



**REGULAR MEETING
BOARD OF DIRECTORS
THURSDAY, FEBRUARY 22, 2018 – 6:30PM
3 DAIRY LANE, BELMONT CALIFORNIA**

AGENDA

1. OPENING

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

2. PUBLIC COMMENT

Members of the public 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. Each speaker is limited to three (3) minutes.

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

4. ACKNOWLEDGEMENTS/PRESENTATIONS

- A. Research Project Summary Presentation by Rocky Rapids Youth Robotics Team on Lawn Replacement and Water Conservation with Hydrozoning and Xeriscaping
- B. MPWD Certificate of Appreciation Presentation to Rocky Rapids Youth Robotics Team

5. CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one motion. 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 as a whole is acted upon.

- A. Approve Minutes for the Regular Board Meeting on January 25, 2018
- B. Approve Expenditures from January 19, 2018 through February 15, 2018 *(Check sequence legend included in Administrative Services Manager's report.)*

6. HEARINGS AND APPEALS

None.

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

None.

8. REGULAR BUSINESS AGENDA

- A. Consider Resolution 2018-02 Adopting a Revised MPWD Cash Reserve Policy
- B. Consider Resolution 2018-03 Authorizing Participation in the PARS Combination IRS Section 115 Trust Plan, including the MPWD Other Post-Employment Benefits (OPEB) Plan and Establishment of a Pension Rate Stabilization Program (PRSP) to Pre-Fund MPWD Pension Liabilities, and Authorizing the Transfer of \$1,600,000 from MPWD Cash Reserves to the MPWD PRSP
- C. Consider Resolution 2018-04 Authorizing the Transfer of \$1,500,000 from MPWD Cash Reserves to the MPWD PARS OPEB Plan under the PARS Public Agencies Post-Employment Benefits Trust
- D. Consider Resolution 2018-05 Adopting a Debt Management Policy
- E. Receive Mid-Year Review of MPWD FY 2017/2018 Operating and Capital Budgets and Consider Resolution 2018-06 Approving the Amended Budgets
- F. Review and Approve MPWD Employee Wellness Incentive Program

9. MANAGER'S AND BOARD REPORTS

- A. General Manager's Report, including Water Conservation Progress Summary
 - 1. Supplemented by Administrative Services Manager's Report
 - 2. Supplemented by Operations Manager's Report
 - 3. Supplemented by District Engineer's Report
- B. Financial Reports
 - 1. Receive Financial Reports for Month Ended January 31, 2018
- C. Director Reports

10. COMMUNICATIONS

11. CLOSED SESSION

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

12. ADJOURNMENT

This agenda was posted at the Mid-Peninsula Water District's office, 3 Dairy Lane, 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. Please contact the District Secretary at (650) 591-8941 to request specific materials and preferred alternative format or auxiliary aid or service at least 48 hours before the meeting.

Next Board Meeting: Thursday, March 22, 2018, at 6:30PM

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
51

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

January 25, 2018
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 Vice-President Vella at 6:30PM.

B. Establishment of Quorum:

PRESENT: Directors Vella, Stuebing, Zucca and Linvill.

Director Warden was absent. Director Vella chaired the Board Meeting.

A quorum was present.

ALSO PRESENT: General Manager Tammy Rudock, District Secretary/Administrative Services Manager Candy Pina and District Counsel Julie Sherman.

Operations Manager Rene Ramirez was absent and District Engineer Joubin Pakpour arrived late.

C. Pledge of Allegiance – The Pledge of Allegiance was led by the elementary students in the audience.

2. **PUBLIC COMMENTS**

None.

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

None

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

A. Overview of 2018 MPWD Calendar Contest Program and Distribute Calendar to the Board – Jeanette Kalabolas and Tammy Rudock

General Manager Rudock welcomed students and parents and gave a brief summary of the program.

B. Present 2018 MPWD Calendar Contest Awards – Dave Warden and Jeanette Kalabolas

Vice President Vella, acting in President Warden's absence, and Jeanette Kalabolas presented the awards for the 2018 annual MPWD water awareness calendar contest. Along with award certificates, the top three winners received gift certificates. The teacher with the most class participation also received a gift certificate. All who participated received a 2018 MPWD calendar. Contest winners:

Grand Prize Winner: Kelly E., 4th Grade, Nesbit Elementary School

Runner-Up Winner: Kate N., 3rd Grade, Immaculate Heart of Mary School

Runner-Up Winner: Athena V., 4th Grade, Nesbit Elementary School

52 **Award for the class with the most participation** – Mrs. Butts, 3rd Grade Cipriani
53 Elementary School. Her class submitted 22 of the 128 entries we received.
54

55 **Nine other honorable mention entries chosen:**

- 56 1. Karina A., 3rd Grade, Cipriani Elementary School
- 57 2. Claire K., 3rd Grade, Belmont Oaks Academy
- 58 3. Quincy L., 4th Grade, Nesbit Elementary School
- 59 4. Owen L., 3rd Grade, Cipriani Elementary School
- 60 5. Shane P., 3rd Grade, Immaculate Heart of Mary School
- 61 6. Zachary R., 3rd Grade, Cipriani Elementary School
- 62 7. Audrey N., 4th Grade, Nesbit Elementary School
- 63 8. Eva C., 3rd Grade, Belmont Oaks Academy
- 64 9. Nolwenn B., 3rd Grade, Cipriani Elementary School

65
66 **C. 15-MINUTE REFRESHMENT BREAK**

67 A refreshment break immediately followed the awards presentation to congratulate all of
68 the MPWD calendar contest participants and their families.
69

70 Acting Board President Vella reconvened the meeting at 7:05PM.
71

72 **9.C. DIRECTOR REPORTS**

73 Director Vella moved Agenda Item 9.C. Directors Reports ahead of the Consent Agenda,
74 and recognized outgoing Board President, Al Stuebing, and presented him with a token
75 of appreciation for his service in 2017. Directors Zucca, Linvill, and Stuebing had no
76 reports.
77

78 **5. CONSENT AGENDA**

79 **A. Approve Minutes for the Regular Board Meeting of December 4, 2017 and Special
80 Board Meeting on January 11, 2018**

81 Director Stuebing commented that the December 4, 2017 Regular Board minutes
82 missed the acknowledgement of the election of officers. Staff recognized and confirmed
83 the minutes would be amended.
84

85 **B. Approve Expenditures from November 29, 2017 through January 18, 2018**

86 Director Stuebing moved to approve the minutes for the Regular Board Meeting on
87 December 4, 2017 as amended to include the election of officers and Special Board
88 Meeting on January 11, 2018, and expenditures from November 29, 2017 through
89 January 18, 2018. Director Linvill seconded and it was unanimously approved.
90

91 **6. HEARINGS AND APPEALS**

92 None.
93

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

96 **A. Receive Reconciliation Quarterly Report of 2018 COP Financing for Period
97 October 1, 2017 through December 31, 2017 and 2016 COP Project Fund Quarterly
98 Report through December 31, 2017**

99 General Manager Rudock opened the discussion by sharing highlights from the staff's
100 report and introduced Dan Bergmann with IGService.
101

102 Mr. Bergmann presented key bullet points from the executive summary he provided.

103 Director Linvill commented on report improvements and reminded staff about
104 consistency among the terms interest or dividends in the report.

105
106 General Manager Rudock reported that a gap box would be added for identification of
107 the activities making up that amount.

108
109 Director Zucca reiterated his position on report tracking and development as projects
110 move from the engineering to construction phase.

111
112 Mr. Bergmann concluded with a brief presentation of the financial worksheet from the
113 District's 2017 Disclosure Report that was filed.

114
115 **8.A. REGULAR BUSINESS AGENDA**

116 **Receive and Accept the Financial Audit Report for Fiscal Year Ended June 30,**
117 **2017 Presented by David Becker, CPA of James Marta & Company LLP**

118 Acting Board President Vella moved Agenda Item 8.A. under Regular Business
119 Agenda ahead of the MPWD FY 2016-2021 Capital Improvement Program and
120 2016 COP (Certificates of Participation) Financing Agenda Item 7.B. to
121 accommodate the presenter's schedule.

122
123 David Becker, CPA of James Marta and Company, LLC presented on key
124 financial audit statement findings for Fiscal Year 2017-2018. He shared that: 1)
125 He met with the Board's Financial Audit Ad Hoc Committee; 2) No control deficits
126 were found; 3) Management addressed and resolved all inefficiencies brought
127 forth;
128 3) Policies and procedures continue to improve; and 4) Transition to the new
129 financial management system presented some review challenges.

130
131 Director Linvill asked if there was an industry unrestricted net position operating
132 expenses standard. Mr. Becker reported that the industry expectation is 25% of
133 budget.

134
135 Director Vella asked if the Board Financial Audit Ad Hoc Committee had any
136 additional comments to add. Treasurer Ira reported that there were none.

137
138 Director Zucca asked staff for an update on the documenting of control
139 procedures. General Manager Rudock confirmed that the new financial
140 management system contains written procedures, but that staff would be working
141 soon to complete a new procedures manual, including standard operating
142 procedures for accounting, financial, and utility billing.

143
144 **B. Consider Resolution 2018-01 Authorizing the Fourth Amendment to the**
145 **Professional Services Contract with Pakpour Consulting Group, Inc. (referenced**
146 **as Contract No. 02-1621-CIP) in the amount of \$54,800 for Additional Engineering**
147 **Design Services related to the Hillcrest Pressure Regulating Station Project**

148 General Manager Rudock opened up the discussion by reminding Directors that the
149 project update for this project was presented in November 2017 wherein extra
150 engineering costs were shared. District Engineer Pakpour reviewed the project plans

151 with the Directors. A sub-consulting engineer was retained because of the pipe material.
152 District Engineer Pakpour reminded the Directors that the project is located within a City
153 of Redwood City tank site however the District does not have a formal easement from
154 Redwood City for its facilities. It appears there was intent for an easement to be granted,
155 since an unsigned copy was found in the project files, however it was never finalized and
156 recorded. The District will work with Redwood City to formalize its right-of-way through
157 their tank site. District Engineer Pakpour further added that connection details or the
158 20-inch concrete pipe developed as part of this project will be used for the Old County
159 Road Project.

160
161 Director Zucca moved to approve Resolution 2018-01 Authorizing the Fourth
162 Amendment to the Professional Services Contract with Pakpour Consulting Group, Inc.
163 Director Stuebing seconded and it was unanimously approved.
164

165 **8B. REGULAR BUSINESS AGENDA**

166 **Receive BAWSCA Report from Vice President Louis Vella**

167 Director Vella reported on the BAWSCA election, SFPUC update and the qualification of
168 the CEO's goals.
169

170 General Manager Rudock briefly mentioned a minimum purchase requirement
171 discussion amongst BAWSCA water managers at the past couple monthly meetings.
172

173 **9. MANAGER AND BOARD REPORTS**

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

175 General Manager Rudock reported staff is working with the City of Belmont on a
176 combined press release detailing the Sewer Rehabilitation and Water Main Replacement
177 Project.
178

179 A date for the 2018 Employee Appreciation Dinner was discussed with the Board. The
180 date of Friday, April 13, 2018 was agreed upon.
181

182 Director Zucca requested staff double check the SWRCB drought reporting mandates.
183 General Manager Rudock confirmed staff would follow up.
184

185 **1. Supplemented by Administrative Services Manager's Report**

186 Administrative Services Manager Pina reminded the Board that the PARS/OPEB net
187 earnings month-end balance reflects two months due to the earlier Board meeting in
188 December 2017.
189

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

191 In the absence of the Operations Manager, General Manager Rudock reported on
192 the continued increased development activities in Belmont.
193

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

195 District Engineer Pakpour provided an update on the 2017 Water Main Replacement
196 Project, including Karen, Mezes, Arthur, South and Folger Main Improvements
197 Project.
198

199 **B. Financial Reports**

200 **Receive Financial Reports for Month Ended December 31, 2017**

201 General Manager Rudock reported the projected mid-year budget is on target.

202 **10. COMMUNICATIONS**
203 Director Stuebing mentioned notice of an upcoming LAFCO meeting concerning Special
204 Districts. He received direction from the Board to serve as the alternate Director to attend
205 the meeting of the Independent Special District Selection Committee to select an
206 Independent Special District Member and Alternate Member to serve on the San Mateo
207 County Consolidated Oversight Board on Tuesday, February 13, 2018 at 7:00pm located at
208 Peninsula Health Care District, 819 Trousdale Drive in Burlingame, CA.
209

210 **11. CLOSED SESSION**
211 The Board recessed into Closed Session at 8:38PM to discuss one matter.
212

213 **A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION**
214 **AND ASSOCIATED NEGOTIATIONS**
215 **Government Code §§54957 and 54957.6**
216 **Title: General Manager**
217

218 The Board came out of closed session at 9:32PM. District Counsel reported that no
219 reportable action had been taken.
220

221 **12. ADJOURNMENT**
222 The meeting was adjourned at 9:32PM.
223

224
225
226 _____
227 DISTRICT SECRETARY

228 APPROVED:
229
230
231 _____
232 BOARD PRESIDENT

Accounts Payable

Checks by Date - Summary by Check Date

User: candyp
 Printed: 2/15/2018 2:13 PM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
616	CALPERS	CALPERS	01/19/2018	2,688.21
617	HEALTHEQ	Health Equity	01/19/2018	200.00
618	ICMACONT	ICMA contributions	01/19/2018	1,923.08
619	ADPPAYRL	adp	01/19/2018	15,156.39
621	CALPERS	CALPERS	01/19/2018	9,302.08
640	ADPPRFEE	ADP Payroll Fees	01/19/2018	161.89
642	ADPPRFEE	ADP Payroll Fees	01/19/2018	102.49
Total for 1/19/2018:				29,534.14
606	CALPERS	CALPERS	01/23/2018	7,482.26
Total for 1/23/2018:				7,482.26
33064	ACWAJPIA	ACWA/JPIA	01/24/2018	8,335.38
33065	BELPOLIC	BELMONT POLICE DEPARTMENT	01/24/2018	50.00
33066	CARQUEST	CARQUEST AUTO PARTS	01/24/2018	7.93
33067	CINTS	CINTAS CORPORATION	01/24/2018	833.98
33068	CRWA	CRWA	01/24/2018	850.00
33069	GRANITE	GRANITE ROCK, INC.	01/24/2018	264.81
33070	HMBPAVIN	HALF MOON BAY GRADING & PAVINC	01/24/2018	4,037.27
33071	HOMEDEPC	HOME DEPOT	01/24/2018	76.35
33072	MATCOTLS	MATCO TOOLS	01/24/2018	98.72
33073	OFFICEDE	OFFICE DEPOT, INC.	01/24/2018	21.89
33074	PARS	PARS	01/24/2018	300.00
33075	PETTYCSH	PETTY CASH	01/24/2018	243.38
33076	PG&E	PG&E CFM/PPC DEPT	01/24/2018	4,053.23
33077	PRECISE	PRECISE, INC.	01/24/2018	8,061.64
33078	RDWDTIRE	REDWOOD GENERAL TIRE CO INC	01/24/2018	505.52
33079	RANDB	ROBERTS & BRUNE CO. INC.	01/24/2018	281.17
33080	SCOTSMAN	WILLIAMS SCOTSMAN	01/24/2018	538.00
33081	UNLMTOOL	UNLIMITED TOOL & REPAIR, INC.	01/24/2018	291.57
33082	UB*00119	BAY PACIFIC PIPELINES	01/24/2018	1,302.63
33083	UB*00117	BPR PROPERTIES	01/24/2018	1,610.00
33084	UB*00101	JOSEPH BUTERA	01/24/2018	46.06
33085	UB*00091	CASCADE DRILLING TECHNICAL SER	01/24/2018	1,466.00
33086	UB*00099	EUGENE CHEN	01/24/2018	15.40
33087	UB*00121	CITYBANK WEST	01/24/2018	4.63
33088	UB*00081	PILAR CONTRERAS	01/24/2018	43.12
33089	UB*00093	CHRIS DION	01/24/2018	3.94
33090	UB*00106	KATHERINE DUNN	01/24/2018	4.20
33091	UB*00113	FRIEDA FARSHCHIAN	01/24/2018	24.20
33092	UB*00094	JEREMY FREEMAN	01/24/2018	4.98
33093	UB*00090	G.A.M.E DEVELOPMENT LLC	01/24/2018	6.60
33094	UB*00103	ROBIN GEIMAN	01/24/2018	12.20
33095	UB*00087	KRISTINE GRAY	01/24/2018	64.86
33096	UB*00082	DENAE HALL	01/24/2018	15.88

Check No	Vendor No	Vendor Name	Check Date	Check Amount
33097	UB*00097	JOJO HARRIS	01/24/2018	25.00
33098	UB*00100	LESTER C HAWKINS	01/24/2018	43.36
33099	UB*00108	RAJASHRI SHU IYENGAR	01/24/2018	9.80
33100	UB*00114	ERIC KUCZ	01/24/2018	43.46
33101	UB*00105	KAREN LEE	01/24/2018	52.20
33102	UB*00120	MICHELLE LEE	01/24/2018	15.03
33103	UB*00115	NANDITA MANTENA	01/24/2018	50.00
33104	UB*00092	KEVIN MASUKAWA	01/24/2018	7.38
33105	UB*00122	MNM PARTNERS	01/24/2018	21.80
33106	UB*00098	OMAR MUNOZ	01/24/2018	12.16
33107	UB*00112	JOHN NILSEN	01/24/2018	183.36
33108	UB*00085	OC JONES	01/24/2018	1,003.50
33109	UB*00086	CHRISTOPHER O'CONNOR	01/24/2018	161.20
33110	UB*00111	TSUYOSHI OZAKI	01/24/2018	10.56
33111	UB*00089	ROBERT PASCO	01/24/2018	25.00
33112	UB*00109	YUMIKO PRENTICE	01/24/2018	25.00
33113	UB*00088	MARSHALL REALTY	01/24/2018	66.24
33114	UB*00107	ELLEN ROSENTHAL	01/24/2018	6.58
33115	UB*00102	NANCI SALVUCCI	01/24/2018	39.09
33116	UB*00095	MARTIN SANTIAGO	01/24/2018	19.38
33117	UB*00083	DERRICK SIAO	01/24/2018	5.00
33118	UB*00096	BRIAN SMITH	01/24/2018	137.14
33119	UB*00104	L.T. TREMELLING	01/24/2018	114.02
33120	UB*00118	TRICORP CONSTRUCTION	01/24/2018	1,857.73
33121	UB*00116	TURNER CONSTRUCTION	01/24/2018	1,610.00
33122	UB*00084	XL Investments, Inc	01/24/2018	31.40
33123	UB*00110	GUY YANIV	01/24/2018	6.58
Total for 1/24/2018:				39,057.51
641	ACHRETN	ACH Returns	01/25/2018	217.56
1029	SCHAAFWE	SCHAAF & WHEELER	01/25/2018	1,327.20
1030	STOLOSKI	STOLOSKI & GONZALEZ, Inc.	01/25/2018	260,757.00
Total for 1/25/2018:				262,301.76
622	CALPERS	CALPERS	01/31/2018	7,482.26
623	HEALTHEQ	Health Equity	01/31/2018	667.08
624	ICMACONT	ICMA contributions	01/31/2018	716.24
625	ADPPAYRL	adp	01/31/2018	36,586.45
626	ADPPAYRL	adp	01/31/2018	14,367.49
627	HEALTHEQ	Health Equity	01/31/2018	56.05
33124	ATT60197	AT&T 60197	01/31/2018	1,268.93
33125	BAWSCA	BAY AREA WATER SUPPLY & CONSER	01/31/2018	10,328.15
33126	BLUELINE	BLUELINE RENTAL	01/31/2018	3,916.97
33127	CGUHLENB	C G UHLENBERG LLP	01/31/2018	2,375.00
33128	CARQUEST	CARQUEST AUTO PARTS	01/31/2018	81.36
33129	COMCAST	COMCAST	01/31/2018	581.42
33130	COMCASTB	COMCAST BUSINESS	01/31/2018	630.00
33131	COUNTYSM	COUNTY OF SAN MATEO	01/31/2018	6,616.00
33132	GRAINGER	GRAINGER	01/31/2018	186.98
33133	GRANITE	GRANITE ROCK, INC.	01/31/2018	234.15
33134	HOMEDEPC	HOME DEPOT	01/31/2018	51.31
33135	INTRBATT	INTERSTATE BATTERY SYSTEM, INC.	01/31/2018	283.06
33136	LINCOLNL	LINCOLN LIFE	01/31/2018	175.00
33137	MHN	MHN	01/31/2018	45.54
33138	OFFICEDE	OFFICE DEPOT, INC.	01/31/2018	144.14

