ethic will be a valuable addition to the District's operations team.

New Board Training Requirement

A new state law taking effect in 2026, to be completed by January 1, 2028, will expand the required ethics training for local public agency officials and certain staff to include mandatory fiscal and financial training. In addition to board members, this requirement will apply to department heads and employees who make or influence financial decisions, such as budgeting, contracting, and use of public funds. Those already serving before 2026 must complete the training by January 1, 2028, and new officials or staff will be required to complete it within 6 months of starting. Training will be required every two years, records must be maintained for at least five years, and beginning in July 2026 districts with websites will be required to provide public access to training record information. This new requirement is intended to strengthen financial responsibility and transparency across public agencies. As of now, there are no designated training modules or materials. MPWD will be actively researching training opportunities for its Board Members.

CSDA New Brown Act Manual Released

CSDA released their new Brown Act manual with the updated laws for 2026. If you wish to have a copy, please let me know and I can email you a copy of print out a hard copy for you.

Communication Section

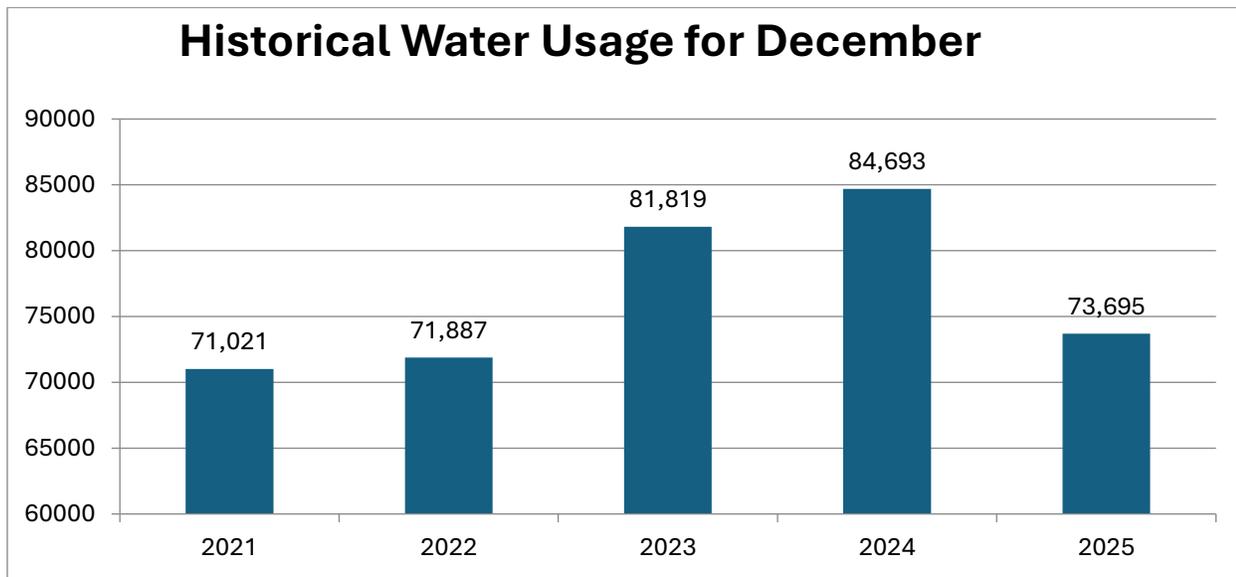
Email received from customer 12/18/25

Hello:

On November 26, one of your representatives, Trevor Morris, was kind enough to come to our home to alert us to a possible leak. Starting on October 20, 2025, Mid-Peninsula Water detected a dramatic increase in our household usage. Trevor asked if he could check around the house to discover where that leak might be. He found the leak in our outdoor irrigation system, which had been running 24 hours a day from October 20. Thankfully, he was able to turn the system off and eliminate the leak.

At that time, Trevor informed us of a program you have available to address serious leaks like this. He suggested we call your office to talk with Avianna about your once-every-five-years adjustment to large bills that result from undetected leaks. We did exactly that, on December 10, and Avianna requested that we formalize our request in an e-mail. We would like to take advantage of your adjustment program at this time.

Please let me know if you need any additional information. We appreciate your good customer service.



