

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30  
31  
32  
33  
34  
35  
36  
37  
38  
39  
40  
41  
42  
43  
44  
45  
46  
47  
48  
49  
50

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

November 21, 2013  
Belmont, California

1. **OPENING**

A. **Call to Order:**

The regular meeting of the Mid-Peninsula Water District Board of Directors was called to order by President Stuebing at 6:35PM.

B. **Establishment of Quorum:**

**PRESENT:** Directors Stuebing, Vella, Linvill, Altscher, and Zucca

**ABSENT:** None

A quorum was present.

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

C. **Pledge of Allegiance** – The Pledge of Allegiance was led by Director Altscher.

2. **PUBLIC COMMENTS**

None

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

None

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

A. Retiring Director Service Appreciation – 14 Years (1999-2013): David Altscher

B. Approve Resolution 2013-16 Expressing Appreciation for David Altscher's Service to the MPWD

Vice President Vella moved to approve Resolution 2013-16 Expressing Appreciation for David Altscher's Service to the MPWD. Director Zucca seconded and the motion passed unanimously.

Directors shared congratulatory comments about Director Altscher's service to the District and his retirement from the MPWD Board of Directors.

C. Reception Honoring David Altscher

President Stuebing recessed the Board meeting at 6:48PM for attendees and guests to enjoy the reception honoring Director Altscher.

President Stuebing reconvened the Board meeting at 7:18PM.

51  
52  
53  
54  
55  
56  
57  
58  
59  
60  
61  
62  
63  
64  
65  
66  
67  
68  
69  
70  
71  
72  
73  
74  
75  
76  
77  
78  
79  
80  
81  
82  
83  
84  
85  
86  
87  
88  
89  
90  
91  
92  
93  
94  
95  
96  
97  
98  
99  
100  
101

5. **CONSENT AGENDA**

- A. Approve Minutes for Regular Board Meeting of October 24, 2013
- B. Approve Expenditures from October 10, 2013, through November 13, 2013.

Director Zucca moved to approve the Consent Agenda, including the minutes as amended prior to the Board Meeting, Vice President Vella seconded, and the motion passed.

6. **HEARINGS AND APPEALS**

None

7. **REGULAR BUSINESS**

**A. Discuss DRAFT MPWD Indoor Water Use Efficiency Ordinance #109:**

**B. Discuss DRAFT MPWD Outdoor Water Use Efficiency Ordinance #110:**

Director Zucca asked that there be a flow chart which can easily be followed so customers as well as MPWD can track how to properly follow the ordinances. Director Vella asked that the fees be clearly explained, so the customers know exactly what they are being charged. He would like a checklist added to make it understandable for those going through the process. He would also like to see a compliance component to make sure the existing laws are being met. Staff received the Board direction to be followed up at next month's meeting.

**C. Receive MPWD Internal Control Policies, Procedures and Compliance Manual, and Report by Pamela Thompson, CPA, Utilities Risk Advisor, Experis Finance, Inc., and Consider Resolution 2013-17 Approving the MPWD Internal Control Policies, Procedures and Compliance Manual**

Pamela Thompson, CPA presented the policy manual to the Board. Director Linvill stated that she did not believe the manual met with the Board's intent. She expected to see internal control policies and procedures for MPWD processes. Actual MPWD policies are referenced but not included in the policy manual. Director Linvill felt it should include more detail than what is presented, be more user friendly, and refer to MPWD procedures where relevant. Director Vella reported that there is water loss with any firefighting incidents and training. Director Zucca believed that procedures are in place for staff transition and training, and that the policy manual should be reviewed annually, as should other policies. It was determined that Resolution 2013-17 will be revisited at the January Board meeting to give time for staff to incorporate suggestions made by the Board to include existing policies and procedures with the manual. This is a living document and will need to be updated on a yearly basis.