Check No	Vendor No	Vendor Name	Check Date	Check Amount
33139	PACESUPL	PACE SUPPLY CORP	01/31/2018	51.51
33140	pakpour	PAKPOUR CONSULTING GROUP, INC	01/31/2018	500.00
33141	PG&E	PG&E CFM/PPC DEPT	01/31/2018	11,763.84
33142	SCCHAMBE	SAN CARLOS CHAMBER OF COMMER	01/31/2018	173.00
33143	SFWATER	SAN FRANCISCO WATER DEPT	01/31/2018	408,516.60
33144	SCHAAFWF	SCHAAF & WHEELER	01/31/2018	1,072.80
33145	SFPUCWAT	SFPUC WATER QUALITY	01/31/2018	2,100.00
33146	STANDINS	STANDARD INSURANCE COMPANY	01/31/2018	966.19
33147	STEPFORD	STEPFORD BUSINESS, INC.	01/31/2018	7,340.00
33148	VERIZON	VERIZON WIRELESS	01/31/2018	892.28
33149	XIOINC	XIO, INC.	01/31/2018	808.00
Total for 1/31/2018:				520,977.80
643	CALPERS	CALPERS	02/02/2018	1,467.72
644	ICMACONT	ICMA contributions	02/02/2018	1,923.08
645	HEALTHEQ	Health Equity	02/02/2018	200.00
646	ADPPAYRL	adp	02/02/2018	10,226.72
647	ADPPAYRL	adp	02/02/2018	4,929.66
648	AUTHNETG	AUTHNET GATEWAY	02/02/2018	30.00
649	ADPPRFEE	ADP Payroll Fees	02/02/2018	157.99
650	BANKMTO1	Bankcard Mtot Disc	02/02/2018	514.60
651	BANKMTO1	Bankcard Mtot Disc	02/02/2018	3,995.54
Total for 2/2/2018:				23,445.31
33150	ACWA5661	ACWA JPIA	02/07/2018	91,765.42
33151	ATT60197	AT&T 60197	02/07/2018	37.10
33152	AWWACER1	CA-NV SECTION	02/07/2018	635.00
33153	CINTS	CINTAS CORPORATION	02/07/2018	844.06
33154	CORNERST	CORNERSTONE STRUCTURAL ENGIN	02/07/2018	6,425.00
33155	DAVIDSON	JOHN T. DAVIDSON OR DBA JRocket77	02/07/2018	5,031.25
33156	EEAPSAFE	EEAP THE SAFETY PEOPLE, INC.	02/07/2018	555.00
33157	HANSONBR	HANSON, BRIDGETT	02/07/2018	3,135.00
33158	HASSETTH	HASSETT HARDWARE	02/07/2018	5.13
33159	HOMEDEPC	HOME DEPOT	02/07/2018	41.39
33160	JAMESMAR	JAMES MARTA & COMPANY	02/07/2018	4,000.00
33161	KOFFASSO	KOFF & ASSOCIATES INC	02/07/2018	780.00
33162	LINCOLNL	LINCOLN LIFE	02/07/2018	175.00
33163	LYNGSOMA	LYNGSO GARDEN MATERIAL INC	02/07/2018	12.23
33164	OFFICEDE	OFFICE DEPOT, INC.	02/07/2018	140.33
33165	PG&E	PG&E CFM/PPC DEPT	02/07/2018	86.92
33166	PICOLOTT	ROBERT PICCOLOTTI	02/07/2018	649.94
33167	PINA	CANDY PINA	02/07/2018	283.37
33168	RANDB	ROBERTS & BRUNE CO. INC.	02/07/2018	1,603.86
33169	ISRAELSO	ISRAEL SOLER	02/07/2018	300.00
33170	TOOLAND	TOOLAND, INC.	02/07/2018	40.22
33171	VALLEYOL	VALLEY OIL COMPANY	02/07/2018	2,739.80
33172	VANGUARE	VANGUARD CLEANING SYSTEMS, INC	02/07/2018	385.00
Total for 2/7/2018:				119,671.02
652	ADPPRFEE	ADP Payroll Fees	02/09/2018	102.49
Total for 2/9/2018:				102.49

Check No	Vendor No	Vendor Name	Check Date	Check Amount
653	CLIENTSV	Client Analysis Svs Charge	02/12/2018	3,709.95
Total for 2/12/2018:				3,709.95
654	CALPERS	CALPERS	02/14/2018	7,395.99
655	HEALTHEQ	Health Equity	02/14/2018	742.08
656	ICMACONT	ICMA contributions	02/14/2018	716.24
657	ADPPAYRL	adp	02/14/2018	36,474.81
658	ADPPAYRL	adp	02/14/2018	13,853.64
659	CALPERS	CALPERS	02/14/2018	2,688.21
660	HEALTHEQ	Health Equity	02/14/2018	256.05
661	ICMACONT	ICMA contributions	02/14/2018	2,073.08
662	ADPPAYRL	adp	02/14/2018	10,143.09
663	ADPPAYRL	adp	02/14/2018	4,858.04
33175	ACCELA	ACCELA, INC. #774375	02/14/2018	2,786.00
33176	CHANDAN	DANNY CHAN	02/14/2018	50.00
33177	DUIMSTRA	JOSEPH DUIMSTRA	02/14/2018	50.00
33178	JOFRISCH	JOSEF FRISCH	02/14/2018	50.00
33179	BOGRACE	BOBBY GRACE	02/14/2018	50.00
33180	HASSETH	HASSETT HARDWARE	02/14/2018	19.65
33181	HOMEDPC	HOME DEPOT	02/14/2018	203.97
33182	INTERGAS	Interstate Gas Services, Inc.	02/14/2018	3,400.00
33183	ASKHALAK	ASIF KHALAK	02/14/2018	50.00
33184	FRLAWREN	FRANK LAWRENCE	02/14/2018	186.22
33185	LINCOLNL	LINCOLN LIFE	02/14/2018	175.00
33186	TOMANTON	TOM MANTON	02/14/2018	50.00
33187	RAYMORG/	RAY MORGAN COMPANY	02/14/2018	56.99
33188	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	02/14/2018	4,308.94
33189	PARS	PARS	02/14/2018	300.00
33190	PRECISE	PRECISE, INC.	02/14/2018	562.65
33191	RUDOCK	TAMMY RUDOCK	02/14/2018	64.00
33192	EDWTSANC	EDWIN TSANG	02/14/2018	150.00
Total for 2/14/2018:				91,714.65
Report Total (165 checks):				1,097,996.89



AGENDA ITEM NO. 8.A.

DATE: February 22, 2018
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: CONSIDER RESOLUTION 2018-02 ADOPTING A REVISED MPWD CASH RESERVE POLICY

RECOMMENDATION

Approve Resolution 2018-02 adopting a revised MPWD Cash Reserve Policy.

FISCAL IMPACT

With approval of Resolution 2018-02, the new policy for cash reserves will reduce the total target from \$5 million to \$3 million.

BACKGROUND

MPWD RESERVE POLICY

The MPWD's existing Reserve Policy was approved by the Board on December 13, 2007, per Resolution 2007-13, and provided for a total target for cash reserves of \$5 million.

Draft MPWD Cash Reserve policies were presented to and reviewed by the Board as follows:

- October 26, 2017 – First Draft;
- November 15, 2017 – Second Draft; and
- January 11, 2018 – Third Draft.

DISCUSSION

NOVEMBER 15, 2017 – SECOND DRAFT

The second DRAFT policy suggested a total of \$5.5 million as a target cash reserve fund (\$1.5 million for Working Capital, \$1 million for Capital Emergency Reserves, and \$3 million for Long-Term Capital Reserves). Because the MPWD has borrowed money to fund a 5-Year CIP, the general consensus was that it was not necessary to retain cash reserves for long-term capital needs. Also, during the November 15, 2017, Board

discussions on the second DRAFT of the proposed Cash Reserve Policy, the following suggestions were made:

1. Better define the meaning of “cash reserves”;
2. Maintain cash reserves in the total amount of \$2.5 - \$3.0 million if pre-funding of MPWD accrued liabilities (e.g., CalPERS UAL and OPEB) or additional pay-go capital would be considered; and
3. Provide a financial plan for existing cash reserves.

JANUARY 11, 2018 – THIRD DRAFT

In response to suggestions and feedback, the third DRAFT of the MPWD Cash Reserve Policy was simplified. It included a definition section, and total maximum reserve target of \$3.0 million (\$1.5 million each for Working Capital and Capital Reserves). The policy is subject to biennial review and update by the MPWD, either as the result of material changes in risk exposures, best practices, regulations, or standards. All updates require approval by the Board.

A new reserve target of \$3.0 million should be satisfactory to S&P (Standard & Poor’s), the agency that rated the MPWD “AA” during the 2016 COP debt issuance for the CIP. Attention to the attached S&P report dated November 15, 2016, was carefully paid, while considering cash reserve use options and a recommended maximum reserve target. Adoption of a new Cash Reserve Policy, as well as a Debt Management Policy, combined with the MPWD’s continued prudent financial management (including the retention of reserves in trust for unfunded liabilities—OPEB and pension, water rate reviews and planned increases, and added system infrastructure and facility rehabilitation and improvements identified in the MPWD CIP), and the COP CIP progress, are significant activities and important actions that impact the overall financial health of the MPWD—**ALL OF INTEREST TO S&P AND LENDERS!**

The MPWD’s existing cash reserve balance is \$6.5 million. A proposed financial plan was presented and discussed, including the benefits, and the following three (3) options were recommended for use of the excess cash reserves:

- OPTION #1: \$500,000 should be reserved for transfer to the FY 2017/2018 Capital Budget, and carried over to FY 2018/2019 as necessary, for the MPWD’s “pay-go” portion of the 2017 Water and Sewer Improvements Project with the City of Belmont (already approved by the Board).
- OPTION #2: \$1.5 million should be used to fully fund the MPWD’s OPEB liability, which will bring PARS OPEB trust account to \$2.4 million as estimated by the 2015 MPWD GASB 45 actuarial report.
- OPTION #3: \$1.6 million should be used to pre-fund the MPWD’s pension liability through the establishment of a PARS PRSP (Pension Rate Stabilization Fund).

The three (3) recommended options total \$3.6 million, which if implemented would result in a cash reserve balance of \$2.9 million for the MPWD. Staff recommends that the

\$100,000 remainder be funded in the next fiscal year budget process to bring the total to the \$3 million target. The next couple of agenda items provide for the implementation of the Options #2 and #3.

With the MPWD's focus on capital and infrastructure replacement, rehabilitation, and upgrade, we do not want to lose sight of the three (3) other important options that were considered:

- \$1.0 million to complete the AMI installation project, which should be the next funding priority for the MPWD (in FY 2018/2019).
- \$5.0 million for the COP CIP project cost "gap" (needed by FY 2021/2022), as a result of rising construction costs and engineering and operational project upgrades and add-ons. Currently, the COP CIP project cost "gap" is approximately \$3.0 million, including \$1.0 million for the construction of the OCR WMR Project add-ons (F Street, Ralston, and OCR extension). The MPWD could create a plan to reserve its Operating Surpluses (at least \$500,000 per year projected) beginning in FY 2019/2020, and development revenues expected within the next 2-3 years from new projects planned in Belmont (estimated at \$3.0-\$5.0 million), to cover the gap.
- \$1.5 million for rehabilitation of MPWD Dairy Lane premises and property, which could be funded with proceeds from the sale of MPWD surplus real property.

Attachments: Resolution 2018-02
MPWD Cash Reserve Policy

BOARD ACTION: APPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____

UNANIMOUS_____ WARDEN_____ VELLA_____ LINVILL_____ ZUCCA_____ STUEBING_____

RESOLUTION NO. 2018-02

APPROVING A NEW CASH RESERVE POLICY

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, pursuant to Resolution No. 2007-13, the Mid-Peninsula Water District (“District”) adopted a formal policy concerning the maintenance and expenditure of the District’s cash reserve funds to ensure that sufficient resources are available to meet the District's operating and capital obligations; and

WHEREAS, staff and the Board of Directors have held discussions pertaining to the adoption of a new cash reserve policy, which discussions were held at the October 26, 2017, November 15, 2017 and January 11, 2018 Board meetings; and

WHEREAS, staff recommends the Board of Directors adopt the new proposed cash reserve policy, which policy demonstrates the District's commitment to fiscal responsibility and prudent financial planning, and which will supersede the existing previously-adopted reserve fund policy.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that the new "Cash Reserve Policy" as documented in Exhibit A, attached hereto and incorporated herein, is hereby approved.

REGULARLY passed and adopted this 22nd day of February 2018.

AYES:

NOES:

ABSTAINS:

ABSENT:

PRESIDENT

ATTEST:

SECRETARY OF THE BOARD

CASH RESERVE POLICY

1. POLICY STATEMENT

Cash reserves are essential to ensuring fiscal responsibility, a key organizational goal of the Mid-Peninsula Water District (District). Properly designed reserve policies send a positive signal to ratepayers, investors, and regulatory and credit rating agencies that the District is committed to maintaining the long-term fiscal strength of the District.

2. DEFINITION

Cash reserves are savings necessary to balance District budgets during periods of fiscal constraint, allow for emergency preparedness, provide for a well-maintained infrastructure, and demonstrate a commitment to future system capital investments.

3. PURPOSE

Strong and transparent financial policies, including maintaining prudent reserves for emergencies, rate stability, working capital, and capital improvements, are consistent with best practices in the utility industry. This Cash Reserve Policy is designed to provide operating guidance for the management of District finances.

4. CASH RESERVES

The District will maintain cash reserves in two (2) categories:

- A. Working Capital Reserve with a maximum target level of \$1.5 million, and ranked #1 for funding; and
- B. Capital Reserve with a maximum target level of \$1.5 million, and ranked #2 for funding.

MID-PENINSULA WATER DISTRICT CASH RESERVE POLICY SUMMARY

RESERVE	FUNDING RANK	MAXIMUM TARGET LEVEL
Working Capital Reserve	1	\$1,500,000
Capital Emergency Reserve	2	\$1,500,000

Replenishment of reserve levels and plans for meeting maximum target levels will be recommended by the General Manager as part of the District’s annual budgeting process.

5. WORKING CAPITAL RESERVE

The purpose of the Working Capital Reserve is to ensure that the District will at all times have sufficient funding available to meet annual operating costs, including temporary cash flow deficiencies that might occur as a result of timing differences between the receipt of operation revenue and expenditure requirements and unexpected costs that might occur as a result of doing business. Adequate operating reserves provide financial flexibility in the event of unanticipated expenditures or revenue fluctuations.

- A. Target Level: \$1.5 million.
- B. Use of Reserve: To pay outstanding operating expenditures prior to the receipt of anticipated operating revenues, or in circumstances resulting from short-term loss or shortage of revenues. The General Manager will notify the Board President prior to withdrawing and using the necessary funds, and seek ratification of the expenditure at the next regular Board Meeting.

6. CAPITAL RESERVE

The purpose of the Capital Reserve is to ensure that the District is able to fund the repair, maintenance, or replacement of the water system's infrastructure assets, during normal operations and emergencies. The reserve level combined with the District's managed risk pooled insurance coverage should adequately protect the District and its customers in the event of a catastrophic loss.

- A. Target Level: \$1.5 million.
- B. Use of Reserve: To cover unexpected losses experienced by the District as a result of a disaster or emergency incidents that might result in the normal course of doing business. Any reimbursement received by the District from insurance as a result of a submitted claim shall be deposited back into the reserve as replenishment for the loss. The General Manager will notify the Board President prior to withdrawing and using the necessary funds, and seek ratification of the expenditure at the next regular Board Meeting.

5.0 OVERSIGHT AND REPORTING

Reserve levels will be monitored by staff during the fiscal year and reported to the Board of Directors in monthly financial reports.

To the extent that reserves exceed target levels, the Board of Directors has the flexibility to direct staff to utilize the available funds to:

- A. Pay for capital projects (reducing the need for future debt);
- B. Pay down liabilities (e.g., unfunded accrued pension obligations, or OPEB—Other Post-Employment Benefits);
- C. Pay down existing debt; and/or
- D. Fund other strategic objectives.

This Cash Reserve Policy will be reviewed on a biennial basis to ensure conformance with the District's strategic goals and objectives, and updated as necessary in compliance with material changes in risk exposures, regulations, or standards.



AGENDA ITEM NO. 8.B.

DATE: February 22, 2018
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: CONSIDER RESOLUTION 2018-03 AUTHORIZING PARTICIPATION IN THE PARS COMBINATION IRS SECTION 115 TRUST PLAN, INCLUDING THE MPWD OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN AND ESTABLISHMENT OF A PENSION RATE STABILIZATION PROGRAM (PRSP) TO PRE-FUND MPWD PENSION LIABILITIES, AND AUTHORIZING THE TRANSFER OF \$1,600,000 FROM MPWD CASH RESERVES TO THE MPWD PRSP

RECOMMENDATION

Approve Resolution 2018-03 authorizing participation in the PARS combination IRS Section 115 Trust Plan, including the MPWD OPEB Plan and establishment of a PRSP to pre-fund MPWD pension liabilities, and authorize the transfer of \$1.6 million from MPWD cash reserves to the MPWD PRSP.

FISCAL IMPACT

This transfer from cash reserves would pre-fund the MPWD's unfunded accrued pension liability, which is \$1.6 million (rounded) according to the CalPERS Annual Valuation Report as of June 30, 2016.

The \$1.6 million transfer would reduce the MPWD's cash reserves to \$4.9 million (from current \$6.5 million balance).

Staff will work with the PARS PRSP investment team and likely transfer funds on a quarterly basis, in \$400,000 equal installments, on March 31, 2018, June 30, 2018, September 30, 2018, and December 31, 2018.

BACKGROUND

As reported at the November 15, 2017, Regular Board meeting, and introductory presentations during 2016 and 2015, and further discussed at the January 11, 2018, Special Board Meeting, the PARS PRSP is available to the MPWD and would provide

an opportunity for pre-funding pension liabilities in a combined trust with the MPWD's OPEB plan and these advantages:

- No cost to set up;
- Allows control over contributions and disbursements—timing, amount and risk tolerance;
- More balanced investment strategy than CalPERS, and offsets pension rate increases and underperformance by CalPERS;
- Allows for assets—OPEB and PRSP—to aggregate resulting in lower fees on tiered schedule;
- PRSP funds may be used for pension obligations at any time, including pay down of UAL;
- Diversified investment potential for greater return than LAIF; and
- Addresses the MPWD's unfunded pension liability for GASB 68 reporting.

DISCUSSION

A revised Cash Reserve Policy has been discussed with the Board for a few months now, and after approval of that revised policy, the MPWD has options with regard to cash reserves in excess of the \$3 million target level.

Three (3) options were discussed with the Board during the January 11th Special Board Meeting:

- **OPTION #1:** \$500,000 should be reserved for transfer to the FY 2017/2018 Capital Budget (and carried over to the FY 2018/2019 Capital Budget as necessary), for the MPWD's portion of the 2017 Water and Sewer Improvements Project with the City of Belmont (already approved by the Board).
- **OPTION #2:** \$1.5 million should be used to fully fund the OPEB liability, which will bring PARS OPEB trust account to \$2.4 million as estimated by the 2015 MPWD GASB 45 actuarial report.
- **OPTION #3:** \$1.6 million to pre-fund the pension liability through the establishment of a PARS PRSP (Pension Rate Stabilization Program).

Option #1 will become part of the MPWD's annual capital budgeting process. Option #2 was addressed in the Board's next agenda item.

There are many benefits to Option #3, and \$1.6 million transfer/use of cash reserves:

- Programmed payment of an unfunded liability—the CalPERS UAL (Unfunded Accrued Liability).
- Funds are completely managed by the MPWD rather than CalPERS.
- MPWD already has an established trust account with PARS and the addition of the PRSP will not result in additional administrative fees.

- Beginning in FY 2018/2019, the MPWD will move to a 15-year amortization schedule (rather than 30 years) for UAL pension payments to CalPERS, saving an estimated **\$728,399** in overall interest costs (from CalPERS Actuarial Valuation – June 30, 2016), and the MPWD will make an annual UAL lump-sum payment (rather than monthly), which saves 3.5%.
- Beginning in FY 2019/2020, the MPWD will make its annual UAL payments from the PRSP, allowing interest to accrue for this first year. This will result in annual operational budget reduction of approximately **\$110,000**. (As staff reported, these funds will be needed for organizational staffing needs.)
- Flexibility to pay CalPERS ERC (Employer Required Contribution), which is a separate payroll-based pension contribution, from the PRSP during any fiscal year burdened with financial constraints.

The MPWD PARS PRSP performance will be reviewed annually with the Board, by the PARS and HighMark Capital Management team, beginning in 2018.

Attachment: Resolution 2018-03

BOARD ACTION: APPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____

UNANIMOUS_____ WARDEN_____ VELLA_____ LINVILL_____ ZUCCA_____ STUEBING_____

RESOLUTION NO. 2018-03

**AUTHORIZING PARTICIPATION IN THE PARS COMBINATION
IRS SECTION 115 TRUST PLAN,
INCLUDING THE MPWD OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN
AND ESTABLISHMENT OF A PENSION RATE STABILIZATION PROGRAM (PRSP)
TO PRE-FUND MPWD PENSION LIABILITIES, AND
AUTHORIZING THE TRANSFER OF \$1,600,000 FROM MPWD CASH RESERVES
TO THE MPWD PRSP**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District (the "District") is currently participating in the Public Agencies Retirement Services (PARS) Post-Retirement Health Care Plan Trust for the pre-funding of its retiree health benefits and other post-employment benefits other than pension benefits ("OPEB"); and

WHEREAS, the District desires to set aside funds for the purpose of pre-funding its CalPERS pension obligation that will be held in trust under the Pension Rate Stabilization Program ("PRSP") for the exclusive purpose of making future contributions of the District's required pension contributions and any employer contributions in excess of such required contributions at the discretion of the District; and

WHEREAS, PARS has made available the Public Agencies Post-Employment Benefits Trust (the "Program") for the purpose of combining assets used to pre-fund both pension obligations and/or OPEB obligations as specified in the District's plans, policies and/or applicable collective labor bargaining agreements; and

WHEREAS, the District is eligible to participate in the Program, a tax-exempt trust performing an essential governmental function within the meaning of Section 115 of the Internal Revenue Code, as amended, and the Regulations issued there under, and is a tax-exempt trust under the relevant statutory provisions of the State of California; and

WHEREAS, the District can manage the pre-funding of its pension obligation through the PRSP and its OPEB obligations in a single trust under this Program, thereby gaining administrative and cost efficiencies; and

WHEREAS, pursuant to Resolution No. 2018-02, the District adopted a revised policy concerning the maintenance and expenditure of the District's cash reserve funds to ensure that sufficient resources are available to meet the District's operating and capital obligations; and

WHEREAS, staff and the Board of Directors have held discussions pertaining to the adoption of a new cash reserve policy, including options for transfer of cash

reserves in excess of the established target, which discussions were held at the October 26, 2017, November 15, 2017 and January 11, 2018 Board meetings; and

WHEREAS, staff recommended the Board of Directors authorize the establishment of a PARS PRSP and transfer of \$1,600,000 from District cash reserves to its PARS PRSP, which would pre-fund the District's pension liability, per the CalPERS Actuarial Valuation Report as of June 30, 2016, and further advance the District's commitment to fiscal responsibility and prudent financial planning, as reflected in the revised cash reserve maintenance and expenditure policy adopted by the District pursuant to Resolution No. 2018-02; and

WHEREAS, the District's adoption of and participation in the Program has no effect on any current or former employee's entitlement to post-employment benefits; and

WHEREAS, the terms and conditions of post-employment benefit entitlement, if any, are governed by agreements and policies of the District that are separate from and independent of the Program; and

WHEREAS, the District's funding of the PRSP does not, and is not intended to, create any new vested right to any benefit nor strengthen any existing vested right; and

WHEREAS, the District reserves the right to make contributions, if any, to the Program.