Utility Billing:
Account information

	Commercial Accounts	Residential Accounts	Multi-Family Accounts	Irrigation Accounts	Institutional Accounts	Industrial Accounts	Temporary Hydrant Accounts	Inactive Accounts	Total Accounts
January	414	7280	204	89	62	46	9	32	8104
February	415	7272	204	90	62	46	10	35	8099
March	416	7262	205	90	62	45	10	31	8090
April	416	7269	205	90	62	45	9	32	8096
May	415	7261	204	90	62	45	8	32	8085
June	415	7252	204	90	62	46	8	31	8077
August	418	7301	205	90	62	46	10	38	8132
September	418	7304	205	90	62	46	13	25	8138
October	418	7304	205	90	62	46	13	29	8138
November	418	7301	205	90	62	46	13	36	8135
December	418	7295	205	90	62	46	12	35	8128

Billing

2025	Reminder letters	Final notices	Sent to collections	Collections Amount	Shut Offs	New Payment Plans	Active Payment plans (in good standing)	Payments in default
January	348	36	0	0	9	1	6	3
February	315	41	0	0	4	2	6	2
March	294	26	0	0	1	1	5	1
April	282	36	0	0	1	0	5	0
May	313	33	0	0	4	1	5	1
June	353	31	0	0	1	0	5	1
August	378	29	0	0	1	0	5	0
September	397	47	0	0	1	2	8	0
October	292	83	0	0	18	0	5	3
November	331	43	0	0	3	0	3	1
December	214	59	0	0	0	2	5	0

PUBLIC SERVICE ETHICS EDUCATION (AB 1234)

Everyone is current with their Ethics training. The due dates (in alphabetical order) for certification renewal of Public Service Ethics education, required every two (2) years by AB 1234:

- Joubin Pakpour December 9, 2026
- James Ramsey October 19, 2025
- Julie Sherman March 14, 2027
- Louis Vella December 17, 2026
- Kirk Wheeler January 30, 2027
- Kat Wuelfing March 22, 2025
- Charles Cotten March 19, 2027
- Matt Zucca April 10, 2027
- Alison Bell June 12, 2026
- JoAnn Covington May 24, 2027
- Sarah Scheidt March 21, 2027

For compliance, training should be completed on or before the due date, and the certificate turned into the MPWD.

Here is the link to the FPPC free online ethics training:
<http://localethics.fppc.ca.gov/login.aspx>

SEXUAL HARASSMENT PREVENTION EDUCATION (AB 1825 FOR MANAGERS, SB 1343 FOR EMPLOYEES, AB 1661 FOR ELECTED OFFICIALS)

Everyone is current with Harassment Prevention training (required every two years). Due dates (in alphabetical order) for certification renewal of Sexual Harassment Prevention Education:

- Joubin Pakpour March 18, 2027
- James Ramsey October 19, 2025
- Julie Sherman July 21, 2027
- Louis Vella December 11, 2027
- Kirk Wheeler December 10, 2025
- Kat Wuelfing February 1, 2027
- Charles Cotten March 18, 2027
- Matt Zucca December 3, 2027
- Alison Bell June 10, 2026
- JoAnn Covington May 23, 2027
- Sarah Scheidt January 3, 2027

For compliance, training should be completed on or before the due date, and the certificate turned into the MPWD.

Here is the link to the DFEH free online Sexual Harassment Prevention training:
<https://www.dfeh.ca.gov/shpt/>

On the DFEH website, review the information on the webpage, click CONTINUE at the bottom of the page, select ENGLISH as the language, and select SUPERVISORY (2-hour course). You will be able to print, save, or screenshot your training certificate at the end of the training.

Once you have completed the training and obtained your certificate, please transmit it to Alison Bell at abell@midpeninsulawater.org.



AGENDA ITEM NO. 9.A.4.

TO: Board of Directors
FROM: Sarah Scheidt, Operations Manager
DATE: January 22, 2026

OPERATIONS MANAGER REPORT

Key Activities Since December Meeting

Projects:

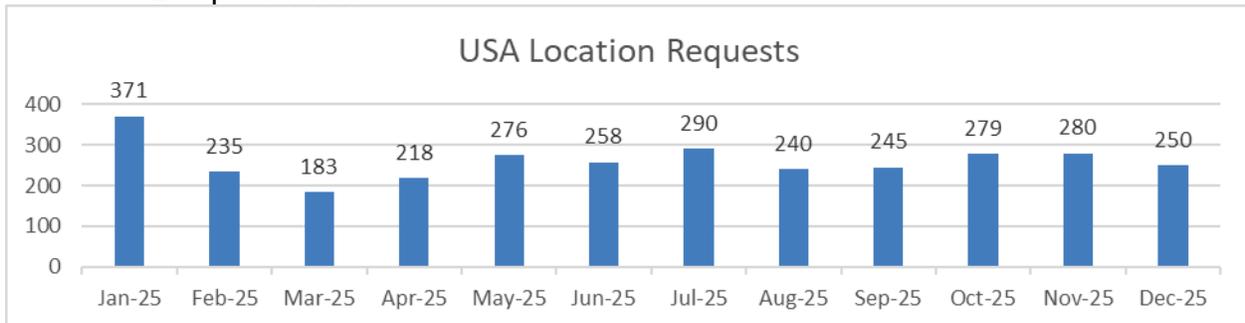
- The Folger Emergency Operations Center (EoC) final bid package is out, a mandatory site walk occurred on January 13, which was very well attended. Bids are due February 24, 2026. District staff and OCMI CM have reviewed initial RFIs from contractors and issued Addendum 1 to the Bid package on January 9th, which consisted of basic clarifying questions.
- Noll and Tam continue to work through the design process for the Dairy Ln reconstruction project. Next steps include Document Development and Planning Package review, cost estimating, peer and constructability review and permit package development. District staff and Noll and Tam are working with the City of Belmont on the rezoning from its current description as "Service Commercial" to "Public Facility" or its equivalent. A site plan was submitted to the City for preliminary evaluation and feedback.
- The District Engineer will provide detail in their monthly report for the Board on the Dekoven, Lincoln, Newlands, and Oak Knoll Water Main Improvement project. KJ Woods is working closely with Feraydoon and they are finishing up some final punch list items.
- Phase 2 of the project involving Hwy 101 crossing at PAMF and new water main under Shoreway Road has been delayed as we waited for sewer system improvement plans from the City of San Carlos' consultant. Prior to the holiday break the City/Mott MacDonald provided their 65% submittal plan set for relocating their existing 10" SS line along Shoreway Rd. The District Engineer and Staff, and the City of San Carlos and their consultants met on January 13th to discuss minor variations necessary to avoid pipeline conflicts, as well as schedule phasing coordination.

- West Belmont (North) and Exbourne (West) Tank recoating project was advertised for Bid on December 9, 2025, and six bids received by January 6, 2026. Staff recommendation for award to Euro Style Management is included in this Board Agenda as item 7.A. Outreach plan is in development.

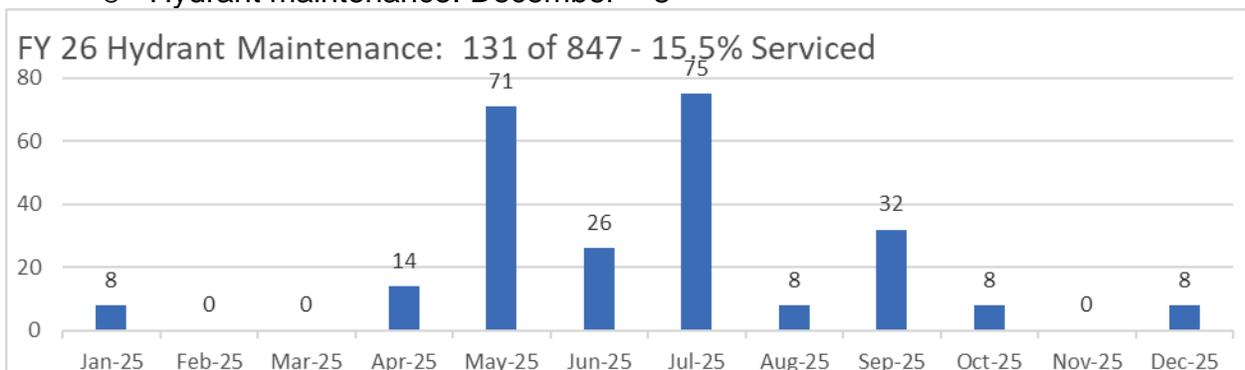
Operations and Maintenance:

- Staff and District Engineer developed a draft MOU for capital and emergency repairs with City of Belmont for trenching/paving standards and in December, sent to Belmont for review. Preliminary feedback was received from the Belmont Public Works Director, which was generally positive and supportive of continued efforts to finalize the MOU in the short term. Staff will discuss internally prior to the quarterly meeting between the City and the District is scheduled for January 14th.
- The special metal straps for a mechanically stabilized earth wall have been installed at the Exbourne tank site; and that project has been finalized.
- The longer-term tree maintenance and cathodic protection system projects discussed in previous month's Operations Manager Reports will be further evaluated as part of the Strategic Plan asset management project including conditional assessments, budgeting, and prioritized infrastructure projects.
- Staff continues to regularly pull residential meters for meter accuracy testing. Every few months, staff removes 20-25 residential meters based on age, consumption, etc., to have tested for accuracy. These meters are tested under 3 different flow rate conditions (low / .25 GPM, medium / 2 GPM, high / 15 GPM). Twenty-one (21) meters were tested in December and most results indicated acceptable accuracy readings in all 3 flow rates. Meter replacements will be considered as part of the asset management planning project; yet many may need to be replaced in the shorter term of the next two years.
- Initial water quality sampling from the water main break and repair at Notre Dame and Fairway on 12/28/2025 indicated a positive for total coliform and E.coli. Follow up sampling from three locations confirmed no coliforms or E.coli were present; and a boil water notice was avoided. The result could have been from local environmental contamination, or a false positive. Sampling procedures are being reviewed and evaluated.
- Staff completed the following operations / maintenance tasks:
 - Water main break repair on Civic Lane behind 1408 El Camino Real – 12/5/25
 - Water main break repair at 2916 San Juan – 12/6/25
 - Water main break repair at 3207 Longfellow – 12/6/25
 - Saw Cut 5 Locations (1707 Notre Dame, 1785 Terrace, 2931 Alhambra, Civic Lane and Buckland)
 - Miscellaneous paving at 2632 Carlmont and Buckland / Hartford intersection.
 - 1" service upgrade at 1532 Altura Way – 12/11/25
 - Valve can repair work at 2826 San Juan – 12/23/25
 - Water main break repair at Notre Dame and Fairway – 12/28/25
 - Hit hydrant on Alden. – 12/30/25 Repair work to take place in the first week of January.
 - Flushed 7 dead end water lines

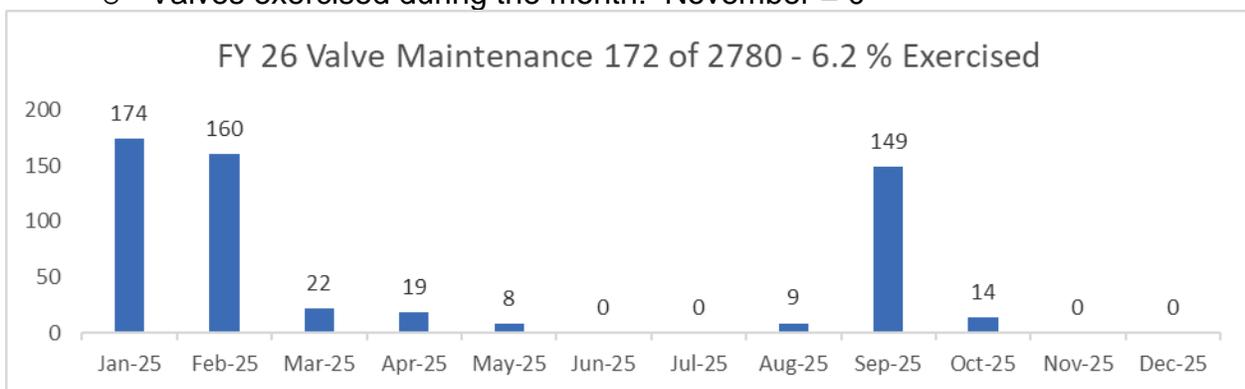
- Meters replaced: 10
- Meter registers replaced: 37
- Meter transmitters replaced: 43
- Collected the requisite 44 water samples during December from 11 sample station sites. None of the samples tested positive for total coliform.
- Responded to and completed 250 underground service alerts (USA) location requests. Running 12-month location requests total is 3,125 an average of 260 per month.