Dr. Peter Hughes was present at the Board meeting after having spent the afternoon reviewing the status of the internal control recommendations he made last year on December 20, 2012. He reported that management has made obvious and significant improvements in both the internal control environment and in their business processes. Records and supporting documentation are easily and readily available for third-party reviews, and both management and staff demonstrated a sound understanding of the importance of maintaining a strict separation of critical duties. In addition, both management and staff demonstrated a detailed understanding of their specific duties and the business processes in general. The controls established provide reasonable assurance that material errors or irregularities will be detected by management personnel on a timely basis in the normal course of performing their duties. Dr. Hughes did not discover any vulnerability in the areas that were exploited in the past. He agreed

102 that we need to continue the process of developing and updating the policy manual by  
103 referencing the existing policies and procedures already in place, so there is an easy  
104 handoff to any staff member.

105  
106 Dr. Hughes viewed the document developed by Pamela Thompson as a bridge  
107 document between the desktop procedures manual and the policies currently in place.  
108 Once those three components are in place, they would collectively represent the final  
109 policy manual.

- 110  
111 **D. Designate a Director for Check Signing Authority on the MPWD's Bank Account**  
112 Since Director Altscher is retiring, a new Director should be authorized to sign MPWD  
113 checks as needed. Director Zucca moved to nominate President Stuebing to be given  
114 check signing authority, Director Linvill seconded, and the motion was unanimously  
115 approved.

## 116 117 **8. MANAGER'S AND BOARD REPORTS**

### 118 **A. General Manager's Report**

119 General Manager Rudock distributed a draft of the 2014 Board meeting schedule to be  
120 considered. The third Wednesdays in November and December are being  
121 recommended to avoid conflicts with important meetings for participating Directors, such  
122 as BAWSCA. The MPWD Personnel Manual will be presented in draft form early in  
123 2014. The Manager anticipates a 90-day process, to make sure legal, staff, and the  
124 Board all have a chance to review the document, and is targeting April 2014 for  
125 approval. She reported that she and Administrative Services Manager Pina attended the  
126 AWWA (American Water Works Association) Leadership Institute in San Jose and found  
127 it to be very good training. Next month, she will report to the Board about the recent  
128 SFPUC Wholesale Customers meeting. She distributed an SFPUC projects appendix  
129 for information.

#### 130 131 **1. Supplemented by Administrative Services Manager's (ASM) Report:**

132 Administrative Services Manager Pina reported the PARS/OPEB month end balance  
133 for September 2013 to be \$281,219, an increase of \$6,111.

#### 134 135 **2. Supplemented by Operations Superintendent's Report:**

136 Operations Superintendent gave an update on the AMI meter installations in the  
137 Hallmark neighborhood. District staff will begin replacing water meters in the middle  
138 of December with completion in March of 2014. He then showed pictures from a leak  
139 on a 3/4-inch service line at 503 Crestview and explained how staff was able to repair  
140 the leak. Lastly he showed pictures from a service upgrade at 2715 Barclay. He  
141 highlighted the new pipe freezer the District purchased. Director Altscher asked if the  
142 District has had issues with customers bypassing their water meter. Superintendent  
143 Young believes we found one instance of this many years ago. More often  
144 customers will remove their water meter and install a straight piece of pipe in its  
145 place; some even going so far as to learn the meter reader's schedule to replace the  
146 pipe with the meter so it can be read. Superintendent Young explained that one of  
147 the benefits of the AMI meters the District is installing is that they will alert staff with a  
148 tamper alarm. General Manager Rudock added that we finally received money from  
149 a contractor that was drawing water from a fire hydrant without the benefit of a  
150 construction meter from the MPWD. Engineer Pakpour said that a few of his other  
151 District clients report the monthly unaccounted water on a monthly basis. He  
52 encouraged the District to include an article in the newsletter about reporting water

153 theft to encourage our customers to report suspicious activity. Director Vella asked  
154 about what happens to the old meters that have been replaced and if we received  
155 much resistance from our customers not wanting the new water meters.  
156 Superintendent Young stated that the old meters are returned to our Sensus  
157 representative for credit towards new meters and that there was one customer on  
158 Sunnyslope that was concerned about radio waves coming from the meter but he  
159 has since moved out of the area.  
160

