



REGULAR MEETING
BOARD OF DIRECTORS
THURSDAY, MAY 24, 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

None

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 April 26, 2018
- B. Approve Expenditures from April 14, 2018 through May 15, 2018
(Check sequence legend included in Administrative Services Manager's report.)
- C. Approve Resolution 2018-10 Placing in Nomination Director Matthew P. Zucca as a Member of the Association of California Water Agencies (ACWA) Region 5 Board
- D. Receive Report on Recent Sale of District Surplus Items, and Approve Resolution 2018-11 Establishing Surplus Items List 18-02 and Declaring Items in District Inventory as Surplus and Authorize Staff to Sell via GovDeals.com

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 and Approve MPWD Reorganization effective July 1, 2018, adding Three (3) Water System Operator Positions
- B. Review Final Draft MPWD Operating and Capital Budgets for Fiscal Year 2018/2019, and:
 - 1. Consider Resolution 2018-12 Approving the MPWD FY 2018/2019 Operating Budget; and
 - 2. Consider Resolution 2018-13 Approving the MPWD FY 2018/2019 Capital Budget
- C. Review and Discuss Working Draft of MPWD Rules of the Board of Directors
- D. Consider and Approve Resolution 2018-14 Declaring as Surplus Property that Real Property owned by the MPWD and Identified by:
 - 1. Assessor's Parcel Numbers 044-352-050 and 044-353-080, Commonly Known as 1510 Folger Drive in Belmont, California; and
 - 2. Assessor's Parcel Number 044-351-040, Commonly Known as 1513-1515 Folger Drive in Belmont, California; and
 - 3. Assessor's Parcel Number 045-321-100, Commonly Known as "F" Street Parcel at the Intersection of El Camino Real and "F" Street in San Carlos, California

9. MANAGER'S AND BOARD REPORTS

- A. General Manager's Report
 - 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 April 30, 2018
- C. Director Reports

10. COMMUNICATIONS

11. 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, June 28, 2018, at 6:30PM

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

April 26, 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 6:32PM.

B. Establishment of Quorum:

PRESENT: Directors Warden, Vella, Stuebing and Linvill.

Director Zucca was absent.

A quorum was present.

ALSO PRESENT: General Manager Tammy Rudock, Operations Manager Rene Ramirez, District Secretary/Administrative Services Manager Candy Pina, District Counsel Julie Sherman, and District Engineer Joubin Pakpour.

District Treasurer Jeff Ira was absent.

C. Pledge of Allegiance – The Pledge of Allegiance was led by District Counsel Sherman.

2. PUBLIC COMMENTS

Brian Schmidt, a Belmont resident, introduced himself to staff and the Board of Directors. He shared that he has a background in water and offered his expertise to assist the Board in any capacity they see fit.

Ray Moreno, a Belmont resident, expressed concerns about the customer's inability to shut off meters for repairs in an emergency. He was also concerned about the after-hours' \$40.00 service charge. Staff provided responses with regard to welfare and safety issues related to shutting off meters and the justification for District after-hours charges.

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

General Manager Rudock reported that the BAWSCA Update (Regular Business Item 8.E.) would be postponed to the May 26, 2018 Agenda.

4. ACKNOWLEDGEMENTS/PRESENTATIONS

None.

5. CONSENT AGENDA

A. Approve Minutes for the Regular Board Meeting of March 22, 2018

B. Approve Expenditures from March 15, 2018 through April 13, 2018

Vice President Vella moved to approve the minutes for the Regular Board Meeting on April 26, 2018 and expenditures from March 15, 2018 through April 13, 2018. President Warden seconded, and it was unanimously approved.

6. HEARINGS AND APPEALS

None.

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

General Manager Rudock reported that Dan Bergmann was unable to attend this evening's Board meeting and presented highlights from the 2016 COP Quarterly Reconciliation and Project Fund Reports through March 31, 2018.

Director Linvill commented on the professional quality of the report's final format.

8. REGULAR BUSINESS AGENDA

A. Discuss Operational Revenue Requirements and Water Rate Update for Fiscal Year FY 2018/2019 and Consider Ordinance No. 117 Amending Attachment "A" to the MPWD Water Service Ordinance regarding Rates and Charges effective July 1, 2018

General Manager Rudock reported on fiscal impacts and key findings from the Bartle Wells Associates' March 2018 Water Rate Update.

Director Stuebing asked if staff would be using the same rates notification postcard method as years prior. Staff confirmed that the same notification process would be followed, which process complies with applicable law.

The Board and staff discussed at length various options for meeting the MPWD's revenue requirements, including the SFPUC and other local water supplier's rate projections, "Conservation as California's New Way of Life" campaign operational requirements, and past-future District demand and consumption patterns.

Vice President Vella moved to approve Ordinance No. 117 Amending Attachment "A" to the MPWD Water Service Ordinance, regarding Rates and Charges effective July 1, 2018. Director Stuebing seconded and it was unanimously approved.

B. Review and Discuss DRAFT Operating and Capital Budgets for Fiscal Year 2018/2019

General Manager Rudock distributed page 45 of the Board packet to the Board due to a printing error. She presented highlights of proposed budgetary items, including projected inflationary impacts, new development in Belmont, AMI meter change-out program, and potential new hires within the organization.

President Warden inquired as to why staff is not reporting an increase to salaries when they are considering staffing up. General Manager Rudock explained that savings from using cash reserves for pre-funding the Other Post-Employment Benefits Plan (OPEB) and the establishment of the new Pension Rate Stabilization Program (PRSP) provided operational cost savings to absorb the expenses associated with new hires. Staff stated it would verify and confirm the preliminary figures next month.

C. Receive General Manager's Report on Organizational Succession Planning and Consider and Approve MPWD Reorganization effective April 30, 2018

General Manager Rudock reported on organizational succession planning and the four organization charts—the first was the existing chart dated April 26, 2018, the second was titled "By 12/31/2020", the third chart was titled "By 12/31/2022", and the fourth was the proposed organizational chart effective April 30, 2018.

President Warden asked that staff provide additional detail with respect to the new personnel costs and their effects on the budget over the course of the next 3-years. General Manager Rudock confirmed that staff would include that financial analysis when the item was brought back next month for further discussion.

D. Consider San Mateo County Local Agency Formation Commission (LAFCo) Call for Nominations for Regular Special District Member

Director Stuebing recommended the Board nominate Joshua Cosgrove who serves on the North Coast County Water District's Board of Directors for the position and the Board unanimously approved the nomination. Staff agreed it would create the nomination letter to provide to the San Mateo County LAFCo.

E. Receive BAWSCA Report from Vice President Louis Vella

Postponed to next month.

9. MANAGER AND BOARD REPORTS

A. General Manager's Report

General Manager Rudock reported that the 2018 Compensation Study is under way, and confirmed that the MPWD Employee Association agreed to the list of comparator agencies. She added that the 2018 First Quarter Water Conservation staff report was attached to her Manager's report this month.

President Warden advised that the Board's Financial Committee will schedule a date to meet and confer on the staff-proposed DRAFT MPWD Rules of the Board, before next month's Board meeting.

1. Supplemented by Administrative Services Manager's Report

Administrative Services Manager Pina reported on a change to the Reserve Fund report's format and invited the Board to attend the 15-year service anniversary luncheon, which MPWD will be hosting in honor of Robby Piccolotti on Wednesday, May 2, 2018 at 12:00PM.

2. Supplemented by Operations Manager's Report

Operations Manager Ramirez reported that bullet number one under the Maintenance category on his report reflected an error. Staff has actually seen a 3% decrease in USA requests (not 7%). He also provided updates on the major road repair on Alameda de las Pulgas near Carlmont High School and new development.

Vice President Vella asked why estimated water loss under system repairs is classified as unknown for several of the Main Breaks on the Operations report. Operations Manager Ramirez explained that staff was still compiling that data and once available that information will be provided to the Board.

President Warden asked if new development projects were responsible for system upgrades. Staff explained that if the project warranted it, that would be part of the development agreement. Otherwise, the MPWD's Water Capacity Charges and Water Demand Offset fees are calculated and charged if there is no need to upsize the system as a result of the new development.

3. Supplemented by District Engineer's Report

District Engineer Pakpour reported the current 2017/2018 Water Main Replacement CIP Projects are on schedule and within budget. There has been only 1.7% in change orders to date. He also shared that engineering design work has started on the Hillcrest Regulator and Notre Dame Main Replacement projects, and that a Request for Qualifications has been added to MPWD's website for on-call Construction Management and Inspection Services.

B. Financial Reports

Receive Financial Reports for Month Ended March 31, 2018

General Manager Rudock reported on FY 2017/2018 total YTD target, revenues and expenditures.

C. Director Reports

Vice President Vella thanked staff for hosting the Employee Appreciation Dinner at the Iron Gate Restaurant on Friday April 13, 2018 at 6PM. He thought it was well attended and everyone seemed to have a good time.

Director Stuebing reported that he would be attending the San Mateo County California Special Districts Association (CSDA) Meeting and the Association of California Water Agencies (ACWA) Joint Powers Insurance Authority (JPIA) Spring Conference next month.

10. COMMUNICATIONS

General Manager Rudock reported that she met this week with the Association of California Water Agencies (ACWA) representatives Tim Quinn and Brian Sanders to discuss ACWA activities and operations, including Senate Bill 623, the Safe and Affordable Drinking Water Tax Proposal. ACWA and most California water suppliers are against the bill. The representatives asked if there would be an MPWD Director interested in writing an op-ed piece against the bill. President Warden responded that he would be interested.

The Board adjourned into Closed Session at 8:20PM to discuss three matters.

11. CLOSED SESSION

A. Conference with Labor Negotiators pursuant to Government Code § 54957.8

Agency Designated Representative: General Manager Tammy Rudock
Employee Organization: MPWD Employees Association

B. Conference with Real Property Negotiators pursuant to Government Code § 54956.8

Properties: 1510 Folger Drive and 1513-1515 Folger Drive in Belmont, CA; and
"F" Street Vacant Lot (at intersection of F Street and El Camino Real) in
San Carlos, CA

Agency Negotiators: General Manager Tammy Rudock and District Counsel Julie Sherman

Negotiating Parties: Owners
Under Negotiation: Price

- C. Conference with Legal Counsel – Existing Litigation
Pursuant to Government Code § 54956.9 Subdivision (b)
Thomas Felactu, et ux. v. Mid-Peninsula Water District, et. al.
San Mateo County Case No. 18CIV01226

The Board came out of closed session at 9:18PM. District Counsel reported that no reportable action had been taken.

12. ADJOURNMENT

The meeting was adjourned at 9:19PM.

DISTRICT SECRETARY

APPROVED:

BOARD PRESIDENT

Accounts Payable

Checks by Date - Summary by Check Date

User: candyp
Printed: 5/15/2018 10:33 AM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
753	ADPPAYRL	adp	04/16/2018	19.12
755	ADPPAYRL	adp	04/16/2018	9.16
Total for 4/16/2018:				28.28
754	PIT71896	PITNEY BOWES 371896	04/17/2018	1,000.00
33405	BARTLEWL	BARTLE WELLS ASSOCIATES INC	04/17/2018	4,212.87
33406	BAWSCA	BAY AREA WATER SUPPLY & CONSER	04/17/2018	4,108.70
33407	BPLANDSC	BAY POINTE LANDSCAPE	04/17/2018	2,075.00
33408	CINTS	CINTAS CORPORATION	04/17/2018	833.98
33409	DALTONRI	RICHARD DALTON	04/17/2018	596.30
33410	GAROUTTE	MICHAEL GAROUTTE	04/17/2018	596.30
33411	HMBPAVIN	HALF MOON BAY GRADING & PAVINC	04/17/2018	107,679.00
33412	HASSETTH	HASSETT HARDWARE	04/17/2018	6.11
33413	HOMEDPC	HOME DEPOT	04/17/2018	55.15
33414	LEEASSOC	LEE & ASSOCIATES RESCUE, INC.	04/17/2018	3,700.00
33415	LYNGSOMA	LYNGSO GARDEN MATERIAL INC	04/17/2018	97.88
33416	STANCILK	KYLIE STANCIL	04/17/2018	596.30
33417	STEPFORD	STEPFORD BUSINESS, INC.	04/17/2018	138.23
Total for 4/17/2018:				125,695.82
756	ADPPRFEE	ADP Payroll Fees	04/20/2018	264.38
33418	MICHAELI	CHRIS MICHAELIS	04/20/2018	500.00
33419	PETTYCSH	PETTY CASH	04/20/2018	160.81
33420	PICOLOTT	ROBERT PICCOLOTTI	04/20/2018	500.00
Total for 4/20/2018:				1,425.19
1041	STOLOSKI	STOLOSKI & GONZALEZ, Inc.	04/24/2018	351,118.89
1042	HYDROENC	HYDROSCIENCE ENGINEERS INC.	04/24/2018	8,629.22
1043	ROMIGENG	ROMIG ENGINEERS	04/24/2018	558.50
1044	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	04/24/2018	47,280.50
1045	WESTYOST	WEST YOST ASSOCIATES	04/24/2018	29,883.28
Total for 4/24/2018:				437,470.39
757	ACHRETN	ACH Returns	04/25/2018	148.76
33421	ACWA5661	ACWA JPIA	04/25/2018	1,495.81
33422	ATT60197	AT&T 60197	04/25/2018	1,280.65
33423	ASADBAHE	ASAD BAHARI	04/25/2018	100.00
33424	THOBOCCI	THOMAS BOCCI	04/25/2018	100.00
33425	CUEA	CALIFORNIA UTILITIES EMERGENCY	04/25/2018	500.00
33426	JOSEFCEL	JOSEF CELNAR	04/25/2018	674.00
33427	COMCAST	COMCAST	04/25/2018	581.55
33428	COMCASTB	COMCAST BUSINESS	04/25/2018	635.17

Check No	Vendor No	Vendor Name	Check Date	Check Amount
33429	SYNERGY1	CONSERVICE SYNERGY	04/25/2018	5,400.00
33430	EDWACUL	EDWARD CULL	04/25/2018	50.00
33431	REGITMAN	REGINA GITMAN	04/25/2018	50.00
33432	GSFLOWM	GOLDEN STATE FLOW MEASUREMEN	04/25/2018	11,935.13
33433	GRANITE	GRANITE ROCK, INC.	04/25/2018	128.16
33434	HMBPAVIN	HALF MOON BAY GRADING & PAVINC	04/25/2018	20,485.00
33435	HASSETTH	HASSETT HARDWARE	04/25/2018	26.44
33436	HOMEDPC	HOME DEPOT	04/25/2018	26.43
33437	KIMJUNE1	JUNE KIM	04/25/2018	150.00
33438	LINCOLNL	LINCOLN LIFE	04/25/2018	400.00
33439	LOUIEED1	ED LOUIE	04/25/2018	50.00
33440	PACOFFIC	PACIFIC OFFICE AUTOMATION	04/25/2018	356.29
33441	PARS	PARS	04/25/2018	300.00
33442	PRECISE	PRECISE, INC.	04/25/2018	558.15
33443	PUMPREPR	PUMP REPAIR SERVICE CO	04/25/2018	15,760.00
33444	SFWATER	SAN FRANCISCO WATER DEPT	04/25/2018	380,058.50
33445	SMELECTR	SAN MATEO ELECTRIC SUPPLY	04/25/2018	401.12
33446	SCOTSMAN	WILLIAMS SCOTSMAN	04/25/2018	538.00
33447	STANDINS	STANDARD INSURANCE COMPANY	04/25/2018	969.00
33448	VERIZON	VERIZON WIRELESS	04/25/2018	890.34
33449	EANLONWU	EAN WU	04/25/2018	100.00
33450	XIOINC	XIO, INC.	04/25/2018	808.00
33451	SHEILAYE	SHELIA YEE	04/25/2018	50.00
Total for 4/25/2018:				445,006.50
740	CALPERS	CALPERS	04/27/2018	2,730.44
741	ICMACONT	ICMA contributions	04/27/2018	2,073.08
742	HEALTHAQ	Health Equity	04/27/2018	600.00
743	ADPPAYRL	adp	04/27/2018	12,519.96
744	ADPPAYRL	adp	04/27/2018	5,408.81
Total for 4/27/2018:				23,332.29
735	CALPERS	CALPERS	04/30/2018	7,465.11
736	HEALTHAQ	Health Equity	04/30/2018	662.08
737	ICMACONT	ICMA contributions	04/30/2018	816.24
738	ADPPAYRL	adp	04/30/2018	36,444.62
739	ADPPAYRL	adp	04/30/2018	14,425.02
758	WFBUSCAR	WELLS FARGO BUSINESS CARD	04/30/2018	7,500.00
759	DEPOSITE	DEPOSITED ITEM RETN UNPAID	04/30/2018	937.83
Total for 4/30/2018:				68,250.90
772	AUTHNETG	AUTHNET GATEWAY	05/02/2018	30.00
773	MERCHAN1	MERCHANT	05/02/2018	348.28
774	BANKMTO1	Bankcard Mtot Disc	05/02/2018	427.73
775	BANKMTO1	Bankcard Mtot Disc	05/02/2018	4,028.89
Total for 5/2/2018:				4,834.90
33452	AIRGAS	AIRGAS, LLC	05/03/2018	137.82
33453	BLUELINE	BLUELINE RENTAL	05/03/2018	1,767.82
33454	CINTS	CINTAS CORPORATION	05/03/2018	833.98
33455	DAVIDSON	JOHN T. DAVIDSON OR DBA JRocket77	05/03/2018	3,944.75
33456	GSFLOWM	GOLDEN STATE FLOW MEASUREMEN	05/03/2018	3,811.27

