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

April 25, 2019
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 Vella at 6:30PM.

B. **Establishment of Quorum:**

PRESENT: Directors Vella, Schmidt and Wheeler.
Directors Zucca and Warden were absent.

A quorum was present.

ALSO PRESENT: General Manager Tammy Rudock, Operations Manager Rene Ramirez, Administrative Services Manager and Board Secretary Candy Pina, District Engineer Brandon Laurie, District Treasurer Jeff Ira, and District Counsel Julie Sherman.

C. **Pledge of Allegiance** – The Pledge of Allegiance was led by President Vella.

2. **PUBLIC COMMENTS**

None.

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

None.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

None.

5. **CONSENT AGENDA**

A. **Approve Minutes for the Regular Board Meeting of March 28, 2019**

A typographical error on page 3, line 12 was corrected.

B. **Approve Expenditures from March 21, 2019 through April 19, 2019**

Director Schmidt asked staff to again clarify further the CalPERS sick leave policy. General Manager Rudock provided an additional explanation. He also inquired about the XiO, Inc. expense on page 2 of the expenditures report. Staff shared that the payment was related to monthly SCADA equipment rental charges and purchases.

Director Schmidt moved to approve the Consent Agenda. Director Wheeler seconded and it was unanimously approved.

6. **HEARINGS AND APPEALS**

None.

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

A. Receive Quarterly Reports on 2016 COP Financing through March 31, 2019:

- 1. Financial Reconciliation Report; and
- 2. Capital Project Fund Report

Administrative Services Manager Pina provided highlights from the reconciliation report.

General Manager Rudock provided a brief overview of the Cost of Issuance section and defined some of the Table Chart categories.

Director Schmidt inquired about interest payment costs and inquired if they could be included in the report. District Treasurer Ira replied that staff was trying to keep the report about quarterly COP project costs versus total COP expenditures. Staff responded that it could work on a section that reflected total expenditures.

Dan Bergmann reported on the tracking of current and overall COP spending for the quarter ending March 31, 2019, and further shared the required Annual Disclosure Report for the COP financing that was filed on behalf of the MPWD by him as agent.

8. REGULAR BUSINESS AGENDA

A. Discuss Operation Revenue Requirements for Fiscal Year FY2019/2020 and Consider Ordinance No. 120 Amending Attachment “A” to the MPWD Water Service Ordinance regarding Rates and Charges effective July 1, 2019

General Manager Rudock provided an overview of the Attachment “A” Schedule of Rates and Charges.

Director Schmidt inquired about the BAWSCA surcharge expense listed under the Bartle Wells Associates Water Rate Update Report and General Manager Rudock explained BAWSCA’s debt service repayment plan for SFPUC system financing that was attributable to the wholesale customers and MPWD’s share.

Director Schmidt had questions about contributions and accruals related to the OPEB and PARS Trust fund. Director Wheeler added that he would like to revisit future funding options and scenarios with staff. General Manger Rudock provided background on the District’s liabilities and obligations to retirees and an open Board discussion followed. She further reported that a long-term financial management plan is under development with a consulting team, and will include the Board’s Finance Committee before presenting it to the Board for consideration. It will include a proposed plan for use of the PARS OPEB and PRSP combined trust for expenses related to those programs.

President Vella shared that he was in favor of the rate increase and commented on customer response and staff handling of the process. General Manager Rudock reminded the Board that a 30-day notice was required, which needed to be received by customers on or before June 1, 2019.

Director Wheeler moved to approve Ordinance No. 120 Amending Attachment “A” to the MPWD Water Service Ordinance regarding Rates and Charges effective July 1, 2019. Director Schmidt seconded and it was unanimously approved.

B. Review and Discuss DRAFT Operating Capital Budgets for Fiscal Year 2019/2020

101 General Manager Rudock highlighted the CalPERS UAL Fresh Start Program 7/1/18
102 and the PARS OPEB expense.

103
104 Director Schmidt inquired about water conservation funding and the level of rebate
105 customer participation. Staff explained rebate numbers are low for various reasons -
106 market saturation, plumbing code efficiencies and the fact that customers are conserving
107 when compared to 2013 water consumption levels. The potential redirection of
108 BAWSCA'S rebate programs was also discussed.

109
110 Director Schmidt inquired about the \$15,000 proposed elections expense, and staff
111 recognized that it should be deleted since there will not be an election next fiscal year.
112 He also asked how the 3.0% change in value under field operations and maintenance
113 compared to the CPI 2019 index of 3.9%. General Manager Rudock explained that staff
114 reviewed their budget line items and felt the 3.0% adjustment was adequate but would
115 review the CPI chart for the next Board meeting and confirm in the next draft budget.
116

117 **9. MANAGER AND BOARD REPORTS**

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

119 General Manager Rudock reviewed water conservation report highlights.

120
121 Director Schmidt inquired about AMI and available water savings data. Staff reported to
122 date that this type of analysis has not been accomplished and would be difficult to
123 analyze. Once the meter change out and Sensus Home Water Use Portal launch are
124 complete, data reporting options will be explored.

125 126 **1. Supplemented by Administrative Services Manager's Report**

127 Administrative Services Manager Pina reported on credit card fees collected January
128 2019 to March 2019. She added that the customer fees collected were significantly
129 less than the credit card merchant processing charges. General Manager Rudock
130 suggested the Board may want to revisit the District's fee schedule down the line
131 since the Board had initially determined to charge less than the actual cost of
132 service.
133

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

135 Operations Manager Ramirez reported on a number of highlights from his monthly
136 staff report – number of AMI meters left to install, USA calls were up 37% and that
137 there was a slight drop in new development.
138

139 **3. Supplemented by District Engineer's Report**

140 Brandon Laurie reported that work on the Hillcrest pressure regulating station started
141 April 1st. The Notre Dame project will go out for bid on May 9, 2019, and design
142 research on the Dekoven tank replacement continues.
143

144 **B. Financial Reports**

145 **1. Receive Financial Reports for Month Ended March 31, 2019**

146 147 **2. Follow-Up review of New Monthly Financial Reports**

148 General Manager Rudock reported on FY 2018-2019 revenues, expenditures and
149 the total YTD budget target of 75.1%. Budgets are on target.
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3. Receive Report on Development Revenues compared to MPWD CIP and Water Conservation Program Expenditures through Fiscal Year End June 30, 2018
General Manager Rudock explained that this report was created last year in order to reflect recognized Water Capacity Charges and Water Demand Offset Fees and their comparison with capital program expenditures, water conservation and related public outreach and education program expenses. It is a fiscal year-end report and will be presented in September/October each year.

C. Director Reports

Director Wheeler reported he attended the HIA meeting on Thursday, April 4, 2019 along with General Manager Rudock. He also provided an update on Assembly Bill 50, Housing Legislation.

Director Vella commented on the 90th anniversary banner and it's placement on Belmont's poles.

10. COMMUNICATIONS

General Manager Rudock distributed copies of the SFPUC's proposed FY 2019-2020 rates notice and accounting enclosures to the Board and provided comments for informational purposes.

11. CLOSED SESSION

A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION AND ASSOCIATED NEGOTIATIONS
Government Code §§54957 and 54957.6
Title: General Manager

The Board convened to Closed Session at 8:08PM to discuss one item.

12. RECONVENE TO OPEN SESSION

The Board reconvened to open session at 8:25PM. District Counsel reported that no reportable action had been taken.

13. ADJOURNMENT

The meeting was adjourned at 8:26PM.

Candace R. Pina
DISTRICT SECRETARY

APPROVED:

Luigi F. Vella
BOARD PRESIDENT