- Hydrant maintenance: December = 8



- Valves exercised during the month: November = 0



System Repairs:

Date	Location	Event	Material	Installation Date	Estimated Water Loss (Gals.)
12/5/25	Civic Lane / 1408 El Camino Real	Replaced 5' section of pipe	6" Cast Iron	1949	Approximately 100 Gallons
12/6/25	2916 San Juan	Ring Break	¾" copper	1950	Approximately 100 Gallons
12/6/25	3207 Longfellow	Replaced 2' section of pipe	6" Cast Iron	1959	Approximately 150,000 Gallons
12/28/25	Notre Dame / Fairway Intersection	Replaced 10' section of pipe	8" Cast Iron	1951	Approximately 100,000 Gallons
12/30/25	Hit Hydrant – Alden St	Struck by motorist	Hydrant Bury	2000	Approximately 100,000 Gals
12/5/25	Civic Lane / 1408 El Camino Real	Replaced 5' section of pipe	6" Cast Iron	1949	Approximately 100 Gallons

Development:

Staff continue to work with developers and the City of Belmont to monitor 33 Major Development Projects including mixed use and commercial developments, and City plans and projects such as pavement and sewer rehabilitation, roadway improvement, utility undergrounding, creek restoration, and master planning. Staff are currently in review of approximately 30 plans for residential permits.

803 Belmont Avenue: This development project has been under construction for several months. Due to road slopes and access for emergency vehicles, BKF Engineers have been working with District staff, regarding lowering the road surface and acceptable cover over our water main. Staff determined that approximately 200' – 250' of our 6" PVC water main would need to be lowered and replaced with 8" DIP due to insufficient cover. Hansen Brigitte is working on a Water Service Agreement amendment which will include the construction changes as well as incurred inspection / administrative / legal fees.

Administration:

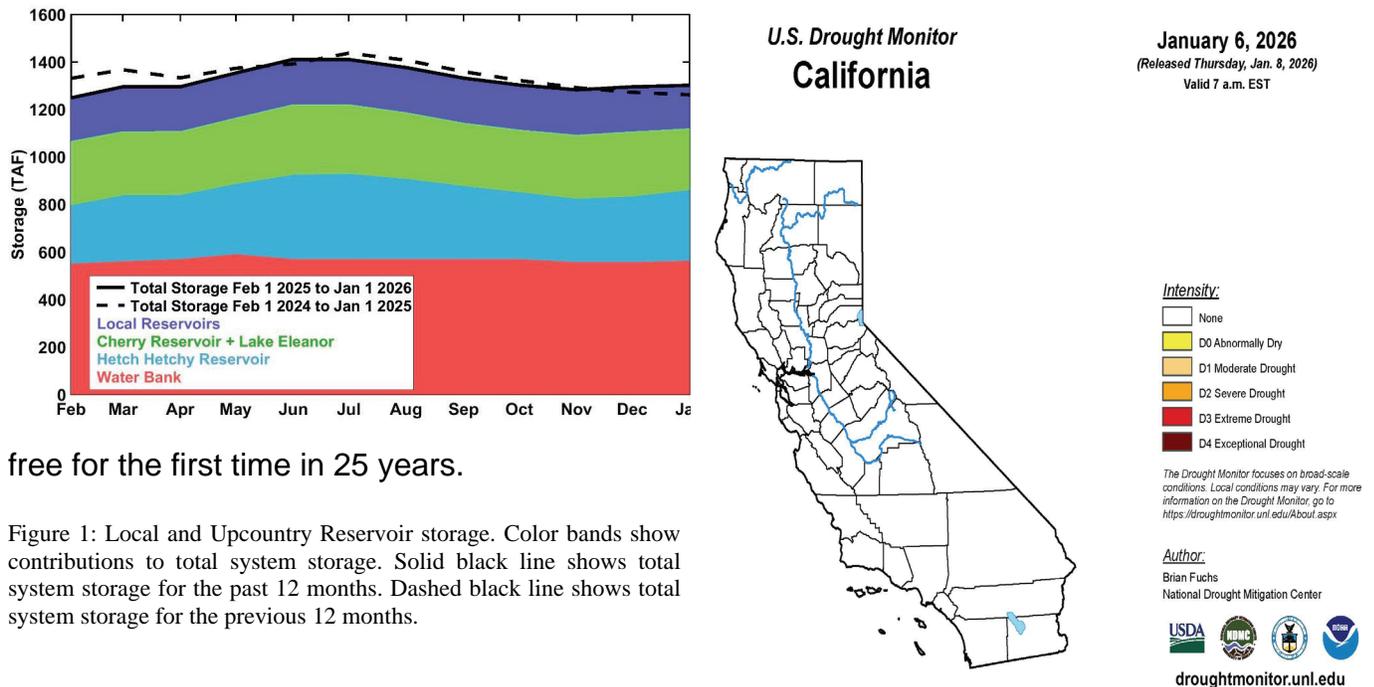
- Staff received 4 proposals based on our RFQ for IT Managed Services, which were due December 10, 2025. Staff are currently reviewing internally and anticipate a selection to be made in January 2026.
- Our two new Maintenance Technician positions have been filled. Keith and Andy have started and are working well with the team and are enjoyable to have on staff!
- Staff continue to work with Fryer and Laureta in support of MPWD's updated Risk and Resilience Assessment (RRA) Report. The updated RRA must be completed and self-certification submitted to the Environmental Protection Agency (EPA) by no later than June 30, 2026.
- Staff and RDN met with the Finance Committee in December to review the Capacity Charge Study recommendations prior to bringing the recommendations to the Board.