Check No	Vendor No	Vendor Name	Check Date	Check Amount
33457	GRANITE	GRANITE ROCK, INC.	05/03/2018	1,054.17
33458	HMBPAVIN	HALF MOON BAY GRADING & PAVINC	05/03/2018	52,873.10
33459	HANSONBR	HANSON, BRIDGETT	05/03/2018	8,606.00
33460	HOMEDPC	HOME DEPOT	05/03/2018	401.89
33461	K119OFCA	K-119 OF CALIFORNIA INC.	05/03/2018	12.00
33462	KIMBALLM	KIMBALL MIDWEST, INC.	05/03/2018	347.14
33463	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	05/03/2018	500.00
33464	PG&E	PG&E CFM/PPC DEPT	05/03/2018	15,488.81
33465	RANDB	ROBERTS & BRUNE CO. INC.	05/03/2018	951.37
33466	STEPFORD	STEPFORD BUSINESS, INC.	05/03/2018	1,600.00
33467	SWRCBACC	SWRCB ACCOUNTING OFFICE	05/03/2018	90.00
33468	VALLEYOL	VALLEY OIL COMPANY	05/03/2018	1,062.89
33469	VANGUARE	VANGUARD CLEANING SYSTEMS, INC	05/03/2018	385.00
Total for 5/3/2018:				93,868.01
776	ADPPRFEE	ADP Payroll Fees	05/04/2018	271.96
Total for 5/4/2018:				271.96
760	WFBUSCAR	WELLS FARGO BUSINESS CARD	05/09/2018	636.87
33470	AIRGAS	AIRGAS, LLC	05/09/2018	133.62
33471	ATT60197	AT&T 60197	05/09/2018	100.90
33472	AWWA6666	AWWA	05/09/2018	1,200.00
33473	CALSYST	CALCON SYSTEMS	05/09/2018	1,500.00
33474	CHESTER	BRENT CHESTER	05/09/2018	925.00
33475	EEAPSAFE	EEAP THE SAFETY PEOPLE, INC.	05/09/2018	555.00
33476	K119OFCA	K-119 OF CALIFORNIA INC.	05/09/2018	206.57
33477	KHANNADI	DEVI KHANNA	05/09/2018	596.30
33478	KULKARNI	ANAGHA KULKARNI	05/09/2018	4,868.51
33479	MICHAELI	CHRIS MICHAELIS	05/09/2018	850.00
33480	Pakpour	PAKPOUR CONSULTING GROUP, INC	05/09/2018	7,674.20
33481	PENBLDG	PENINSULA BUILDING MATERIALS	05/09/2018	16.86
33482	PG&E	PG&E CFM/PPC DEPT	05/09/2018	14.22
33483	PRIORITY	PRIORITY 1 PUBLIC SAFETY EQUIPMI	05/09/2018	7,481.56
33484	RECOLOGY	RECOLOGY SAN MATEO	05/09/2018	654.78
33485	RDWDTIRE	REDWOOD GENERAL TIRE CO INC	05/09/2018	912.41
33486	RANDB	ROBERTS & BRUNE CO. INC.	05/09/2018	746.77
33487	ROYALWHC	ROYAL WHOLESALE ELECTRIC	05/09/2018	163.13
33488	STATEPLU	STATE PLUMBING AND HEATING SUP	05/09/2018	52.69
33489	SWRCBACC	SWRCB ACCOUNTING OFFICE	05/09/2018	130.00
33490	THIRUVEN	SATHYA THIRUVENGADA	05/09/2018	596.30
33491	WUPETER	PETER WU	05/09/2018	596.30
33492	WUSTEVEN	STEVEN WAY-KUNG WU	05/09/2018	3,015.17
Total for 5/9/2018:				33,627.16
766	CALPERS	CALPERS	05/11/2018	2,730.44
767	CALPERS	CALPERS	05/11/2018	9,302.08
768	ICMACONT	ICMA contributions	05/11/2018	2,073.08
769	HEALTHAQ	Health Equity	05/11/2018	200.00
777	CLIENTSV	Client Analysis Svs Charge	05/11/2018	3,640.68
Total for 5/11/2018:				17,946.28
770	ADPPAYRL	adp	05/14/2018	10,286.53

Check No	Vendor No	Vendor Name	Check Date	Check Amount
771	ADPPAYRL	adp	05/14/2018	4,991.08
Total for 5/14/2018:				15,277.61
761	CALPERS	CALPERS	05/15/2018	7,796.35
762	HEALTH EQ	Health Equity	05/15/2018	718.13
763	ICMA CONT	ICMA contributions	05/15/2018	716.24
764	ADPPAYRL	adp	05/15/2018	36,054.69
765	ADPPAYRL	adp	05/15/2018	13,754.18
33493	BAWSCA	BAY AREA WATER SUPPLY & CONSER	05/15/2018	124.00
33494	CINTS	CINTAS CORPORATION	05/15/2018	840.73
33495	COMMASEI	COMMUNITY MANAGEMENT SERVIC	05/15/2018	4,548.08
33496	GRANITE	GRANITE ROCK, INC.	05/15/2018	378.15
33497	KOFFASSO	KOFF & ASSOCIATES INC	05/15/2018	2,080.00
33498	LINCOLNL	LINCOLN LIFE	05/15/2018	200.00
33499	MHN	MHN	05/15/2018	45.54
33500	PARS	PARS	05/15/2018	300.00
33501	RESTORCO	RESTORATION MANAGEMENT COMP	05/15/2018	522.99
33502	RANDB	ROBERTS & BRUNE CO. INC.	05/15/2018	1,980.12
33503	USBANKPR	U.S. BANK PARS ACCT# 6746019200	05/15/2018	375,000.00
Total for 5/15/2018:				445,059.20
Report Total (139 checks):				1,712,094.49



AGENDA ITEM NO. 5.C.

DATE: May 24, 2018
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: CONSIDER RESOLUTION 2018-10 PLACING IN NOMINATION DIRECTOR MATTHEW P. ZUCCA AS A MEMBER OF THE ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA) REGION 5 BOARD

RECOMMENDATION

Approve Resolution 2018-10 placing in nomination Director Matthew P. Zucca as a member of the ACWA Region 5 Board.

FISCAL IMPACT

None for the nomination. If Director Zucca is elected to the ACWA Region 5 Board, the MPWD will provide for his expenses to attend ACWA Region 5 meetings and sponsored events.

DISCUSSION

ACWA recently called for Region 5 Board nominations to fill one member vacancy for the remainder of the 2018-2019 term. The Region 5 Board is comprised of the Chair, Vice Chair, and up to five members.

Director Zucca expressed continued interest in serving on the ACWA Region 5 Board; the Board nominated him last June 2017 during ACWA Region 5 elections. The attached Resolution 2018-10 is required by the ACWA Region 5 Board as part of its review for appointment. Director Zucca will complete a Region Board Candidate Nomination Form and all documentation should be submitted to ACWA by the June 25, 2018 deadline.

The ACWA Region 5 Board will make its appointment shortly after its review of nominated candidates.

Attachments: Resolution 2018-10
ACWA Region 5 Board Call for Nominations dated April 23, 2018

BOARD ACTION:	APPROVED:_____	DENIED:_____	POSTPONED:_____	STAFF DIRECTION:_____
UNANIMOUS_____	WARDEN_____	VELLA_____	LINVILL_____	ZUCCA_____ STUEBING_____

RESOLUTION NO. 2018-10

**PLACING IN NOMINATION MATTHEW P. ZUCCA AS A MEMBER OF
THE ASSOCIATION OF CALIFORNIA WATER AGENCIES REGION 5 BOARD**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Board of Directors for the Mid-Peninsula Water District (MPWD) encourages and supports the participation of its members in the affairs of the Association of California Water Agencies (ACWA); and

WHEREAS, Director Matthew P. Zucca has served on the MPWD Board of Directors since 2005; and

WHEREAS, Director Zucca has indicated a desire to serve as a Board member for the ACWA Region 5 Board.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors for the Mid-Peninsula Water District hereby places its full and unreserved support in the nomination of Matthew P. Zucca for the ACWA Region 5 Board, and acknowledges that the expenses attendant with the service of Matthew P. Zucca in ACWA Region 5 shall be borne by the Mid-Peninsula Water District

REGULARLY passed and adopted this 24th day of May 2018.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

ATTEST:

BOARD PRESIDENT

BOARD SECRETARY

MEMORANDUM

Date: April 23, 2018

To: ACWA Region 5 Member Agency Presidents and General Managers
(sent via e-mail)

From: ACWA Region 5 Board

The Region 5 Board is looking for ACWA members who are interested in leading the direction of ACWA Region 5 for the remainder of the 2018-2019 term. The Board is seeking candidates to fill one Board Member vacancy.

The leadership of ACWA's ten geographical regions is integral to the leadership of the Association as a whole. The Chair and Vice Chair of Region 5 serve on ACWA's Statewide Board of Directors and recommend all committee appointments for Region 5. The members of the Region 5 Board determine the direction and focus of region issues and activities. Additionally, they support the fulfillment of ACWA's goals on behalf of members.

If you, or someone within your agency, are interested in serving in a leadership role within ACWA by becoming a Region 5 Board Member, please familiarize yourself with the Role of the Regions and Responsibilities; and the Region 5 Rules and Regulations (attached) and complete the following steps:

- **Complete the attached Nomination Form**
- **Obtain a Resolution of support from your agency's Board of Directors**
- **Submit the requested information to ACWA by June 25, 2018**

The Region 5 Board will make their appointment shortly thereafter and will inform the region of the results.

If you have any questions, please contact ACWA Regional Affairs Representative Brian Sanders at brians@acwa.com, or Regional and Member Services Specialist II Ana Javaid at anaj@acwa.com, or call (916) 441-4545.

ACWA Region 5 Rules & Regulations

Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association (ACWA Bylaw V, 6.).

Officers

Region officers must be a local agency board member.

The chair shall appoint a secretary to the Board if one is deemed necessary.

Attendance

If a region chair or vice chair is no longer allowed to serve on the Board of Directors due to his / her attendance, the region board shall appoint from the existing region board a new region officer. (ACWA Policy & Guideline Q, 1.)

If a region chair or vice chair misses three consecutive region board / membership meetings, the same process shall be used to backfill the region officer position. (ACWA Policy & Guideline Q, 1.)

If a region board member has three consecutive unexcused absences from a region board meeting or general membership business meeting, the region board will convene to discuss options for removal of the inactive board member. If the vacancy causes the board to fail to meet the minimum requirement of five board members, the region must fill the vacancy according to its rules and regulations. (ACWA Policy & Guideline Q, 3.)

Vacancy

The vice chair position shall automatically ascend to the chair position in the event that a vacancy occurs in the chair position during the regular term cycle.

Elections

All nominations received for the region chair, vice chair and board positions must be accompanied by a resolution of support from each sponsoring member agency, signed by an authorized representative of the Board of Directors. Only one individual may be nominated from a given agency to run for election to a region board. Agencies with representatives serving on the nominating committees should strive not to submit nominations for the region board from their agency. (ACWA Policy & Guideline P, 2.)
Election ballots will be e-mailed to ACWA member agency general managers and presidents.

The nominating committee shall consist of three to five members.

In an effort to preserve objectivity during the nominating committee process, candidates other than nominating committee members shall be nominated for election.

The nominating committee should pursue qualified members within the region to run for the region board, and should consider geographic diversity, agency size and focus in selecting a slate.

See the current region election timeline for specific dates.

Endorsements

ACWA, as a statewide organization, may endorse potential nominees and nominees for appointment to local, regional, and statewide commissions and boards. ACWA's regions may submit a recommendation for consideration and action to the ACWA Board of Directors to endorse a potential nominee or nominee for appointment to a local, regional or statewide commission or board. (ACWA Policy & Guideline P, 3.)

Committee Recommendations & Representation

All regions are given equal opportunity to recommend representatives of the region for appointment to a standing or regular committee of the Association. If a region fails to provide full representation on all ACWA committees, those committee slots will be left open for the remainder of the term or until such time as the region designates a representative to complete the remainder of the term. (ACWA Policy & Guideline P, 4. A.)

At the first region board / membership meeting of the term, regions shall designate a representative serving on each of the standing and regular committees to serve as the official reporter to and from the committee on behalf of the region to facilitate input and communication. (ACWA Policy & Guideline P, 4. B.)

Tours

ACWA may develop and conduct various tours for the regions. All tour attendees must sign a "release and waiver" to attend any and all region tours. Attendees agree to follow environmental guidelines and regulations in accordance with direction from ACWA staff; and will respect the rights and privacy of other attendees. (ACWA Policy & Guideline P, 6.)

Finances

See "Financial Guidelines for ACWA Region Events" document.

Amending the Region Rules & Regulations

ACWA policies and guidelines can be amended by approval of the ACWA Board of Directors. The Region 5 Rules & Regulations can be amended by a majority vote of those present at any Region 5 meeting as long as a quorum is present.



Name of Candidate: _____

Agency: _____ Title: _____

Agency Phone: _____ Direct Phone: _____

E-mail: _____ ACWA Region: _____ County: _____

Address: _____

Agency Function(s): (check all that apply)

- | | | |
|---|---|---|
| <input type="checkbox"/> Wholesale | <input type="checkbox"/> Sewage Treatment | <input type="checkbox"/> Flood Control |
| <input type="checkbox"/> Urban Water Supply | <input type="checkbox"/> Retailer | <input type="checkbox"/> Groundwater Management / Replenishment |
| <input type="checkbox"/> Ag Water Supply | <input type="checkbox"/> Wastewater Reclamation | <input type="checkbox"/> Other: _____ |

Describe your ACWA-related activities that help qualify you for this office:

In the space provided, please write or attach a brief, half-page bio summarizing the experience and qualifications that make you a viable candidate for ACWA Region leadership. Please include the number of years you have served in your current agency position, the number of years you have been involved in water issues and in what capacity you have been involved in the water community.

I acknowledge that the role of a region board member is to actively participate on the Region Board during my term, including attending region board and membership meetings, participating on region conference calls, participating in ACWA's Outreach Program, as well as other ACWA functions to set an example of commitment to the region and the association.

I hereby submit my name for consideration by the Nominating Committee.

(Please attach a copy of your agency's resolution of support/sponsorship for your candidacy.)

_____ Signature	_____ Title	_____ Date
--------------------	----------------	---------------

Submit completed form to Ana Javaid at anaj@acwa.com.



AGENDA ITEM NO. 5.D.

DATE: May 24, 2018
TO: Board of Directors
FROM: Rene A. Ramirez, Operations Manager

SUBJECT: RECEIVE REPORT ON RECENT SALE OF DISTRICT SURPLUS ITEMS, AND APPROVE RESOLUTION 2018-11 ESTABLISHING SURPLUS ITEMS LIST 18-02 AND DECLARING ITEMS IN DISTRICT INVENTORY AS SURPLUS, AND AUTHORIZING STAFF TO SELL THE ITEMS VIA GOVDEALS.COM

RECOMMENDATION

Approve Resolution No. 2018-11 establishing a list known as "Surplus Items List 18-02" and declaring 22 items, or lots of items, in District inventory surplus (see attached Exhibit A for description), and authorizing staff to place the items for sale on a public auction bid site known as GovDeals.com.

FISCAL IMPACT

The items for surplus are old electronic devices/items and have a rough estimate of \$1,000. There is no cost to the District for using GovDeals.com. Anyone can place a bid on an item during the bid period. GovDeals works only for local government agencies across the country. Their income comes from a 10% fee/commission on the items sold that is paid for by the successful bidder. For the District, the proceeds from the sale of items sold through this process are considered miscellaneous revenue.

DISCUSSION

The equipment/items identified on Exhibit A are obsolete and/or no longer being used by the District. This will be the third listing of surplus items, with Board approval, since the first list sold in January 2018. The second auction, which occurred in April, sold 14 of the 27 items and generated slightly more than \$64,000. The largest single sale following the second auction came from sale of the 2005 Peterbilt Service Truck, which sold for \$63,000. Staff is going to re-list those items from the second auction that did not sell and intends to do same for the list before the Board.

Attachments: Resolution 2018-11
Exhibit A – Surplus Items List 18-02

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

UNANIMOUS_____ WARDEN_____ VELLA_____ STEUBING_____ LINVILL_____ ZUCCA_____

RESOLUTION NO. 2018-11

**DECLARING DISTRICT PROPERTY SURPLUS
IDENTIFIED IN SURPLUS ITEMS LIST 18-02**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District no longer has a need or use for the items listed on Exhibit A due to age, obsolescence and/or cost of maintenance; and

WHEREAS, it is highly desirable to sell or dispose of the surplus equipment for the highest return possible.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby declares the equipment listed on Exhibit A, which is incorporated herein by reference, is declared surplus and is to be sold by public auction, bid or sale at the least cost or greatest benefit to the District; and that staff is authorized to undertake any and all actions to transfer title to the successful bidder/purchaser or done.

REGULARLY PASSED AND ADOPTED this 24th day of May, 2018.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

PRESIDENT

ATTEST:

SECRETARY OF THE BOARD

Exhibit A

MPWD

Inventory Date:

May 8, 2018

Surplus Items List 18-02

GovDeals.com - Auction # 3

Description	Model No.	Serial No.
Summagraphics - Digital Pad	SummaSketch III Professional	010405002E604790162
Epson Color Scanner	Expression 836 XL	B05401003MG8518023
HP Business Inkjet Printer	C8110 A	SG46G77807
MP3 Digital On-Hold Audio System	On-Hold Plus 6000	0512-60-000644
HP Deskjet Printer/Scanner/Copier	Deskjet 3050	CN08L1D076
Metrotech Locator	9890 XT	45614
Metrotech Locator	9890 BRI	94089
Samsung External DVD Writer	WriteMaster	SE-S204N/4M8N
Infocus Projector	LP-840	AKLH40400034
Planar 17-inch Monitor	PL1711M	AK621H02135
Planar 17-inch Monitor	DL 1700M	AH429H08688
Planar 19-inch Monitor	PE191M-BK	M1094HE3533726
Planar 19-inch Monitor	PL1910M	CDB02A14578
Dell 17-inch Monitor	Unknown	MX02Y3114760536PA4HX
Dell 17-inch Monitor	Unknown	MX02Y3114760536PA4HR
HP 17-inch Monitor	Pavilion vf52	CNT33705BV
6 - Nortel Desktop Phones	M7310	NNTM040DNKJ3 /NNTM040DNKKW
	M7310	NNTM040DNK5B /NNTM040DNKLO
	M7310	NNTM040C16K9 / NNTM04090AIR



AGENDA ITEM NO. 8.A.

DATE: May 24, 2018
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: CONSIDER AND APPROVE MPWD REORGANIZATION ADDING THREE (3) WATER SYSTEM OPERATORS, EFFECTIVE JULY 1, 2018

RECOMMENDATION:

Approve the MPWD reorganization adding three (3) Water System Operators, effective July 1, 2018.

FISCAL IMPACT:

Three (3) new Water Service Operators are proposed as new hires effective July 1, 2018. Personnel costs for the new hires in FY 2018/2019 are budgeted at:

Salaries & Wages:	\$211,572
Benefits:	<u>\$ 84,629</u>
Total:	\$296,201

Last month the Board inquired about the fiscal impact on the Operating Budget in years beyond FY 2018/2019 for the new hires. Staff worked with Bartle Wells Associates (BWA) and the projected personnel costs were incorporated into the cash flow projections (Table 6) in the Water Rate Update for the fiscal years beyond FY 2018/2019, and that table revised on May 18, 2018 is attached for reference. A significant portion of the projected personnel costs for the new hires was absorbed by reduced operational expenses as a result of the MPWD's pre-funding of the OPEB and pension liabilities. There were nominal impacts to the cash flow projections and no impacts on the previously projected water rates for next fiscal year and future fiscal years. *Please note that the projected increases in personnel costs also include another new hire—a Finance Manager (rather than an Accountant as proposed last month)—which will be discussed with the Board next month.*

BACKGROUND:

Increased new development in Belmont and San Carlos, upcoming staff retirements, and the increased workload as a result of regulatory, financial, and operational impacts now and over the next few years drive the need for prudent hiring and succession planning in order to avoid any lapses in operations.