NOW THEREFORE, BE IT RESOLVED that:

1. The Board of Directors of the Mid-Peninsula Water District hereby approves the establishment of a Pension Rate Stabilization Program ("PRSP"); and
2. The Board of Directors of the District hereby adopts the PARS Public Agencies Post-Employment Benefits Trust (the "Program") for the prefunding of its pension and OPEB obligations; and
3. The Board of Directors of the District hereby appoints the General Manager, or their successor or designee, as the District's Plan Administrator for the Program; and
4. The District's Plan Administrator is hereby authorized to execute the PARS Program legal and administrative documents on behalf of the District and to take whatever additional actions are necessary to maintain the District's participation in the Program and to maintain compliance of any relevant regulation issued or as may be issued; therefore, authorizing him/her to take whatever additional actions are required to administer the District's Program; and

5. The Board of Directors of the District hereby authorizes PRSP funding from its cash reserves in the total amount of ONE MILLION SIX HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,600,000), to be transferred to the District's Pension Account under the Program.

REGULARLY PASSED AND ADOPTED this 22nd day of February 2018 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

President, Board of Directors

ATTEST:

Secretary



AGENDA ITEM NO. 8.C.

DATE: February 22, 2018
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: CONSIDER RESOLUTION 2018-04 AUTHORIZING THE TRANSFER OF \$1,500,000 FROM MPWD CASH RESERVES TO THE MPWD PARS OPEB (OTHER POST-EMPLOYMENT BENEFITS) PLAN UNDER THE PARS PUBLIC AGENCIES POST-EMPLOYMENT BENEFITS TRUST

RECOMMENDATION

Approve Resolution 2018-04 authorizing the transfer of \$1.5 million from the MPWD cash reserves to the MPWD PARS OPEB plan.

FISCAL IMPACT

This transfer would fully fund the MPWD's OPEB liability, which will bring the PARS OPEB trust account balance to \$2.4 million (as estimated by the 2015 MPWD GASB 45 actuarial report).

The \$1.5 million transfer would reduce the MPWD's cash reserves to \$3.4 million (from \$4.9 million after the previous agenda item's transfer to the MPWD PARS OPEB).

Staff will work with the PARS OPEB investment team and likely transfer funds on a quarterly basis, in \$375,000 equal installments, on March 31, 2018, June 30, 2018, September 30, 2018, and December 31, 2018.

DISCUSSION

A revised Cash Reserve Policy has been discussed with the Board for a few months now, and after approval of that revised policy, the MPWD has options with regard to cash reserves in excess of the \$3 million target level.

Three (3) options were discussed with the Board during the January 11th Special Board Meeting:

- **OPTION #1:** \$500,000 should be reserved for transfer to the FY 2017/2018 Capital Budget (and carried over to the FY 2018/2019 Capital Budget as

necessary), for the MPWD's portion of the 2017 Water and Sewer Improvements Project with the City of Belmont (already approved by the Board).

- OPTION #2: \$1.5 million should be used to fully fund the OPEB liability, which will bring PARS OPEB trust account to \$2.4 million as estimated by the 2015 MPWD GASB 45 actuarial report.
- OPTION #3: \$1.6 million to pre-fund the pension liability through the establishment of a PARS PRSP (Pension Rate Stabilization Fund).

Option #1 will become part of the MPWD's annual capital budgeting process. Option #3 was addressed in the previous agenda item.

As discussed during the January 11th Special Board Meeting, there are many benefits to Option #2 and \$1.5 million transfer/use of cash reserves:

- Full funding of the MPWD's OPEB liability!
- Beginning in FY 2018/2019, retiree healthcare benefits will be paid from the OPEB trust account, resulting in an annual operational budget reduction of approximately **\$60,000**. This will become significant considering the number of employee retirements within the next 2-5 years.
- Another annual operational budget reduction, beginning in FY 2018/2019, of the OPEB ARC (Annual Required Contribution)—approximately **\$180,000**. (As staff reported on January 11th, these funds will be needed for organizational staffing needs.)
- Good timing given the transition in MPWD PARS OPEB investment portfolios.

Staff has created an expanded report of the MPWD's PARS OPEB trust account, including deposits, earnings, fees, and start/end balances. That detailed report will be attached to the Administrative Services Manager's report on a quarterly basis beginning in April 2018, and will reflect the quarterly installments of cash reserves.

The PARS OPEB plan performance will continue to be reviewed annually with the Board, by the PARS and HighMark Capital Management team.

Attachment: Resolution 2018-04

BOARD ACTION: APPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____

UNANIMOUS_____ WARDEN_____ VELLA_____ LINVILL_____ ZUCCA_____ STUEBING_____

RESOLUTION NO. 2018-04

**AUTHORIZING THE TRANSFER OF \$1,500,000
FROM MPWD CASH RESERVES
TO THE MPWD PARS OPEB (OTHER POST-EMPLOYMENT BENEFITS) TRUST
ACCOUNT UNDER THE PARS PUBLIC AGENCIES
POST-EMPLOYMENT BENEFITS TRUST**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, pursuant to Resolution No. 2018-02, the Mid-Peninsula Water District (“District”) adopted a revised policy concerning the maintenance and expenditure of the District’s cash reserve funds to ensure that sufficient resources are available to meet the District’s operating and capital obligations; and

WHEREAS, staff and the Board of Directors have held discussions pertaining to the adoption of a new cash reserve policy, including options for transfer of cash reserves in excess of the established target, which discussions were held at the October 26, 2017, November 15, 2017 and January 11, 2018 Board meetings; and

WHEREAS, the District is currently participating in the Public Agencies Retirement Services (PARS) Post-Retirement Health Care Plan Trust for the pre-funding of its retiree health benefits and other post-employment benefits other than pension benefits (“OPEB”); and

WHEREAS, PARS has made available the Public Agencies Post-Employment Benefits Trust (the “Program”) for the purpose of combining assets used to pre-fund pension obligations and/or OPEB obligations as specified in the District’s plans, policies and/or applicable collective labor bargaining agreements; and

WHEREAS, pursuant to Resolution No. 2018-03, the District adopted the “Program” to be used to manage its pension and OPEB obligations under a single trust; and

WHEREAS, staff recommended the Board of Directors authorize the transfer of \$1,500,000 from District cash reserves to the District’s OPEB Account under the Program, which would fully fund the District’s OPEB liability of \$2,400,000, as estimated by the 2015 MPWD GASB 45 OPEB actuarial report, and further advance the District’s commitment to fiscal responsibility and prudent financial planning, as reflected in the revised cash reserve maintenance and expenditure policy adopted by the District pursuant to Resolution No. 2018-02.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that the transfer of \$1,500,000 from District cash reserves to the District's PARS OPEB Account under the Program is hereby approved.

REGULARLY PASSED AND ADOPTED this 22nd day of February 2018.

AYES:

NOES:

ABSTAINS:

ABSENT:

PRESIDENT

ATTEST:

SECRETARY OF THE BOARD



AGENDA ITEM NO. 8.D.

DATE: February 22, 2018
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: CONSIDER RESOLUTION 2018-05 ADOPTING A DEBT MANAGEMENT POLICY

RECOMMENDATION

Approve Resolution 2018-05 adopting a Debt Management Policy.

FISCAL IMPACT

There will be professional service expenses as a result of the involvement of and review by District Counsel and the MPWD's Municipal Finance Advisor. Approximately \$2,500 is anticipated.

BACKGROUND

STATE LAW

Effective January 1, 2017, Senate Bill 1029 (SB 1029) amended Section 8855(i) of the California Government Code to require that local government issuers of public debt adopt a debt management policy, which included specific provisions concerning the use of debt and provided a framework for debt issuance, capital planning, and post issuance debt administration. It created the following major changes to the current law:

- Required the California Debt and Investment Advisory Commission (CDIAC) to track and report on all state and local outstanding debt until fully repaid or redeemed; and
- Required that the report of proposed debt include a certification by the issuer that it has adopted local debt policies, which include specified provisions concerning the use of debt and that the contemplated debt issuance is consistent with those local debt policies; and
- Required a state or local public agency to submit an annual report for any issue of debt.

SECURITIES AND EXCHANGE COMMISSION (SEC) RECOMMENDATIONS

The SEC recommends that issuers of municipal securities adopt policies and procedures to govern compliance, and implement training with respect to their initial disclosure and continuing disclosure undertakings.

GFOA BEST PRACTICES

The GFOA (Government Finance Officers Association) defines debt management policies as “written guidelines, allowances, and restrictions that guide the debt issuance practices of state and local governments, including the issuance process, management of a debt portfolio, and adherence to various laws and regulations.”

A debt management policy further demonstrates a commitment to long-term capital and financial planning, and adherence, according to the GFOA, “signals to rating agencies and the capital markets that a government is well managed and likely to meet its debt obligations in a timely manner.”

The GFOA recommends that a debt management policy should be reviewed periodically (and updated if necessary) and should address at least the following:

1. Debt Limits;
2. Debt Structuring Practices;
3. Debt Issuance Practices; and
4. Debt Management Practices.

Finally, the GFOA supports as a best practice that a debt management policy “should be approved by the issuers governing body to provide credibility, transparency, and ensure that there is a common understanding among elected officials and staff regarding the issuers approach to debt financing.”

DISCUSSION

Discussions on a debt management policy were held at the October 26, 2017, November 15, 2017, and January 11, 2018, Board meetings.

The policy was developed in accordance with CDIAC requirements and pursuant to SB 1029, and was designed to meet the following objectives:

- Identify the purpose of the debt issuance and use of debt proceeds;
- Identify the types of debt that may be issued;
- Describe the relationship of debt to the Capital Improvement Program (CIP) and MPWD budget;
- Ensure the issuance of debt is consistent with public policy objectives of the MPWD, as determined by the Board of Directors; and
- Implement and maintain a system of internal controls to ensure that debt proceeds will be directed to the intended use in accordance with all applicable statutory and policy requirements.

The policy is subject to periodic review and update by the MPWD, either as the result of material changes in best practices, market conditions, or if any legal and/or regulatory requirements warrant such an update. All updates require approval by the Board.

Attachment: Resolution 2018-05
MPWD Debt Management Policy

BOARD ACTION: APPROVED:____ DENIED:____ POSTPONED:____ STAFF DIRECTION:____
UNANIMOUS____ WARDEN____ VELLA____ LINVILL____ ZUCCA____ STUEBING____

RESOLUTION NO. 2018-05

ADOPTING A DEBT MANAGEMENT POLICY

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, Effective January 1, 2017, Senate Bill 1029 (SB 1029) amended Section 8855(i) of the California Government Code to require that local government issuers of public debt adopt a debt management policy, including specific provisions concerning the use of debt; and

WHEREAS, in accordance with SB 1029, the Mid-Peninsula Water District (“District”) desires to adopt a formal policy concerning the administration and management of debt issued by the District; and

WHEREAS, staff and the Board of Directors have held discussions pertaining to the adoption of a debt management policy, which discussions were held at the October 26, 2017, November 15, 2017 and January 11, 2018 Board meetings; and

WHEREAS, staff recommends the Board of Directors adopt the proposed debt management policy, which policy demonstrates the District's commitment to fiscal responsibility and prudent debt issuance and management, and which meets the criteria identified in the Government Code.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that the "Debt Management Policy" as documented in Exhibit A, attached hereto and incorporated herein, is hereby approved.

REGULARLY PASSED AND ADOPTED this 22nd day of February 2018.

AYES:

NOES:

ABSTAINS:

ABSENT:

PRESIDENT

ATTEST:

SECRETARY

DEBT MANAGEMENT POLICY

1. POLICY STATEMENT

The Mid-Peninsula Water District (District) funds its capital projects and meets other financing needs through a combination of current operating revenues, available reserves, outside funding (e.g., grants), and prudently issued debt. This policy documents the goals and guidelines of the District for the issuance and use of debt instruments.

Debt includes financing as a way to raise working capital or capital expenditures by selling bonds, bills, certificates, or notes to individual and/or institutional investors. In return for lending the money, the individuals or institutions become creditors and receive a promise to repay principal and interest on the debt. To achieve optimal credit ratings and endorse prudent financial management, the District is committed to long-term capital and financial planning, and continual review of its financing structure to optimize the overall cost of debt.

The issuance of debt by the District to finance major capital projects or to refinance existing obligations will only occur after the transaction is evaluated to be fiscally prudent and responsible under the prevailing economic conditions. Prior approval by the Board of Directors (Board) is required for the issuance of new debt or for the refinancing of existing debt.

2. PURPOSE OF POLICY

The purpose of this Debt Management Policy (Debt Policy) is to establish and maintain parameters for issuing debt, and promote objectivity in the decision-making process.

The District will adhere to the following legal requirements for the issuance of public debt:

- State law, which authorizes the issuance of debt;
- Federal and state law, which govern the eligibility of the debt for tax-exempt status;
- Federal and state law, which govern the issuance of taxable debt;
- Federal and state law, which govern disclosure, sale, and trading of the debt, both before and subsequent to issuance; and
- Generally Accepted Accounting Principles (GAAP).

This Debt Policy is intended to comply with Government Code Section 8855(i), effective January 1, 2017, and shall govern all debt issued by the District. The District hereby recognizes that a fiscally prudent debt policy is required to:

- Maintain the District's sound financial position.
- Ensure the District has the flexibility to respond to changes in future service priorities, revenues, and operating expenses.
- Protect the District's credit-worthiness.

- Ensure that all debt is structured to protect current and future taxpayers, ratepayers and constituents of the District.
- Ensure that the District's debt is consistent with the District's planning goals and objectives and Capital Improvement Program (CIP) or capital budget, as applicable.

3. PURPOSE AND USE OF DEBT

Debt financing is an acceptable and appropriate approach to fund the District's long-term capital improvements as approved by the Board of Directors and, thus, ensure inter-generational equity of such major improvements among existing and future users of the system. Debt can be issued to fund the capital cost of planning, pre-design, design, land and/or easement acquisition, construction, and related fixtures, equipment, and others costs as permitted by law.

3.1 Long-Term Debt. Long-term debt may be issued to finance the construction, acquisition, and rehabilitation of capital improvements and facilities, equipment and land to be owned and operated by the District. Long-term debt financings are appropriate:

- When a project to be financed is necessary to provide District services.
- When the project to be financed will benefit constituents over 10+ years.
- When total long-term debt financing does not constitute an unreasonable burden to the District and its taxpayers or ratepayers.
- When the debt is used to refinance outstanding debt to reduce the total cost of the debt or to realize other benefits of a debt restructuring, such as increased flexibility in the use of cash and reserves.
- When the weighted average maturity of the debt (or the portion of the debt allocated to the project) will not exceed the average useful life of the project to be financed by more than 20%, unless specific conditions exist that would mitigate the extension of time to repay the debt and it would not cause the District to violate any covenants to maintain the tax-exempt status of such debt, if applicable.

Long-term debt financings will not be considered appropriate for current operating expenses and routine maintenance expenses.

The District may use long-term debt financings subject to the following conditions:

- The project to be financed must be approved by the District Board of Directors;
- The District estimates that sufficient revenues will be available to service the debt through its maturity; and
- The District determines that the issuance of the debt will comply with the applicable state and federal law.

Periodic reviews of outstanding long-term debt will be undertaken to identify refunding opportunities. Refundings will be considered (within federal tax law constraints, if applicable) if and when there is a net economic benefit of the refunding. Refundings that are non-economic

may be undertaken to achieve District objectives relating to changes in covenants, call provisions, operational flexibility, tax status of the issuer, or the debt service profile.

Refundings that produce a net present value savings of at least 4% of the refunded debt will be considered economically viable. Refundings that produce a net present value savings of less than 4% or negative savings will be considered on a case-by-case basis, and are subject to Board approval.

3.2 Short-term debt. Short term borrowing such as commercial paper and lines of credit will be considered as an interim source of funding in anticipation of long-term borrowing. Short-term debt may be issued for any purpose for which long-term debt may be issued, including capitalized interest and other financing-related costs. Prior to issuance of the short-term debt, a reliable revenue source shall be identified to secure repayment of the debt. The final maturity of the debt issued to finance the project shall be consistent with the economic or useful life of the project and unless the Board determines that extraordinary circumstances exist, must not exceed seven years.

3.3 Short-term debt may also be issued to provide financing for the District's operational cash flows in order to maintain a steady and even cash flow balance, due within one year, and may be rolled over or extended if necessary. Short-term debt may also be used to finance short-lived capital projects, such as undertaking lease-purchase financing for equipment.

4. TYPES OF DEBT THAT MAY BE ISSUED

The District may find that debt financings would be beneficial to further its public purposes and the Board of Directors may approve such debt without an amendment of this Debt Policy. Debt shall be issued as fixed rate debt unless the District makes a specific determination as to why a variable rate issue would be beneficial to the District in a specific circumstance.

5. RELATIONSHIP OF DEBT TO CAPITAL IMPROVEMENT PROGRAM AND BUDGET

The District is committed to long-term capital planning and may issue debt for the purposes stated in this Debt Policy for implementation of the District's capital budget and CIP.

5.1 The District's Debt Management Policy, Reserve Policy, and Investment Policy will be considered in the decision-making framework utilized in the preparation of the District's CIP and long-term capital and financial planning, and its fiscal year budgeting process.

5.2 The District will fund the upkeep and maintenance of its infrastructure and facilities improvements due to normal wear and tear through the expenditure of available operating revenues rather than incurring debt.

5.3 The District shall integrate its debt issuances with the goals of its CIP by timing the issuance of debt to ensure that projects are available when needed in furtherance of the District's public purposes, or may be less expensive due to construction costs or low interest rates

6. DEBT ISSUANCE

The District is committed to long-term financial planning, maintaining appropriate reserves and employing prudent practices in governance, management and budget administration, and systematic capital planning. The District will issue debt for the purposes stated in this Debt Policy and as approved by the Board of Directors to implement policy decisions incorporated in the District's annual operations and capital budgets. Adoption of this Debt Policy will help ensure that debt is issued and managed in a manner that protects the public interest.

6.1 Credit Rating. The District will do everything necessary to maintain optimum credit ratings for debt instruments. District staff, working with the District's Municipal Finance Advisor, shall be responsible for determining which of the major rating agencies will be asked to provide such a rating.

6.2 Method of Sale. Debt is typically issued under either a competitive or negotiated sale, or private placement. Determination of the appropriate method of sale will rest with the General Manager and the District's Municipal Finance Advisor. There are a number of market factors that will affect the success of a debt offering and each should be carefully considered before selecting a method of sale. These factors include, but are not limited to: 1) market perception of the District's credit quality, 2) interest rate volatility, 3) size of the proposed sale, term and average life, 4) complexity of the proposed issue, and 5) competition with other issuers for investor interest.

7. DEBT ADMINISTRATION

7.1 The District will comply with:

- A. Applicable state and federal law as it pertains to the maximum term of debt and the procedures for levying and imposing any related taxes, assessments, rates and charges; and
- B. Applicable policies regarding initial bond disclosure, continuing disclosure, post-issuance compliance, and investment of bond proceeds. Without limiting the foregoing, the District will periodically review the requirements of and will remain in compliance with the following:
 1. Any continuing disclosure undertakings entered into by the District in accordance with SEC Rule 15c2-12;
 2. Any federal tax compliance requirements, including, without limitation, arbitrage and rebate compliance;
 3. The District's investment policies as they relate to the use and investment of bond proceeds; and

4. California Government Code Section 8855(i) and the annual reporting requirements therein.

7.2 Proceeds of debt will be held either by:

- A. A third-party trustee or fiscal agent, which will disburse such proceeds to or upon the order of the District upon the submission of one or more written requisitions by the General Manager of the District (or their written designee); or
- B. The District, to be held and accounted for in a separate fund or account to ensure debt proceeds are expended only for the purposes for which the debt was issued, the expenditure of which will be carefully documented by the District in records compliance with current accounting standards and subject to the District's annual audit.

7.3 Investment of Debt Proceeds. Proceeds of debt will be invested until used for the intended project(s) in order to maximize utilization of the public funds. The investments will be made to obtain the highest level of safety. The General Manager will oversee the investment of bond proceeds in a manner to avoid, if possible, and minimize any potential negative arbitrage over the life of the bond issue, while complying with arbitrage and tax provisions.

7.4 Debt Coverage Target. In determining the affordability of a proposed debt financing, the District will perform an analysis comparing projected annual net revenues, after payment of operating and maintenance expenditures, to estimated annual debt service and the estimate debt coverage ratio. The debt coverage ratio is the amount of net cash flow available, divided by the annual interest and principal payments on debt.

The District's existing debt covenants for its 2016 Certificates of Participation capital debt financing require a legal debt coverage ratio of at least 1.25.

7.5 Debt Service Reserve Balance. District staff will monitor dedicated debt service reserve fund balances, ensuring compliance with related reserve requirements (if applicable), and periodically review the advisability of prepayment or refunding of related debt. The financial advantages of a current refunding must outweigh the cost of issuing the refunding debt by a sufficient margin to justify it. (The California Special Districts Association's best practices for debt management recommend at least 3.0% of the principal amount of the bonds being refunded, determined on a net present value basis.)

7.6 Call Options/Redemption Provisions. District staff will evaluate and recommend to the Board the use of a call option, if any, and a call protection period for each issuance. A call option, or optional redemption provision, gives the District the right to prepay or retire debt prior to its stated maturity. The option may permit the District to achieve interest savings in the future through refunding the debt. The cost of call options can vary widely, depending largely on market

conditions, an evaluation of factors such as the call premium, time until the debt may be called at a premium or at par, and interest rate volatility.

7.7 Quarterly Reports. District staff will provide quarterly review and reporting to the Board of the debt's financial performance, including capital expenditures and interest earnings.

7.8 Debt Service Payments. Necessary appropriations for annual debt service requirements will be reflected in the District's annual budget. Staff is responsible for timely annual payments.