- Staff attended Safety/Rap Session and received training on slips, trips, and falls considering winter weather.
- Staff facilitated maintenance fire test for Dairy Lane by Sonitrol.
- Staff participated in weekly calls with District Engineer, General Manager, and Operations Supervisor on District matters and projects.

Water Supply Outlook:

As of early January 2026, the SFPUC system is in strong shape: total storage is about 90% of maximum with Tuolumne supplies around 93% full and local reservoirs about 75% (Fig.1). Both Sierra and most local precipitation are running well above normal for the water year so far. December storms—especially two atmospheric rivers and a New Year’s winter storm—boosted basin wetness, snowpack above 6,000 feet, and unimpaired inflows well to above long-term means, yielding roughly 36,600 acre-feet of “Water Available to the City” in December alone and about 154% of normal for the year-to-date.

On the delivery side, regional demand softened slightly, with average December deliveries at 155 MGD (about 8% below November), supported by production from Harry Tracy (54 MGD) and Sunol Valley (69 MGD) treatment plants. Overall, the combination of high storage, above-average precipitation and snowpack, and active reservoir management positions the system well heading into the core of the wet season. Notably, California is drought



free for the first time in 25 years.

Figure 1: Local and Upcountry Reservoir storage. Color bands show contributions to total system storage. Solid black line shows total system storage for the past 12 months. Dashed black line shows total system storage for the previous 12 months.



AGENDA ITEM NO. 9.A.5.

TO: Board of Directors
FROM: Kathryn Wuelfing, General Manager
DATE: January 22, 2026

GENERAL MANAGER'S REPORT

Key Activities Since December Meeting

- **SFPUC Wholesale Rate Increase** – On January 14, 2026, we received from SFPUC their Estimated Fiscal Year 2026-27 Wholesale Water Rate Range letter. As a result of these projections, the SFPUC estimates the Schedule W-25 wholesale rate for water in FY 2026-27 will range between \$6.14/CCF to \$6.33/CCF. Relative to the current rate of \$5.80/CCF, this represents a rate increase ranging from 5.9% to 9.1%. *[For reference, last year range projected in January was \$5.99/CCF to \$5.72/CCF (or 0.9% to 5.6%), and the ultimate adopted cost was \$5.80/CCF (2.3%)].*



Our 5-year rate study included SFPUC rate projections based on information provided by SFPUC in April 2024. Those projections anticipated SFPUC's FY 26/27 wholesale rates increasing to \$6.30. The high end of the range provided by SFPUC this month exceeds what was anticipated in our rate study by \$0.03. Because of our pass-through mechanism, we will be able to pass through the total increase from SFPUC provided we issue a notice of rate increase 30 days prior. As we work to develop our own FY 26/27 budget, we will review our revenue needs and bring the rate change, inclusive of an SFPUC pass-through to the Board for consideration, with time to allow for a rate change effective July 1, 2026.

- **MPWD White Elephant Exchange and Lunch** – We held our annual White Elephant gift exchange and lunch on December 16th. It was a great time and nice chance to celebrate the year together!

- Potential Boil Water Notice** – As you all know, I reached out to you on December 31st about the potential need to issue a boil water notice for a portion of our system, following a water main break. Very fortunately, subsequent and more sensitive sampling indicated that the first sample was a false-positive, which can happen from time to time. However, we prepared to issue the notice and respond if there had been an actual problem with contamination to our system. While we never like to have these scares, we are turning it into a valuable exercise and lessons learned.