The MPWD organization currently consists of 18 full-time employees as reflected in the attached Organizational Chart dated April 26, 2018.

DISCUSSION:

The attached Organizational Chart as of December 31, 2022 (presented last month) shows that almost 1/3 of the MPWD staff will be eligible for retirement or retired within the next few years.

Staff recommends that three (3) Water Service Operators be hired, not only to keep up with operations and maintenance as a result of the increased development but also in preparation for the upcoming retirements.

The three (3) Water Service Operators (WSOs) would be trained by Operations Supervisors and staff, initially in meter operations so that the AMI meter change-out project could be completed. This would allow for the new Operations staff to learn the area and system. Two WSOs would be assigned to the Operations Supervisor presently responsible for the AMI installation project and new development, and the other WSO would be assigned to the Operations Supervisor responsible for capital project inspection. Existing Operations staff and/or new staff will share the duties and responsibilities of the retiring Lead Operator because of the significance of the assigned tasks (e.g., Water Quality, Safety, and Risk Management). A new WSO would replace the retiring Maintenance Technician. After AMI meter installations are completed, the WSOs would be trained in the respective operations as assigned or where needed and, through attrition, replace retiring Operations employees.

SECOND PHASE – 2018 MPWD REORGANIZATION

Next month, staff will discuss a second phase of the 2018 MPWD reorganization, including the recruitment for a Finance Manager. After more thought and consideration for MPWD operations, a Finance Manager would be a better solution than hiring an Accountant. A professional working manager, hopefully with public sector experience, would be more suitable to assist with the increased workload on management staff and for succession planning. The Administrative Services Manager would be a built-in backup for the new Finance Manager, while other staffers could be further trained on frontline accounting and finance duties.

Staff is working with KOFF & Associates to add the Finance Manager classification and create a Position Description and proposed salary range for review with the Board next month.

Ultimately, within the next few years and through attrition, the end goal would be for the MPWD organization to have 19 FTE (Full Time Equivalent) positions.

Attachments: Table 6 from BWA Water Rate Update revised May 18, 2018
MPWD Organizational Chart dated April 26, 2018
MPWD Organizational Chart – As of 12/31/2022
PROPOSED Organizational Chart effective July 1, 2018

BOARD ACTION: A PPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____

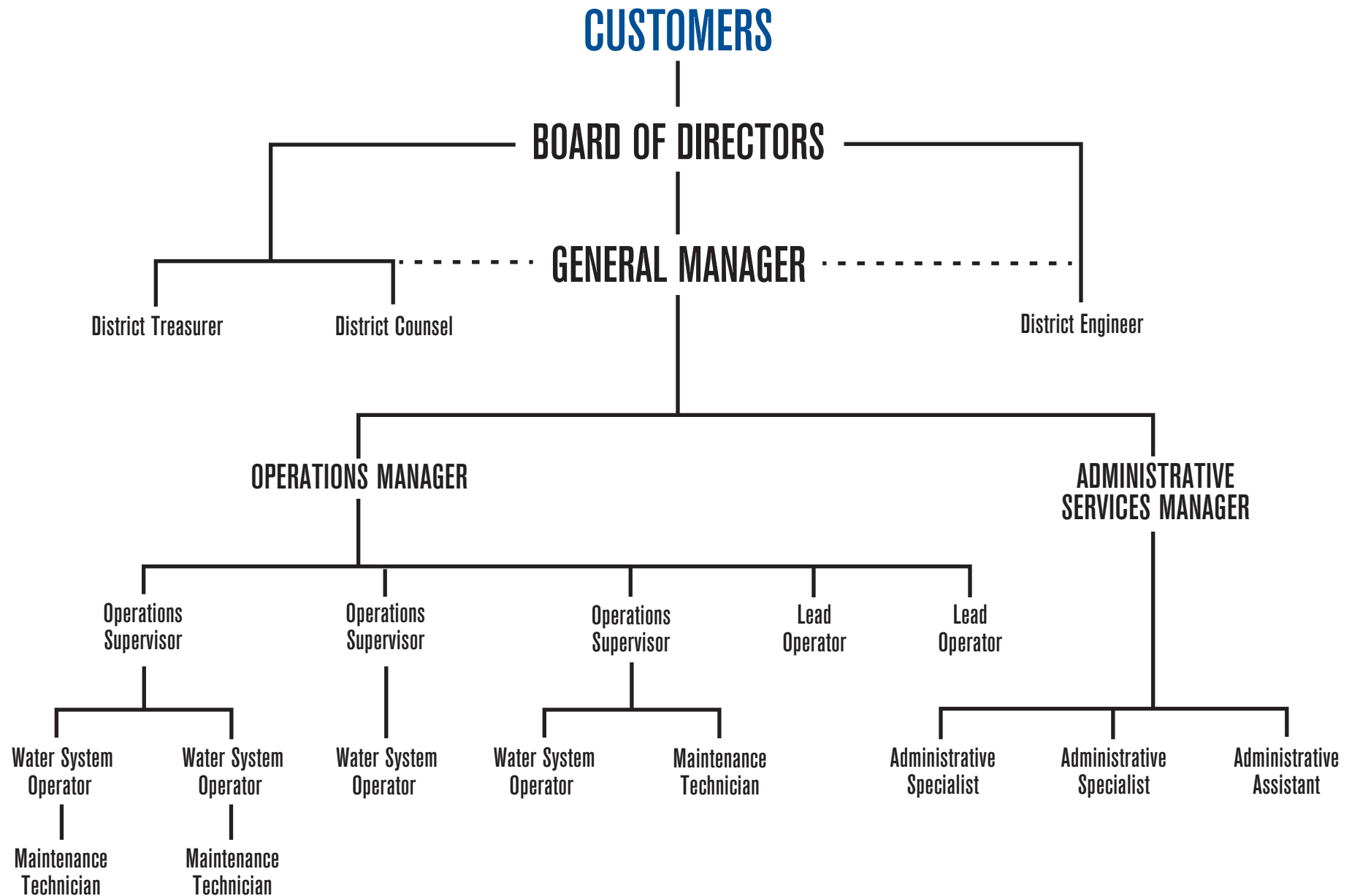
UNANIMOUS_____ WARDEN_____ VELLA_____ LINVILL_____ ZUCCA_____ STUEBING_____

Table 6 - MPWD Cash Flow Projections

	2017/18	2018/19	2019/20	2020/21	2021/22
		Projected	Projected	Projected	Projected
Overall Rate Increase	0.0%	4.1%	4.1%	4.0%	6.0%
Consumption Charge Adjustments	0.0%	2.8%	3.0%	3.0%	6.0%
Fixed Rate Adjustments (1-year lag)	0.0%	8.3%	7.7%	7.1%	6.0%
Growth in Service Connections	32	5	5	1	5
Water System Capacity Charge	\$9,750	\$9,950	\$10,150	\$10,350	\$10,560
Change in Water Sales	9.6%	0.0%	0.0%	0.0%	0.0%
Total Water Sales (hcf)	1,144,600	1,144,600	1,144,600	1,144,600	1,144,600
SFPUC Water Purchases (hcf) +7%	1,224,700	1,224,700	1,224,700	1,224,700	1,224,700
Projected SFPUC Rate per hcf	\$4.10	\$4.10	\$4.10	\$4.30	\$4.50
<i>Prior Est of SFPUC Rate per hcf</i>	<i>\$3.79</i>	<i>\$4.31</i>	<i>\$4.72</i>	<i>\$4.74</i>	<i>\$4.90</i>
Interest Earnings Rate	1.5%	1.5%	1.5%	1.5%	1.5%
Cost Escalation		4.0%	4.0%	4.0%	4.0%
Beginning Fund Reserves	\$4,898,000	\$3,729,000	\$2,323,000	\$2,590,000	\$2,675,000
REVENUES					
Monthly Service Charges	2,657,000	2,880,000	3,104,000	3,326,000	3,528,000
Water Sales	8,996,000	9,248,000	9,525,000	9,811,000	10,400,000
Subtotal Rate Revenues	11,653,000	12,128,000	12,629,000	13,137,000	13,928,000
<i>Annual Increase %</i>	<i>3.5%</i>	<i>4.1%</i>	<i>4.1%</i>	<i>4.0%</i>	<i>6.0%</i>
Interest Revenue	50,000	56,000	35,000	39,000	40,000
Lease of Physical Property	150,000	155,000	160,000	165,000	170,000
Property Taxes	260,000	268,000	276,000	284,000	293,000
Capacity/Demand Offset Charges	310,000	250,000	250,000	10,000	53,000
Other/Miscellaneous Revenues	295,000	65,000	67,000	69,000	71,000
Total Revenues	12,718,000	12,922,000	13,417,000	13,704,000	14,555,000
EXPENSES					
<u>Operating & Maintenance</u>					
Personnel Costs	2,978,000	3,131,000	3,256,000	3,386,000	3,521,000
SFPUC Water Purchases	5,096,000	5,096,000	5,096,000	5,341,000	5,586,000
BAWSCA Bond Surcharge	500,000	500,000	500,000	500,000	500,000
Maintenance & Repair	654,000	680,000	707,000	735,000	764,000
Utilities	306,000	318,000	331,000	344,000	358,000
Professional Services	406,000	422,000	439,000	457,000	475,000
Admin & Equipment	317,000	330,000	343,000	357,000	371,000
Membership & Gov't Fees	209,000	217,000	226,000	235,000	244,000
Other Operating Costs	400,000	416,000	433,000	450,000	468,000
Subtotal	10,866,000	11,110,000	11,331,000	11,805,000	12,287,000
Debt Service	1,052,000	1,068,000	1,069,000	1,064,000	1,070,000
<u>Non-Operating</u>					
Capital Improvements (Pay-Go)	419,000	600,000	750,000	750,000	1,500,000
OPEB & PRSP Contributions	1,550,000	1,550,000	0	0	0
Subtotal	1,969,000	2,150,000	750,000	750,000	1,500,000
Total Expenses	13,887,000	14,328,000	13,150,000	13,619,000	14,857,000
Revenues Less Expenses	(1,169,000)	(1,406,000)	267,000	85,000	(302,000)
Ending Fund Reserves	3,729,000	2,323,000	2,590,000	2,675,000	2,373,000
<i>% of O&M+Debt</i>	<i>31%</i>	<i>19%</i>	<i>21%</i>	<i>21%</i>	<i>18%</i>
Debt Service Coverage	1.76	1.70	1.95	1.78	2.12
Project Fund for 2016 COPs					
Beginning Project Fund	19,225,000	15,977,000	12,815,000	4,217,000	1,090,000
Interest Earnings	200,000	143,000	85,000	26,000	5,000
Capital Improvements	3,448,000	3,305,000	8,683,000	3,153,000	1,095,000
Ending Project Fund	15,977,000	12,815,000	4,217,000	1,090,000	0
<i>Capital Funding Target</i>	<i>3,448,000</i>	<i>3,305,000</i>	<i>8,683,000</i>	<i>3,153,000</i>	<i>4,074,000</i>

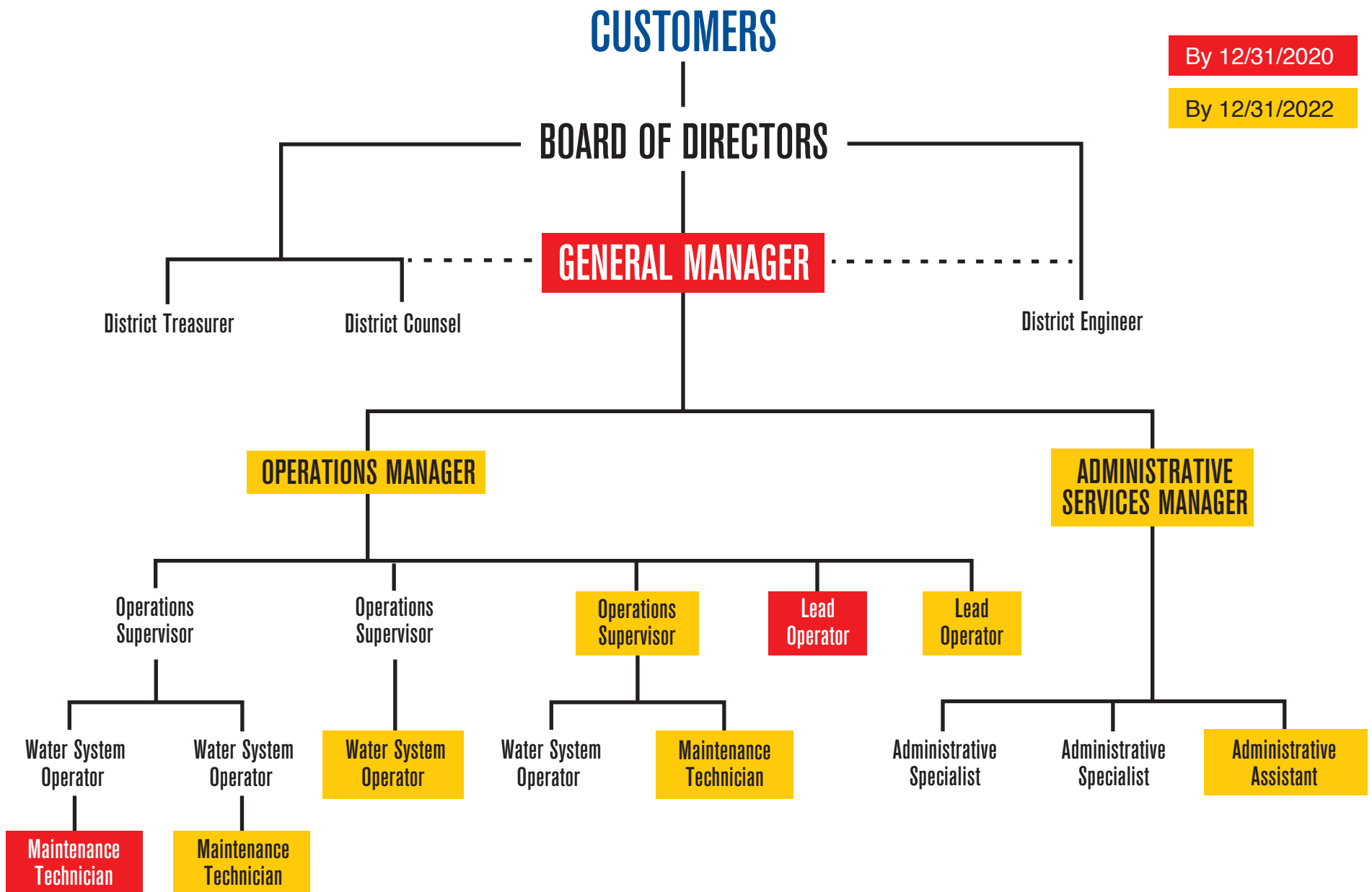


MPWD ORGANIZATIONAL CHART



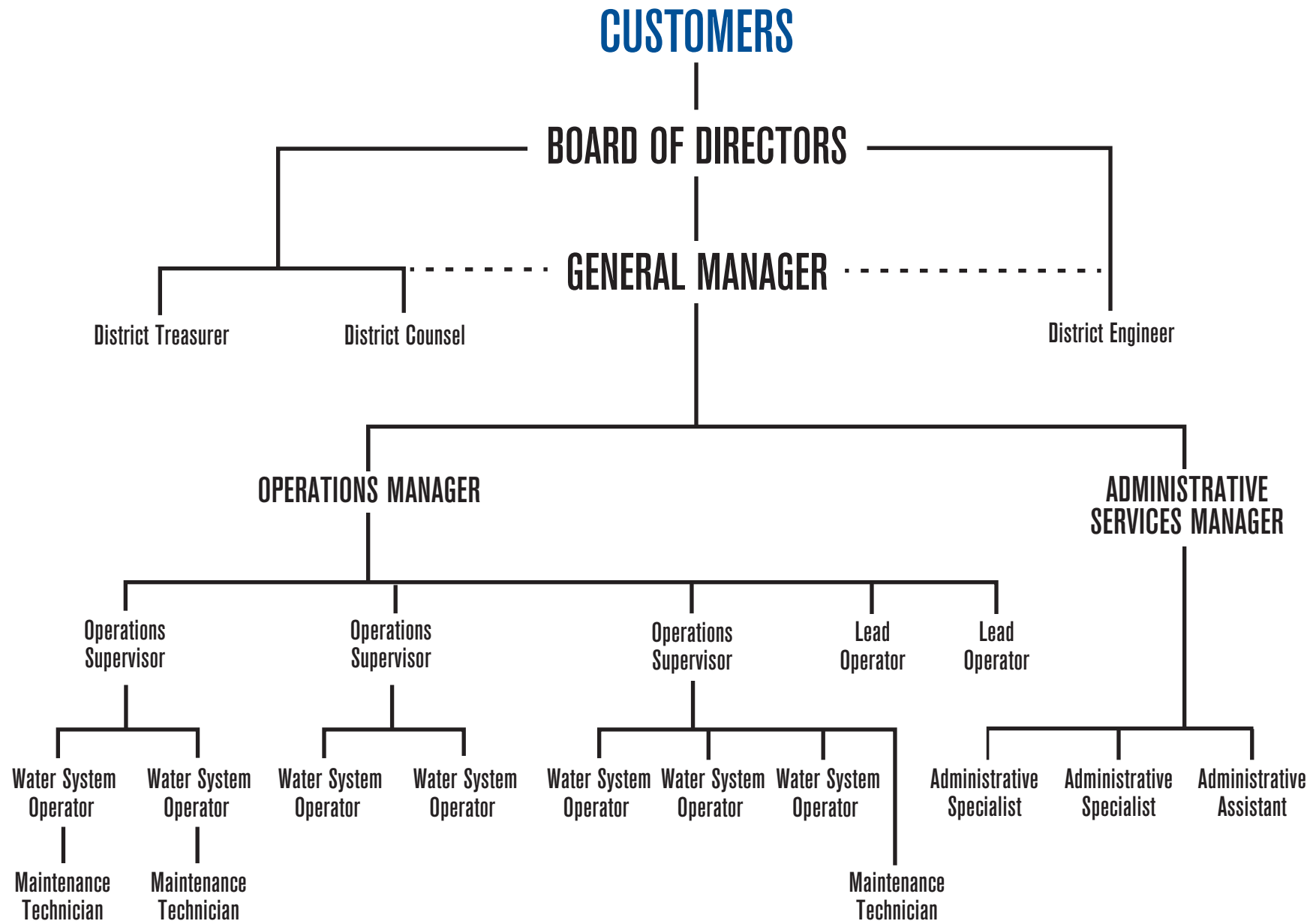


MPWD ORGANIZATIONAL CHART





MPWD ORGANIZATIONAL CHART





AGENDA ITEM NO. 8.B.