7.9 Continuing Disclosure Requirements. The District is responsible for ensuring that the District's annual financial statements, continuing disclosure reports, and material event notifications are posted on the MPWD website and/or the Electronic Municipal Market Access (EMMA) website of the Municipal Securities Rulemaking Board. The District may also contract with third-party consultant(s) to comply with its continuing disclosure obligations, and with Securities and Exchange Commission Rule 15c2-12(b)(5).

The District shall submit an annual report to CDIAC for any issuance of debt for which it has submitted a report of final sale on or after January 1, 2017. The annual report shall comply with the requirements of Government Code Section 8855 and related regulations.

Failure to comply with disclosure requirements may restrict the ability of the District to issue debt.

7.10 Investor Relations. Information that the District intends to make available to the investing public, including bondholders, rating analysts, investment advisors, or any other members of the investment community shall be filed on the MPWD website and the EMMA website.

The District will maintain proactive communications with the investment community, including rating agencies and investors, to ensure future capital market access at the lowest possible interest rates.

7.11 Records Retention. A copy of all relevant documents and records will be maintained by the District through the final maturity of the debt financing plus ten (10) years. Relevant documents and records will include sufficient documentation to support the requirements related to maintaining the tax-exempt status of the debt financing.



AGENDA ITEM NO. 8.E.

DATE: February 22, 2018
TO: Board of Directors
FROM: Tammy Rudock, General Manager
Candy Pina, Administrative Services Manager
Rene Ramirez, Operations Manager

SUBJECT: RECEIVE MID-YEAR REVIEW OF FY 2017/2018 OPERATING AND CAPITAL BUDGETS AND CONSIDER RESOLUTION 2018-06 APPROVING THE AMENDED BUDGETS

RECOMMENDATION

Receive Mid-Year Review of FY 2017/2018 Operating and Capital Budgets and adopt Resolution 2018-06 approving the amended budgets.

FISCAL IMPACT

OPERATING BUDGET

- ✓ Net change in projected TOTAL OPERATING REVENUES of \$200,000 (from \$11,457,720 to \$11,657,720) to account for nominal projected increased water usage.
- ✓ Non-Operating Revenues were separated out for a view in preparation for FY 2018/2019 budget process. These are identified in the MPWD Financial Audit as non-operating revenue sources. There will be discussion about this next month.
- ✓ Net change in projected TOTAL OPERATING EXPENDITURES (less Depreciation) of \$527,505 (from \$11,282,911 to \$11,810,416) to account for the increased cost of purchased water from SFPUC as a result of increased consumption and for proposed staffing level changes.
- ✓ Depreciation expense was reduced from \$1,050,000 to \$900,000, a difference of \$150,000.
- ✓ Net change in projected OPERATING SURPLUS/(LOSS) of \$23,695 (from (\$505,191) to (\$481,496)).

CAPITAL BUDGET

Staff has proposed an AMENDED CAPITAL BUDGET FOR FY 2017/2018 as attached. Staff's proposal includes:

- \$375,000 as a more realistic projected pay-go share through the end of this fiscal year for the 2017 Joint WMR and Sewer Rehabilitation Project (with Belmont).
- \$18,504 for a purchased replacement printer/scanner/copier (eliminating the last leased machine). This also resulted in operational savings.
- Projected a reduction in Miscellaneous Capital Outlay/Projects to \$25,000 (from \$50,000).

The total Amended Capital Budget for FY 2017/2018 is \$418,504.

After the Depreciation expense is considered, there is a Net Operating Loss projected totaling \$481,496, which balances out with the proposed amended capital expenditures.

DISCUSSION

Attached are the proposed Amended Operating and Capital budgets.

Mostly there are minor shifts among Operating account line items. A summary of proposed budget changes >\$25,000 are highlighted below.

OPERATING BUDGET PROJECTION HIGHLIGHTS (>\$25,000)

ACCOUNT #	HIGHLIGHT
4010-00	\$200,000 – Projected a nominal increase in Water Commodity Charges based on MPWD water use trends.
4102-00	\$30,000 – Increased projected interest earnings on LAIF because of increased balance.
6010-50	\$200,316 – Increased Salaries & Wages for proposed staffing level changes.
6030-66	\$32,950 – Increased CalPERS for proposed staffing level changes.
6100-76	\$300,000 – Increased Purchased Water cost due to increased water usage.
6404-00	\$97,000 – Increased Mains/Distribution because of numerous leaks and repairs to the system.
6705-00	\$38,453 – Decreased Equipment Services/Maintenance because we purchased a printer/scanner/copier to replace a leased one at a significant cost savings.
6709-00	\$40,000 – Increased credit card service fees because they are coming in higher than projected. More customers are using their debit and credit cards for payments.
6802-00	\$25,000 – Decreased Gov’t Fees & Licenses, because the costs are not as much as projected.
6805-00	\$35,000 – Increased Software Licenses to accommodate the new financial management system.
9010-00	\$150,000 – Decreased Depreciation Expense because it was projected too high.
7405-00	\$60,915 – Decreased Debt Service 2016 COPs to match actual expenditures for FY 2017/2018.

Capital Budget projection highlights are described above in the Fiscal Impact section.

Attachments: Resolution 2018-06
Proposed Amended FY 2017/2018 Operating and Capital Budgets

BOARD ACTION: APPROVED: _____ DENIED: _____ POSTPONED: _____ STAFF DIRECTION: _____
UNANIMOUS _____ WARDEN _____ VELLA _____ LINVILL _____ ZUCCA _____ STUEBING _____

RESOLUTION NO. 2018-06

**APPROVING THE
AMENDED OPERATING AND CAPITAL BUDGETS
FOR FISCAL YEAR 2017/2018**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, staff developed a mid-year review of the Operating and Capital Budgets for Fiscal Year 2017/2018 and presented a preliminary review on January 11, 2018, to the Board of Directors and a more detailed review on February 22, 2018; and

WHEREAS, staff proposed amendments to the Operating and Capital Budgets for Fiscal Year 2017/2018, which involved adjustments among account line items, and recommended them for approval.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby approves an Amended Operating Budget for the Fiscal Year 2017/2018:

<i>TOTAL OPERATING REVENUES</i>	<i>\$12,228,920</i>
<i>TOTAL OPERATING EXPENDITURES</i>	<i>\$12,710,416</i>
<i>NET TRANSFER TO CAPITAL</i>	<i><\$ 481,496 ></i>

BE IT FURTHER RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby approves an Amended Capital Budget for the Fiscal Year 2017/2018 in the amount of \$418,504 (from \$751,930).

BE IT FURTHER RESOLVED that as a result of the balanced Amended Capital Budget there will be no projected transfer from Capital Reserves.

BE IT FURTHER RESOLVED that the Secretary of the District is hereby directed to forward certified copies of this Resolution and the amended budget documents to the County Clerk, the County Controller, and the County Treasurer of the County of San Mateo, and post them to the MPWD website.

REGULARLY PASSED AND ADOPTED this 22nd day of February 2018 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

President, Board of Directors

ATTEST:

District Secretary

**MID-PENINSULA WATER DISTRICT
MID-YEAR BUDGET FOR FY 2017-2018
SUMMARY**

2/16/2018

DESCRIPTION	FY 2016-2017 ACTUAL	APPROVED FY 2017-2018 BUDGET	ACTUALS 7/1/17-01/31/18	PROPOSED MID-YEAR FY 2017-2018 BUDGET	Increase (Decrease)	% Change
OPERATING REVENUE						
WATER COMMODITY CHARGES	8,578,665	8,500,000	6,007,323	8,700,000	200,000	2.4%
FIXED SYSTEM CHARGES	2,680,396	2,663,720	1,549,245	2,663,720	-	0.0%
FIRE SERVICE CHARGES	13,600	14,000	8,864	14,000	-	0.0%
SERVICE LINE & INSTALLATION CHARGES	1,452	10,000	-	10,000	-	0.0%
MISCELLANEOUS OPERATING	-	10,000	18,936	10,000	-	0.0%
PROPERTY TAX REVENUE	301,119	260,000	232,057	260,000	-	0.0%
TOTAL OPERATING REVENUE	11,575,232	11,457,720	7,816,425	11,657,720	200,000	1.7%
WATER SYSTEM CAPACITY CHARGES	76,875	200,000	252,492	200,000	-	0.0%
WATER DEMAND OFFSET CHARGES	9,393	10,000	31,156	10,000	-	0.0%
MISCELLANEOUS NON-OPERATING	156,249	-	97,858	10,000	10,000	NA
INTEREST REVENUE - LAIF	34,295	10,000	40,251	40,000	30,000	300.0%
INTEREST REVENUE - COP	38,910	-	98,555	150,000	150,000	NA
LEASE OF PHYSICAL PROPERTY	141,949	150,000	93,664	150,000	-	0.0%
LANDSCAPE PERMIT REVENUE	23,800	-	-	11,200	11,200	NA
TOTAL NON-OPERATING REVENUE	481,471	370,000	613,975	571,200	201,200	54.4%
TOTAL REVENUE	12,056,703	11,827,720	8,430,400	12,228,920	401,200	3.4%
OPERATING EXPENDITURES (OP EXP)						
SALARIES & WAGES	1,632,812	1,718,225	911,416	1,893,566	175,341	10.2%
PAYROLL TAXES & BENEFITS	1,159,588	1,204,892	527,447	1,084,879	(120,013)	-10.0%
PURCHASED WATER	5,192,951	5,234,856	3,515,887	5,554,624	319,768	6.1%
OUTREACH & EDUCATION	79,158	116,900	29,295	92,400	(24,500)	-21.0%
M&R - OPS SYSTEM	306,946	389,598	253,193	486,598	97,000	24.9%
M&R - FACILITIES & EQUIPMENT	104,989	166,860	76,486	166,860	-	0.0%
SYSTEM SURVEYS	9,360	30,000	-	30,000	-	0.0%
ADMINISTRATION & EQUIPMENT	298,270	314,755	150,745	317,278	2,523	0.8%
MEMBERSHIP & GOV FEES	172,498	208,613	129,574	208,613	-	0.0%
BAD DEBT & CLAIMS	20,936	37,000	(1,753)	17,000	(20,000)	-54.1%
UTILITIES	269,238	301,687	147,280	306,199	4,512	1.5%
PROFESSIONAL SERVICES	391,817	458,660	217,678	406,450	(52,210)	-11.4%
TRAINING/TRAVEL & RECRUITMENT	42,017	45,000	19,918	45,000	-	0.0%
RESTRICTED EARNINGS	-	10,000	138,806	216,000	206,000	2060.0%
DEBT SERVICE	695,952	1,045,865	730,702	984,950	(60,915)	-5.8%
TOTAL OP EXP LESS DEPRECIATION (DEPREC)	10,376,533	11,282,911	6,846,673	11,810,416	527,505	4.7%
TOTAL OP REVENUE LESS OP EXP & DEPREC	1,680,171	544,809	1,583,728	418,504	(126,305)	-23.2%
DEPRECIATION	903,949	1,050,000	500,590	900,000	(150,000)	-14.3%
NET OPERATING SURPLUS/(LOSS)	776,222	(505,191)	1,083,138	(481,496)	23,695	-4.7%
NET TRANSFERS TO CAPITAL	(776,222)	505,191	(1,083,138)	481,496	(23,695)	-4.7%
NET RESULTS OF OPERATIONS	-	-	-	-	-	

**MID-PENINSULA WATER DISTRICT
MID-YEAR BUDGET FOR FY 2017-2018
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2016-2017 ACTUAL	APPROVED FY 2017-2018 BUDGETED	ACTUALS 7/1/17-01/31/18	PROPOSED MID-YEAR FY 2017-2018 BUDGET	Increase (Decrease)	% Change
1-400-4010-40-00	Water Commodity Charges	8,578,665	8,500,000	6,007,323	8,700,000	200,000	2.4%
1-400-4020-00-00	Fixed System Charges	2,680,396	2,663,720	1,549,245	2,663,720	-	0.0%
1-400-4030-00-00	Fire Service Charges	13,600	14,000	8,864	14,000	-	0.0%
1-400-4050-00-00	Service Line & Installation Charges	1,452	10,000	-	10,000	-	0.0%
1-400-4090-00-00	Miscellaneous -Operating	156,249	10,000	18,936	10,000	-	0.0%
1-400-4000-00-00	TOTAL WATER CHARGES	11,430,362	11,197,720	7,584,368	11,397,720	200,000	1.8%
1-420-4202-45-00	Property Tax Revenue	301,119	260,000	232,057	260,000	-	0.0%
1-420-4200-00-00	OTHER OPERATING REVENUE	301,119	260,000	232,057	260,000	-	0.0%
	TOTAL OPERATING REVENUE	11,731,481	11,457,720	7,816,425	11,657,720	200,000	1.7%
1-400-4060-00-00	Water System Capacity Charges	76,875	200,000	252,492	200,000	-	0.0%
1-400-4070-00-00	Water Demand Offset Charges	9,393	10,000	31,156	10,000	-	0.0%
1-400-4090-00-00	Miscellaneous - Non Operating	156,249	-	86,658	10,000	10,000	NA
1-400-4102-00-00	Interest Revenue- LAIF	34,295	10,000	40,251	40,000	30,000	300.0%
1-410-4103-00-00	Interest Revenue - COP Funds	38,910	-	98,555	150,000	150,000	NA
1-400-4100-00-00	INTEREST REVENUE	73,205	10,000	138,806	190,000	180,000	1800.0%
1-420-4201-44-00	Lease of Physical Property	141,949	150,000	93,664	150,000	-	0.0%
1-420-4208-46-00	Landscape Plan Permit Review	23,800		11,200	11,200	11,200	NA
1-420-4200-00-00	OTHER NON-OPERATING REVENUE	165,749	150,000	104,864	161,200	11,200	7.5%
	TOTAL NON-OPERATING REVENUE	481,471	370,000	613,975	571,200	201,200	54.4%
	TOTAL OPERATING & NON-OP REVENUE	12,212,952	11,827,720	8,430,400	12,228,920	401,200	
1-601-6010-50-00	Salaries & Wages	1,558,314	1,622,250	878,598	1,822,566	200,316	12.3%
1-601-6010-51-00	Director Compensation	7,500	11,000	4,400	11,000	-	0.0%
1-601-6010-00-00	GROSS REGULAR WAGES	1,565,814⁴²	1,633,250	882,998	1,833,566	200,316	12.3%

**MID-PENINSULA WATER DISTRICT
MID-YEAR BUDGET FOR FY 2017-2018
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2016-2017	APPROVED	ACTUALS	PROPOSED	Increase (Decrease)	% Change
		ACTUAL	FY 2017-2018 BUDGETED	7/1/17-01/31/18	FY 2017-2018 BUDGET		
1-602-6020-56-00	Overtime Labor	33,122	46,865	9,593	30,000	(16,865)	-36.0%
1-602-6020-57-00	Standby Labor	33,875	38,110	18,825	30,000	(8,110)	-21.3%
1-602-6020-00-00	SUB-TOTAL SALARY & WAGES	1,632,812	1,718,225	911,416	1,893,566	175,341	10.2%
1-603-6030-58-00	FICA/Medicare PR Tax	113,410	135,445	69,867	125,000	(10,445)	-7.7%
1-603-6030-59-00	ACWA Health Care	323,260	329,600	218,437	329,600	-	0.0%
1-603-6030-60-00	ACWA Dental	25,268	31,930	17,702	25,000	(6,930)	-21.7%
1-603-6030-61-00	ACWA Vision	4,398	4,481	3,080	4,481	-	0.0%
1-603-6030-62-00	ACWA Life/AD&D	4,402	4,326	2,803	4,326	-	0.0%
1-603-6030-63-00	Standard LDL/SDL Disabiility	10,077	12,772	6,602	10,000	(2,772)	-21.7%
1-603-6030-64-00	Workers' Comp Insurance	33,457	50,400	22,646	40,000	(10,400)	-20.6%
1-603-6030-65-00	Unemployment	-	1,030	-	1,030	-	0.0%
1-603-6030-66-00	CALPERS Retirement - ER 2%@55	204,748	242,050	140,762	275,000	32,950	13.6%
1-603-6030-67-00	Retirees' ACWA Health Care	62,814	57,680	37,047	57,680	-	0.0%
1-603-6030-68-00	Directors' ACWA Health Care	113,542	111,240	68,195	111,240	-	0.0%
1-603-6030-70-00	Medical Reimbursement	592	1,030	319	1,030	-	0.0%
1-603-6030-71-00	Employee Service Recognition	7,363	10,000	4,042	10,000	-	0.0%
1-603-6030-72-00	Safety Incentive Program	8,330	7,416	3,337	15,000	7,584	102.3%
1-603-6030-73-00	Uniforms	24,609	25,493	17,167	25,493	-	0.0%
1-603-6030-74-00	PARS OPEB Expense	196,029	180,000	46,939	50,000	(130,000)	-72.2%
1-603-6030-75-00	Net Pension Expense	27,291		-			
1-603-6030-00-00	SUB-TOTAL PAYROLL TAXES & BENEFITS	1,159,588	1,204,892	658,944	1,084,879	(120,013)	-10.0%
	CAPITAL PAYROLL, TAXES & BENEFITS			(131,497)			
	PERSONNEL COSTS	2,792,399	2,923,117	1,438,862	2,978,445	55,328	1.9%
1-610-6100-76-00	SFPUC Treated Water	4,652,279	4,700,000	3,184,913	5,000,000	300,000	6.4%
1-610-6100-77-00	BAWSCA (Debt Service Surcharges)	475,452	476,000	285,320	476,000	-	0.0%
1-610-6100-78-00	Rates Stabilization	-		-	-	-	NA
1-610-6100-79-00	SFPUC Water Service Charge	65,220	58,856	45,654	78,624	19,768	33.6%
6-610-6100-00-00	PURCHASED WATER	5,192,951	5,234,856	3,515,887	5,554,624	319,768	6.1%

**MID-PENINSULA WATER DISTRICT
MID-YEAR BUDGET FOR FY 2017-2018
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2016-2017	APPROVED	ACTUALS	PROPOSED	Increase (Decrease)	% Change
		ACTUAL	FY 2017-2018 BUDGETED	7/1/17-01/31/18	FY 2017-2018 BUDGET		
1-630-6301-00-00	Water Conservation Program	3,589	7,200	3,079	7,200	-	0.0%
1-630-6302-00-00	School Conservation Program	12,439	7,200	19,704	7,200	-	0.0%
1-630-6303-00-00	Public Outreach & Education	27,191	25,750	3,563	15,000	(10,750)	-41.7%
1-634-6304-80-00	HET (High Efficiency Toilet) Rebates	14,015	19,750	1,482	19,750	-	0.0%
1-634-6304-81-00	Washing Machine Rebates	29	13,750	-	-	(13,750)	-100.0%
1-634-6304-82-00	Lawn-Be-Gone Rebates	20,896	38,100	1,439	38,100	-	0.0%
1-634-6304-83-00	Rain Barrels Rebates	1,000	5,150	29	5,150	-	0.0%
1-630-6300-00-00	WATER CONSERVATION REBATES	35,940	76,750	2,950	63,000	(13,750)	-17.9%
	OUTREACH/EDUCATION	79,158	116,900	29,295	92,400	(24,500)	-21.0%
1-640-6401-00-00	Water Quality	65,277	69,010	14,065	69,010	-	0.0%
1-640-6402-00-00	Pumping	11,044	65,148	2,882	65,148	-	0.0%
1-640-6403-00-00	Storage Tanks	12,413	10,300	244	10,300	-	0.0%
1-640-6404-00-00	Mains/Distribution	107,331	103,000	157,913	200,000	97,000	94.2%
1-640-6405-00-00	Meters & Service	21,445	30,900	34,332	30,900	-	0.0%
1-640-6406-00-00	Fire Hydrants	31,797	31,930	28,398	31,930	-	0.0%
1-640-6407-00-00	Regulator Stations	6,793	6,180	1,705	6,180	-	0.0%
1-640-6408-00-00	Safety	19,483	32,960	3,775	32,960	-	0.0%
1-640-6409-00-00	SCADA maintenance	10,472	15,450	8,571	15,450	-	0.0%
1-640-6410-00-00	Generator Maintenance	20,891	24,720	1,309	24,720	-	0.0%
1-640-6400-00-00	FIELD OPERATIONS & MAINTENANCE	306,946	389,598	253,193	486,598	97,000	24.9%
1-650-6501-00-00	Buildings&Grounds	53,267	95,790	46,629	95,790	-	0.0%
1-650-6502-00-00	Equipment&Tools	14,404	21,630	6,333	21,630	-	0.0%
1-650-6503-00-00	Vehicles & Large Equipment	18,026	19,570	11,120	19,570	-	0.0%
1-650-6504-00-00	Fuel	19,291	29,870	12,405	29,870	-	0.0%
1-650-6500-00-00	FACILITIES & EQUIPMENT	104,989	166,860	76,486	166,860	-	0.0%
1-660-6601-00-00	Cathodic Protection Survey	9,010	-	-	-	-	NA
1-660-6602-00-00	Leak Detection Survey/Large Meter Testing	350	30,000	-	30,000	-	0.0%
1-660-6600-00-00	SYSTEM SURVEYS	9,360	30,000	-	30,000	-	0.0%

