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

March 28, 2013
Belmont, California

CALL TO ORDER: The Board of Directors' meeting of the Mid-Peninsula Water District was called to order by President Stuebing at 6:30PM.

1. ROLL CALL:

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

ALSO PRESENT: General Manager Rudock, District Counsel Cassman, and District Engineer Pakpour. Treasurer Ira was absent, and Superintendent Young was not present.

MEMBERS OF THE PUBLIC: None.

2. PLEDGE OF ALLEGIANCE:

The Pledge of Allegiance was led by Director Altscher.

3. APPROVAL OF MINUTES:

Vice President Vella moved to approve the Minutes, Director Altscher seconded, and it was unanimously approved.

4. PUBLIC COMMENTS: None.

5. ACKNOWLEDGEMENTS/PRESENTATIONS:

Robby Piccolotti was unable to attend the meeting due to a late afternoon water main break on which he was working, so this will be postponed to the April Board Meeting.

6. RECEIVE FISCAL YEAR 2011/2012 COMPREHENSIVE ANNUAL FINANCIAL REPORT BY VARGAS AND COMPANY, CERTIFIED PUBLIC ACCOUNTANTS:

Mr. Rudolf Vargas was not in attendance to present the Audit findings, so the Board moved on to Agenda Item #7. Staff reported that Mr. Vargas committed that he would be in attendance at the Board Meeting. GM (General Manager) Rudock asked for direction on how to proceed with Vargas & Vargas. The Directors were very disappointed with the quality of his work, and the fact that Mr. Vargas did not show up after telling staff he would be at the meeting. With no explanation, the Board felt it was very unprofessional. District Counsel Cassman suggested the Board interview the firms that previously proposed for the audit work. The Board directed staff to ensure Vargas & Vargas finalized this audit and terminate the contract with them. Staff and the Board's audit committee, Director Linvill and Vice President Vella will meet and review the other proposals for a recommendation to the Board.

7. CONSIDER RESOLUTION 2013-04 APPROVING REVISED EMPLOYEE SAFETY AND LOSS PREVENTION INCENTIVE PROGRAM:

General Manager Rudock discussed the history of the Employee Incentive Program (EIP), and then elaborated on how staff developed the new EIP. The major emphasis of this program is to raise awareness, and not to penalize for violations. This Incentive Program is measurable and able to be tracked. Vice President Vella asked what we expect participation to be like with the staff. GM Rudock expects 100% employee participation.

Director Altscher felt this was a fresh approach, and would encourage employees to look to each other for help and support, it would improve their public speaking skills, and they would learn from each other. Director Stuebing said this would create teamwork, create opportunities to be safe, and benefit everyone.

Director Zucca moved to approve Resolution 2013-04 approving the revised Employee Safety and Loss Prevention Incentive Program, Director Vella seconded. Roll call was taken and unanimously approved.

8. CONSIDER RESOLUTION 2013-05 APPROVING AMENDED FISCAL YEAR 2012/2013 OPERATING BUDGET:

GM Rudock and Administrative Services Manager (ASM) Pina discussed the Amended Fiscal Year 2012/2013 MPWD Operating Budget in detail. It was mentioned that this was a staff effort and education was in process for all staff on the budget process and format.

68 There was discussion about line item "Customer Credit Card Services Fees". It was noted that
 69 about 50% of our customers pay by Credit Card. Discussion continued about how to lower the
 70 Credit Card fees. Staff was directed to service fee quotes from other credit card service
 71 providers to reduce that cost. Vice President Vella requested the following information: 1) What
 72 is the percentage of all our bills being paid by credit cards; 2) What was the rate that we started
 73 with; and 3) What would it cost in staff hours if those currently using credit cards start sending in
 74 checks.

75

76 Director Zucca pointed out that the line item for Cathodic Protection should be an Operating
 77 Expense instead of a Capital Expense. Staff agreed and would make the change. Director
 78 Linvill moved and Director Zucca seconded. Roll call was taken and the Amended Fiscal Year
 79 2012/2013 MPWD Operating Budget was unanimously approved.

80

81 **9. CONSIDER RESOLUTION 2013-06 APPROVING AMENDED FISCAL YEAR 2012/2013**

82 **CAPITAL BUDGET:**

83 GM Rudock and ASM Pina discussed the amended Fiscal Year 2012/2013 MPWD Capital
 84 Budget in detail. Construction of the Buckland Tanks replacement is delayed until next fiscal
 85 year and construction season. Additional equipment was budgeted (hybrid automobile for
 86 replacement GM vehicle, SEGWAY personal transporter for meter reading, hybrid automobile
 87 for replacement Customer Service field operations, and a mini-excavator with trailer.) The Board
 88 directed staff that the projected capital surplus would be carried over to the next fiscal year
 89 capital budget. Vice President Vella moved and Director Altscher seconded. Roll call was
 90 taken and the Amended Fiscal Year 2012/2013 MPWD Capital Budget was unanimously
 91 approved.