DATE: May 24, 2018

TO: Board of Directors

FROM: Tammy Rudock, General Manager
Candy Pina, Administrative Services Manager
Rene Ramirez, Operations Manager

SUBJECT: REVIEW FINAL DRAFT MPWD OPERATING AND CAPITAL BUDGETS FOR FISCAL YEAR 2018/2019, and:

- 1. CONSIDER RESOLUTION 2018-12 APPROVING THE MPWD FY 2018/2019 OPERATING BUDGET; and**
- 2. CONSIDER RESOLUTION 2018-13 APPROVING THE MPWD FY 2018/2019 CAPITAL BUDGET**

RECOMMENDATION

Review the final DRAFT MPWD Operating and Capital Budgets for Fiscal Year 2018/2019, and approve Resolutions 2018-12 and 2018-13.

FISCAL IMPACT

BUDGET CATEGORY	PROPOSED FY 2018/2019	PROJECTED FY 2017/2018	ACTUAL FY 2016/2017	ACTUAL FY 2015/2016	ACTUAL FY 2014/2015	ACTUAL FY 2013/2014
Total Operating Revenues	\$12,992,000	\$12,228,920	\$11,922,416	\$10,582,037	\$9,866,874	\$10,360,026
Total Operating Expenditures*	\$12,992,000	\$12,710,419	\$10,896,225	\$ 9,676,399	\$9,293,119	\$ 8,981,349
Net Transfer to Capital	\$ -0- ***	<\$ 481,499>**	\$ 1,026,191	\$ 905,638	\$ 573,755	\$ 1,378,677

*Total Operating Expenditures include Depreciation Expense.

**An Operating Surplus in the amount of \$481,499 is projected in FY 2017/2018; however, the Net Transfer to Capital is reduced after the full amount of Depreciation expense (\$900,000) is deducted and transferred to the Capital Pay-Go Program.

***The projected Depreciation expense (\$931,500) would be transferred to the proposed Capital Pay-Go Program.

DISCUSSION

FY 2018/2019 OPERATING BUDGET

The following assumptions were made in preparation of the attached FINAL DRAFT FY 2018/2019 Operating Budget:

REVENUES

- FY 2018/2019 Water Commodity Charges and Fixed System Charges reflect the approved water rate adjustments (2.8% increase to commodity charges and increases to monthly fixed

system charges). The overall rate adjustment was 4.1%, which was less than the 6.0% approved during the Proposition 218 process in 2015. Rates notices were mailing to customers and property owners during the week of May 14th.

- Total Operating Revenues are projected to increase by \$724,280 (6.2%). Besides the projected increases from the water rate adjustments, actual FY 2017/2018 fiscal year water sales indicate that revenues will be higher than projected and nearer the water sales projections reflected in the BWA 2018 Water Rate Update. Also property taxes are likely to increase.
- Development revenues (Water System Capacity Charges and Water Demand Offset Charges) have already been collected by the MPWD and are expected to be recognized next fiscal year.
- Total Non-Operating Revenues are projected to increase by \$38,800 (6.8%) when compared with the projected Total Operating Revenues for FY 2016/2017.

EXPENDITURES

- A 3.5% inflationary factor and 1.5% for potential classification adjustment was applied to Salaries & Wages and Payroll Taxes & Benefits and is projected to cover any wage adjustments that might be needed after the completion of the MPWD's 2018 Total Compensation Study, employee annual merit increases, and the hiring of new employees. The annual average CPI for Urban Wage Earners and Clerical Workers in 2017 was 3.1% per the U.S. Department of Labor, Bureau of Labor Statistics, for the San Francisco-Oakland-Hayward area. For the first two months of 2018, it was 3.8%.
- Salaries & Wages, and Payroll Taxes and Benefits, were increased to cover new hires, including three (3) Water System Operators and a proposed Finance Manager (using mid-salary range as maximum hiring point). Last month an Accountant position was proposed for adding to staff but after further consideration and review, staff justified financial and accounting tasks that require a higher level working manager rather than front line employee, especially for succession planning purposes.
- The SFPUC Treated Water projected expenditure was basically held steady at the FY 2017/2018 projected expense since there will be no wholesale customer rate adjustments in FY 2018/2019.
- The majority of operating expenses were held at the budgeted amounts for FY 2017/2018, and a 3.5% inflationary factor was applied to them in FY 2018/2019. The annual average CPI for All Urban Consumers in 2017 was 3.2% per the U.S. Department of Labor, Bureau of Labor Statistics, for the San Francisco-Oakland-Hayward area. For the first two months of 2018, it was 3.6%.
- The MPWD's debt service coverage requirement for the 2016 COPs is 1.3, and per the proposed Operating Budget, it is projected to be 1.89 for FY 2018/2019.

FY 2018/2019 CAPITAL BUDGET

The attached FINAL DRAFT cash-funded Capital Budget for FY 2018/2019 totals \$1,526,500 and includes the following items:

- Capital Improvement Projects
 - 2017 Joint WMR and Belmont Sewer Rehab (Pay-Go Portion) - \$500,000; and
 - AMI meter change-out program - \$778,500.
- Capital Outlay
 - Replacement Mini-Excavator for Operations - \$50,000;
 - Replacement Service Truck for Operations - \$148,000; and
 - Miscellaneous Capital Outlay (placeholder for unknown outlay items or capitalized adjustments) - \$50,000.

The capital projects were identified as priorities within the MPWD 2017-2018 Strategic Plan.

A total of \$595,000 is projected to be transferred from MPWD cash reserves. During the Board's consideration of the MPWD Cash Reserve Policy at its February 22, 2018, regular meeting, \$500,000 of cash reserves was committed for the approved 2017 Joint WMR and Belmont Sewer Rehabilitation project (pay-go portion). The remainder of \$95,000 to be transferred from MPWD cash reserves is represented by proceeds from the sale of surplus vehicles, equipment, and materials during the fiscal year. A total of approximately \$95,000 was collected in auction proceeds and not used in operations, and therefore, reserved. The proposed mini-excavator replaces a large backhoe sold at auction. It would be much more functional and easier to use in tight project areas with limited space within the MPWD system. The same goes for the proposed service truck. A large 2005 Peterbilt was sold at auction and a different truck model would be much more useful for Operations staff and easier to maneuver around town. One other service truck from the MPWD fleet would be proposed for surplus and auction next fiscal year with the purchase of a new service truck.

When considering the MPWD's FY 2018/2019 debt service payment in the amount of \$1,051,500 plus the proposed Capital budget totaling \$1,526,500, a total amount of \$2,578,000 is proposed for Capital expenditures, which is greater than what has been spent in past years (\$1.0 million to \$1.5 million) and responsive to the needs within the system and MPWD operations.

CAPITAL BUDGET ALTERNATIVE

The Final Draft Capital Budget reflects the level of available budgetary funding (\$778,500) for the AMI meter-change out program in FY 2018/2019. A total of \$1.0 million would complete the AMI meter change-out program. There are adequate reserves (above the \$3.0 million target) to transfer the balance needed (\$221,500) to complete the project, and that would be staff's recommendation as part of the Board's final approval process, as reflected in the attached Capital Budget Alternative.

As reported last month, there are operational benefits and efficiencies with the completion of the AMI meter-change program. All customers would be on AMI and have access to their usage information through the Sensus customer portal once launched. An Operations employee would no longer be required to read meters part-time, and return to full-time system maintenance duties.

The continued plan is that new hires would be trained on meter installations initially and that would be their priority, together with existing Water System Operators as trainers and for oversight.

Next fiscal year staff will need to discuss with the Board which capital projects to pursue from the remaining CIP project list (\$32 million in 2015 dollars), or, alternatively, consider reserving any Operating surpluses to save for funding the COP CIP project gap (approximately \$4.0 million to date).

Attachments: FINAL DRAFT FY 2018/2019 MPWD Operating and Capital Budgets
Resolution 2018-12
Resolution 2018-13

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

UNANIMOUS_____ WARDEN_____ STUEBING_____ VELLA_____ LINVILL_____ ZUCCA_____

RESOLUTION NO. 2018-12
APPROVING THE
OPERATING BUDGET FOR FISCAL YEAR 2018/2019

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, at its March 22, 2018 and April 26, 2018, regular meetings, staff presented working drafts of the proposed Operating Budget for Fiscal Year 2018/2019 for discussion; and

WHEREAS, staff developed its final draft Operating Budget for FY 2018/2019 and presented it to the Board of Directors on May 24, 2018, with a recommendation for approval.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby approves a total operating budget for the Fiscal Year 2018/2019:

<i>TOTAL OPERATING REVENUES</i>	<i>\$12,992,000</i>
<i>TOTAL OPERATING EXPENDITURES</i>	<i>\$12,992,000</i>
<i>NET TRANSFER TO CAPITAL</i>	<i>\$ -0-</i>

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

REGULARLY PASSED AND ADOPTED this 24th day of May 2018 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

President, Board of Directors

ATTEST:

District Secretary

RESOLUTION NO. 2018-13

**APPROVING THE
CAPITAL BUDGET FOR FISCAL YEAR 2018/2019**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, at the April 26, 2018 regular meeting of the Board of Directors, staff presented a working draft of the proposed Capital Budget for Fiscal Year 2018/2019 for discussion; and

WHEREAS, staff developed its final draft Capital Budget for FY 2018/2019 totaling \$1,526,500, based upon available projected Operating funds, and presented it to the Board of Directors on May 24, 2018; and

WHEREAS, staff developed a Capital Budget Alternative for FY 2018/2019 totaling \$1,748,000, which included a \$221,500 transfer from District Capital cash reserves to fund the completion of the AMI Meter Change-Out Program, and presented it to the Board of Directors on May 24, 2018.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Mid-Peninsula Water District hereby approves a Fiscal Year 2018/2019 Capital Budget in the total amount of \$1,748,000.

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

REGULARLY PASSED AND ADOPTED this 24th day of May 2018 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

President, Board of Directors

ATTEST:

District Secretary

FINAL DRAFT

MID-PENINSULA WATER DISTRICT BUDGET FOR YEAR 2018-2019 SUMMARY

DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUALS 7/1/2017 3/31/18	FINAL DRAFT FY 2018-2019 BUDGET \$	Increase (Decrease)	Y-T-D % OF BUDGET
OPERATING REVENUE					
WATER COMMODITY CHARGES	8,700,000	7,334,037	9,200,000	500,000	5.7%
FIXED SYSTEM CHARGES	2,663,720	1,993,918	2,880,000	216,280	8.1%
FIRE SERVICE CHARGES	14,000	11,417	14,000	-	0.0%
SERVICE LINE & INSTALLATION CHGS	10,000	76,762	10,000	-	0.0%
MISCELLANEOUS OPERATING	10,000	63,364	10,000	-	0.0%
PROPERTY TAX REVENUE	260,000	242,262	268,000	8,000	3.1%
TOTAL OPERATING REVENUE	11,657,720	9,721,760	12,382,000	724,280	6.2%
WATER SYSTEM CAPACITY CHARGES	200,000	283,109	250,000	50,000	25.0%
WATER DEMAND OFFSET CHARGES	10,000	33,899	65,000	55,000	550.0%
MISCELLANEOUS NON-OPERATING	10,000	(2,260)	10,000	-	0.0%
INTEREST REVENUE - LAIF (RESTRICTED)	40,000	52,036	25,000	(15,000)	-37.5%
INTEREST REVENUE - COP (RESTRICTED)	150,000	134,118	100,000	(50,000)	-33.3%
LEASE OF PHYSICAL PROPERTY	150,000	121,995	155,000	5,000	3.3%
LANDSCAPE PERMIT REVENUE	11,200	12,000	5,000	(6,200)	-55.4%
TOTAL NON-OPERATING REVENUE	571,200	634,897	610,000	38,800	6.8%
TOTAL REVENUE	12,228,920	10,356,658	12,992,000	763,080	6.2%
OPERATING EXPENDITURES (OP EXP)					
SALARIES & WAGES	1,893,566	1,210,912	2,096,385	202,819	10.7%
PAYROLL TAXES & BENEFITS	1,084,880	731,209	1,034,132	(50,748)	-4.7%
PURCHASED WATER	5,554,624	4,222,208	5,654,624	100,000	1.8%
OUTREACH & EDUCATION	92,400	37,479	95,634	3,234	3.5%
M&R - OPS SYSTEM	486,598	282,126	474,775	(11,823)	-2.4%
M&R - FACILITIES & EQUIPMENT	166,860	103,756	172,700	5,840	3.5%
MAJOR MAINTENANCE	30,000	12,376	31,050	1,050	3.5%
OFFICE SUPPLIES & EQUIPMENT	317,278	197,011	292,022	(25,256)	-8.0%
MEMBERSHIP & GOV FEES	208,613	155,517	215,914	7,301	3.5%
BAD DEBT & CLAIMS	17,000	(2,662)	17,595	595	3.5%
UTILITIES	306,200	187,402	316,917	10,717	3.5%
PROFESSIONAL SERVICES	406,450	297,864	420,676	14,226	3.5%
TRAINING/TRAVEL & RECRUITMENT	45,000	21,983	61,575	16,575	36.8%
RESTRICTED EARNINGS	216,000	186,154	125,000	(91,000)	-42.1%
DEBT SERVICE TRUSTEE FEES & EXP	-	1,700	-	-	0.0%
DEBT SERVICE 2016 COPs	984,950	844,823	1,051,500	66,550	6.8%
TOTAL OP EXP LESS DEPRECIATION	11,810,419	8,489,857	12,060,500	250,081	2.1%
TOTAL OP REV LESS OP EXP & DEPR	418,501	1,866,800	931,500	512,999	122.6%
DEPRECIATION	900,000	654,614	931,500	31,500	3.5%
TOTAL OP REVENUE LESS OP EXP	(481,499)	1,212,186	0	481,499	-100.0%
NET TRANSFERS TO CAPITAL	481,499	(1,212,186)	(0)	(481,499)	-100.0%
NET RESULTS OF OPERATIONS	-	-	-	-	
Debt Service Coverage Ratio (DSCR)	31		1.89		

FINAL DRAFT

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 3/31/2018	FINAL DRAFT FY 2018-2019 BUDGET \$	Increase (Decrease)	% OF BUDGET
4010	Water Commodity Charges	8,700,000	7,334,037	9,200,000	500,000	5.7%
4020	Fixed System Charges	2,663,720	1,993,918	2,880,000	216,280	8.1%
4030	Fire Service Charges	14,000	11,417	14,000	-	0.0%
4050	Service Line & Installation Charges	10,000	76,762	10,000	-	0.0%
4080	Miscellaneous Operating	10,000	63,364	10,000	-	0.0%
4000	TOTAL WATER CHARGES	11,397,720	9,479,498	12,114,000	716,280	6.3%
4202	Property Tax Revenue	260,000	242,262	268,000	8,000	3.1%
4200	OTHER OPERATING REVENUE	260,000	242,262	268,000	8,000	3.1%
	TOTAL OPERATING REVENUE	11,657,720	9,721,760	12,382,000	724,280	6.2%
4060	Water System Capacity Charges	200,000	283,109	250,000	50,000	25.0%
4070	Water Demand Offset Charges	10,000	33,899	65,000	55,000	550.0%
4090	Miscellaneous - Non Operating	10,000	(2,260)	10,000	-	0.0%
4102	Interest Revenue- LAIF (Restricted)	40,000	52,036	25,000	(15,000)	-37.5%
4103	Interest Revenue-COP Funds (Restricted)	150,000	134,118	100,000	(50,000)	-33.3%
4100	INTEREST REVENUE	190,000	186,154	125,000	(65,000)	-34.2%
4201	Lease of Physical Property	150,000	121,995	155,000	5,000	3.3%
4208	Landscape Plan Permit Review	11,200	12,000	5,000	(6,200)	-55.4%
4200	OTHER NON-OPERATING REVENUE	161,200	133,995	160,000	(1,200)	-0.7%
4000	TOTAL NON-OPERATING REVENUE	571,200	634,897	610,000	38,800	6.8%
	TOTAL OPERATING & NON-OP REVENUE	12,228,920	10,356,658	12,992,000	763,080	6.2%
6011	Salaries & Wages	1,822,566	1,150,556	2,000,000	177,434	9.7%
6012	Director Compensation	11,000	6,000	11,385	385	3.5%
6010	GROSS REGULAR WAGES	1,833,566	1,156,556	2,011,385	177,819	9.7%
6017	CAPITAL SALARY & WAGES reversed					
6021	Overtime Labor	30,000	26,309	45,000	15,000	50.0%
6022	Standby Labor	30,000	28,047	40,000	10,000	33.3%
6020	SUB-TOTAL SALARY & WAGES	1,893,566	1,210,912	2,096,385	202,819	63.9%
6031	FICA/Medicare PR Tax	125,000	92,560	159,849	34,849	27.9%
6038	ACWA Health Care	329,600	284,194	430,723	101,123	30.7%
6039	ACWA Dental	25,000	22,433	32,179	7,179	28.7%
6040	ACWA Vision	4,481	3,907	4,638	157	3.5%
6041	ACWA Life/AD&D	4,326	3,671	4,577	251	5.8%
6042	Standard LDL/SDL Disability	10,000	8,696	18,000	8,000	80.0%
6043	Workers' Comp Insurance	40,000	28,855	41,400	1,400	3.5%