WATER TREATMENT INSTRUCTIONS
Do not drink the water without boiling or treating it first.

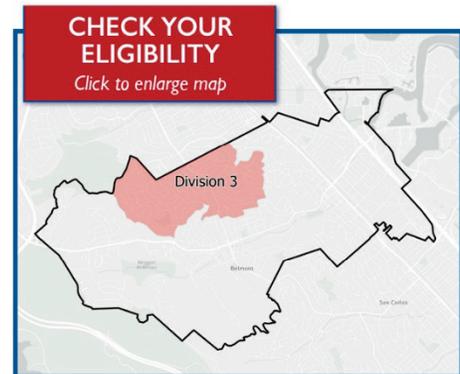


Use boiled or bottled water for drinking, brushing teeth, and food preparation until further notice. Boiling water kills bacteria and other organisms in the water. Un-boiled water is safe to use for bathing, dish washing, clothes washing, and irrigation.

DISINFECTION TABLETS

Please follow the manufacturer's instructions.

- Division 3 Board Member Recruitment** – Applications were due January 20th – and we received a total of twelve applications! The ad hoc committee reviewed the applications and selected several candidates to interview next week. The outreach for this effort was a great success, and we have some very strong candidates for the committee to consider! We expect that the Board will be able to make the appointment at the February meeting, and the new board member can begin at the March meeting.



- SMC Community Organizations and Districts (COAD) Work Group** – I participated in the COAD workgroup meeting. Attendees included NCCWD, West Bay Sanitary, and many non-profit community group organizations such as Samaritan House, Red Cross, Thrive Alliance, etc. The workgroup goal is to “developing a cluster framework that will strengthen our coordination and communication structures during emergencies.”



- IT Services RFQ** – The District issued an RFQ for IT services: <https://www.midpeninsulawater.org/bid>. On November 13, we held a mandatory pre-submittal meeting, which was attended by seven companies. The submittal deadline was December 10th and we received statement of qualifications from four companies. We reviewed the four submittals and will be interviewing the top candidate firm next week. After the selection process is complete, will bring a new contract to the Board, likely at the February meeting.
- FY 2024/2025 Audit** – CJ Brown & Company CPAs is working on our FY 2024/2025 Audit. The interim testing period happened August 6th through August 8th, and the final audit work was done November 10th through November 14th. We are looking forward to receiving the draft audit, and will schedule a Finance Committee meeting to review the audit once it has been received.



- **Chamber San Mateo** – President Vella and I are signed up to attend the Chamber San Mateo Progress Seminar in April. I reached out to the Chamber recently to confirm our membership, and request that we be added on their website in relevant places such as the membership directory and list of elected officials. Their CEO invited me to share about MPWD at a committee meeting, and I accepted – the details are still TBD. The Chamber has four committees that each meet bi-monthly via Zoom:
 1. **Education & Workforce Committee** Receives updates from local educational institutions and legislators to determine ways in which partners can participate to improve and support elementary and high school districts, the community college district and other education institutions and organizations in San Mateo County to create a strong, vibrant and educated workforce. **Meetings:** 1st Wednesday, Noon, Bi-monthly (via Zoom)
 2. **Economic Development Committee** Develops and implements plans to attract and retain commercial and industrial development in Redwood City, San Carlos, Belmont and Menlo Park, as well as broader San Mateo County. **Meetings:** 1st Tuesday, Noon, Bi-monthly (via Zoom)
 3. **Transportation & Housing Committee** Monitors and evaluates transportation projects/updates and housing issues and recommends positions on local and state legislation. **Meetings:** 2nd Thursday, Noon, Bi-monthly (via Zoom)
 4. **Governmental Relations Committee** Studies and speaks out on government activities that affect local businesses and communities in Redwood City, San Carlos, Belmont and Menlo Park, as well as broader San Mateo County. **Meetings:** 3rd Wednesday, Noon, Bi-monthly (via Zoom)
- **SMC California Special Districts Association** – The next meeting of the San Mateo County Chapter of the California Special Districts Association (CSDA) has been scheduled for March 9th at 3pm by zoom. The chapter intends to meet on the second Monday, every three months.
- **Folger Drive EOC** – The project has put out to bid, with bids due 2/24/2026. A mandatory pre-bid meeting and sitewalk was held 1/13/2026 and had excellent attendance. Approximately 30 people attended, including 20 general contracting firms. We are in the process of responding to questions as they're received and issuing addenda as needed. Based on the current schedule, we anticipate bringing the contract for award by the Board in March.
- **Dairy Lane Rehab** – Design work is underway. We are working with the City on the rezoning and plans, and scheduling another meeting with OneShoreline to make sure we are including all of their considerations for sea level rise, shallow groundwater rise, and flood mitigation.
- **Conferences & Training** – Scheduled to attend:
 - Hanson Bridgett 2026 Employer Services Seminar – San Francisco, February 2, 2026