92

93 **10. RECEIVE REPORT ON PROPOSED PUBLIC RELATIONS AND OUTREACH**

94 **ACTIVITIES, INCLUDING CONCEPTS FOR AN UPDATED MPWD LOGO:**

95 Connie Davidson of Davidson Associates was introduced to the Board. She has worked with
 96 GM Rudock in the past and on recent MPWD press releases, and will be working with staff to
 97 improve upon our marketing and public relations within the community. Ms. Davidson made a
 98 brief presentation about her company and their services. She described the MPWD customer
 99 demographics based upon census research. Options for a new modern MPWD logo were
 100 offered. The Board offered additional information on the demographics here in Belmont, along
 101 with historical information as it relates to the MPWD. Rather than change the MPWD logo at
 102 this time, the Board directed staff to refine the existing logo, and proceed with newsletter
 103 development and website redesign. Directors acknowledged the professionalism of recent
 104 press releases.

105

106 **11. CONSIDER CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA) BOARD OF**
 107 **DIRECTORS CALL FOR NOMINATIONS SEAT B:**

108 No nominations were made, nor action taken.

109

110 **12. BAWSCA UPDATE:**

111 Vice President Vella reported:

- 112 1) SFPUC reported the reservoirs are at or slightly above normal because of the recent
- 113 rains.
- 114 2) There was talk about replacing the CEO after Art Jensen's retirement. There is a
- 115 subcommittee of five (5) members for the CEO recruitment.
- 116 3) BAWSCA is 10 years old, so there will be a celebration to commemorate this
- 117 achievement.
- 118 4) The bond refinancing was approved. While we will be paying the surcharge, it will be a
- 119 savings for all the agencies. We will need to break out the surcharges on our financial
- 120 statements. Our savings will be \$71k annually.
- 121 5) BAWSCA budgeted for an additional staff member.

122

123 **13. MANAGER'S REPORT**

124 GM Rudock discussed the Form 700s. We received the "leaving office" form from the former
 125 Office Manager.

126

127 Staff is working with the District Engineer on a 5-year Capital Plan. We initiated the
 128 recalibration of the MPWD's hydraulic water model, beginning with Zone 5. The existing format
 129 is fragmented into nine (9) zones. The goal is to ensure system infrastructure and operations
 130 maps are updated and test the entire system, update the zones, identify capital needs, integrate
 131 all zones into a functional hydraulic water model, and prioritize the projects for a proposed 5-
 132 year capital plan.

133

134 **A. Supplemented by the Administrative Services Manager's Report**

135 ASM Pina elaborated on the Board Secretary/Clerk Conference. She introduced Laserfiche
 136 Avanti Software, which is record retention software. This is a potential budget item for next
 137 fiscal year. This software would provide us with agenda preparation and management tools,
 138 research capability, and an opportunity to continue in improving on our green status by
 139 reducing paper.

140
 141 We will be changing how we report the OPEB funds. Going forward, we will be presenting
 142 the actual balance rather than the auditor's balance.

143
 144 Staff inquired about the monthly "Historical Water Unit Sales" report, and whether
 145 information from it could be rolled up into the ASM report.

146 **B. Supplemented by the Operations Superintendent's Report**

147 Submitted as written.

148
 149
 150 **C. Supplemented by the District Engineer's Report**

151 District Engineer Pakpour brought in Zone 5 maps and proceeded to show the Board what was
 152 discussed in the meeting with staff. He was able to update his map with changes which had
 153 occurred over the years. He will be having monthly meetings with staff to continue the process
 154 of updating information which will ultimately create a 5-year Capital Plan and identify the
 155 priorities for each zone listed. This process will take about nine months to complete.
 156 Director Zucca moved to accept the Manager's reports, Director Vella seconded, and it was
 157 unanimously approved.

158
 159 **14. DIRECTORS' REPORTS**

160 Director Zucca shared the City of Palo Alto is starting a little non-BAWSCA committee to explore
 161 options in terms of how agencies might treat water.

162
 163 Director Altscher shared that Nadia Holober is now the Vice Chair of LAFCO. He then
 164 discussed the Belmont Planning Commission meeting where our staff, Ron Leithner, and GM
 165 Rudock attended. He acknowledged that they represented the MPWD well.

166
 167 **15. RECEIVE FINANCIAL REPORT AND APPROVE EXPENDITURES FROM**
 168 **FEBRUARY 16, 2013, THROUGH MARCH 15, 2013**

169 Director Zucca moved to approve the check register, and Director Linvill seconded, and it was
 170 unanimously approved.

171
 172 **16. FUTURE AGENDA ITEM**

- 173 1) Acknowledgement for Robby Piccolotti.
 174 2) General Manager Performance Evaluation form.

175
 176 **17. COMMUNICATIONS**

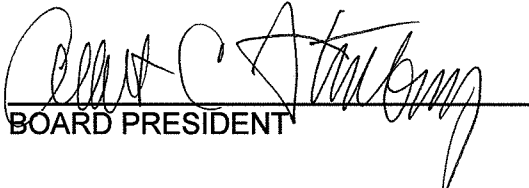
177 Nothing to report.

178
 179 **18. ADJOURNMENT:**

180 The meeting was adjourned in the memory of Randy Royce, former San Carlos Mayor, who
 181 died on March 26, 2013. President Stuebing motioned to adjourn, Director Altscher seconded,
 182 and it was unanimously approved.

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 188 DISTRICT SECRETARY

189 APPROVED:

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 BOARD PRESIDENT