161 **3. Supplemented by District Engineer's Report:**

162 District Engineer Pakpour reported on the Belburn project. It is 80% complete but is  
163 now on hold until the MPWD's standard plans and specifications are complete, which  
164 are moving forward with staff. A meeting is scheduled for December 10<sup>th</sup> to wrap  
165 that up. We are under budget by \$23,000 and on schedule. We are also updating  
166 the MPWD distribution system analysis, zone by zone. We still have zones 1, 2, 3, 7  
167 and 8 to complete. He reported we are also on budget for that project.  
168

169 Update on Buckland Tank: The utility pole work should be completed next week; it  
170 was delayed by the rain. Project design is 100% complete. With one last review by  
171 the District staff, the project will go out to bid. We will have a pre-bid meeting on  
172 December 18<sup>th</sup>, and those interested in bidding on this project will have to be at that  
173 pre-bid meeting. We will have a January 15<sup>th</sup> bid opening, and then at the January  
174 Board meeting, we hope to present the Board with a recommendation for contract  
175 award. The work will start in mid-February and will last 6-7 months.  
176

177 **B. Financial Reports**

178 Director Linvill requested that an overview be added to the financial reporting each  
179 month. Director Zucca requested that a 5-year comparison month over month be  
180 incorporated to the reporting each month. Additionally, staff was directed to also include  
181 a monthly report showing the unaccounted for water.  
182

183 **C. Member Reports**

184 Director Linvill and President Stuebing reported that they are happy to be continuing on  
185 the Board.  
186

187 Director Vella reported he was very happy with the results of the election.  
188

189 Director Altscher reported that he attended his final LAFCO meeting as a board member,  
190 and introduced our General Manager Rudock at that meeting. He told them that she has  
191 done a wonderful job in the year she has been here at the District, and has made very  
192 positive and constructive changes to this organization. He said LAFCO will realize these  
193 changes when they do their next service review. He suggested we start preparing for  
194 LAFCO's next service review in about a year. He also suggested the Board endorse  
195 Joshua Cosgrove, the current alternate, as his replacement for the open LAFCO position  
196 which Director Altscher is vacating. He also suggested we attend the upcoming  
197 meeting, and if the President is not available, that we submit in writing who will attend as  
198 his replacement. It is an important meeting to attend. He attended a San Mateo  
199 California Special District Association meeting on October 29<sup>th</sup>, and he gave the General  
200 Manager information on how to acquire an organizational transparency certificate.  
201 Lastly, he thanked everyone for being a class act, and expressed his appreciation  
202 working with all of the Board members all these years.  
203

204  
205  
206  
207  
208  
209  
210  
211  
212  
213  
214  
215  
216  
217  
218  
219  
220  
221  
222  
223  
224  
225  
226  
227  
228  
229  
230  
231  
232  
233  
234  
235  
236  
237  
238  
239  
240  
241  
242  
243  
244

**9. FUTURE AGENDA BUSINESS ITEMS**

1. Newly elected Board members will be sworn in.
2. Annual Board reorganization.
3. Conservation Ordinances to be revisited.
4. Continued discussion on the Internal Control Policy Manual.
5. Personal Manual update.

**10. COMMUNICATIONS**

General Manager Rudock had the following communications:

1. Water Education Foundation – Sea to Sierra tour invitation for anyone interested.
2. Annual ACWA Summary of Appellate Cases – Passed to District Counsel.
3. ACWA is asking that we adopt a resolution in support of the ACWA State Wide Water Action Plan – Passed to District Counsel for review and recommendation.

*The Board recessed into Closed Session at 9:33PM to consider the following matter:*

**11. CLOSED SESSION**


- A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Government Code §54957  
Title: General Manager

*The Board reconvened into open session at 10:40PM. District Counsel Cassman reported that the Board took no reportable action during the closed session.*

**12. ADJOURNMENT at 10:41PM.**

  
DISTRICT SECRETARY

APPROVED:

  
BOARD PRESIDENT