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 3/31/2018	FINAL DRAFT FY 2018-2019 BUDGET \$	Increase (Decrease)	% OF BUDGET
6044	Unemployment	1,030	-	1,066	36	3.5%
6045	CALPERS Retirement - ER 2%@55	275,000	181,410	164,625	(110,375)	-40.1%
6046	Retirees' ACWA Health Care	57,680	48,003	-	(57,680)	-100.0%
6047	Directors' ACWA Health Care	111,240	88,287	115,133	3,893	3.5%
6049	Medical Reimbursement	1,030	410	1,066	36	3.5%
6050	Employee Service Recognition	10,000	7,118	10,350	350	3.5%
6051	Safety Incentive Program	15,000	4,577	15,525	525	3.5%
6052	Uniforms	25,493	20,528	35,000	9,507	37.3%
6053	PARS OPEB Expense	50,000	98,212	-	(50,000)	-100.0%
6030	TOTAL PAYROLL TAXES & BENEFITS	1,084,880	892,860	1,034,132	(50,748)	-4.7%
6054	CAPITAL PAYROLL, TAXES & BENEFITS		(161,651)			
6000	PERSONNEL COSTS	2,978,446	1,942,120	3,130,517	152,071	5.1%
6101	SFPUC Treated Water	5,000,000	3,796,670	5,100,000	100,000	2.0%
6102	BAWSCA (Debt Service Surcharges)	476,000	366,840	476,000	-	0.0%
6103	Rates Stabilization	-	-	-	-	N/A
6104	SFPUC Water Service Charge	78,624	58,698	78,624	-	0.0%
6100	PURCHASED WATER	5,554,624	4,222,208	5,654,624	100,000	1.8%
6301	Water Conservation Program	7,200	4,281	7,452	252	3.5%
6302	School Conservation Program	7,200	22,827	7,452	252	3.5%
6303	Public Outreach & Education	15,000	5,046	15,525	525	3.5%
6305	HET Rebates	19,750	1,932	20,441	691	3.5%
6306	Washing Machine Rebates	-	-	-	-	N/A
6307	Lawn-Be-Gone Rebates	38,100	3,177	39,434	1,334	3.5%
6308	Rain Barrel Rebates	5,150	215	5,330	180	3.5%
6304	TOTAL WATER CONSERVATION REBATES	63,000	5,324	65,205	2,205	3.5%
6300	OUTREACH/EDUCATION	92,400	37,479	95,634	3,234	3.5%
6401	Water Quality	69,010	18,811	60,000	(9,010)	-13.1%
6402	Pumping	65,148	3,767	50,000	(15,148)	-23.3%
6403	Storage Tanks	10,300	744	10,661	361	3.5%
6404	Mains/Distribution	200,000	191,542	207,000	7,000	3.5%
6405	Meters & Service	30,900	11,237	31,982	1,082	3.5%
6406	Fire Hydrants	31,930	28,398	33,048	1,118	3.5%
6407	Regulator Stations	6,180	2,812	6,396	216	3.5%
6408	Safety	32,960	12,780	34,114	1,154	3.5%
6409	SCADA Maintenance	15,450	10,182	15,991	541	3.5%
6410	Generator Maintenance	24,720	1,853	25,585	865	3.5%
6400	M&R - OPS SYSTEMS	486,598	282,126	474,775	(11,823)	-2.4%
6501	M&R-Buildings&Grounds	95,790	61,286	99,143	3,353	3.5%
6502	M&R- Equipment&Tools	21,630	8,674	22,387	757	3.5%
6503	M&R- Vehicles & Large Equipment	19,570	16,742	20,255	685	3.5%
6504	M&R - Fuel	29,870	17,054	30,915	1,045	3.5%
6500	M&R - FACILITIES & EQUIPMENT	166,860	103,756	172,700	5,840	3.5%

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 3/31/2018	FINAL DRAFT FY 2018-2019 BUDGET \$	Increase (Decrease)	% OF BUDGET
6601	Cathodic Protection Survey	-	(1,424)	-	-	N/A
6602	Leak Detection Survey	30,000	13,800	31,050	1,050	3.5%
6600	MAJOR MAINTENANCE	30,000	12,376	31,050	1,050	3.5%
6701	Office Supplies	15,450	5,105	15,991	541	3.5%
6702	Insurance- Liability/Vehicles	80,000	54,542	82,800	2,800	3.5%
6703	Postage	8,240	1,399	8,528	288	3.5%
6704	Printing/Printing Supplies	10,000	6,916	10,350	350	3.5%
6705	Equipment Services/Maintenance	20,000	9,221	20,700	700	3.5%
6706	Computer Supplies & Upgrades	32,000	13,633	33,120	1,120	3.5%
6707	Security & Safety	11,073	3,881	11,461	388	3.5%
6708	Other Fees	515	-	533	18	3.5%
6709	Customer Credit Card Svs Fees	140,000	102,313	108,539	(31,461)	-22.5%
6700	OFFICE SUPPLIES & EQUIP	317,278	197,011	292,022	(25,256)	-8.0%
6801	Dues & Publications	30,685	25,445	31,759	1,074	3.5%
6802	Gov't Fees & Licenses	29,848	19,394	30,893	1,045	3.5%
6803	BAWSCA Membership Assessments	76,000	36,302	78,660	2,660	3.5%
6804	Env Health - Cross Connection Inspection	31,930	24,525	33,048	1,118	3.5%
6805	Software License	40,150	49,851	41,555	1,405	3.5%
6800	MEMBERSHIP & GOV FEES	208,613	155,517	215,914	7,301	3.5%
6901	Bad Debt	7,000	(2,089)	7,245	245	3.5%
6902	Claims	10,000	(573)	10,350	350	3.5%
6900	BAD DEBT & CLAIMS	17,000	(2,662)	17,595	595	3.5%
7001	Utilities-Internet/Cable	10,000	5,552	10,350	350	3.5%
7002	Utilities-Cellular Telephones	12,206	8,255	12,633	427	3.5%
7003	Utilities-Electric-Pumping	226,600	133,925	234,531	7,931	3.5%
7004	Utilities-Electric-Bldgs&Grounds	24,720	17,331	25,585	865	3.5%
7005	Utilities-Telephones	25,000	17,637	25,875	875	3.5%
7006	Utilities-Sewer - NPDES	7,674	4,702	7,943	269	3.5%
7000	UTILITIES	306,200	187,402	316,917	10,717	3.5%
7101	Prof Serv - District Counsel	75,000	48,934	77,625	2,625	3.5%
7102	Prof Serv - District Engineer	65,000	49,533	67,275	2,275	3.5%
7103	Prof Serv - IT	19,750	15,150	20,441	691	3.5%
7104	Prof Serv- Annual Finance Audit	19,000	19,050	19,665	665	3.5%
7105	Prof Serv - Mngmt Consult	-	-	-	-	N/A
7106	Prof Serv- Accounting & Payroll	21,750	13,464	22,511	761	3.5%
7107	Prof Serv- Customer Billing	72,250	46,726	74,779	2,529	3.5%
7109	Prof Serv - Answering Svs	5,000	2,529	5,175	175	3.5%
7110	Prof Serv - Miscellaneous	125,000	100,679	129,375	4,375	3.5%
7111	Prof Serv - District Treasurer	3,700	1,800	3,830	130	3.5%
7100	PROFESSIONAL SERVICES	34 406,450	297,864	420,676	14,226	3.5%

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 3/31/2018	FINAL DRAFT FY 2018-2019 BUDGET \$	Increase (Decrease)	% OF BUDGET
7201	Director Travel	5,000	2,733	5,175	175	3.5%
7202	Director Expense	1,000	-	1,035	35	3.5%
7203	Elections	-	-	15,000	15,000	100.0%
7204	Employee Travel/Training	32,000	17,121	33,120	1,120	3.5%
7205	Meetings Expense	7,000	2,129	7,245	245	3.5%
7200	TRAINING & TRAVEL	45,000	21,983	61,575	16,575	36.8%
7302	Restricted Earnings Expense - Interest LAIF & COP	216,000	186,154	125,000	(91,000)	-42.1%
7300	RESTRICTED EARNINGS EXPENSE	216,000	186,154	125,000	(91,000)	-42.1%
8001	Working Reserves: Capital	-	-	-	-	N/A
8002	Working Reserves: Operating	-	-	-	-	N/A
8000	RESERVES	-	-	-		N/A
9010	DEPRECIATION	900,000	654,614	931,500	31,500	3.5%
9011	DEBT SERVICE TRUSTEE FEES & EXPENSES	-	1,700	-	-	N/A
9012	DEBT SERVICE 2017-2018 COPs	984,950	844,823	1,051,500	66,550	6.8%
SUB-TOTAL - OPERATING EXPENSES		9,731,973	7,202,351	9,861,482	129,509	1.3%
TOTAL OPERATING EXPENSES		12,710,419	9,144,472	12,992,000	281,581	2.2%
NET OPERATING SURPLUS/(LOSS)						
TRANSFER TO CAPITAL		(481,499)	1,212,186	0	481,499	
Debt Service Coverage Ratio (DSCR)				1.89		

FINAL DRAFT

MID-PENINSULA WATER DISTRICT BUDGET FOR FY 2018-2019 Capital Projects

DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 3/31/2018	FINAL DRAFT FY 2018-2019 BUDGET \$
CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)			
2017 Joint WMR and Belmont Sewer Rehab Project (Pay-Go Portion)	375,000	13,672	500,000
AMI Meter Change Out Program	-	-	778,500
CAPITAL IMPROVEMENTS - WIP TOTAL	375,000	13,672	1,278,500
CAPITAL OUTLAY			
Replacement Mini-Excavator for Operations	-	-	50,000
Replacement Service Truck for Operations			148,000
Replacement Priinter/Scanner/Copier	18,504	18,504	-
Miscellaneous Capital Outlay/Projects	25,000	-	50,000
CAPITAL OUTLAY TOTAL	43,504	18,504	248,000
CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL	418,504	32,176	1,526,500
DEPRECIATION	900,000	654,614	931,500
TRANSFER FROM OPS	(481,496)	1,212,186	0
TRANSFER FROM CAPITAL RESERVES (PRIOR YEAR)	-	-	595,000
TRANSFER (TO)/FROM CAPITAL RESERVES	-	(1,834,624)	-
CAPITAL OUTLAY/CAPITAL PROJECTS	(418,504)	(32,176)	(1,526,500)
NET RESULTS OF CAPITAL	-	0	0

ALTERNATIVE

MID-PENINSULA WATER DISTRICT BUDGET FOR FY 2018-2019 Capital Projects

DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 3/31/2018	FINAL DRAFT FY 2018-2019 BUDGET \$
CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)			
2017 Joint WMR and Belmont Sewer Rehab Project (Pay-Go Portion)	375,000	13,672	500,000
AMI Meter Change Out Program	-	-	1,000,000
CAPITAL IMPROVEMENTS - WIP TOTAL	375,000	13,672	1,500,000
CAPITAL OUTLAY			
Replacement Mini-Excavator for Operations	-	-	50,000
Replacement Service Truck for Operations			148,000
Replacement Priinter/Scanner/Copier	18,504	18,504	-
Miscellaneous Capital Outlay/Projects	25,000	-	50,000
CAPITAL OUTLAY TOTAL	43,504	18,504	248,000
CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL	418,504	32,176	1,748,000
DEPRECIATION	900,000	654,614	931,500
TRANSFER FROM OPS	(481,496)	1,212,186	0
TRANSFER FROM CAPITAL RESERVES (PRIOR YEAR)	-	-	595,000
TRANSFER (TO)/FROM CAPITAL RESERVES	-	(1,834,624)	221,500
CAPITAL OUTLAY/CAPITAL PROJECTS	(418,504)	(32,176)	(1,748,000)
NET RESULTS OF CAPITAL	-	0	0



AGENDA ITEM NO. 8.C.

DATE: May 24, 2018

TO: Board of Directors

FROM: Tammy Rudock, General Manager
Julie Sherman, District Counsel

SUBJECT: REVIEW AND DISCUSS WORKING DRAFT OF MPWD RULES OF THE BOARD OF DIRECTORS

RECOMMENDATION:

Review and discuss the working draft of the MPWD Rules of the Board of Directors.

FISCAL IMPACT:

District Counsel services to date (approximately \$2,500).

DISCUSSION:

Governing rules/bylaws for the Board were initially discussed back in 2013, and the Board directed staff and District Counsel to work with the Board's committee to create a working draft for discussion. Director Linvill and President Warden presently make up the Board's committee.

District Counsel Julie Sherman reviewed the draft Board Bylaws developed by staff and edited by District Counsel Joan Cassman back in 2013, as well as the draft Bylaws created by Director Linvill in 2016. The attached working draft MPWD Rules of the Board of Directors is the result after considering the previous draft documents.

The Board's committee met to discuss the working draft in advance of the meeting and will lead the discussion.

Attachment: Working DRAFT MPWD Rules of the Board of Directors

BOARD ACTION: A PPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____

UNANIMOUS_____ WARDEN_____ VELLA_____ LINVILL_____ ZUCCA_____ STUEBING_____



BOARD OF DIRECTORS RULES OF THE BOARD

The Board of Directors ("Board") of the Mid-Peninsula Water District ("MPWD" or "District") hereby adopts these Rules of the Board ("Rules") to govern its proceedings pursuant to Section 30530 of the California Water Code.

These Rules are designed solely to facilitate the handling by the Board of its own affairs. These Rules are not intended, and shall not be construed, to create procedural or substantive rights in any person who is not a member of the Board in the event an action is taken by the Board in a manner that may depart from, or be inconsistent with, these Rules.

1. OFFICERS OF THE BOARD OF DIRECTORS

- 1.1 The officers of the Board of Directors are the President and Vice President.
- 1.2 The President of the Board of Directors shall serve as presiding officer at all Board meetings. The President shall have the same rights as the other members of the Board with regard to voting, introducing motions, resolutions, and ordinances, and participating in any discussion.
- 1.3 In the absence of the President, the Vice President of the Board of Directors shall serve as presiding officer over the Board meeting. If the President and Vice President are both absent, the remaining members shall select one among themselves to act as presiding officer for the meeting.
- 1.4 The President and Vice President of the Board shall be elected annually at the first regular meeting in December and the term of office shall commence immediately upon election and continue for one year or until replaced.
- 1.5 The offices of District General Manager, District Counsel, District Engineer and District Treasurer shall be appointed by the Board of Directors and those appointed individuals shall serve until replaced.

- 1.6 The President shall sign all contracts for the procurement of equipment, supplies, materials or services when the amount to be paid by the District exceeds the spending limits delegated to the General Manager.
- 1.7 The President shall have power to appoint directors to standing and advisory committees of the Board and to designate the chairperson of such committees. The President shall also have power to appoint directors to serve as the representative of the District to all other groups and organizations, except in cases of appointments that the law requires be made by action of the full Board.
- 1.8 The President shall have such other powers and duties as shall be designated by the Board.

2. MEETINGS

- 2.1 All regular and special meetings shall be open and public as required by law.
- 2.2 Regular meetings of the Board of Directors shall commence at 6:30PM on the fourth Thursday of each calendar month at the MPWD offices, 3 Dairy Lane, in Belmont, California unless otherwise directed by the Board of Directors.
- 2.3 Members of the Board of Directors shall attend all regular and special meetings of the Board unless there is good cause for their absence.
- 2.4 No Board action may be taken on an item not on the posted agenda; provided, however, matters deemed to be an emergency may be added to the agenda in accordance with the procedures of the Ralph M. Brown Act ("Brown Act").

Special meetings of the Board may be called at any time by the President or by a majority of the members of the Board. Notice and publication must be in accordance with the Brown Act.

- 2.5 Pursuant to the Brown Act:
 - A. Board Members may briefly respond to statements or questions from the public; and
 - B. Board Members may, on their own initiative or in response to public questions, ask questions for clarification, provide references to staff or other resources for factual information, or request staff to report back at a subsequent meeting; and
 - C. Any Board Member may direct staff to place a matter on a future agenda.

- 2.6 A majority of the total membership of the Board shall constitute a quorum for the transaction of MPWD business. A majority of the total membership of the Board is sufficient to do business; however, motions must be passed unanimously if only three Board members are in attendance. When there is no quorum for a regular meeting, the President, Vice President, or any Board Member shall adjourn such meeting, or, if no Board Member is present, the District General Manager shall adjourn the meeting.
- 2.7 A roll call vote shall be taken upon votes on ordinances and resolutions and any other matters that may be requested by a majority of the Board members, and shall be entered in the minutes of the Board showing those Board Members voting aye, voting no and those abstaining or absent. Unless a Board Member states that they are not voting because of a conflict of interest and steps down from the dais prior to the discussion of the item, his or her silence shall be recorded as an affirmative vote and vote of abstention shall be recorded as an abstention.

3. AGENDAS

- 3.1 The General Manager, in consultation with the Board President, shall prepare an agenda for each regular and special meeting of the Board of Directors. Any Board Member may contact the General Manager and request an item to be placed on the regular meeting agenda no later than 4:30PM two (2) weeks prior to the meeting date. The General Manager shall establish an MPWD policy to guide staff in the preparation of meeting agendas.
- 3.2 Public comments on agenda items should be held until the appropriate item is called. Public comment shall be directed to the President of the Board and limited to three (3) minutes unless extended or shortened at the President's discretion. Board members may briefly respond to public comments, however, a discussion should not occur.
- 3.3 Those items on the MPWD agenda, which are considered to be of a routine and non-controversial nature, are placed on the CONSENT AGENDA. These items shall be approved, adopted, and accepted by one motion of the Board of Directors. For example, approval Minutes, approval of Expenditures, minor budgetary items, status reports, contracts for budgeted items, and routine MPWD operations.
- A. Board Members may request that any item listed under CONSENT AGENDA be removed from the CONSENT AGENDA, and the Board will then take action separately on that item. Members of the public will be given an opportunity to comment on the CONSENT AGENDA;

however, only a member of the Board of Directors can remove an item from the CONSENT AGENDA. Items, which are removed ("pulled") by a Board Member for discussion, will typically be heard after other CONSENT AGENDA items are approved unless the President orders an earlier or later time.

- B. A Board Member may ask questions on any item on the CONSENT AGENDA. When a Board Member has a minor question for clarification concerning a CONSENT AGENDA item, which will not involve extended discussion, the item may be discussed for clarification and the questions will be addressed along with the rest of the CONSENT AGENDA. Board Members are encouraged to seek clarifications prior to the meeting, if possible.
- C. When a Board Member wishes to pull a CONSENT ITEM simply to register a dissenting vote, the Board Member shall inform the presiding officer that they wish to register a dissenting vote without discussion. These items will be handled along with the rest of the CONSENT AGENDA, and the District Administrative Services Manager or Secretary (hereinafter referred to as "Secretary") will register a "NO" vote in the minutes.