**MID-PENINSULA WATER DISTRICT
MID-YEAR BUDGET FOR FY 2017-2018
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2016-2017 ACTUAL	APPROVED FY 2017-2018 BUDGETED	ACTUALS 7/1/17-01/31/18	PROPOSED MID-YEAR FY 2017-2018 BUDGET	Increase (Decrease)	% Change
1-670-6701-00-00	Office Supplies	11,134	15,450	4,276	15,450	-	0.0%
1-670-6702-00-00	Insurance- Liability/Vehicles/Excess	66,203	90,383	42,122	80,000	(10,383)	-11.5%
1-670-6703-00-00	Postage	20,258	8,240	1,331	8,240	-	0.0%
1-670-6704-00-00	Printing/Print Supplies	12,857	15,450	3,945	10,000	(5,450)	-35.3%
1-670-6705-00-00	Equipment Services/Maintenance	24,833	58,453	6,383	20,000	(38,453)	-65.8%
1-670-6706-00-00	Computer Supplies & Upgrades	27,531	15,193	12,049	32,000	16,808	110.6%
1-670-6707-00-00	Security & Safety	2,816	11,073	2,941	11,073	-	0.0%
1-670-6708-00-00	Miscellaneous Fees	16	515	-	515	-	0.0%
1-670-6709-00-00	Customer Credit Card Service Fees	132,622	100,000	77,699	140,000	40,000	40.0%
1-670-6700-00-00	ADMINISTRATION & EQUIP	298,270	314,755	150,745	317,278	2,523	0.8%
1-680-6801-00-00	Dues & Publications	39,112	40,685	18,249	30,685	(10,000)	-24.6%
1-680-6802-00-00	Gov't Fees & Licenses	28,853	54,848	12,553	29,848	(25,000)	-45.6%
1-680-6803-00-00	BAWSCA Membership Assessments	70,955	76,000	36,302	76,000	-	0.0%
1-680-6804-00-00	Env Health - Cross Connection Inspection	30,000	31,930	19,075	31,930	-	0.0%
1-680-6805-00-00	Software Licenses	3,579	5,150	43,396	40,150	35,000	679.6%
1-680-6800-00-00	MEMBERSHIP & GOV FEES	172,498	208,613	129,574	208,613	-	0.0%
1-690-6901-00-00	Bad Debt	392	7,000	(1,180)	7,000	-	0.0%
1-690-6902-00-00	Claims	20,544	30,000	(573)	10,000	(20,000)	-66.7%
1-690-6900-00-00	BAD DEBT & CLAIMS	20,936	37,000	(1,753)	17,000	(20,000)	-54.1%
1-700-7001-00-00	Utilities-Internet/Cable	10,179	12,463	4,316	10,000	(2,463)	-19.8%
1-700-7002-00-00	Utilities-Cellular Telephones	10,298	12,206	6,504	12,206	-	0.0%
1-700-7003-00-00	Utilities-Electric-Pumping Costs	198,919	226,600	105,328	226,600	-	0.0%
1-700-7004-00-00	Utilities-Electric-Bldgs&Grounds	23,457	24,720	13,856	24,720	-	0.0%
1-700-7005-00-00	Utilities-Telephones	20,120	18,025	13,619	25,000	6,975	38.7%
1-700-7006-00-00	Utilities-Sewer - NPDES	6,265	7,674	3,657	7,674	-	0.0%
1-700-7000-00-00	UTILITIES	269,238	301,687	147,280	306,199	4,512	1.5%
1-710-7101-00-00	Prof Serv - District Counsel	58,431 ⁴⁵	90,000	31,244	75,000	(15,000)	-16.7%
1-710-7102-00-00	Prof Serv - District Engineer	53,313	80,000	34,825	65,000	(15,000)	-18.8%

**MID-PENINSULA WATER DISTRICT
MID-YEAR BUDGET FOR FY 2017-2018
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2016-2017	APPROVED	ACTUALS	PROPOSED	Increase (Decrease)	% Change
		ACTUAL	FY 2017-2018 BUDGETED	7/1/17-01/31/18	FY 2017-2018 BUDGET		
1-710-7103-00-00	Prof Serv - IT	21,503	19,750	12,080	19,750	-	0.0%
1-710-7104-00-00	Prof Serv- Annual Finance Audit	17,700	19,000	19,050	19,000	-	0.0%
1-710-7106-00-00	Prof Serv- Accounting & Payroll	22,110	21,750	12,029	21,750	-	0.0%
1-710-7107-00-00	Prof Serv- Customer Billing	60,424	72,250	37,323	72,250	-	0.0%
1-710-7109-00-00	Prof Serv - Answering Svs	6,769	5,000	1,967	5,000	-	0.0%
1-710-7110-00-00	Prof Serv - Miscellaneous	148,568	147,210	67,360	125,000	(22,210)	-15.1%
1-710-7111-00-00	Prof Serv - District Treasurer	3,000	3,700	1,800	3,700	-	0.0%
1-710-7100-00-00	PROFESSIONAL SERVICES	391,817	458,660	217,678	406,450	(52,210)	-11.4%
1-720-7201-00-00	Director Travel	1,650	5,000	2,733	5,000	-	0.0%
1-720-7202-00-00	Director Expense	190	1,000	-	1,000	-	0.0%
1-720-7203-00-00	Elections	4,896	-	-	-	-	NA
1-720-7204-00-00	Employee Travel/Training	28,616	32,000	15,851	32,000	-	0.0%
1-720-7205-00-00	Meetings Expense	6,664	7,000	1,334	7,000	-	0.0%
1-720-7200-00-00	TRAINING & TRAVEL	42,017	45,000	19,918	45,000	-	0.0%
1-730-7302-00-00	Restricted Earnings Expense - Interest LAIF	-	10,000	138,806	216,000	206,000	2060.0%
1-730-7300-00-00	RESTRICTED EARNINGS EXPENSE	-	10,000	138,806	216,000	206,000	2060.0%
1-800-8001-00-00	Working Reserves: Capital	-	-	-	-	-	NA
1-800-8002-00-00	Working Reserves: Operating	-	-	-	-	-	NA
1-800-8000-00-00	RESERVES	-	-	-	-	-	NA
	FINANCING COSTS - COP	373,401		1,700			
1-900-9010-00-00	DEPRECIATION	903,949	1,050,000	500,590	900,000	(150,000)	-14.3%
1-740-7405-00-00	DEBT SERVICE 2016 COPs	322,551	1,045,865	730,702	984,950	(60,915)	-5.8%
SUB-TOTAL - OPERATIONAL EXPENSES		8,488,082	9,409,794	5,908,401	9,731,972	322,178	3.4%
TOTAL OPERATING EXPENSES		11,280,482	12,332,911	7,347,263	12,710,416	377,505	3.1%
NET OPERATING SURPLUS/(LOSS)							
TRANSFER TO CAPITAL		932,471	(505,191)	1,083,138	(481,496)	23,695	-4.7%

**MID-PENINSULA WATER DISTRICT
MID-YEAR BUDGET FOR FY 2017-2018
CAPITAL OUTLAY/CAPITAL PROJECTS**

DESCRIPTION	APPROVED FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 1/31/2018	PROPOSED MID-YEAR FY 2017-2018 BUDGET \$
CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)			
2017 Joint WMR and Belmont Sewer Rehab Project (Pay-Go Portion)	701,930	13,672	375,000
AMI Meter Change Out Program	-	-	-
CAPITAL IMPROVEMENTS - WIP TOTAL	701,930	13,672	375,000
CAPITAL OUTLAY			
Replacement Printer/Scanner/Copier	-	18,504	18,504
Miscellaneous Capital Outlay/Projects	50,000	-	25,000
CAPITAL OUTLAY TOTAL	50,000	18,504	43,504
CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL	751,930	32,176	418,504
DEPRECIATION	1,050,000	500,590	900,000
TRANSFER FROM OPS	(505,191)	1,083,138	(481,496)
TRANSFER (TO)/FROM CAPITAL RESERVES	207,121	(1,551,552)	-
CAPITAL OUTLAY/CAPITAL PROJECTS	(751,930)	(32,177)	(418,504)
NET RESULTS OF CAPITAL	-	(0)	-



AGENDA ITEM NO. 8.F.

DATE: February 22, 2018
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: REVIEW AND APPROVE MPWD EMPLOYEE WELLNESS INCENTIVE PROGRAM

RECOMMENDATION

Approve MPWD Employee Wellness Incentive Program.

FISCAL IMPACT

\$7,200 per fiscal year.

DISCUSSION

For the past few years, the MPWD has partnered with ACWA JPIA in a wellness program. The MPWD created a weekly exercise program, in which many employees have continued to participate. The ACWA JPIA contributes \$720 annually, and the MPWD matches that amount. \$10 gift cards are drawn each week among participating employees.

Last August 2017, staff discussed expanding the program and discussed various options, including the ones described in the attached DRAFT MPWD Employee Wellness Incentive Program. It was reviewed by District Counsel.

Attachment: MPWD Employee Wellness Incentive Program

BOARD ACTION: APPROVED:____ DENIED:____ POSTPONED:____ STAFF DIRECTION:____
UNANIMOUS____ WARDEN____ VELLA____ LINVILL____ ZUCCA____ STUEBING____



EMPLOYEE WELLNESS INCENTIVE PROGRAM

In order to:

- Enhance Employee wellbeing and promote a healthier lifestyle;
- Prevent lost time from work and loss to/delays in MPWD operations;
- Encourage positive employee participation; and
- Keep the MPWD workplace environment safe.

Management and staff created for each Employee the following goals for its Employee Wellness Incentive Program, which is entirely voluntary:

1. Participate in a fitness center or gym membership, online fitness program, and/or structured weight loss/maintenance program.
2. Participate in an emotional wellness group or one-on-one counseling program.
3. Commit to fulfill annual preventive care exams (physical and at least one dental cleaning/checkup or vision exam) each fiscal year.
4. Continue logging 30 minutes daily exercise at least four (4) times per week, including walking, jogging, strength training, swimming, bicycling, and the like.
5. Follow through with preventive healthcare measures.

For participation in physical fitness and/or emotional wellness programs, the MPWD will reimburse a participating employee up to a total of \$300 per fiscal year, within thirty (30) days after presentation of paid receipts to the Administrative Services Manager or General Manager as follows:

- Physical Fitness. Become a participating member of a physical fitness center, gym, online fitness program, and/or structured weight loss/maintenance program. An Employee will be eligible for reimbursement for their paid fitness center, gym, online fitness program, and/or structured weight loss/maintenance program membership; and/or
- Emotional Wellness. Become a participating member of an emotional wellness group or one-on-one counseling program.

An additional reimbursement in the amount of \$100 toward a physical fitness and/or emotional wellness program, or HSA contribution, or a \$100 cash card, can be achieved

by a participating employee that completes two (2) preventive healthcare exams in a fiscal year as follows:

- Annual Preventive Healthcare Exams. Commit to completing an annual healthcare physical plus a dental cleaning/checkup or vision exam each fiscal year. Upon proof by Employee that both healthcare exams were achieved in a fiscal year, they will receive an added \$100 to their physical fitness membership or emotional wellness program reimbursement. A receipt from the healthcare professional will suffice as proof for brief review by the Administrative Services Manager. No medical records or healthcare documents are required for compliance. No documents will be maintained by the MPWD as part of this program.

The MPWD's established weekly exercise incentive program will continue:

- Weekly Exercise Program. Log 30 minutes daily exercise for at least four (4) days of each week. Employees that log daily exercise on the established MPWD spreadsheet for at least four (4) days will be eligible for a weekly drawing of a \$10 cash card.

Employees shall comply with all applicable federal and state income tax laws and regulations related to this program.

Preventative Healthcare Measures. Employees are encouraged to follow through with other preventative healthcare measures to further enhance their wellbeing.

The MPWD fiscal year—July 1st through June 30th—is the measurement period for the Employee Wellness Incentive Program.

ACKNOWLEDGED AND UNDERSTOOD this _____ day of _____ 2018.

EMPLOYEE

SUPERVISOR

GENERAL MANAGER



TO: Board of Directors
FROM: Tammy A. Rudock
General Manager
DATE: February 22, 2018

MANAGER'S REPORT

FOLLOW-UP FROM 01/25/18 REGULAR BOARD MEETING

- Executed the Fourth Amendment to the Professional Services Contract with Pakpour Consulting Group, Inc., (referenced as Contract No. 02-1621-CIP) in the amount of \$54,800, for Additional Engineering Design Services related to the Hillcrest Pressure Regulating Station Project.
- Transmitted the Financial Audit Report for FYE June 30, 2017, to annual recipient agencies.

MPWD EMPLOYEES ASSOCIATION'S APPRECIATION LUNCH FOR MANAGEMENT

On March 31, 2018, the MPWD Employees Association sponsored an appreciation lunch for Management and presented each of us with kind words and a gift card. There were very kind sentiments expressed and the food was delicious! This is by far one of the nicest tributes I've received as a leader in my almost 30-year public career, and felt it was noteworthy to share. It was sincerely well-received and appreciated by Candy, Rene, and me.

MAI APPRAISAL UPDATE

Staff met with the MAI appraisal team on February 5, 2018, at the Folger property sites. They visited the MPWD's "F" Street property as well. We should have internal administrative drafts for review next month and be prepared to present to the Board at its April 26, 2018, regular meeting.

S&P GLOBAL ANNUAL "CHECK-IN" MEETING

On February 6, 2018, staff, along with the MPWD's Municipal Finance Advisor, Bud Levine, and Dissemination Agent, Dan Bergmann, participated in a conference call meeting with representatives from S&P Global Ratings for an annual "check-in" on the 2016 COP CIP progress and the MPWD's financial status FYE June 30, 2016. The meeting went well and the response from the S&P was most favorable. The MPWD was asked to provide links to its website and specifically the 2016 COP CIP page concerning the public outreach accomplished by the MPWD regarding its 2016 COP sale and CIP. The winter 2017-2018 newsletter was also provided to them since it provides a summary of the CIP for customers.

BOARD BYLAWS UPDATE

Last month I provided all DRAFT versions of the Board Bylaws to District Counsel. She and I had a strategy conference call on February 12, 2018. Once she completes a revised DRAFT, we will schedule a meeting with the Board's ad hoc committee to review them. We anticipate an initial review by the Board at its April 26, 2018, regular meeting.

2017 MPWD PERSONNEL MANUAL

The revised manual will be distributed to Directors at the Board meeting for replacement in their binders.

UPDATE ON OPEB ACTUARIAL REPORT AS OF JULY 1, 2017

Staff is working with actuarial consultant, Demsey, Filliger & Associates (DFA) again and is presently sharing data with them to enable them to prepare the 2017 OPEB Actuarial report. We anticipate a review with the Board during its regular meeting scheduled on May 24, 2018.

2018 TOTAL COMPENSATION STUDY

It has been four (4) years since the last total compensation review. Staff is working again with KOFF & Associates. In 2014, 13 were used as comparator agencies for the market study. Typically, the standard best practice for compensation market studies is 10 comparison agencies. Therefore, we would like to review the agencies with the Board and MPWD Employees Association to confirm the applicability so that KOFF & Associates can begin their survey work. Here they are:

- Alameda County Water District
- City of Burlingame
- City of Daly City
- City of Foster City
- City of Millbrae
- City of Redwood City
- City of San Bruno
- Coastside County Water District
- North Coast County Water District
- Purissima Hills Water District
- Santa Clara Valley Water District
- Westborough Water District

WATER CONSERVATION SUMMARY

Water consumption for January 1-31, 2018, was down -11.2% when compared to 2013. The R-GPCD was 60.3 (compared to 66.3 in 2013).

Cumulative water savings from July 1, 2017 through January 31, 2018 (compared to 2013) is -13.8%.

In response to Director Zucca's inquiry last month about continued mandatory reporting to the SWRCB, while the requirement formally "lapsed" after the drought declaration expired, it is a component of the permanent conservation regulations currently under negotiation, and therefore, continued reporting by water suppliers was advised. The MPWD has continued to report its information to the state.

3-MONTH “LOOK AHEAD” FOR BOARD MEETINGS

MARCH 22, 2018

- Consider preliminary revenue requirements and proposed water rate adjustments, and whether to hold a special meeting for water rates workshop in April.
- Discuss reorganization for “staffing up” and proposed succession plan.
- Discuss preliminary DRAFT Operating and Capital Budgets for FY 2018/2019.
- Receive structural engineering report on MPWD Dairy Lane facilities.
- Consider surplus property (vehicles and equipment).
- Receive BAWSCA report.
- Closed session conference regarding labor negotiations with MPWD Employees Association.

APRIL 26, 2018

- Potential special meeting for water rates workshop.
- Consider/approve water rate adjustments effective July 1, 2018. (Required 30-day notice to ratepayers.)
- Review working DRAFT Operating and Capital Budgets for FY 2018/2019.
- Receive MAI Appraisals for 1510 and 1513/1515 Folger properties, and “F” Street property.
- Consider surplus of real properties at 1513/1515 Folger and “F” Street.
- Review DRAFT MPWD Board Bylaws.

MAY 24, 2018

- Consider final DRAFT Operating and Capital Budgets for FY 2018/2019.
- Review proposed updated MPWD Miscellaneous Fees.
- Receive MPWD OPEB Actuarial Report (as of July 1, 2017).
- Receive BAWSCA report.

UPCOMING MEETINGS/EVENTS

HIA Meeting (Belmont): March 1, 2018

BAWSCA Water Management Meeting (Foster City): March 1, 2018

ACWA JPIA 2018 Spring Conference & Exhibition (Sacramento): May 7-11, 2018

CSDA Special Districts Legislative Days (Sacramento): May 22-23, 2018

CSDA Annual Conference and Exhibition Showcase (Indian Wells): September 24-27, 2018

ACWA JPIA 2018 Fall Conference & Exhibition (San Diego): November 26-30, 2018

ACWA JPIA 2019 Fall Conference & Exhibition (Monterey): May 6-10, 2019



TO: Board of Directors
 FROM: Candy Pina
 DATE: February 22, 2018

ADMINISTRATIVE SERVICES MANAGER'S REPORT

FINANCIAL REPORTING:

1) **Schedule of Cash and Investments:**

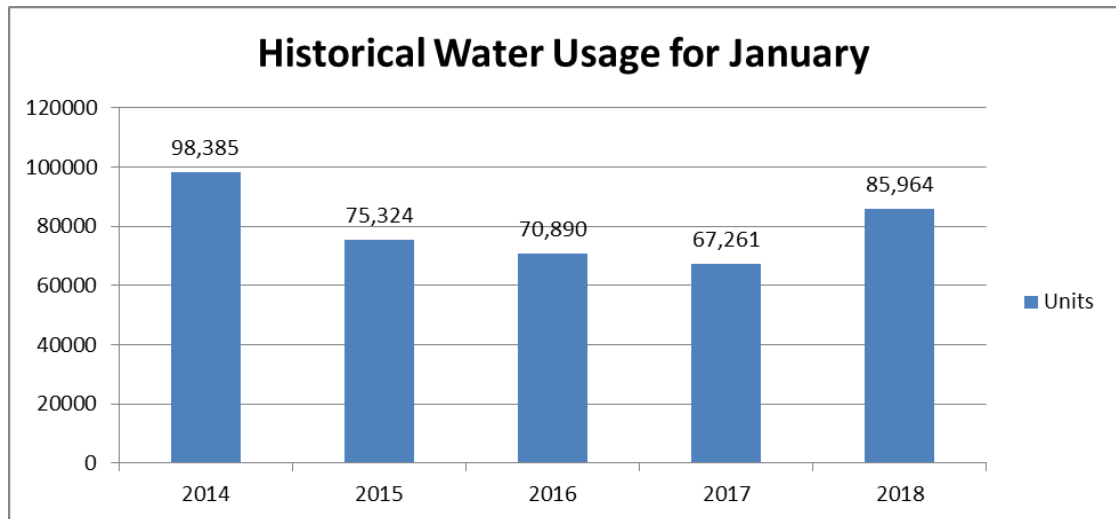
SCHEDULE OF CASH AND INVESTMENTS		
CASH ACCOUNT	BALANCE @ 01/31/18	BALANCE @ 01/15/18
PETTY CASH	\$400	\$400
CASH DRAWER	\$200	\$200
WELLS FARGO CHECKING	\$76,143	\$154,343
LAIF	\$6,572,532	\$6,572,532
BNY INSTALLMENT ACCOUNT	\$364,743	\$364,743
TOTAL	\$7,014,018	\$7,092,218

Month End Balance of PARS/OPEB for December 2017 (January 2018 report not available): \$972,775.58. Contributions of \$76,908.33 and Total Net Earnings of \$7,253.69 were reported.

MPWD RESERVE FUNDS				
Reserve Account	Balance @ 01/31/2016	Balance @ 01/31/2017	Balance @ 01/31/2018	Budget for Reserve Policy
Capital Reserves	\$ 1,295,326	\$ 2,568,454	\$ 4,072,532	\$ 2,500,000
Emergency Reserves	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000	\$ 2,000,000
Working Capital Reserves	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
TOTAL RESERVE FUNDS	\$ 3,795,326	\$ 5,068,454	\$ 6,572,532	\$ 5,000,000

Water Revenue Report:

WATER REVENUES for FISCAL YEAR 2017/2018					
Month	Total Units	Water Commodity Charges	Fixed System Charges	Total Water Revenues	Misc Rev
JUL	117,761	991,424.67	221,479.51	1,212,904.18	1,263.43
AUG	124,029	1,058,492.93	221,538.81	1,280,031.74	1,262.50
SEP	127,050	1,086,959.69	221,731.22	1,308,690.91	1,262.50
OCT	117,970	969,366.58	220,229.28	1,189,595.86	1,270.47
NOV	100,278	842,727.91	221,252.40	1,063,980.31	1,257.50
DEC	76,510	597,628.22	221,492.48	819,120.70	1,276.32
JAN	85,964	460,723.00	221,521.30	682,244.30	1,271.28
TOTAL	749,562	6,007,323.00	1,549,245.00	7,556,568.00	8,864.00



CONFERENCES, TRAINING, & MEETINGS:

- 1) Jeanette Kalabolas: 01/19/18 – 1325 Old County Road Development Meeting
- 2) Jeanette Kalabolas: 01/31/18 – Management Appreciation Lunch hosted by MPWDEA
- 3) Candy Pina: 02/01-02/18 – Leadership Essentials Class in Costa Mesa
- 4) Jeanette Kalabolas: 02/06/18 – Save Our Water Spring Campaign Webinar
- 5) Candy Pina: 02/06/18 – MPWD Customer Connect News Flash Training
- 6) Candy Pina: 02/14/18 – Hanson Bridgett Employee Benefits Update Webinar

- 7) Candy Pina: 02/14/18 – Conference Call with Leadership Essentials Team
- 8) Candy Pina: 02/15/18 – Meet with Jen Dermon from District Treasurer's office

TEAM BUILDING ACTIVITIES:

We continue to celebrate birthdays.