- American Water Works Association - California/Nevada Section – Water Conference of the West, San Diego – April 6th-9th, 2026
- Chamber San Mateo Progress Seminar – Santa Rosa – April 17 – 20th, 2026

Key Meetings and Conferences Attended

- Quarterly Meeting with Belmont Public Works – 1/14/2026
- 101 Undercrossing Project Coordination Meeting with City of San Carlos – 1/13/2026
- Folger EOC Project Pre-Bid Meeting – 1/13/2026
- Review of IT MSP Statements of Qualifications – 1/12/2026
- Special Board Meeting – Strategic Plan Update – 1/8/2026
- County Local Hazard Mitigation Plan Steering Committee – 1/8/2026
- Harbor Industrial Association Luncheon – 1/8/2026
- BAWSCA Water Management Representatives Meeting – 1/8/2026
- Bid Opening for West Belmont/Exbourne Tank Recoating – 1/6/2026
- Meeting with Belmont Community Planning – 1/5/2026
- BAWSCA Strategy 2050 OneWater Roundtable – 12/15/2025
- SMC Community Organizations and Districts (COAD) Work Group – 12/11/2025
- Monthly Coordination Meeting with John Davidson
- Weekly meetings with Noll & Tam Architects
- Weekly meetings with James Ramsey of Eide Bailly
- Weekly meetings with Joubin Pakpour of PCG
- Bi-Weekly Safety/Rap Session Meetings with All Staff

3-MONTH LOOK AHEAD FOR BOARD MEETINGS

February, 26 2026 (Fourth Thursday)

- § Annual water awareness contest awards
- § Receive annual financial audit report for fiscal year end
- § Consider Approving Memorandum of Understanding Between the City of Belmont and the Mid-Peninsula Water District Regarding Application of Trench and Paving Standards
- § Approve Agreement with IT Service Provider
- § Receive Mid-Year Review of FY 2025/2026 Operating and Capital Budgets and Consider Resolution Approving the Amended Budgets
- § Consider Resolution Amending Contract and Scope for West Yost on the SR 101 Undercrossing CIP Project
- § Consider Authorizing the General Manager to Execute Task Order 26-12 with District Engineer, Pakpour Consulting Group, Inc., for Construction Management and Inspection Services for the Exbourne (W) and West Belmont (N) Water Tank Improvements Project (CIP #24-08 & 24-09)
- § Consider Resolution Making an Appointment to the Board of Directors to Fill the Term of the Vacant Division 3 Position through November 3, 2026
- § Consider Updating Water Capacity Charges based on Study by RDN, Inc.
- § Receive Quarterly Water Conservation Activities and Programs Report

- § Receive BAWSCA Report

March 26, 2026 (Fourth Thursday)

- § New Division 3 Board Member to be Sworn In
- § Award Construction Contract for the Folger Drive Emergency Operations Center Project
- § Award Contract for Dekoven Tank Replacement Project
- § Receive Report and Provide Preliminary Direction on Fiscal Year 2026/2027 Water Rate Adjustment
- § Consider Adopting a Non-Functional Turf Ban Ordinance
- § Discuss Developing Pre-Qualification List for Contractors
- § Consider Approving a Memorandum of Understanding Between the City of Belmont and the Mid-Peninsula Water District Regarding Application of Trench and Paving Standards

April 23, 2026 (Fourth Thursday)

- § Public Works Week Proclamation
- § If needed, schedule a Special Board meeting for water rates workshop
- § Review and consider updates to Financial Management Plan
- § Receive Quarterly Water Conservation Activities and Programs Report

Committee Activities

Finance Committee Meeting – Date TBD

- § Review FY 2024/2025 Financial Audit Results, once draft has been received
- § Review proposed mid-year budget amendments