4. PREPARATION OF MINUTES AND MAINTENANCE OF RECORDINGS

- 4.1 The Administrative Services Manager, serving as Board Secretary, shall arrange for minutes of each Board meeting to be prepared. Such minutes need not include the text of ordinances and resolutions adopted, which shall be recorded in separate volumes. Such minutes are intended to be a summary of discussion and Board action, and shall not be a verbatim transcript of the meeting. Minutes shall reflect roll call votes on all motions approving ordinances and resolutions and the dissenting votes of any director(s) on other motions.
- 4.2 Written materials delivered to the Board at the meeting that were not contained in the Board agenda packet for review by the Board prior to the meeting shall not be included in the meeting minutes.
- 4.3 The Board Secretary shall attempt to record the names and general place of residence of persons (if voluntarily provided) addressing the Board, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter.
- 4.4 Whenever the Board acts in a quasi-judicial proceeding, such as in assessment matters, the Board Secretary shall compile a summary of the testimony of the witnesses.

- 4.5 Any electronic media of an MPWD meeting made for whatever purpose at the direction of the MPWD shall be subject to inspection pursuant to the California Public Records Act. MPWD tape and film records may be erased ninety (90) days after the taping or recording.

5. COMMITTEES

5.1. Standing Committees. The Board may create standing committees that have continuing jurisdiction over a particular subject matter, or a set meeting schedule.

5.2. Ad Hoc Committees. The President, on their own initiative, may create ad hoc committees to undertake special assignments on behalf of the Board. An ad hoc committee shall exist until its special assignments are completed or it is disbanded by the President of the Board.

6. AUTHORITY OF BOARD MEMBERS

6.1 The Board of Directors is the body that directs and authorizes policies for the MPWD. Board Members have no individual authority, and individual Board Members may not commit the MPWD to any policy, act, or expenditure. Routine matters concerning the operational aspects of the MPWD are to be referred to the General Manager.

6.2 Board Members are responsible for monitoring the MPWD's progress in attaining the Board's goals and objectives, while pursuing the Board's mission.

7. BOARD MEMBER COMMUNICATIONS

7.1 Board Members, by making a request to the General Manager or Secretary, shall have access to information relative to the operations of the MPWD, including but not limited to statistical information, information serving as the basis for certain actions of staff, justification for staff recommendations, etc.

7.2 In handling complaints from customers within the MPWD, or other members of the public, Board Members are encouraged to listen carefully to the concerns, but the complaint should be referred to the General Manager for processing and the MPWD's response, if any.

7.3 When approached by MPWD personnel concerning specific MPWD policy, Board Members should encourage such personnel to direct their inquiries to the General Manager. The chain of command should be followed for personnel matters.

- 7.4 Board Members and the General Manager should develop a working relationship that fosters open communication and discussion about current issues, concerns, and MPWD projects.
- 7.5 When responding to constituent requests or concerns, Board Members should respond in a positive manner and route their questions to the General Manager, or in their absence, to the Board Secretary.

8. CONFLICT OF INTEREST

- 8.1 The Board shall adopt a Conflict of Interest Code, which will designate the officials and employees required to file disclosure of economic interest statements on an annual basis.
- 8.2 State conflict of interest rules, the purpose of which is to ensure all public agency actions are taken in the public's interest, apply to the Board. These laws include, but are not limited to, the Political Reform Act and Government Code section 1090 et. seq. Board members are encouraged to consult with District Counsel for advice regarding such laws.

9. CORRESPONDENCE DISTRIBUTION POLICY

The following correspondence shall be electronically delivered to the Board of Directors or with the monthly agenda packet:

- A. All letters approved by the Board of Directors.
- B. All letters and other documents received by the MPWD that are of an MPWD-wide concern as determined by MPWD staff.

The MPWD General Manager shall establish a policy for receiving, processing, and distribution of MPWD correspondence.

10. EVALUATIONS

The MPWD's General Manager shall be evaluated annually, in accordance with the terms of the General Manager's employment agreement.

11. AMENDMENTS

These Rules may be suspended, amended or repealed at any Board of Directors' meeting by a majority of the members of the Board.



AGENDA ITEM NO. 8.D.

DATE: May 24, 2018

TO: Board of Directors

FROM: Tammy Rudock, General Manager
Julie Sherman, District Counsel

SUBJECT: CONSIDER AND APPROVE RESOLUTION 2018-14 DECLARING AS SURPLUS PROPERTY THAT REAL PROPERTY OWNED BY THE MPWD AND IDENTIFIED BY:

- 1. ASSESSOR'S PARCEL NUMBERS 044-352-050 AND 044-353-080, COMMONLY KNOWN AS 1510 FOLGER DRIVE IN BELMONT, CALIFORNIA; AND**
- 2. ASSESSOR'S PARCEL NUMBER 044-351-040, COMMONLY KNOWN AS 1513-1515 FOLGER DRIVE IN BELMONT, CALIFORNIA; AND**
- 3. ASSESSOR'S PARCEL NUMBER 045-321-100, COMMONLY KNOWN AS "F" STREET PARCEL AT THE INTERSECTION OF EL CAMINO REAL AND "F" STREET IN SAN CARLOS, CALIFORNIA**

RECOMMENDATION:

Approve Resolution 2018-14 declaring as surplus property that real property owned by the MPWD and identified by:

1. Assessor's Parcel Numbers 044-352-050 and 044-353-080, Commonly Known as 1510 Folger Drive in Belmont, California; and
2. Assessor's Parcel Number 044-351-040, Commonly Known as 1513-1515 Folger Drive in Belmont, California; and
3. Assessor's Parcel Number 045-321-100, Commonly Known as "F" Street Parcel at the Intersection of El Camino Real and "F" Street in San Carlos, California

FISCAL IMPACT:

District Counsel professional services to date approximately \$3,500.

BACKGROUND:

California Government Code Section 54220 et seq., sets forth procedures for public agencies to dispose of surplus land, which include the requirement that the MPWD declare the property surplus and first offer the property for sale to local agencies for purposes of low and moderate income housing, parks and recreation, public schools, or open space.

DISCUSSION:

Attached are MAI appraisals prepared by Watts, Cohn & Partners, Inc., dated March 2018 for the subject real properties owned by the MPWD and proposed for surplus.

During the past several years, the properties have been evaluated by staff, especially during the development of the MPWD long-term CIP. The property located at 1510 Folger Drive in Belmont has been used for contractor mobilization during construction of MPWD CIP projects and the rental paid to the MPWD was initially \$1,500 per month, but was increased to \$2,500 per month last year. None of the other properties have generated any income since 2015 after a long-term lease at 1513 Folger ended.

As stated on pages 12-13 in the MAI appraisal report for 1510 Folger Drive in Belmont:

"...parcel number 044-353-080 is encroached upon by the neighboring property to the east, due to the incorrect placement of the neighbor's fence...this encroachment reduces the subject's total site area by approximately 340 square feet."

And, further, that:

"While the encroachment reduces the developable area of the site...it is not considered to significantly affect the utility or marketability of the property."

Staff recommends that notice be transmitted to the neighbor of the MPWD's intentions to relocate its fence to the surveyed property boundaries on APN 044-353-080 (the eastern side of 1510 Folger Drive), which would eliminate the neighbor's encroachment on MPWD property.

Staff recommends consideration by the Board that the side of 1510 Folger Drive in Belmont identified by APN 044-352-050 be retained by the MPWD for potential future discussions about a housing option for the General Manager position.

The attached Resolution 2018-14 would authorize the surplus of the identified real property and offer for sale first to local agencies per California Government Code Section 54220 et seq. If no offer is received or negotiations with the General Manager and District Counsel are unsuccessful after sixty (60) days from the offer for sale, the General Manager would be authorized to dispose of the property after establishing minimum purchase prices. All offers and bids for the surplus properties would be brought to the Board for approval.

Attachments: Resolution 2018-14
MAI Appraisal for 1510 Folger Drive in Belmont, CA, dated March 2018
MAI Appraisal for 1513-1515 Folger Drive in Belmont, CA, dated March 2018
MAI Appraisal for "F" Street Parcel in San Carlos, CA, dated March 2018

BOARD ACTION: A PPROVED:_____ DENIED:_____ POSTPONED:_____ STAFF DIRECTION:_____

UNANIMOUS_____ WARDEN_____ VELLA_____ LINVILL_____ ZUCCA_____ STUEBING_____

RESOLUTION NO. 2018-14

DECLARING AS SURPLUS PROPERTY REAL PROPERTY IDENTIFIED BY:

- 1. ASSESSOR'S PARCEL NUMBERS 044-352-050 AND 044-353-080, COMMONLY KNOWN AS 1510 FOLGER DRIVE IN BELMONT, CA;**
- 2. ASSESSOR'S PARCEL NUMBER 044-351-040, COMMONLY KNOWN AS 1513-1515 FOLGER DRIVE IN BELMONT, CA; AND**
- 3. ASSESSOR'S PARCEL NUMBER 045-320-100, COMMONLY KNOWN AS "F" STREET PARCEL, IN SAN CARLOS, CA**

*** * ***

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District ("District") is the owner of certain real property located within the City of Belmont, California, identified by Assessor's Parcel Numbers ("APNs") 044-352-050 and 044-353-080, commonly known as 1510 Folger Drive, APN 044-351-040, commonly known as 1513-1515 Folger Drive, and real property within the City of San Carlos, identified by APN 045-320-100, commonly known as "F" Street Parcel; and

WHEREAS, after consideration of its long-term needs and planned growth, the District has determined that this real property is surplus to the District's needs; and

WHEREAS, California Government Code Section 54220 et seq., sets forth procedures for public agencies to dispose of surplus land, which include the requirement that the District declare the property to be surplus and first offer the property for sale to local agencies for purposes of low and moderate income housing, parks or recreation, public schools or open space.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that certain real property in Belmont identified as APNs 044-352-050 and 044-353-080, APN 044-351-040, and that real property in San Carlos identified as APN 045-320-100, is declared surplus to the needs of the District; and

BE IT FURTHER RESOLVED that the General Manager is authorized to prepare notices advertising the availability of the properties for purchase to public entities as specified in California Government Code Section 54220 et seq., and specifying a deadline for response within sixty (60) days after receipt of the District's notice; and

BE IT FURTHER RESOLVED that the General Manager and General Counsel are authorized to negotiate on behalf of the District with any of the public entities specified above; and

BE IT FURTHER RESOLVED that if no offer is received from a public entity pursuant to California Government Code Section 54220 et seq., or an offer is received, but good faith

negotiations are unsuccessful, then the General Manager is authorized to proceed with the disposal of said property; and

BE IT FURTHER RESOLVED that the Board of Directors directs the General Manager to establish minimum purchase prices for the parcels to be disposed of; and

BE IT FURTHER RESOLVED that the General Manager is directed to bring all offers and bids on said surplus properties to the Board for approval.

REGULARLY PASSED AND ADOPTED this 24th day of May 2018.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

PRESIDENT, BOARD OF DIRECTORS

ATTEST:

DISTRICT SECRETARY

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

APPRAISAL OF:
1510 FOLGER DRIVE
BELMONT, CALIFORNIA

PREPARED FOR:
MID-PENINSULA WATER DISTRICT
BELMONT, CALIFORNIA

MARCH 2018
18-WCP-008A

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

March 7, 2018

Ms. Tammy Rudock
General Manager
Mid-Peninsula Water District
3 Dairy Lane
Belmont, California 94002

Re: 18-WCP-008A, Appraisal
1510 Folger Drive
Belmont, California

Dear Ms. Rudock:

At your request and authorization, Watts, Cohn and Partners, Inc. has made an appraisal of the above referenced property. The subject property appraised has an address of 1510 Folger Drive in the city of Belmont, San Mateo County, California. The property is situated on the south side of Folger Drive in the Central neighborhood of Belmont. The subject consists of two parcels, with a total area of 26,328 square feet or 0.60 acres. The eastern parcel is approximately 10,512 square feet or 0.24 acres and the southwestern parcel is approximately 15,816 square feet, or 0.36 acres in size. The site is somewhat irregular in shape and slopes downward to the south. The Mid-Peninsula Water District has used the property as a maintenance yard and employee facility for several decades. As further discussed in this report, the improvements are vacant and are considered to be at the end of their economic life. The highest and best use concluded in this appraisal report is for the demolition of the existing improvements and the development of two single family residences.

The southwestern parcel is improved with two older buildings. The improvements include a vacant two-story office/meeting facility with a garage space on the lower level. The building is estimated to date from the late 1970s or early 1980s and is approximately 1,368 square feet in size. This structure is situated close to the street frontage and considered to be in dated but average condition. The other structure is an abandoned pump house with living quarters that is approximately 2,000 square feet in size. This structure appears to date from the 1920s. It is considered in poor condition. The eastern parcel is an unpaved yard, which is encroached upon by the neighboring property to the east.

The site is further identified by the San Mateo County Assessor as Assessor Parcel Numbers (APNs): 044-352-050 and 044-353-080.

582 Market Street, Suite 512 | San Francisco, CA 94104 | 415-777-2666

Mark Watts | mark@wattscohn.com | Sara Cohn, MAI | sara@wattscohn.com

The purpose of this appraisal is to estimate the as-is market value of the fee simple interest in the subject property and to estimate the as-is value of the subject property encroached upon by the adjacent neighbor. It is our understanding that the intended use/user of this appraisal is for the exclusive use of the Mid-Peninsula Water District and the MPWD Board of Directors. The intended use (function) for which this appraisal was contracted is to assist in decisions relating to the possible sale of the property. ***This report should not be relied upon by any other parties for any reason.***

A more complete description of the subject property appraised, as well as the research and analysis leading to our opinions of value, is contained in the attached report. Chapter I provides a basic summary of salient facts and conditions upon which this appraisal is based and reviews the value conclusions.

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

1. The slope of the subject parcels is based on estimates provided by the City of Belmont's Elevation Viewer. It is noted that the slopes are based on aerial photographs and are estimated calculations. The slopes utilized in this report are assumed to be accurate.

The use of any hypothetical conditions or extraordinary assumptions in this report might have affected the assignment results.

VALUE CONCLUSION

As-Is Market Value

Based on the research and analysis contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the undersigned that the as-is market value of the fee simple interest in the subject property, as of February 19, 2018, is estimated to be:

TWO MILLION THREE HUNDRED EIGHTY THOUSAND DOLLARS

(\$2,380,000)

Further, it is our opinion that the above value could be achieved within a 12-month active exposure period.

As-Is Value of the Subject Property Encroached upon by the Adjacent Neighbor

Based on the research and analyses contained in the report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the as-is value of the subject property encroached upon by the adjacent neighbor, as of February 19, 2018, is estimated to be:

THIRTY FIVE THOUSAND DOLLARS

(\$35,000)

Watts, Cohn and Partners, Inc.

Commercial Real Estate Appraisal

18-WCP-008A

Further, it is our opinion that the above values could be achieved within a 12-month active exposure period.

This letter must remain attached to the appraisal report, identified on the footer of each page as 18-WCP-008A, plus related exhibits, in order for the value opinion set forth to be considered valid.

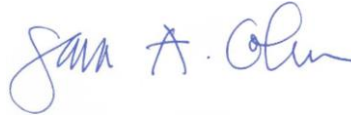
CERTIFICATION

We, the undersigned, hereby certify that, to the best of our knowledge and belief: the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results, our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal; the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan; our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and is in compliance with FIRREA; Sara Cohn and Mark Watts have made a personal inspection of the property that is the subject of this report; Christie Turner has not made a personal inspection of the property that is the subject of this report; no one provided significant real property appraisal assistance to the persons signing this report. The use of this report is subject to the requirements of the Appraisal Institute related to review by its duly authorized representatives. In accordance with the Competency Rule in the USPAP, we certify that our education, experience and knowledge are sufficient to appraise the type of property being valued in this report. We have not provided services regarding the property that is the subject of this report in the 36 months prior to accepting this assignment.

We are pleased to have had this opportunity to be of service. Please contact us if there are any questions regarding this appraisal.

Sincerely,

WATTS, COHN AND PARTNERS, INC.



Sara A. Cohn, MAI
Certified General Real Estate Appraiser
State of California No AG014469



Mark Watts
Certified General Real Estate Appraiser
State of California No. AG015362



Christie L. Turner
Certified General Real Estate Appraiser
State of California No. 3001438

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ADDENDA

**Comparable Land Sale Photographs
Qualifications and License of Appraisers**

I. REPORT SUMMARY

A. Property Appraised

The subject property appraised has an address of 1510 Folger Drive in the city of Belmont. The property is situated on the south side of Folger Drive in the Central neighborhood of Belmont. The subject consists of two parcels, with a total area of 26,328 square feet or 0.60 acres. The eastern parcel is approximately 10,512 square feet or 0.24 acres and the southwestern parcel is approximately 15,816 square feet or 0.36 acres. The site is somewhat irregular in shape and slopes downward to the south. The Mid-Peninsula Water District has used the property as a maintenance yard and employee facility for several decades. As further discussed in this report, the improvements are vacant and are considered to be at the end of their economic life. The highest and best use concluded in this appraisal report is for the demolition of the existing improvements and the development of two single family residences.

The southwestern parcel is improved with two older buildings. The improvements include a vacant two-story office/meeting facility with a garage space on the lower level. The building is estimated to date from the late 1970s or early 1980s and is approximately 1,368 square feet in size. This structure is situated close to the street frontage and considered to be in dated but average condition. The other structure is an abandoned pump house with living quarters that is approximately 2,000 square feet in size. This structure appears to date from the 1920s. It is considered in poor condition. The eastern parcel is a paved maintenance yard, which is encroached upon by the neighboring property to the east. The site is further identified by the San Mateo County Assessor as Assessor Parcel Numbers (APNs): 044-352-050 and 044-353-080.

The purpose of this appraisal is to estimate the as-is market value of the fee simple interest in the subject property and to estimate the as-is value of the subject property, approximately 340 square feet, encroached upon by the adjacent neighbor.

The property interest appraised is the fee simple interest.

B. Property Identification

Assessor's Parcel Nos.	044-352-050, 044-535-080
Zoning	R-1B Single Family
Census Tract No.	6087.00
Zip Code	94002
Flood Zone (Insurance is NOT Required)	N/A
Earthquake Fault Zone	None
Thomas Brother's Map Grid	33/A3

C. Client, Purpose, Intended Use and Intended User

The client for this appraisal is Ms. Tammy Rudock, General Manager of The Mid-Peninsula Water District. The purpose of this appraisal is to estimate the as-is market value of the fee simple interest in the subject property and to estimate the as-is value of the subject property, approximately 340 square feet, encroached upon by the adjacent neighbor. It is our understanding that the intended use/user of this appraisal is for the exclusive use of the Mid-Peninsula Water District and the MPWD Board of Directors. The intended use (function) for which this appraisal was contracted is to assist in decisions relating to the possible sale of the property. *This report should not be relied upon by any other parties for any reason.*

D. Reporting Format

This appraisal report is presented in a narrative format.