LEGEND FOR MONTHLY EXPENDITURES REPORT:

3-digit checks: EFT checks

4-digit checks: Trustee BNY disbursements from COP Project Fund

5-digit checks: Vendor checks



TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager
DATE: February 22, 2018

OPERATIONS REPORT – January

Projects:

- We are still waiting for the dust to settle on the lawsuit so that staff can replace the last meter in Zone 1. As noted before, their water continues to be metered;
- Held a construction progress meeting with Stoloski & Gonzalez attended by District Engineer and District staff;
- Attended bid opening for joint District/City infrastructure project at City Hall. Project awarded to KJ Woods, Inc. with award below engineer's estimate;
- Attended a pre-construction meeting called for by the City of Belmont for their undergrounding project along Old County Road;
- Work on 1-inch service upgrade for 300 Hiller;
- Work on 1-inch service upgrade for 2603 Cipriani;
- Work on 1-inch service upgrade for 1600 Prospect;
- Concrete work on 1-inch service upgrade for 2689 Comstock Circle completes job;
- Work on 1-inch service upgrade for 2827 Wemberly;
- Work on and complete all work on a 1-inch service upgrade for 2828 Hallmark;
- Work on and complete all work on two separate 1-inch service upgrades for 2221 and 2227 Thurm; and
- During January we were unable to install any meters. The total since June 2, 2017 remains at 455 AMI meters, or about 25% of Zone 2.

Maintenance:

- Responded to and completed 297 USA (underground service alerts) requests and identified infrastructure before digging in the streets or easements. Last month we marked 249 locations, 19% increase;
- Read meters in zones without AMI;
- Carried out some general maintenance on barricades;
- Performed routine maintenance to system regulators;
- Repaired water main break at 2611 Cipriani Blvd. 8-inch line on a ring break with a repair clamp;
- Prepped a previous water leak site at Beresford and Plateau for paving;
- Completed concrete work on Altura from a past water leak;
- Pave small patches on Chula Vista and Clipper Drive following water leaks;

- Replaced meter box at Springhill Suites Hotel on Shoreway Road;
- Replaced concrete in an area of Quarry Road from a previous water leak;
- Used service line freezing tool to replace 3 broken curb stops in residential meter boxes at 1805 & 1809 Chula Vista and 3812 Naughton;
- Raised the fire hydrant and valve near 1524 Desvio Way;
- Replace hydrant assembly on Continentals that was hit by car over a weekend;
- Reset valve can and replace concrete ring for a valve can on Ponce near Cipriani;
- Carrying out some general meter maintenance, i.e. removing dirt inside meter box and removing weeds around meter box;
- Collected a requisite 55 water samples for bacteriological testing – all samples were normal and showed no signs of coliform bacteria;
- Continued to routinely monitor water system dead-ends continued for disinfectant residual; and
- Monitored for signs of nitrification within our tanks, sample stations and dead ends continues as a part of regular water quality monitoring. One of two tanks at the following tank sites were removed from service for maintenance work and to maintain water quality: Buckland, Exbourne and Dekoven.

System Repairs:

Date	Location	Event	Material	Installation Date	Estimated Water Loss (Gals.)

Development:

Staff is currently working with developers on 44 development projects:

Mixed Use Commercial/Residential:

- o 576-600 El Camino Real – Fees paid, awaiting scheduling request from contractor;
- o 400-490 El Camino Real –Awaiting request for meter installations;
- o 1325 Old County Rd – Currently reviewing plans;
- o 800 Belmont Ave – Contacted by developer tentative plans; and
- o 815 Old County Rd – Contacted by developer tentative plans.

Commercial:

- o 539 Harbor Blvd. – Updated installation quote;
- o 700 Island Parkway – Installation Complete;
- o 1201 Shoreway Road – Awaiting scheduling from contractor;
- o 1477 El Camino Real – Currently reviewing their plans;
- o 699 Ralston Ave – Installation complete;
- o 940 Ralston Ave - Fee schedule provided to developer;
- o Belmont Ave Parcel APN's – (2) awaiting plans;
- o 1500 Ralston – Currently reviewing plans;
- o 2200 Carlmont Drive – Currently reviewing their plans

- 1400 Alameda – Awaiting plans;
- 400 Industrial – Plans modified by San Carlos- awaiting updated requirements; and
- 2710 Ralston Ave – Awaiting plans.

Residential/Multi-Family:

- 1829 Oak Knoll - Currently reviewing their plans;
- 1600 Prospect - Installation complete;
- 10 Notre Dame Place – Installation scheduled;
- 2603 Cipriani - Installation complete;
- 2828 Hallmark - Installation complete;
- 2827 Wemberly - Installation complete;
- 1906 Bishop – Installation complete;
- 1919 Oak Knoll Dr. – Currently reviewing their plans;
- 1942 Bayview – Installation complete;
- 2515 Carlmont Dr - Currently reviewing their plans;
- 1105 Tahoe – Developer requesting fire flow;
- 300 Hiller St - Installed;
- 2009 Mezes – Currently reviewing their plans;
- 2723 Monserat – Currently reviewing their plans;
- 796 Miramar Terrace - Currently reviewing their plans;
- 2114 Cipriani – Currently reviewing their plans;
- Bishop Road development - Currently reviewing their plans;
- 2620 Ponce – Currently reviewing their plans;
- 1320 Talbryn Lane development- currently reviewing their plans;
- 2712 Comstock – Currently reviewing their plans;
- 2689 Comstock – Installed;
- 2128 Pullman Ave - Installed;
- 909 Ruth - Installed;
- 2227 Thurm Ave – Installed;
- 2221 Thurm Ave – Installation complete, backflow assembly installed;
- 3918 Christian Dr – Plans approved; and
- 3900 Marsten – Currently reviewing their plans.

Administration:

- Held staff training for use of Segway personal transportation vehicle on-site;
- Gathered for a staff meeting to talk about general operations topics;
- Staff participated in the regular District monthly safety meeting;
- Ops Team member attended a Review Class for the water distribution D3 exam;
- Completed our first auction sale using GovDeals.com, a public auction site, and sold 14 of 15 items for a total of some \$12,000. The surplus items included: 3 old pickup trucks, 2 gas ranges, a vibrating tamper, a plate compacter, some shoring equipment, and a combination welder/generator;
- Continue to actively managing five (5) engineering design contracts related to the CIP; and
- Continued to actively manage power use during pumping operations.



MEMO

Agency: Mid-Peninsula Water District **Date** February 14, 2018
Attn: Board of Directors
Project Name: Karen, Mezes, Arthur, South & Folger Water Main Improvements **Project No.** 10012.16
Reference: Project Update
From: Joubin Pakpour, P.E. – District Engineer *JP*

Construction Status

During January, all the tie-ins along the Folger Drive were completed. New water main along Folger Drive and Folger Court are now fully in service, and all the service connections are transferred. During the last weeks of January S&G start construction on Mezes Avenue, while the additional crew was wrapping up the remaining work on Folger Drive and Folger Court.

Project Schedule

Remaining work on South Road includes slurry seal and roadway striping. Remaining work on Folger Road and Folger Court includes installation of meters' retaining walls and finishing the road restoration including, trench paving, slurry seal, roadway striping, sidewalks and resident landscaping around the new water meter boxes.

Change Orders

Enclosed please find Change Order No.1, for the months of November and December, for \$23,716.83, which include 14 items primarily due to unforeseen site conditions such as unknown/unmarked underground utilities and encountering rock in the trench. The total change order up to December 31, 2017, is \$23,716.83. This represents an approximate 1.2% increase over the original contract amount which is well below the industry average of 10% for underground construction.

Request for Progress Payment No. 3

As of January 31, 2018, S&G completed 38% of the contractual work (**\$798,737.83**). Enclosed please find Progress Payment No.4 due S&G for this period for **\$142,355.83** (value of work, less 5% retention). The work performed to date has been satisfactory, and payment is recommended.

	Current Month	Total	
Original Contract Amount		\$ 2,055,271.00	
Approved Change Orders	\$ 23,716.83	\$ 23,716.83	1.2%
Final Contract Amount		\$ 2,078,987.83	
Previously Value of Work Completed		\$ 648,891.00	
Current Request (<i>Less Retention</i>)	\$ 142,355.83	\$ 758,801.83	
Retention	\$ 7,491.00	\$ 39,936.00	
Total Value of Work Completed	\$ 149,846.83	\$ 798,737.83	38%
Total Remaining on Contract		\$ 1,280,250.00	62%

**Mid-Peninsula Water District Water District
Karen, Mezes, Arthur, South and Folger Water Main Improvements
Project No. 10012.16**

**Change Order No. 1
Stoloski & Gonzalez, Inc.
February 14, 2018**

Item No. 1 – Downtime Due to Unmarked Utility on South and Middle Road

On November 22, 2017, Stoloski & Gonzalez (S&G) found an unmarked 1” diameter abandoned water line along Middle Road. Extra work includes associated downtime to dig around and cut and remove a section of the utility line. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G’s total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G’s Daily Extra Work Report dated January 29, 2018.

Total Cost of Item No. 1 -	\$ 322.70
Total Increase of Working Days for Item No. 1 -	0.25 Day

Item No. 2 – Downtime Due to Unmarked Utility on Folger Drive, STA 10+50

On November 29, 2017, S&G found a second 12” diameter storm drain line beneath the existing 12” Storm drain line along Folger Drive. Extra work includes associated downtime to dig under the two 12” storm drain lines and install the water main approximately 24” deeper as it was planned. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G’s total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G’s Daily Extra Work Report dated January 29, 2018.

Total Cost of Item No. 2 -	\$ 1,194.13
Total Increase of Working Days for Item No. 2 -	0.5 Day

Item No. 3 – Downtime Due to Tree Stump in the Trench on Folger Drive

On November 30, 2017, S&G found a tree stump directly under the concrete asphalt along the new water main alignment. Extra work includes associated downtime to dig out the tree stump. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G’s total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G’s Daily Extra Work Report dated January 29, 2018.

Total Cost of Item No. 3 -	\$ 1,492.81
Total Increase of Working Days for Item No. 3 -	0.25 Day

Item No. 4 – Downtime Due to Unmarked Utility on Folger Drive, STA 12+00

On December 1, 2017, S&G found an unmarked 2” diameter abandoned steel pipe along Folger Drive. Extra work includes associated downtime to dig around, cut and remove approximately 60 LF of the pipe. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G’s total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G’s Daily Extra Work Report dated January 30, 2018.

Total Cost of Item No. 4 - **\$ 521.83**
Total Increase of Working Days for Item No. 4 - **0.25 Day**

Item No. 5 – Downtime for Locating Water Service for 1514 Folger Drive

On December 4, 2017, and again on December 5, 2017, S&G potholed several locations to locate 1514 Folger Drive’s water service line. Extra work includes associated downtime to pothole several locations along the Folger Drive. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G’s total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G’s Daily Extra Work Report dated January 30, 2018.

Total Cost of Item No. 5 - **\$ 2,249.02**
Total Increase of Working Days for Item No. 5 - **0.5 Day**

Item No. 6 – Downtime Due to Unmarked Utility on Folger Drive STA 13+50

On December 6, 2017, S&G located an unmarked 6” diameter abandoned steel pipe along Folger Road. Extra work includes associated downtime to dig around, cut and remove approximately 25 LF of the pipe. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G’s total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G’s Daily Extra Work Report dated January 30, 2018.

Total Cost of Item No. 6 - **\$ 498.67**
Total Increase of Working Days for Item No. 6 - **0.25 Day**

Item No. 7 – Downtime Due to Abandon ARV on South Road

On December 7, 2017, S&G abandoned an existing malfunction Air Release Valve (ARV) along South Road. Extra work includes associated downtime to dig around, abandon existing ARV and backfill. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G’s total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G’s Daily Extra Work Report dated December 07, 2017.

Total Cost of Item No. 7 - **\$ 1,019.98**
Total Increase of Working Days for Item No. 7 - **0.25 Day**

Item No. 8 – Downtime Due to Tree Stump in the Trench on Folger Drive

On December 8, 2017, S&G found a tree stump directly under the concrete asphalt along the new water main alignment. Extra work includes associated downtime to dig out the tree stump. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G's total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G's Daily Extra Work Report dated January 30, 2018.

Total Cost of Item No. 8 - **\$ 668.97**
Total Increase of Working Days for Item No. 8 - **0.25 Day**

Item No. 8 – Downtime Due to Hard Rock in the Trench on Folger Drive, STA 15+00 to STA 16+30

On December 13, 2017, and December 14, 2017, S&G found hard rocks in the trench from STA 15+00 to STA 16+30. Extra work includes associated downtime to jackhammer and remove approximately 130 LF of hard rock from the trench. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G's total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G's Daily Extra Work Report dated January 30, 2018.

Total Cost of Item No. 8 - **\$ 3,464.03**
Total Increase of Working Days for Item No. 8 - **1 Day**

Item No. 9 – Downtime Due to Unmarked Utility on Folger Drive, STA 17+00

On December 15, 2017, S&G found 6" diameter unmarked storm drain line along Folger Drive. Extra work includes associated downtime to dig around and under the storm drain line. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G's total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G's Daily Extra Work Report dated January 30, 2018.

Total Cost of Item No. 9 - **\$ 1,926.48**
Total Increase of Working Days for Item No. 9 - **0.5 Day**

Item No. 10 – Downtime Due to Hard Rock in the Trench on Folger Court STA 20+00 to 21+27

On December 19, 2017 thru December 22, 2017, S&G found hard rocks in the trench along the Folger Court. Extra work includes associated downtime to jackhammer and remove approximately 130 LF of hard rock from the trench. This work was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed S&G's total cost for the additional work and determined it conforms to the project specifications. This extra work is per S&G's Daily Extra Work Report dated January 30, 2018.

Total Cost of Item No. 10 - **\$ 10,358.21**
Total Increase of Working Days for Item No. 10 - **3 Day**

Item No. 11 – Four (4) working days non-compensable time extension for Holiday Shutdown (December 26, 2017, thru December 29, 2017)

On December 7, 2017, S&G requested a contract extension to account for a project shutdown beginning December 25, 2017, with work resuming January 2, 2018. The District agreed to a non-compensable time extension of four (4) work days for December 26 thru December 29.

Total Cost of Item No. 11 - **\$ 0.00**
Total Increase of Working Days for Item No. 11 - **3 Days**

Item No. 12 – One (1) working day non-compensable time extension due to inclement weather.

On November 16, 2017, S&G requested a contract extension to account for a project shutdown due to inclement weather condition. The District agreed to a non-compensable time extension of one (1) work days.

Total Cost of Item No. 12 - **\$ 0.00**
Total Increase of Working Days for Item No. 12 - **1 Days**

Item No. 13 – Two (2) working days non-compensable time extension due to additional work for Monte Cresta Tie-in.

On December 6, 2017, S&G requested a contract extension to account for a period that they had to work on Monte Cresta Cross Country section, not part of this project. The District agreed to a non-compensable time extension of two (2) work days.

Total Cost of Item No. 12 - **\$ 0.00**
Total Increase of Working Days for Item No. 12 - **2 Days**

Total Cost of Change Order No. 1 **\$ 23,716.83**
Overall Increase of Working Days for Change Order No. 1 - **14 Days**

Other Terms Remain in Effect

This Change Order fully resolves all cost and time issues related to the work described above, including any indirect effects or the effect of this Change Order on any other work performed by Stoloski & Gonzalez, Inc. This Change Order does not modify or supersede any provision of the Contract, unless, and only to the extent, explicitly stated in this Change Order.

Signature Block

Prepared by:

Feraydoon Jahanian-Farsi
District Project Manager
Pakpour Consulting Group

Reviewed and Approved by:

Michael Anderson
District Inspector
Mid-Peninsula Water District

Reviewed and Approved by:

Joubin Pakpour, P.E.
District Engineer
Pakpour Consulting Group

Reviewed and Approved by:

Tammy Rudock
General Manager
Mid-Peninsula Water District

Reviewed and Approved by:

Mark Stoloski
Project Manager
Stoloski & Gonzalez, Inc.

Karen, Mezes, Arthur, South Folger Water Main Improvements
Progress Payment No. 04
Breakdown Summary

Karen Road	Current	Total	
Original Contract Amount		\$438,196.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$438,196.00	
Previously Value of Work Completed		\$0.00	
Current Request (Less Retention)	\$0.00	\$0.00	
Retention	\$0.00	\$0.00	
Total Value of Work Completed	\$0.00	\$0.00	0%
Total Remaining on Contract		\$418,446.00	100%

Mezes Ave	Current	Total	
Original Contract Amount		\$235,278.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$235,278.00	
Previously Value of Work Completed		\$0.00	
Current Request (Less Retention)	\$0.00	\$0.00	
Retention	\$0.00	\$0.00	
Total Value of Work Completed	\$0.00	\$0.00	0%
Total Remaining on Contract		\$230,778.00	100%

Arthur Ave	Current	Total	
Original Contract Amount		\$553,771.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$553,771.00	
Previously Value of Work Completed		\$0.00	
Current Request (Less Retention)	\$0.00	\$0.00	
Retention	\$0.00	\$0.00	
Total Value of Work Completed	\$0.00	\$0.00	0%
Total Remaining on Contract		\$538,521.00	100%

South Road	Current	Total	
Original Contract Amount		\$366,929.00	
Approved Change Orders	\$1,342.68	\$1,342.68	0.4%
Final Contract Amount		\$368,271.68	
Previously Value of Work Completed		\$313,450.00	
Current Request (Less Retention)	\$31,130.68	\$328,907.68	
Retention	\$1,638.00	\$17,311.00	
Total Value of Work Completed	\$31,130.68	\$346,218.68	98%
Total Remaining on Contract		\$6,803.00	2%

Folger Drive	Current	Total	
Original Contract Amount		\$461,097.00	
Approved Change Orders	\$22,374.15	\$22,374.15	4.9%
Final Contract Amount		\$483,471.15	
Previously Value of Work Completed		\$335,441.00	
Current Request (Less Retention)	\$111,224.15	\$429,893.15	
Retention	\$5,854.00	\$22,626.00	
Total Value of Work Completed	\$117,078.15	\$452,519.15	95%
Total Remaining on Contract		\$24,702.00	5%

Total (All Projects)	Current	Total	
Original Contract Amount		\$2,055,271.00	
Approved Change Orders	\$23,716.83	\$23,716.83	1.2%
Final Contract Amount		\$2,078,987.83	
Previously Value of Work Completed		\$648,891.00	
Current Request (Less Retention)	\$142,355.83	\$758,801.83	
Retention	\$7,491.00	\$39,936.00	
Total Value of Work Completed	\$149,846.83	\$798,737.83	38%
Total Remaining on Contract		\$1,280,250.00	62%

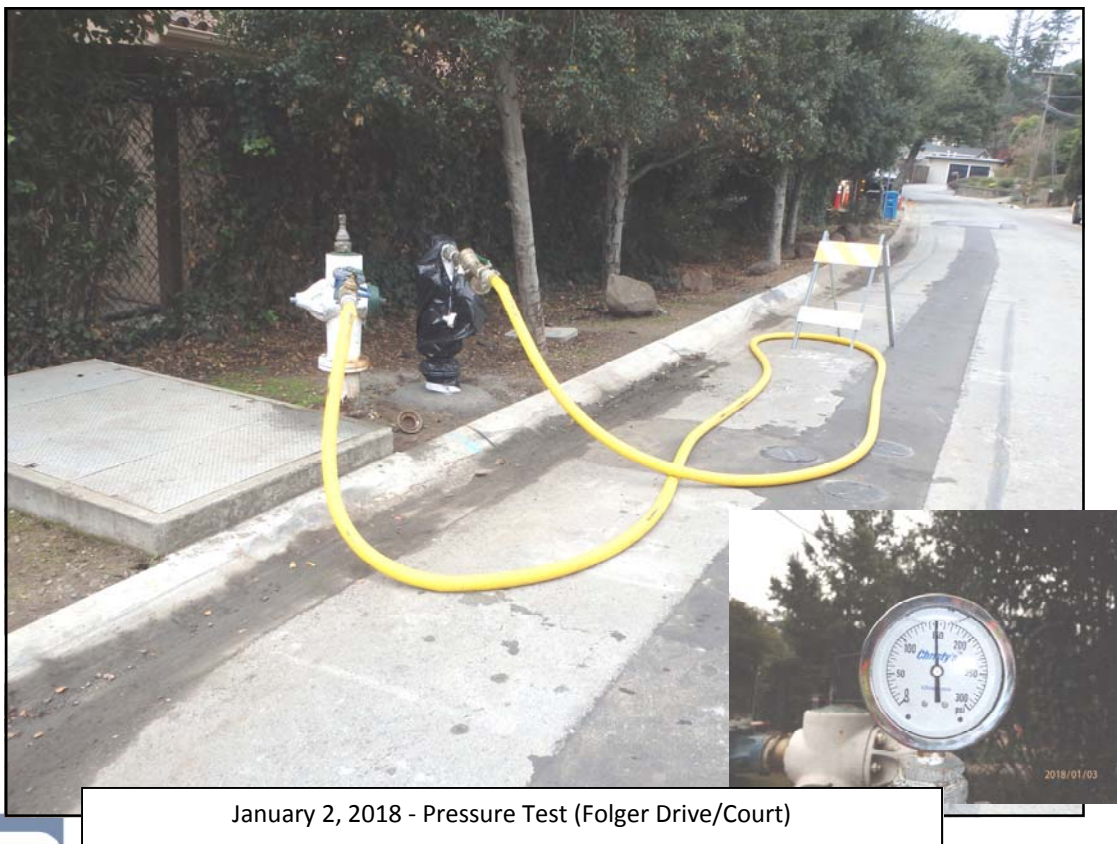
Bid Item	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
		Unit	Unit Price	Qty.	Total Price	Qty.	Unit Price	Total Price	Qty.	Unit Price	Total Price	Qty.	Amount Earned	%	Qty.	Amount Earned	%	Qty.	Amount Earned	%
1	8" Fusible C900 PVC	LF	\$ 203	972	\$ 197,316.00	0	\$ 203	\$ -	972	\$ 203.00	\$ 197,316.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
2	8-inch Class 350 DIP	LF	\$ 309	1,563	\$ 482,967.00	0	\$ 309	\$ -	1,563	\$ 309.00	\$ 482,967.00	14	\$ 4,326.00	1%	129	\$ 39,861.00	8%	143	\$ 44,187.00	9%
3	10-inch Class 350 DIP	LF	\$ 336	785	\$ 263,760.00	0	\$ 336	\$ -	785	\$ 336.00	\$ 263,760.00	39	\$ 13,104.00	5%	755	\$ 253,680.00	96%	794	\$ 266,784.00	101%
4	Dairy Lane - Fire Service Tie-in at Sta. 10+00 (Detail A)	LS	\$ 6,500	1	\$ 6,500.00	0	\$ 6,500	\$ -	1	\$ 6,500.00	\$ 6,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
5	Karen Road/O'Neill Avenue - Tie-in to 8" PVC at Sta. 11+79 (Detail B)	LS	\$ 8,500	1	\$ 8,500.00	0	\$ 8,500	\$ -	1	\$ 8,500.00	\$ 8,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
6	Karen Road/O'Neill Avenue - Tie-in to 12" ACP at Sta. 12+12 (Detail C)	LS	\$ 6,500	1	\$ 6,500.00	0	\$ 6,500	\$ -	1	\$ 6,500.00	\$ 6,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
7	Karen Road - Fire Service Tie-in at Sta. 13+97	LS	\$ 7,000	1	\$ 7,000.00	0	\$ 7,000	\$ -	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
8	Karen Road/Harbor Blvd - Tie-in to 12" ACP at Sta. 19+72 (Detail D)	LS	\$ 19,000	1	\$ 19,000.00	0	\$ 19,000	\$ -	1	\$ 19,000.00	\$ 19,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
9	Mezes Avenue - Tie-in to 6" CIP, Sta. 10+00 to 10+15 (Detail E)	LS	\$ 12,000	1	\$ 12,000.00	0	\$ 12,000	\$ -	1	\$ 12,000.00	\$ 12,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
10	Mezes Avenue - Tie-in to 6" CIP, Sta. 13+45 to 13+55 (Detail F)	LS	\$ 10,500	1	\$ 10,500.00	0	\$ 10,500	\$ -	1	\$ 10,500.00	\$ 10,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
11	Mezes Avenue/Lyon Avenue - Tie-in to 4" PVC, Sta. 20+59 to 20+88 (Detail G)	LS	\$ 23,000	1	\$ 23,000.00	0	\$ 23,000	\$ -	1	\$ 23,000.00	\$ 23,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
12	Arthur Avenue - Tie-in to 8" CIP, Sta. 10+00 to 10+10 (Detail H)	LS	\$ 10,900	1	\$ 10,900.00	0	\$ 10,900	\$ -	1	\$ 10,900.00	\$ 10,900.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
13	Arthur Avenue/Coronet Blvd - Tie-in to 8" CIP at Sta. 10+54 (Detail I)	LS	\$ 15,600	1	\$ 15,600.00	0	\$ 15,600	\$ -	1	\$ 15,600.00	\$ 15,600.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
14	Arthur Avenue/Covington Road - 6" DIP Modification (Detail J)	LS	\$ 12,700	1	\$ 12,700.00	0	\$ 12,700	\$ -	1	\$ 12,700.00	\$ 12,700.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
15	Arthur Avenue/Alameda de las Pulgas - Tie-in to 8" CIP at Sta. 20+93 (Detail K)	LS	\$ 16,000	1	\$ 16,000.00	0	\$ 16,000	\$ -	1	\$ 16,000.00	\$ 16,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
16	Middle Road/Notre Dame Avenue - 6"/8" CIP Tie-ins (Detail L)	LS	\$ 29,000	1	\$ 29,000.00	0	\$ 29,000	\$ -	1	\$ 29,000.00	\$ 29,000.00	0	\$ -	0%	1	\$ 29,000.00	100%	1	\$ 29,000.00	100%
17	South Road/Middle Road - 6" CIP Tie-in (Detail M)	LS	\$ 32,000	1	\$ 32,000.00	0	\$ 32,000	\$ -	1	\$ 32,000.00	\$ 32,000.00	0	\$ -	0%	1	\$ 32,000.00	100%	1	\$ 32,000.00	100%
18	South Road/Debbie Lane - 6" CIP Tie-in (Detail N)	LS	\$ 35,400	1	\$ 35,400.00	0	\$ 35,400	\$ -	1	\$ 35,400.00	\$ 35,400.00	0	\$ -	0%	1	\$ 35,400.00	100%	1	\$ 35,400.00	100%
19	South Road/Hainline Drive - 4" CIP Tie-in (Detail O)	LS	\$ 21,000	1	\$ 21,000.00	0	\$ 21,000	\$ -	1	\$ 21,000.00	\$ 21,000.00	0	\$ -	0%	1	\$ 21,000.00	100%	1	\$ 21,000.00	100%
20	South Road/Korbel Way - 4" CIP Tie-in (Detail P)	LS	\$ 18,000	1	\$ 18,000.00	0	\$ 18,000	\$ -	1	\$ 18,000.00	\$ 18,000.00	0	\$ -	0%	1	\$ 18,000.00	100%	1	\$ 18,000.00	100%
21	South Road Vannier Drive - 4" CIP Tie-in (Detail Q)	LS	\$ 18,500	1	\$ 18,500.00	0	\$ 18,500	\$ -	1	\$ 18,500.00	\$ 18,500.00	0	\$ -	0%	1	\$ 18,500.00	100%	1	\$ 18,500.00	100%
22	South Road/College View Way - 8" ACP Tie-in (Detail R)	LS	\$ 22,000	1	\$ 22,000.00	0	\$ 22,000	\$ -	1	\$ 22,000.00	\$ 22,000.00	0	\$ -	0%	1	\$ 22,000.00	100%	1	\$ 22,000.00	100%
23	Folger Drive - Tie-in to 10" DIP, Sta: 10+00 to 10+10 (Detail S)	LS	\$ 6,000	1	\$ 6,000.00	0	\$ 6,000	\$ -	1	\$ 6,000.00	\$ 6,000.00	1	\$ 6,000.00	100%	0	\$ -	0%	1	\$ 6,000.00	100%
24	Folger Drive/Notre Dame Avenue - Tie-in to 6" CIP, Sta. 17+95 to 18+00 (Detail T)	LS	\$ 7,000	1	\$ 7,000.00	0	\$ 7,000	\$ -	1	\$ 7,000.00	\$ 7,000.00	1	\$ 7,000.00	100%	0	\$ -	0%	1	\$ 7,000.00	100%
25	10" Gate Valve	EA	\$ 3,600	5	\$ 18,000.00	0	\$ 3,600	\$ -	5	\$ 3,600.00	\$ 18,000.00	1	\$ 3,600.00	20%	4	\$ 14,400.00	80%	5	\$ 18,000.00	100%
26	8" Gate Valve	EA	\$ 2,500	42	\$ 105,000.00	0	\$ 2,500	\$ -	42	\$ 2,500.00	\$ 105,000.00	0	\$ -	0%	21	\$ 52,500.00	50%	21	\$ 52,500.00	50%
27	8" Fire Service Connection (Assembly)	EA	\$ 17,500	1	\$ 17,500.00	0	\$ 17,500	\$ -	1	\$ 17,500.00	\$ 17,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
28	6" Fire Hydrant Assembly	EA	\$ 12,500	12	\$ 150,000.00	0	\$ 12,500	\$ -	12	\$ 12,500.00	\$ 150,000.00	1	\$ 12,500.00	8%	4	\$ 50,000.00	33%	5	\$ 62,500.00	42%
29	Fire Hydrant Bollard	EA	\$ 400	20	\$ 8,000.00	0	\$ 400	\$ -	20	\$ 400.00	\$ 8,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
30	Fire Hydrant Retaining Wall	EA	\$ 3,900	1	\$ 3,900.00	0	\$ 3,900	\$ -	1	\$ 3,900.00	\$ 3,900.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%

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	%
31	2" Blow-Off Assembly	EA	\$ 4,200	1	\$ 4,200.00	0	\$ 4,200	\$ -	1	\$ 4,200.00	\$ 4,200.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
32	1" Combination Air Valve	EA	\$ 3,100	1	\$ 3,100.00	0	\$ 3,100	\$ -	1	\$ 3,100.00	\$ 3,100.00	3	\$ 9,300.00	300%	0	\$ -	0%	3	\$ 9,300.00	300%
33	8" PRV Station	LS	\$ 31,000	1	\$ 31,000.00	0	\$ 31,000	\$ -	1	\$ 31,000.00	\$ 31,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
34	Anode Test Station	EA	\$ 1,400	11	\$ 15,400.00	0	\$ 1,400	\$ -	11	\$ 1,400.00	\$ 15,400.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
35	2" Service Connection to Existing Meter	EA	\$ 3,700	1	\$ 3,700.00	0	\$ 3,700	\$ -	1	\$ 3,700.00	\$ 3,700.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
36	1.5" Service Connection	EA	\$ 3,500	1	\$ 3,500.00	0	\$ 3,500	\$ -	1	\$ 3,500.00	\$ 3,500.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
37	1" Service Connection with 2" Service line	EA	\$ 3,200	1	\$ 3,200.00	0	\$ 3,200	\$ -	1	\$ 3,200.00	\$ 3,200.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
38	1" or 5/8" Service Connection	EA	\$ 3,100	68	\$ 210,800.00	0	\$ 3,100	\$ -	68	\$ 3,100.00	\$ 210,800.00	14	\$ 43,400.00	21%	18	\$ 55,800.00	26%	32	\$ 99,200.00	47%
39	Residential PRV	EA	\$ 400	3	\$ 1,200.00	0	\$ 400	\$ -	3	\$ 400.00	\$ 1,200.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
40	Service Meter Retaining Wall	EA	\$ 1,100	5	\$ 5,500.00	0	\$ 1,100	\$ -	5	\$ 1,100.00	\$ 5,500.00	5	\$ 5,500.00	100%	0	\$ -	0%	5	\$ 5,500.00	100%
41	Abandon Existing Fire Hydrant Assembly	EA	\$ 800	7	\$ 5,600.00	0	\$ 800	\$ -	7	\$ 800.00	\$ 5,600.00	2	\$ 1,600.00	29%	0	\$ -	0%	2	\$ 1,600.00	29%
42	Abandon Existing Gate Valve/Blow-Off	EA	\$ 450	25	\$ 11,250.00	0	\$ 450	\$ -	25	\$ 450.00	\$ 11,250.00	19	\$ 8,550.00	76%	0	\$ -	0%	19	\$ 8,550.00	76%
43	Traffic Striping and Markings	LS	\$ 25,000	1	\$ 25,000.00	0	\$ 25,000	\$ -	1	\$ 25,000.00	\$ 25,000.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
44	Type II Slurry Seal	SF	\$ 0.39	120,200	\$ 46,878.00	0	\$ 0.39	\$ -	120,200	\$ 0.39	\$ 46,878.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
45	4" deeplift Pavement Repair at Karen Road	SF	\$ 12	2,900	\$ 34,800.00	0	\$ 12	\$ -	2,900	\$ 12.00	\$ 34,800.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
46	Traffic Control	LS	\$ 45,000	1	\$ 45,000.00	0	\$ 45,000	\$ -	1.00	\$ 45,000.00	\$ 45,000.00	0.25	\$ 11,250.00	25%	0.15	\$ 6,750.00	15%	0.4	\$ 18,000.00	40%
47	Street Sweeping	EA	\$ 600	36	\$ 21,600.00	0	\$ 600	\$ -	36	\$ 600.00	\$ 21,600.00	0	\$ -	0%	0	\$ -	0%	0	\$ -	0%
	Change Order No.1 (November 1, 2017 thru December 31, 2017)					1	\$ 23,716.83	\$ 23,716.83	1	\$ 23,716.83	\$ 23,716.83	1	\$ 23,716.83	100%	0	\$ -	0%	1	\$ 23,716.83	100%
	Contract Amount				\$2,055,271.00			\$23,716.83			\$2,078,987.83									
	Amount Earned											\$149,846.83	7%		\$648,891.00	31%		\$798,737.83	38%	
	Retention (5%)											(\$7,491.00)			(\$32,445.00)			(\$39,936.00)		
	Progress Payment No.1																	(\$135,090.00)		
	Progress Payment No.2																	(\$220,599.00)		
	Progress Payment No.3																	(\$260,757.00)		
	Amount Due											\$142,355.83						\$142,355.83		
	Amount Remaining on Contract																	\$1,280,250.00	62%	

Prepared By
JP
Joubin Pakpour, P.E.
District Engineer

Amount Remaining on Contract	\$1,280,250.00	62%
Total Retention Being Held	\$39,936.00	

**Karen, Mezes, Arthur, South & Folger Water Main Improvements
Mid-Peninsula Water District, Belmont, CA
January 1, 2018 thru January 31, 2018**



**Karen, Mezes, Arthur, South & Folger Water Main Improvements
Mid-Peninsula Water District, Belmont, CA
January 1, 2018 thru January 31, 2018**



January 12, New FH and ARV (Folger Court)



January 19, Installation of Valve Collar (South Road)



**MID-PENINSULA WATER DISTRICT
BUDGET FOR YEAR 2017-2018
SUMMARY**

DESCRIPTION	APPROVED FY 2017-2018 BUDGET \$	ACTUALS 7/1/2017 1/31/18	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 58.9%
				Y-T-D % OF BUDGET
OPERATING REVENUE				
WATER COMMODITY CHARGES	8,500,000	6,007,323	2,492,677	70.7%
FIXED SYSTEM CHARGES	2,663,720	1,549,245	1,114,475	58.2%
FIRE SERVICE CHARGES	14,000	8,864	5,136	63.3%
SERVICE LINE & INSTALLATION CHARGES	10,000	-	10,000	NA
WATER SYSTEM CAPACITY CHARGES	200,000	252,492	(52,492)	126.2%
WATER DEMAND OFFSET CHARGES	10,000	31,156	(21,156)	311.6%
MISCELLANEOUS CHARGES	10,000	116,794	(106,794)	1167.9%
INTEREST REVENUE - LAIF	10,000	138,806	(128,806)	1388.1%
LEASE OF PHYSICAL PROPERTY	150,000	93,664	56,336	62.4%
PROPERTY TAX REVENUE	260,000	232,057	27,943	89.3%
TOTAL OPERATING REVENUE	11,827,720	8,430,400	3,397,320	71.3%
OPERATING EXPENDITURES (OP EXP)				
SALARIES & WAGES	1,718,225	911,416	806,809	53.0%
PAYROLL TAXES & BENEFITS	1,204,893	527,447	677,446	43.8%
PURCHASED WATER	5,234,856	3,515,887	1,718,969	67.2%
OUTREACH & EDUCATION	116,900	29,295	87,605	25.1%
M&R - OPS SYSTEM	389,598	253,193	136,405	65.0%
M&R - FACILITIES & EQUIPMENT	166,860	76,486	90,374	45.8%
MAJOR MAINTENANCE	30,000	-	30,000	NA
OFFICE SUPPLIES & EQUIPMENT	314,755	150,745	164,010	47.9%
MEMBERSHIP & GOV FEES	208,613	129,574	79,039	62.1%
BAD DEBT & CLAIMS	37,000	(1,753)	38,753	-4.7%
UTILITIES	301,687	147,280	154,407	48.8%
PROFESSIONAL SERVICES	458,660	217,678	240,982	47.5%
TRAINING/TRAVEL & RECRUITMENT	45,000	19,918	25,082	44.3%
RESTRICTED EARNINGS	10,000	138,806	(128,806)	1388.1%
DEBT SERVICE TRUSTEE FEES & EXPENSES	-	1,700	(1,700)	N/A
DEBT SERVICE 2016 COPs	1,045,865	729,002	316,863	69.7%
TOTAL OP EXP LESS DEPRECIATION (DEPREC)	11,282,912	6,846,673	4,436,239	60.7%
TOTAL OP REVENUE LESS OP EXP & DEPREC	544,808	1,583,727	(1,038,919)	290.7%
DEPRECIATION	1,050,000	500,590	549,410	47.7%
TOTAL OP REVENUE LESS OP EXP	(505,192)	1,083,137	(1,588,329)	-214.4%
NET TRANSFERS TO CAPITAL	505,192	(1,083,137)	1,588,329	-214.4%
NET RESULTS OF OPERATIONS	-	-	-	

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2017-2018
DETAILED**

Target YTD % 58.9%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 1/31/2018	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
4010	WATER COMMODITY CHARGES (A)	8,500,000	6,007,323	2,492,677	70.7%
4020	FIXED SYSTEM CHARGES	2,663,720	1,549,245	1,114,475	58.2%
4030	FIRE SERVICE CHARGES	14,000	8,864	5,136	63.3%
4050	SERVICE LINE & INSTALLATION CHARGES	10,000	-	10,000	NA
4060	WATER SYSTEM CAPACITY CHARGES (B)	200,000	252,492	(52,492)	126.2%
4070	WATER DEMAND OFFSET CHARGES (B)	10,000	31,156	(21,156)	311.6%
4090	MISCELLANEOUS REVENUES (C)	<u>10,000</u>	<u>105,594</u>	<u>(95,594)</u>	1055.9%
4000	TOTAL WATER AND FEE CHARGES	<u>11,407,720</u>	<u>7,954,674</u>	<u>3,453,046</u>	69.7%
4102	Interest Revenue- LAIF & COP (D)	<u>10,000</u>	<u>138,806</u>	<u>(128,806)</u>	1388.1%
4100	INTEREST REVENUE	<u>10,000</u>	<u>138,806</u>	<u>(128,806)</u>	1388.1%
4201	Lease of Physical Property	150,000	93,664	56,336	62.4%
4202	Property Tax Revenue (E)	260,000	232,057	27,943	89.3%
4208	Landscape Plan Permit Review	-	11,200	(11,200)	NA
4200	OTHER REVENUE	<u>410,000</u>	<u>336,921</u>	<u>73,079</u>	82.2%
4000	TOTAL OPERATING REVENUE	<u>11,827,720</u>	<u>8,430,400</u>	<u>3,397,320</u>	71.3%
6011	Salaries & Wages	1,622,250	878,598	743,652	54.2%
6012	Director Compensation	<u>11,000</u>	<u>4,400</u>	<u>6,600</u>	40.0%
6010	GROSS REGULAR WAGES	<u>1,633,250</u>	<u>882,998</u>	<u>750,252</u>	54.1%
6017	CAPITAL SALARY & WAGES reversed	-	-	-	-
6021	Overtime Labor	46,865	9,593	37,272	20.5%
6022	Standby Labor	<u>38,110</u>	<u>18,825</u>	<u>19,285</u>	49.4%
6020	SUB-TOTAL SALARY & WAGES	<u>1,718,225</u>	<u>911,416</u>	<u>806,809</u>	53.0%
6031	FICA/Medicare PR Tax	135,445	69,867	65,578	51.6%
6038	ACWA Health Care	329,600	218,437	111,163	66.3%
6039	ACWA Dental	31,930	17,702	14,228	55.4%
6040	ACWA Vision	4,481	3,080	1,401	68.7%
6041	ACWA Life/AD&D	4,326	2,803	1,523	64.8%
6042	Standard LDL/SDL Disability	12,772	6,602	6,170	51.7%
6043	Workers' Comp Insurance	50,400	22,646	27,754	44.9%
6044	Unemployment	1,030	-	1,030	NA
6045	CALPERS Retirement - ER 2%@55	242,050	140,762	101,288	58.2%
6054	CAPITAL PAYROLL TAXES & BENEFITS	-	-	-	N/A
6046	Retirees' ACWA Health Care	73 57,680	37,047	20,633	64.2%

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2017-2018
DETAILED**

Target YTD %
58.9%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 1/31/2018	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
6047	Directors' ACWA Health Care	111,240	68,195	43,045	61.3%
6049	Medical Reimbursement	1,030	319	711	30.9%
6050	Employee Service Recognition	10,000	4,042	5,958	40.4%
6051	Safety Incentive Program	7,416	3,337	4,079	45.0%
6052	Uniforms (F)	25,493	17,167	8,326	67.3%
6053	PARS OPEB Expense	180,000	46,939	133,061	26.1%
6030 TOTAL PAYROLL TAXES & BENEFITS		1,204,893	658,944	545,949	54.7%
6054	CAPITAL PAYROLL, TAXES & BENEFITS	-	(131,497)	131,497	N/A
6000 PERSONNEL COSTS		2,923,118	1,438,863	1,484,255	49.2%
6101	SFPUC Treated Water (A)	4,700,000	3,184,913	1,515,087	67.8%
6102	BAWSCA (Debt Service Surcharges)	476,000	285,320	190,680	59.9%
6103	Rates Stabilization	58,856	-	58,856	NA
6104	SFPUC Water Service Charge	-	45,654	(45,654)	N/A
6100 PURCHASED WATER		5,234,856	3,515,887	1,718,969	67.2%
6301	Water Conservation Program	7,200	3,079	4,121	42.8%
6302	School Conservation Program (G)	7,200	19,704	(12,504)	273.7%
6303	Public Outreach & Education	25,750	3,563	22,187	13.8%
6305	HET Rebates	19,750	1,482	18,268	7.5%
6306	Washing Machine Rebates	13,750	-	13,750	NA
6307	Lawn-Be-Gone Rebates	38,100	1,439	36,661	3.8%
6308	Rain Barrel Rebates	5,150	29	5,121	0.6%
6304	TOTAL WATER CONSERVATION REBATES	76,750	2,950	73,800	3.8%
6300 OUTREACH/EDUCATION		116,900	29,295	87,605	25.1%
6401	Water Quality	69,010	14,065	54,945	20.4%
6402	Pumping	65,148	2,882	62,266	4.4%
6403	Storage Tanks	10,300	244	10,056	2.4%
6404	Mains/Distribution (H)	103,000	157,913	(54,913)	153.3%
6405	Meters & Service (I)	30,900	34,332	(3,432)	111.1%
6406	Fire Hydrants (J)	31,930	28,398	3,532	88.9%
6407	Regulator Stations	6,180	1,705	4,475	27.6%
6408	Safety	32,960	3,775	29,185	11.5%
6409	SCADA Maintenance	15,450	8,571	6,879	55.5%
6410	Generator Maintenance	24,720	1,309	23,411	5.3%
6400 M&R - OPS SYSTEMS		389,598	253,193	136,405	65.0%
6501	M&R-Buildings&Grounds	95,790	46,629	49,161	48.7%
6502	M&R- Equipment&Tools	21,630	6,333	15,297	29.3%
6503	M&R- Vehicles & Large Equipment	19,570	11,120	8,450	56.8%
6504	M&R - Fuel	29,870	12,405	17,465	41.5%
6500 M&R - FACILITIES & EQUIPMENT		166,860	76,486	90,374	45.8%
6601	Cathodic Protection Survey	74	-	-	NA
6602	Leak Detection Survey	30,000	-	30,000	NA