E. Scope of Work

The scope of work for this appraisal assignment report is to utilize the appropriate approaches to value in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) to arrive at a market value conclusion. Specific steps include the inspection of the subject property and the research, analysis and verification of comparable data to arrive at a value indication as put forth in this report. The Sales Comparison Approach is considered to be the best indicator for the subject property. The Income and Cost Approaches are not considered relevant and are not included.

F. Date of Appraisal and Date of Report

The effective date of valuation is February 19, 2018.

The date of this report is March 7, 2018.

G. Definition of Terms**1. Market Value (OCC 12 CFR 34.42 (g)) (OTS 12 CFR, Part 564.2 (g))**

“Market value” means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;

- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

2. *Fee Simple Interest (The Appraisal of Real Estate, 13th Edition, 2008, p.111)*

A fee simple interest in valuation terms is defined as "... absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." It is an inheritable estate.

H. Value Conclusions

As-Is Market Value

Based on the research and analysis contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the undersigned that the as-is market value of the fee simple interest in the subject property, as of February 19, 2018, is estimated to be:

TWO MILLION THREE HUNDRED EIGHTY THOUSAND DOLLARS

(\$2,380,000)

Further, it is our opinion that the above value could be achieved within a 12-month active exposure period.

As-Is Value of the Subject Property Encroached upon by the Adjacent Neighbor

Based on the research and analyses contained in the report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the as-is value of the subject property encroached upon by the adjacent neighbor, as of February 19, 2018, is estimated to be:

THIRTY FIVE THOUSAND DOLLARS

(\$35,000)

Further, it is our opinion that the above values could be achieved within a 12-month active exposure period.

I. Assumptions and Limiting Conditions

Extraordinary Assumptions and Limiting Conditions

1. The slope of the subject parcels is based on estimates provided by the City of Belmont's Elevation Viewer. It is noted that the slopes are based on aerial photographs and are estimated calculations. The slopes utilized in this report are assumed to be accurate.

The use of any hypothetical conditions or extraordinary assumptions in this report might have affected the assignment results.

General Limiting Conditions

2. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable and it is free and clear of liens, encumbrances and special assessments other than as stated in this report.
3. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraisers is assumed by the appraisers.
4. All information has been checked where possible and is believed to be correct, but is not guaranteed as such.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no additional soil contamination exists, other than as outlined herein, as a result of chemical drainage or leakage in connection with any production operations on or near the property.
6. In this assignment, the existence (if any) of potentially hazardous materials used in the construction or maintenance of the improvements or disposed of on the site has not been considered. These materials may include (but are not limited to) the existence of formaldehyde foam insulation, asbestos insulation, or toxic wastes. The appraiser is not qualified to detect such substances. The client is advised to retain an expert in this field.

7. Any projections of income and expenses in this report are not predictions of the future. Rather, they are an estimate of current market thinking of what future income and expenses will be. No warranty or representation is made that these projections will materialize.
8. The appraisers are not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
9. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event only with the proper written qualification, only in its entirety, and only for the contracted intended use as stated herein.
10. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI designation.
11. Information regarding any earthquake and flood hazard zones for the subject property was provided by outside sources. Accurately reading flood hazard and earthquake maps, as well as tracking constant changes in the zone designations, is a specialized skill and outside the scope of the services provided in this appraisal assignment. No responsibility is assumed by the appraiser in the misinterpretation of these maps. It is strongly recommended that any lending institution re-verify earthquake and flood hazard locations for any property for which they are providing a mortgage loan.

II. AREA AND NEIGHBORHOOD DESCRIPTION

A. San Mateo County

San Mateo County is one of the nine counties comprising the San Francisco Bay Area. It totals approximately 450 square miles of land extending from the Pacific Ocean on the west to San Francisco Bay on the east, and benefits from its proximity to both San Francisco and the Silicon Valley. The county is geographically divided into eastern and western portions by the Santa Cruz foothills, with most development traditionally having taken place along the more accessible eastern portion, facing the San Francisco Bay.

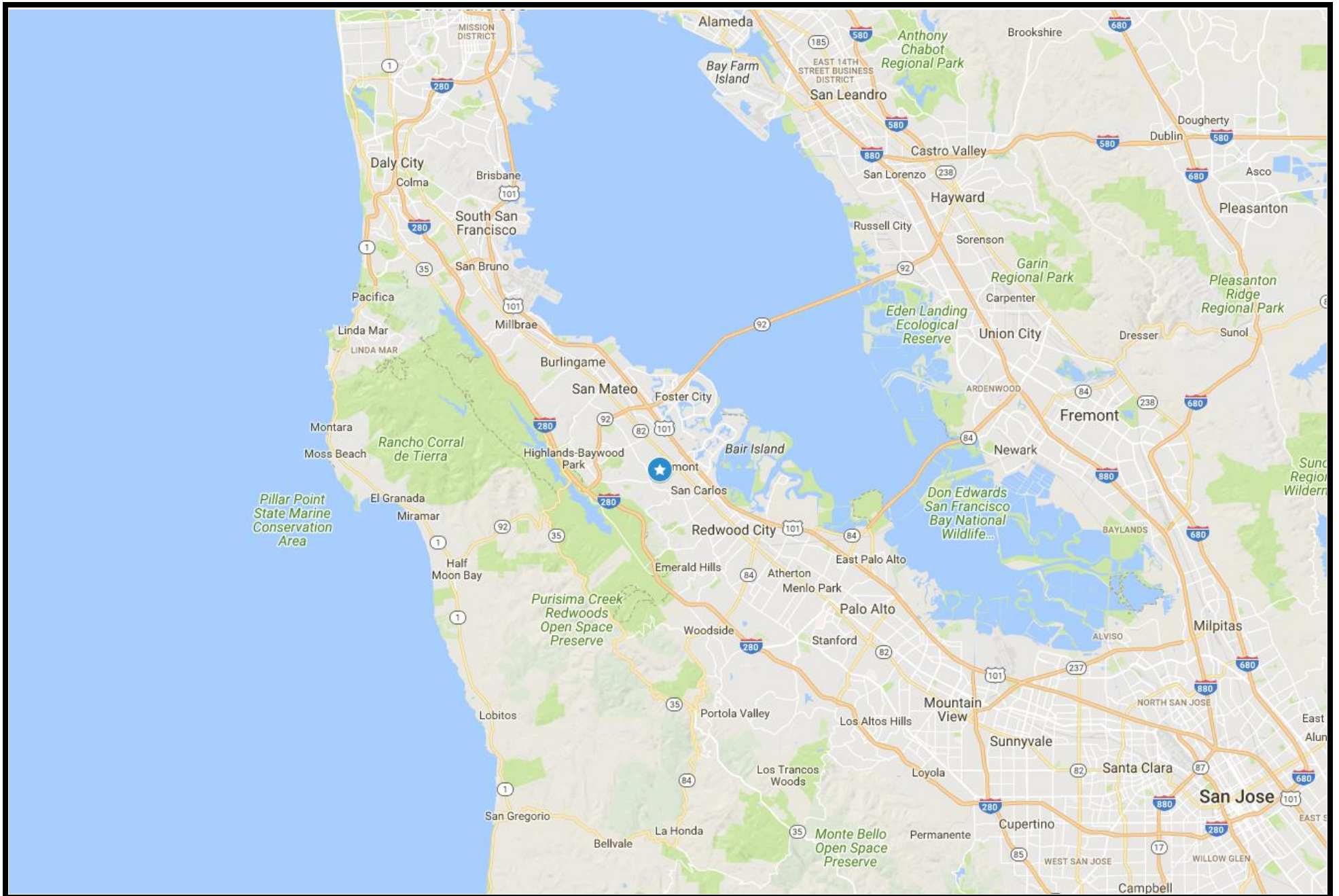
The county is characterized by a ribbon of manufacturing, engineering, and technical products firms closest to the bay, with business and residential areas stretching westward into the foothills. Land available for development is in short supply. Consequently, population expansion has slowed. As of January 1, 2017, (most recent information available), the California State Department of Finance (DOF) estimated the county's population at 770,203, a 0.6 percent increase from the prior year. The Association of Bay Area Governments (ABAG) 2013 projections estimate that San Mateo County's population will rise to 805,600 by 2025.

In terms of employment, San Mateo County has a diversified economy. Its unemployment has historically been below state and national levels. The California Economic Development Department (EDD) reports that as of December 2017, San Mateo County had an unemployment rate of 2.1 percent, which is down slightly from 2.7 percent one year prior.

County residents' household earnings, average education levels, and spending power are all above average for the region. Both rents and home sale prices are high in San Mateo County, and there is a generally recognized dearth of affordable housing for area residents. Consequently, many workers commute from other counties and cities, adding to traffic congestion throughout the area.

Transportation systems serving the county are well established and heavily used by area residents and workers. Two primary freeways running north/south through the area are the Bayshore Freeway (Highway 101) and Interstate 280 (I-280). Highway 92 and I-380 connect these arteries in the central and north/central portions of the county. El Camino Real is the main, commercially developed surface street on the San Francisco Peninsula. Caltrain passenger trains and limited rail freight serve the area, and SamTrans bus service is also available. The San Francisco International Airport is the region's main airport.

REGIONAL MAP



B. City of Belmont

Belmont is located in the southern portion of San Mateo County, bordered by the City of San Carlos on the south, the Cities of San Mateo and Foster City to the north, unincorporated San Mateo County to the west, and the San Francisco Bay to the east. As of January 1, 2017, the State Department of Finance estimated Belmont's population at 27,594, which represents a 0.1 percent decrease from the January 1, 2016 estimate of 27,608.

Similar to the county as a whole, Belmont employment statistics are historically low. Unemployment, according to the EDD, was reported at a rate of 1.8 percent as of December 2017. This represents an improvement from the rate of 2.2 percent reported one year earlier.

Belmont is primarily a residential community. The majority of the city's lands are developed with single and multi-family residential projects situated on the moderate to steep hillside terrain located west of El Camino Real. Industrial land uses are clustered mostly along Highway 101. Commercial development exists primarily along the El Camino Real and Ralston Avenue corridors and is comprised mainly of small, one- to two-story, neighborhood-serving structures which were built between 1950 and 1970.

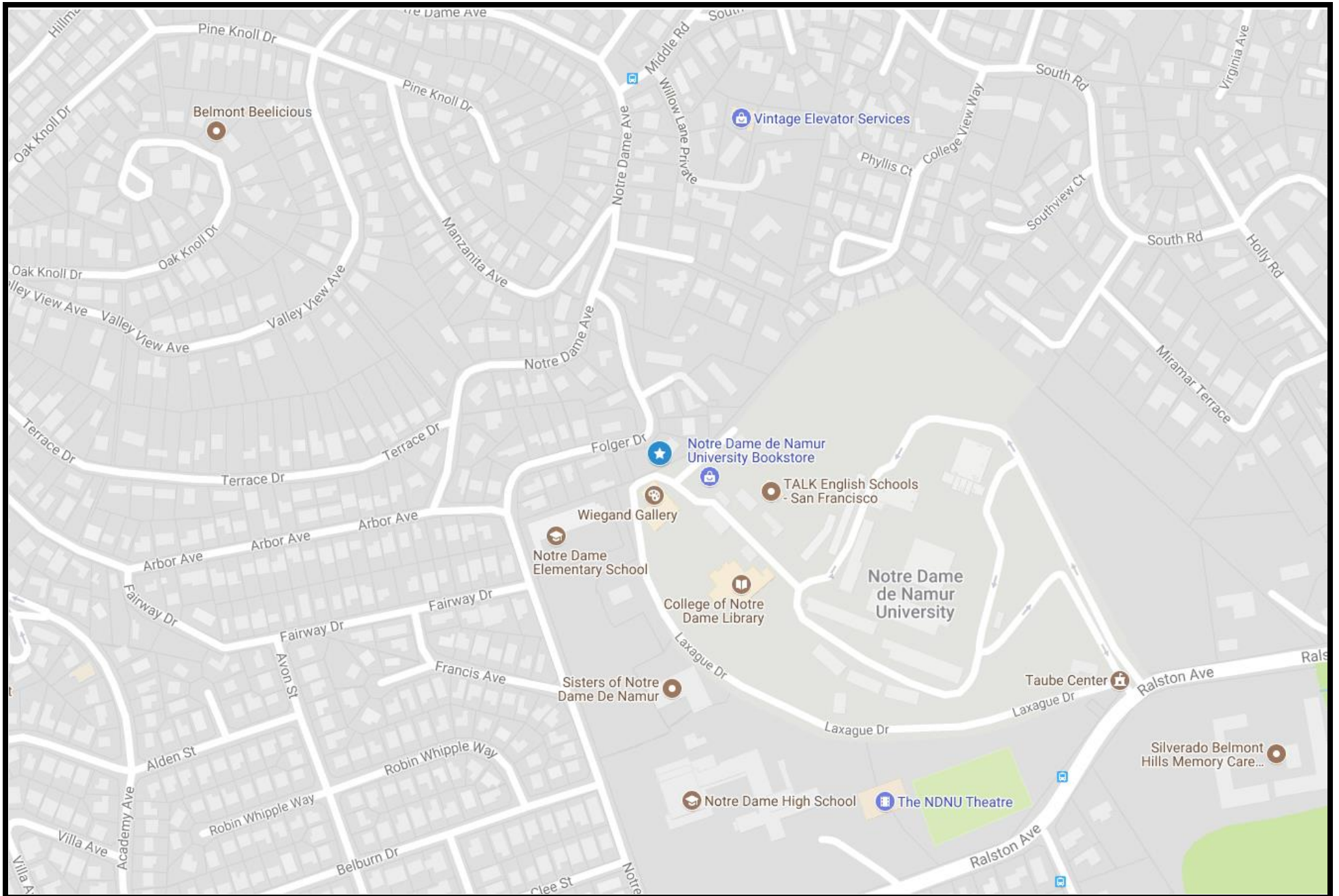
Belmont is well served by existing surface street transportation routes, which include two major freeways extending north and south between San Francisco and San Jose. Highway 101 passes through the eastern portion of the city, in close proximity to the San Francisco Bay. Interstate 280 is the other major north/south thoroughfare serving the community, although it lies outside of the city's boundaries to the west. In addition to the two freeways, El Camino Real runs through the city in a north/south direction and provides access to the neighboring communities of San Mateo and San Carlos, as well as to all other cities on the Peninsula. The major east/west thoroughfare in Belmont is Ralston Avenue, which connects the two aforementioned freeways. Caltrain also provides passenger train service to the area, as well as freight rail service, along a line of tracks adjacent to El Camino Real.

C. Neighborhood Description

The subject is situated on Folger Drive in the Central neighborhood of Belmont. The neighborhood is located to the west of downtown Belmont and is generally defined as the area bounded by Ralston Avenue to the south, El Camino Real to the east, Alameda De Las Pulgas to the west, and the border of the City of San Mateo to the north.

The subject's neighborhood is mainly residential in nature and is developed with a mixture of older, average quality single family residences and newer high quality single family residences. The subject is located on a generally narrow street and is

NEIGHBORHOOD MAP



surrounded on all sides, except to the south, by single family residential uses. The subject property is bordered to the south by the Notre Dame de Namur University campus which also includes Notre Dame Elementary School and High School. Commercial uses in the subject neighborhood are generally located along El Camino Real.

Notable uses in the subject's neighborhood include Central Elementary School, located approximately 0.5 miles to the northeast of the subject and the Barrett Community Center, located approximately 0.5 miles to the southwest of the subject.

Transportation and access characteristics in the subject neighborhood are considered to be adequate. Ralston Avenue, located approximately 0.5 miles to the south of the subject, represents the primary east/west arterial through the area. It is a two-way, two-lane fully improved public arterial, extending east to a junction with El Camino Real and a full interchange with Highway 101. Ralston Avenue carries a high traffic volume and is congested at peak times.

The subject's Walkscore (www.walkscore.com) is 39, which is a "Car Dependent", indicating that most errands require a car. Walk Score uses a proprietary algorithm to measure the proximity of a property to basic services. The average walkscore for Belmont is 46.

Overall the subject neighborhood is considered to be a desirable residential location and the outlook for the neighborhood is positive.

III. MARKET OVERVIEW

The subject property is zoned for single family residential use.

A. Bay Area Residential Market

Unemployment rates in the Bay Area dropped to record lows in 2017. In November 2017, the San Francisco unemployment rate was 2.3, the lowest rate recorded for the city in modern history. In San Mateo County the unemployment rate has also dropped 2.1 percent. With a total labor force at 4.1 million, the region currently employs just under 4.0 million of its residents. The Bay Area continued its strong job growth momentum, adding 79,700 nonfarm jobs from a year ago. Since its unemployment peak of 11.7 percent in the first quarter of 2010, 699,800 jobs have been created across the region.

According to the Marcus and Millichap Fourth Quarter 2017 Bay Area Multifamily Research Market Report, “The robust demand for technology workers and other professional employment has pushed the broad region’s employment rate to a multidecade low, prompting surging demand for the limited housing stock that exists in the marketplace. Due to the high price of single-family homes, a continual flow of renters has kept rental demand elevated. In order to meet this demand, builders have pushed deliveries to the highest point in more than a decade. Although vacancy remains extremely depressed, the peak in deliveries in 2017 has begun to weigh on overall vacancy, particularly in the submarkets receiving the bulk of the injections. As a result, a modest uptick in vacancy is expected, while rent growth continues to reflect extremely tight conditions overall.”

The number of units under construction in the Bay Area is currently over 25,000. In the past 12 months, approximately 14,600 units have delivered. Inventory has grown year-over-year at a rate of 2.0 percent.

B. Single-Family Residential Market Trends

According to data provided by Redfin, a national real estate brokerage, the median price for a single family detached house in San Mateo County in January 2018 was \$1,438,000. This represents a 26.9 percent increase as compared to January 2017. In terms of sales volume, 174 single family residences were sold in San Mateo County during the month of January 2018. This is a 13.9 percent decrease from one year prior. The average sale/list price ratio for single family residences in San Mateo County for January 2018 was 110.1 percent, 7.4 percent higher January 2017. The average time on market for detached housing in January 2018 was 14 days, a decrease from 37 days in January 2017.

According to Redfin, the median price for a single-family house in the city of Belmont in January 2018 was \$1,560,000. This represents a 5.2 percent decrease as compared to January 2017. However, the median price ranged between \$1,600,000 and \$1,788,000

throughout 2017. In terms of sales volume, 9 single-family homes were sold in Belmont during the month of January 2018. This is a decrease of 25 percent as compared to January 2017. The average sale/list price ratio for single-family homes in Belmont for January 2018 was 115 percent, which is 10.6 percent higher than one year prior. The average time on market for detached housing in January 2018 was 11 days, which is similar to January 2017.