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2017-2018
DETAILED**

Target YTD % 58.9%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 1/31/2018	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
6600	MAJOR MAINTENANCE	30,000	-	30,000	NA
6701	Office Supplies	15,450	4,276	11,174	27.7%
6702	Insurance- Liability/Vehicles	90,381	42,122	48,259	46.6%
6703	Postage	8,240	1,331	6,909	16.1%
6704	Printing/Printing Supplies	15,450	3,945	11,505	25.5%
6705	Equipment Services/Maintenance	58,453	6,383	52,070	10.9%
6706	Computer Supplies & Upgrades (K)	15,193	12,049	3,144	79.3%
6707	Security & Safety	11,073	2,941	8,132	26.6%
6708	Other Fees	515	-	515	NA
6709	Customer Credit Card Svs Fees (L)	100,000	77,699	22,301	77.7%
6700	OFFICE SUPPLIES & EQUIP	314,755	150,745	164,010	47.9%
6801	Dues & Publications	40,685	18,249	22,436	44.9%
6802	Gov't Fees & Licenses	54,848	12,553	42,295	22.9%
6803	BAWSCA Membership Assessments	76,000	36,302	39,698	47.8%
6804	Env Health - Cross Connection Inspection	31,930	19,075	12,855	59.7%
6805	Software License (M)	5,150	43,396	(38,246)	842.6%
6800	MEMBERSHIP & GOV FEES	208,613	129,574	79,039	62.1%
6901	Bad Debt (N)	7,000	(1,180)	8,180	-16.9%
6902	Claims (O)	30,000	(573)	30,573	-1.9%
6900	BAD DEBT & CLAIMS	37,000	(1,753)	38,753	-4.7%
7001	Utilities-Internet/Cable	12,462	4,316	8,146	34.6%
7002	Utilities-Cellular Telephones	12,206	6,504	5,702	53.3%
7003	Utilities-Electric-Pumping	226,600	105,328	121,272	46.5%
7004	Utilities-Electric-Bldgs&Grounds	24,720	13,856	10,864	56.1%
7005	Utilities-Telephones (P)	18,025	13,619	4,406	75.6%
7006	Utilities-Sewer - NPDES	7,674	3,657	4,017	47.7%
7000	UTILITIES	301,687	147,280	154,407	48.8%
7101	Prof Serv - District Counsel	90,000	31,244	58,756	34.7%
7102	Prof Serv - District Engineer	80,000	34,825	45,175	43.5%
7103	Prof Serv - IT	19,750	12,080	7,670	61.2%
7104	Prof Serv- Annual Finance Audit (O)	19,000	19,050	(50)	100.3%
7105	Prof Serv - Mngmt Consult	-	-	-	NA
7106	Prof Serv- Accounting & Payroll	21,750	12,029	9,721	55.3%
7107	Prof Serv- Customer Billing	72,250	37,323	34,927	51.7%
7109	Prof Serv - Answering Svs	5,000	1,967	3,033	39.3%
7110	Prof Serv - Miscellaneous	147,210	67,360	79,850	45.8%
7111	Prof Serv - District Treasurer	3,700	1,800	1,900	48.6%
7100	PROFESSIONAL SERVICES	458,660	217,678	240,982	47.5%
7201	Director Travel	5,000	2,733	2,267	54.7%
7202	Director Expense	75 1,000	-	1,000	NA
7203	Elections	-	-	-	NA

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2017-2018
DETAILED**

Target YTD % 58.9%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 1/31/2018	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
7204	Employee Travel/Training	32,000	15,851	16,149	49.5%
7205	Meetings Expense	7,000	1,334	5,666	19.1%
7200	TRAINING & TRAVEL	45,000	19,918	25,082	44.3%
7302	Restricted Earnings Expense - Interest LAIF & COP (D)	10,000	138,806	(128,806)	1388.1%
7300	RESTRICTED EARNINGS EXPENSE	10,000	138,806	(128,806)	1388.1%
8001	Working Reserves: Capital	-	-	-	NA
8002	Working Reserves: Operating	-	-	-	NA
8000	RESERVES	-	-	-	NA
9010	DEPRECIATION	1,050,000	500,590	549,410	47.7%
9011	DEBT SERVICE TRUSTEE FEES & EXPENSES	-	1,700	(1,700)	NA
9012	DEBT SERVICE 2017-2018 COPs (R)	1,045,865	729,002	316,863	69.7%
SUB-TOTAL - OPERATING EXPENSES		9,409,794	5,908,401	3,501,393	62.8%
TOTAL OPERATING EXPENSES		12,332,912	7,347,264	4,985,648	59.6%
NET OPERATING SURPLUS/(LOSS) TRANSFER TO CAPITAL		(505,192)	1,083,137	(1,588,329)	-214.4%

- (A) Water revenues are at 70.7% and water purchases are at 67.8%. Water revenues is a preliminary number. Revenue does not include the second half of the month.
- (B) Six (6) meter upgrades & new services closed & revenue recognized accordingly.
- (C) Vehicle expenses related to nine (9) AMI Meter Upgrade projects generate revenue totaling \$46,605.
- (D) Increased reserves generating more interest revenue.
- (E) Receive property tax revenue in Dec 2017 & April 2018
- (F) Staff work boots totaling \$3,540.
- (G) Water education kit purchased from BAWSCA totaling \$2,611.
- (H) Dumping & Excavator rental costs totaled \$7,954.
- (I) Large Meter testing services totaling \$13,800.
- (J) Purchase of hydrants totaling \$31,694.
- (K) Battery Back Up & New Printer purchased totaling \$3,040.
- (L) Higher credit card fees than in prior months due to higher revenues and payments made through credit card fees.
- (M) Accela (Springbrook) software license \$2619/month. Need to adjust this at mid-year budget review.
- (N) Reversing Bad Debt sent to collections 4 years ago.
- (O) Settlement claims paid by ACWA-JPIA for various expenses related to claims.
- (P) Scada Phone Line costs higher than anticipated. Will adjust at mid-year.
- (Q) Financial Audit payment for field work almost completed.
- (R) This includes both interest and principal paid on debt.

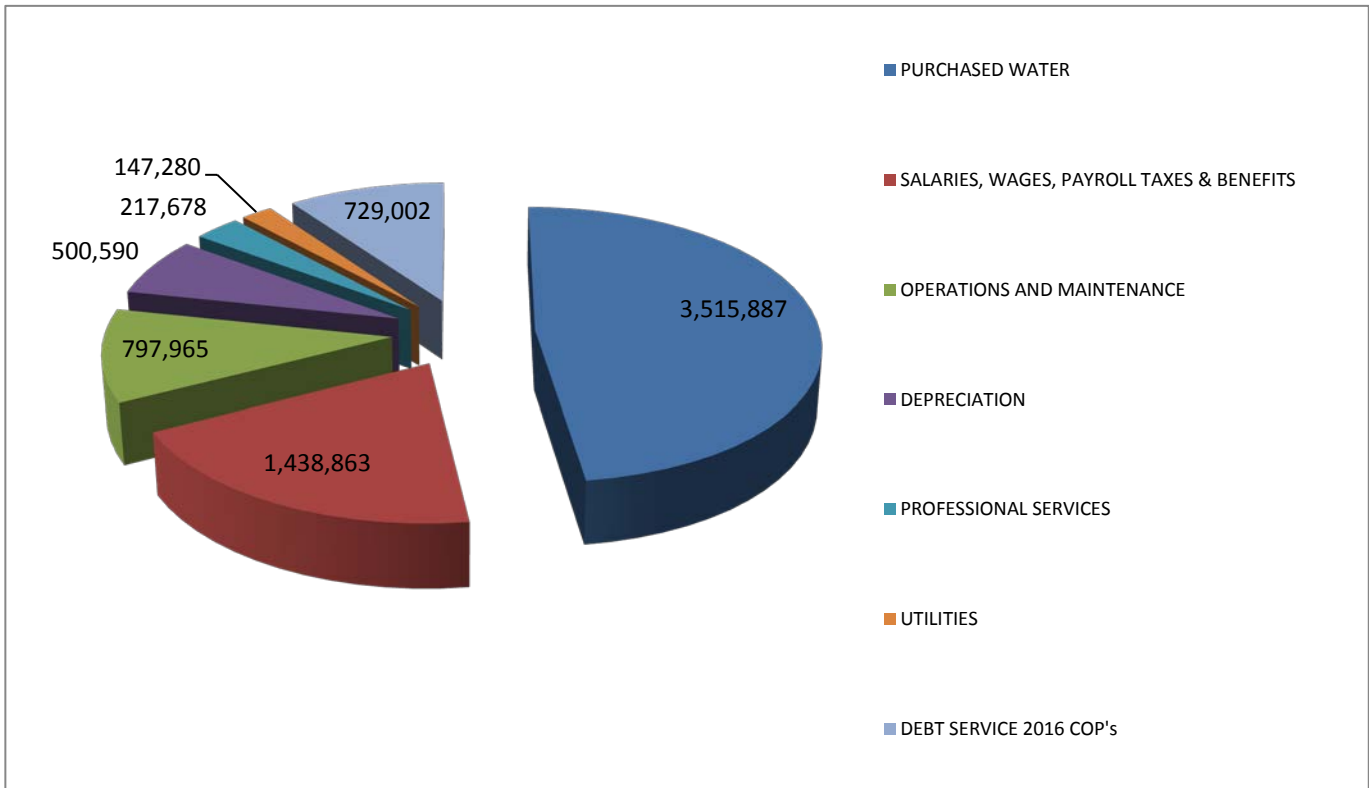
**MID-PENINSULA WATER DISTRICT
STATEMENT OF REVENUES & EXPENSES
PREVIOUS YEAR COMPARISON**

	Jul 17 -Jan 18	Jul 16 - Jan 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
OPERATING REVENUE	7,954,673.93	6,862,854.43	1,091,819.50	15.91%
INTEREST INCOME	138,806.03	5,294.25	133,511.78	2,521.83%
OTHER INCOME	336,920.53	298,683.68	38,236.85	12.8%
Total Income	<u>8,430,400.49</u>	<u>7,166,832.36</u>	<u>1,263,568.13</u>	<u>17.63%</u>
Expense				
PERSONNEL COSTS	1,438,863.07	1,543,138.91	-104,275.84	-6.76%
PURCHASED WATER	3,515,886.80	3,167,629.53	348,257.27	10.99%
OUTREACH/EDUCATION	29,295.37	-7,378.34	36,673.71	497.05%
M&4 - OPS SYSTEMS	253,193.15	168,737.18	84,455.97	50.05%
FACILITIES & EQUIPMENT	76,485.88	70,165.54	6,320.34	9.01%
MAJOR MAINTENANCE	0.00	590.74	-590.74	-100.0%
OFFICE SUPPLIES & EQUIPMENT	150,744.68	161,106.84	-10,362.16	-6.43%
MEMBERSHIP & GOV FEES	129,574.31	94,414.89	35,159.42	37.24%
BAD DEBT & CLAIMS	-1,752.98	16,921.12	-18,674.10	-110.36%
UTILITIES	147,279.55	150,348.52	-3,068.97	-2.04%
PROFESSIONAL SERVICES	217,677.61	231,764.27	-14,086.66	-6.08%
TRAINING & TRAVEL	19,918.08	22,919.78	-3,001.70	-13.1%
Total Expense	<u>5,977,165.52</u>	<u>5,620,358.98</u>	<u>356,806.54</u>	<u>6.35%</u>
Net Ordinary Income	<u>2,453,234.97</u>	<u>1,546,473.38</u>	<u>906,761.59</u>	<u>58.63%</u>
Other Income/Expense				
Other Expense				
DEPRECIATION	500,590.33	550,472.30	-49,881.97	-9.06%
DEBT SERVICE TRUSTEE FEES & EXPENSES	1,700.00	0.00	1,700.00	100.0%
COP Financing Costs	414,002.16	0.00	414,002.16	100.0%
Total Other Expense	<u>916,292.49</u>	<u>550,472.30</u>	<u>365,820.19</u>	<u>66.5%</u>
Net Revenue/(Expenses)	<u>1,536,942.48</u>	<u>996,001.08</u>	<u>540,941.40</u>	<u>54.3%</u>
RECONCILIATION TO OPERATING BUDGET				
Adjustments to Increase Net Operating Surplus				
Interest Income - LAIF & COP Interest	-138,806.03			
Debt Service Principal Payment	-315,000.00			
Total Adjustments to Increase Net Operating Surplus	<u>-453,806.03</u>			
Net Revenue/(Expenses)	<u>1,536,942.48</u>			
Net Operating Surplus/(Loss) Transfer to Capital	<u>1,083,136.45</u>			

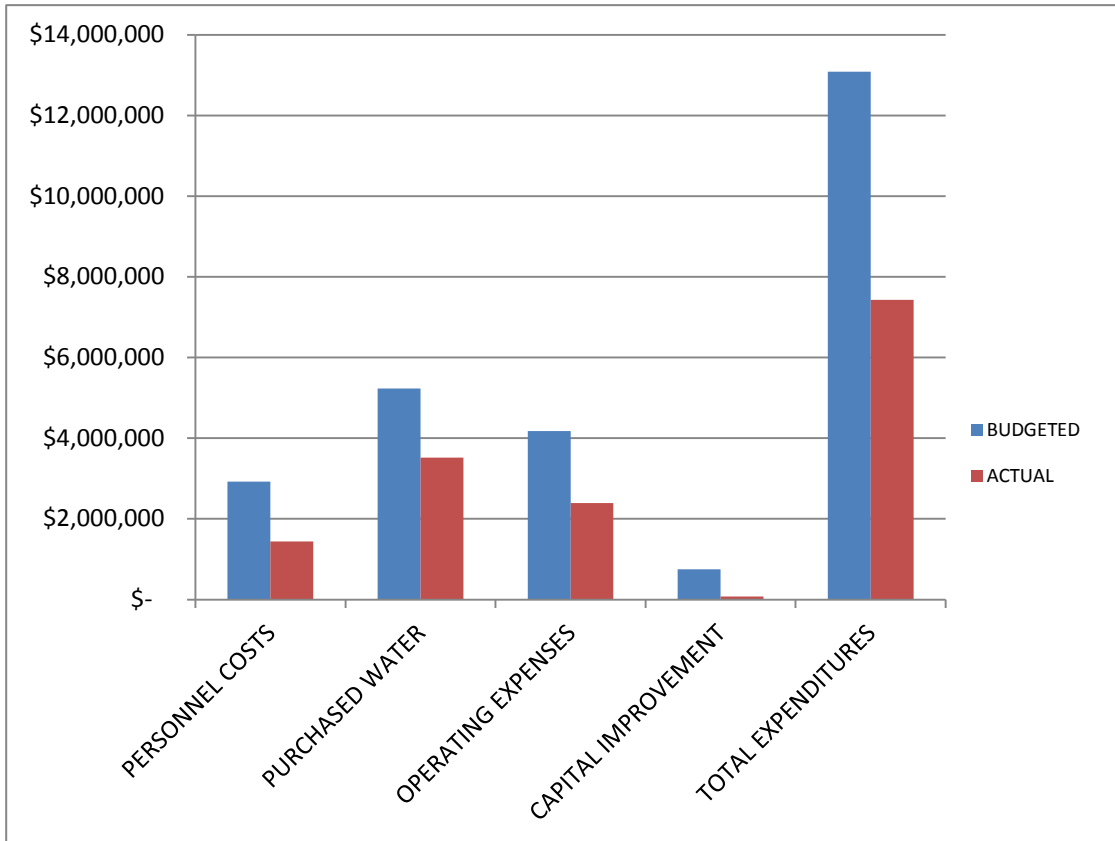
**MID-PENINSULA WATER DISTRICT
ACTUAL OPERATING EXPENDITURES SUMMARY**

Jan-18

OPERATING EXPENDITURES	ACTUAL \$	% OF TOTAL
PURCHASED WATER	3,515,887	47.9%
SALARIES, WAGES, PAYROLL TAXES & BENEFITS	1,438,863	19.6%
OPERATIONS AND MAINTENANCE	797,965	10.9%
DEPRECIATION	500,590	6.8%
PROFESSIONAL SERVICES	217,678	3.0%
UTILITIES	147,280	2.0%
DEBT SERVICE 2016 COP's	729,002	9.9%
TOTAL OPERATING EXPENDITURES	<u>7,347,264</u>	<u>100%</u>



2016/2017 BUDGET vs ACTUAL TOTAL EXPENDITURES Jan-18



	BUDGETED	ACTUAL	BUDGETED % OF TOTAL	ACTUAL % OF TOTAL
TOTAL EXPENDITURES				
PERSONNEL COSTS	\$ 2,923,118	\$ 1,438,863	22%	19%
PURCHASED WATER	\$ 5,234,856	\$ 3,515,887	40%	47%
OPERATING EXPENSES	\$ 4,174,938	\$ 2,392,514	32%	32%
CAPITAL IMPROVEMENT	\$ 751,930	\$ 77,427	6%	1%
TOTAL EXPENDITURES	\$ 13,084,842	\$ 7,424,690	100%	100%

**MID-PENINSULA WATER DISTRICT
BUDGET FOR FY 2017-2018
Capital Projects**

DESCRIPTION	APPROVED FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 1/31/2018	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 58.9%
				Y-T-D % OF BUDGET
CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)				
CIP 15-51 Francis Improvements	425,790	8,340	417,450	2.0%
CIP 15-53 Academy Improvements	276,140	5,332	270,808	1.9%
AMI Meter Change Out Program	-	-	0	N/A
CAPITAL IMPROVEMENTS - WIP TOTAL	701,930	58,923	643,007	8.4%
CAPITAL OUTLAY				
Miscellaneous Capital Outlay/Projects (A)	50,000	18,504	31,496	37.0%
CAPITAL OUTLAY TOTAL	50,000	18,504	31,496	37.0%
CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL	751,930	77,427	674,503	10.3%
DEPRECIATION	1,050,000	500,590	549,410	47.7%
TRANSFER FROM OPS	(505,192)	1,083,137	(1,588,329)	-214.4%
TRANSFER (TO)/FROM CAPITAL RESERVES	207,122	(1,506,301)	1,713,423	-727.3%
CAPITAL OUTLAY/CAPITAL PROJECTS	(751,930)	(77,427)	(674,503)	10.3%
NET RESULTS OF CAPITAL	-	(0)	0	N/A

(A) Purchased Canon Copier to replace leased Ricoh Copier.

**MID-PENINSULA WATER DISTRICT
STATEMENT OF NET POSITION
PREVIOUS YEAR COMPARISON**

	31-Jan-18	31-Jan-17	\$ Change	% Change
ASSETS				
CURRENT ASSETS				
Total Checking/Savings	7,019,910.80	5,161,304.35	1,858,606.45	36.01%
Total COP Funds	17,922,552.02	0.00	0.00	100.0%
Total Accounts Receivable	763,847.24	711,489.53	52,357.71	7.36%
Total Other Current Assets	328,632.55	241,789.98	86,842.57	35.92%
TOTAL CURRENT ASSETS	26,034,942.61	6,114,583.86	19,920,358.75	325.78%
FIXED ASSETS				
Fixed Assets	43,847,028.11	41,945,459.35	1,901,568.76	4.53%
Accumulated Depreciation	-27,118,443.11	-26,314,564.27	-803,878.84	-3.06%
Construction in Progress	2,242,676.58	900,518.57	1,342,158.01	149.04%
TOTAL FIXED ASSETS	18,971,261.58	16,531,413.65	2,439,847.93	14.76%
TOTAL OTHER ASSETS	803,133.00	442,276.00	360,857.00	81.59%
TOTAL ASSETS	45,809,337.19	23,088,273.51	22,721,063.68	98.41%
LIABILITIES & EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Total Accounts Payable	132,541.74	112,155.63	20,386.11	18.18%
Total Other Current Liabilities	2,190,033.67	-255,445.08	2,445,478.75	957.34%
TOTAL CURRENT LIABILITIES	2,322,575.41	-143,289.45	2,465,864.86	1,720.9%
LONG TERM LIABILITIES				
Total COP Financing Debt (B)	17,910,000.00	0.00	17,910,000.00	100.0%
Total COP Premium (B)	901,952.10	0.00	901,952.10	100.0%
Total Other Long Term Liabilities (B)	1,765,634.45	1,351,457.45	414,177.00	30.65%
TOTAL LONG TERM LIABILITIES	20,577,586.55	1,351,457.45	19,226,129.10	1,422.62%
TOTAL LIABILITIES	22,900,161.96	1,208,168.00	21,691,993.96	1,795.45%
EQUITY				
3000 - Opening Bal Equity	0.00	0.00	0.00	0.0%
3800 - RESERVES *	6,572,532.22	5,068,453.80	1,504,078.42	29.68%
3940 - Fund Bal Invest in Util Plant	19,049,003.91	18,241,604.44	807,399.47	4.43%
Net Assets (A)	-2,712,360.90	-1,429,952.73	-1,282,408.17	-89.68%
TOTAL EQUITY	22,909,175.23	21,880,105.51	1,029,069.72	4.7%
TOTAL LIABILITIES & EQUITY	45,809,337.19	23,088,273.51	22,721,063.68	98.41%

	Balance @ Jan-16	Balance @ Jan-17	Balance @ Jan-18	Budget for Reserve Policy
* RESERVES				
Capital Reserves	1,295,326	2,568,454	4,072,532	2,500,000
Emergency Reserves	2,000,000	2,000,000	2,000,000	2,000,000
Working Capital Reserves	500,000	500,000	500,000	500,000
TOTAL RESERVE FUNDS	3,795,326	5,068,454	6,572,532	5,000,000

(A) CalPERS Net Pension Liability - GASB 68 requirement.

(B) COP Financing Debt and Debt Premium total \$19,185,626.90.