Overall, San Mateo County and Belmont contain mature residential neighborhoods that are relatively built-out in terms of city infrastructure and services with limited vacant land for new developments. The for-sale housing market is strong, and demand should continue to outpace supply in the long term.

C. Exposure Period Conclusion

The exposure period is defined as “the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.” Thus, it is assumed to have occurred prior to the appraisal date. In contrast the marketing period is the estimated time that it would take to consummate the sale after the appraisal date.

To allow for adequate marketing and negotiating time and the closing of escrow, an exposure period for the subject is estimated at 12 months.

IV. PROPERTY DATA AND ANALYSIS

A. Site Description

The subject site is located on the south side of Folger Drive in the city of Belmont, San Mateo County, California. The street address is 1510 Folger Drive. The site contains two parcels totaling approximately 26,328 square feet, or 0.60 acres, according to a land survey prepared by Triad/Holmes Associates, dated October 31, 2015. The subject site is somewhat irregular in shape and has approximately 240 feet of frontage along Folger Drive. The subject property is identified by the San Mateo County Assessor's Office as Assessor's Parcel Numbers: 044-352-050 and 044-353-080. These parcels include the former College Way which runs between the subject parcels. Including the former College Way, the southwestern parcel, APN 044-352-050, contains approximately 15,816 square feet and the eastern parcel, APN 044-353-080, contains approximately 10,512 square feet. Both parcels have graded stepped levels and slope downward to the south. According to estimates provided by the City of Belmont, Parcel No. 044-352-050 has an average slope of approximately 16.64% and Parcel No. 044-353-080 has an average slope of approximately 17.75%.

The parcel and survey maps are shown on the following pages.

The precise nature and condition of subsurface soils is not known; however, judging from the condition and appearance of the subject improvements and adjacent properties, it is assumed that soil conditions are satisfactory for the construction of conventional building improvements.

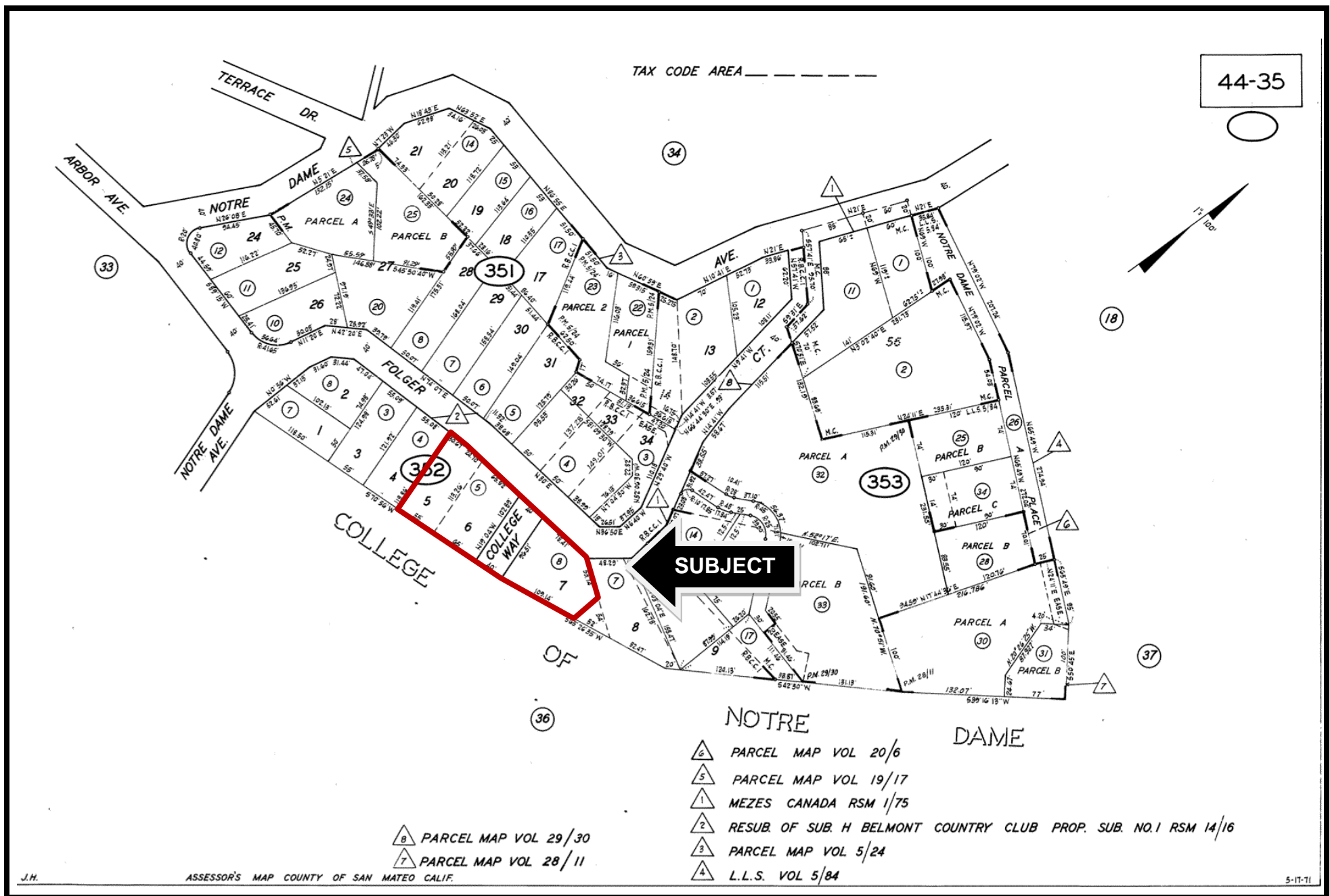
All streets adjacent to the subject are fully paved and contain curbs and gutters. The property is served with typical urban utilities, including public water and sewer systems. Local companies supply electricity, gas, and telephone service.

B. Ownership and Sales History

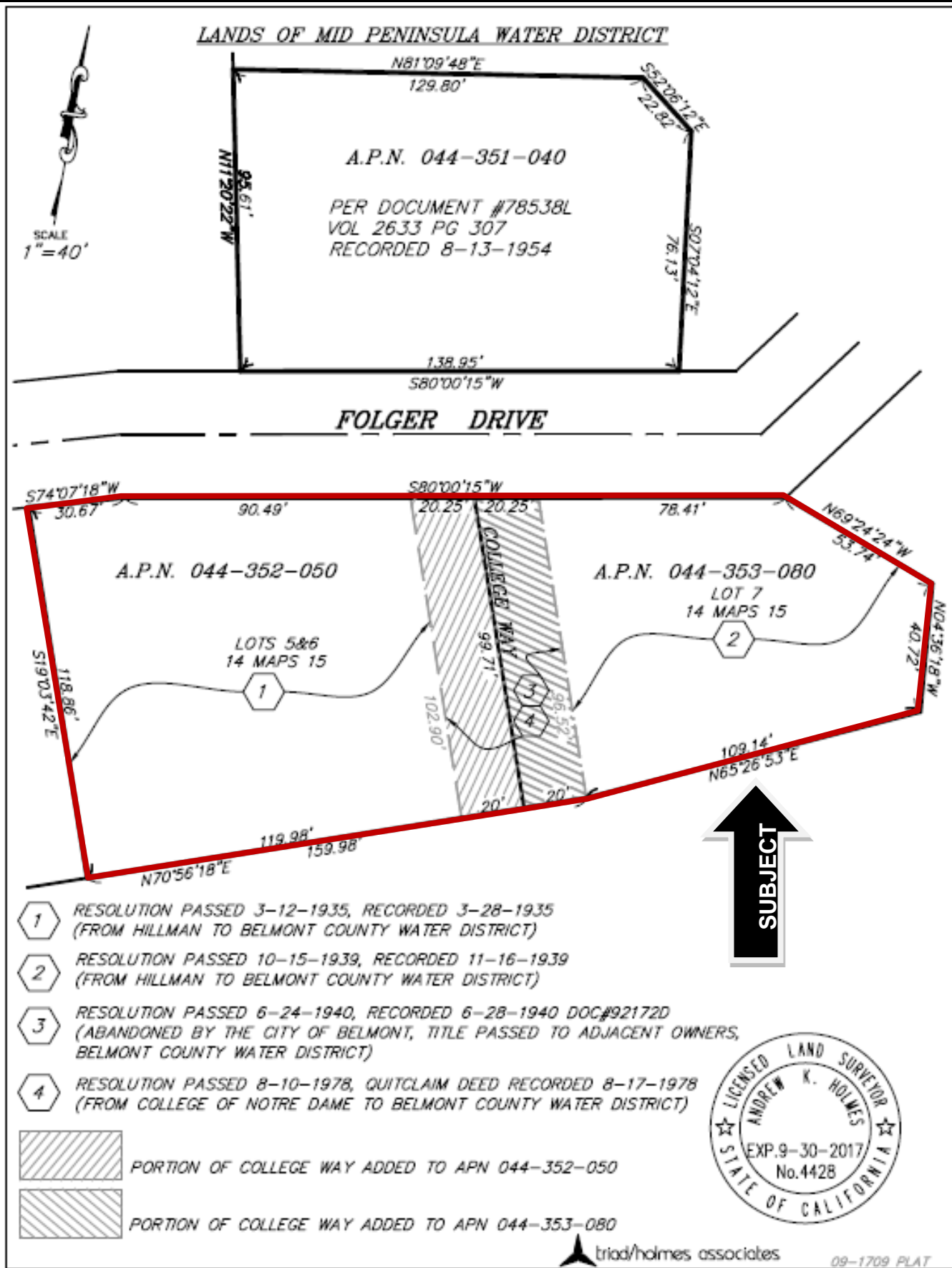
According to a preliminary title report prepared by the North American Title Company, dated May 3, 2010, the subject property is vested in the Mid-Peninsula Water District, who acquired the title as Belmont County Water District. The subject parcel numbers 044-352-050 and 044-353-080 have been under the same ownership since 1935 and 1939, respectively. However, when these parcels were acquired College Way was still a public street. According to the City of Belmont Resolution No. 2-1940 and information provided by Triad/Holmes Associates, in 1940 the City of Belmont formally abandoned College Way and the street was split between the subject parcels.

The property is reportedly not currently listed for sale. According to our research, no transfers have been reported in the last three years.

ASSESSOR'S MAP



ASSESSOR'S MAP



AERIAL MAP



* drawings are for illustrative purposes only and may not reflect accurate property boundary lines

C. Environmental Observations

The appraisers were provided with hazardous material survey reports prepared by Patriot Environmental Laboratory Services, Inc., dated April 11, 2016. According to the reports, the subject property improvements contain the following hazardous materials:

- Asbestos in the pump room;
- Fluorescent light bulbs fixtures with ballast (possibly mercury or PCB containing);
- Motor oil associated with pump engine; and
- Lead based paint on the interior and exterior of the improvements.

The appraisers did not observe any other evidence of toxic contamination on the site. Further, no oily soil, or waste disposal, treatment or storage was observed or reported. No other environmental observations are made. However, the reader is referenced to the Environmental Hazard Limiting Condition of Chapter I of this report, which assumes the property is clean of any contamination.

No wetlands were observed on the subject property.

D. Easements and Encumbrances

The aforementioned title report notes the following exceptions to the title:

- The subject property is located in a Mello Roos District, and is subject to special taxes, payable with the property taxes.
- An easement for sewer and utilities is noted. This easement affects the rear five feet of Assessor Parcel Number 044-352-050.
- Both parcels are subject to covenants, conditions, restrictions, and easements dating from March 28, 1935 and November 16, 1939.
- Easements for any existing public utilities, including but not limited to facilities of the vestee.
- The requirement that an order from the public utilities commission be obtained authorizing the proposed conveyance, encumbrance or leasing of the property, or other satisfactory evidence that said property is “non-operative property” and is not necessary or useful in the performance of its duties to public and is not needed for or used in the conduct of its business.

As shown on the following survey map, prepared by Pakpour Consulting Group, dated February 24, 2016, parcel number 044-353-080 is encroached upon by the

[illegible]

neighboring property to the east, due to the incorrect placement of the neighbor's fence. According to the survey, this encroachment reduces the subject's total site area by approximately 340 square feet. Therefore, subject parcel 044-353-080 has a reduced developable area of approximately 10,172 square feet. As a whole the subject site has a developable area of approximately 25,988 square feet or 0.60 acres. While the encroachment reduces the developable area of the site, as will be estimated later in this report, it is not considered to significantly affect the utility or marketability of the property.

Upon inspection of the subject site and review of the Assessors Map, the appraisers did not observe any other unusual easements and/or encumbrances on the property. This appraisal assumes that no other easements or exceptions to title exist that would adversely affect the utility or marketability of the property.

E. Flood Zone and Seismic Information

Based on review of FEMA's National Flood Hazard Layer Map, Panel 060816087004 dated July 16, 2015 the subject is located in Flood Zone X. Flood Zone X is an area of minimal flood hazard. Flood insurance is not required.

According to governmental geological evaluations, the entire San Francisco Bay Area is located in a seismic zone. No active faults are known to exist on the subject property, nor is it in the Alquist Priolo Zone. Inasmuch as similar seismic conditions generally affect competitive properties, no adverse impact on the subject property is considered.

F. Zoning and Use

The subject property has a zoning designation of R-1B Single Family Residential. This zoning district is intended for single family residences, with no more than one single family dwelling per lot. Permitted uses include residences which have no more than two paying guests and accessory uses such as crop and tree farm gardens, garages, hobby shops, recreation rooms, and storage structures. Conditional uses include public parks and playgrounds, golf courses, schools, kindergartens, day care, private colleges, religious uses, residential care, institutional uses, and public buildings. Up to one secondary living unit is also an allowed conditional use.

Many of the development standards for this zoning designation are based on the slope of the site. The minimum lot size is 6,000 square feet for existing lots. However, each lot proposed for new land division must individually comply with the maximum allowed residential density and minimum lot size based on the average lot slope. The required minimum lot sizes range from 7,500 square feet for lots with average slopes of 0 to 10 percent to 45,000 square feet for lots with slopes of 35 percent or greater. A table with pertinent subject property identification is shown on the following page.

SUBJECT PROPERTY IDENTIFICATION
Appraisal of 1510 Folger Drive
Belmont, California

Address/ APN	Size (SF)	Plus: College Way SF	Less: Encroachment SF	Developable Area SF	Belmont Estimated Site Slope	Min lot size- Based on Slope SF	# of allowed lots	# of lots allowed with slope of 0-10% (7,500 min lot size)	Zoning	Max GFA	FAR	Max FAR
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1510 Folger Drive

044-352-050	13,791	2,025		15,816	16.64%	10,500	1.51	2.11	R-1B	4,372	27.65%	49.90%
044-353-080	<u>8,550</u>	<u>1,962</u>	<u>(340)</u>	<u>10,172</u>	17.75%	11,000	0.92	1.36	R-1B	3,526	34.66%	49.30%
Total	22,341	3,987		25,988			2.00					

Source: Watts, Cohn and Partners, Inc., March 2018
18-WCP-008A

The maximum allowable gross floor area is calculated as the lesser of the following:

- 1) The allowable gross floor area can be determined by the slope and floor area ratio (FAR). The allowed FAR varies depending on the slope of the site; the allowed FARs range from 53.3 percent for sites with a slope of 0 to 10 percent to 26.7 percent for sites with a slope of 45 percent or more. Once the slope of the site and the corresponding FAR have been determined, the allowable gross floor area is either the greater of 1,200 square feet or the product of multiplying the net lot area by the FAR.
- 2) The allowable gross floor area can also be determined by the size of the lot. For lots under 10,000 square feet, the allowable gross floor area is 3,500 square feet. For lots over 10,000 square feet the allowable gross floor area is 3,500 to 4,500 square feet, with an additional 0.15 building square foot per lot square foot over 10,000.

Other development standards include an average lot width of 60 feet, a minimum street frontage of 50 feet, and a maximum building height of 28 feet. The required setbacks vary based on the size of the residence. New single-family dwellings must have a total of four parking spaces, with at least two spaces located in a garage.

The subject property is currently improved with a public maintenance yard, pump house and employee facility. The subject property was constructed prior to the current zoning standards and is considered a legal non-conforming use.

Development Potential

The appraiser consulted with the City of Belmont Planning Department to determine whether the subject parcels could be subdivided. According to the planner, due to the size and average slope of the parcels, neither parcel is eligible to be subdivided. Based on the zoning designation and the estimated average slope of the subject sites, as provided by the City of Belmont, the subject parcels could be developed as follows:

- ***Subject parcel 044-352-050*** is approximately 15,816 square feet and has an estimated average slope of 16.64 percent. The minimum lot area for a new lot with this slope is 10,500 square feet. If the lot were split, neither new lot would meet the minimum lot size. Therefore, it is most likely that this parcel would not be approved for subdivision. As a single lot this parcel could be developed with a single-family residence with a gross floor area up to approximately 4,372 square feet.
- ***Subject parcel 044-353-080*** is approximately 10,172 square feet and has an estimated average slope of 17.75 percent. The minimum lot area for a new parcel with this slope is 11,000 square feet. Therefore, this parcel is not large enough to be subdivided. As a single lot it could be developed with a

SUBJECT PHOTOGRAPHS



Lower Level Garage and Office



Office/Meeting Building



Pump House



Pump House/Garage

SUBJECT PHOTOGRAPHS



Interior Office



Interior Meeting Room



Stairs to Lower Level Garage



Restroom

SUBJECT PHOTOGRAPHS



Southeastern Parcel



Southeastern Parcel



Subject Neighborhood to the East



Subject Neighborhood to the West

single-family residence, with a gross floor area up to approximately 3,526 square feet.

It is noted that the average slopes utilized for the above calculations are estimates provided by the City of Belmont. The estimates are based on aerial photographs but are considered to be a good reference for determining the subject's development potential. However, since the slopes are estimates, it is possible that the actual slopes could be slightly higher or lower. While it is unlikely that parcel 044-352-050 has a slope as low as 10 percent, in this case it would be eligible for subdivision. The minimum required lot area would be lowered to 7,500 square feet and the subject could be divided into two lots. Even if parcel 044-353-080 has a lower slope it is considered too small for subdivision.

Although parcel 044-352-050 could potentially qualify for subdivision, subdividing the lot would entail a lengthy process, including a complicated and lengthy application form, fees, and a review by the Director of Planning. Submission of land surveys and maps would also be required and a slope of 10 percent or less would have to be proven. Furthermore, newly developed lots in the subject neighborhood and surrounding areas are typically in the range of 9,000 to 15,000 square feet and two smaller lots are often combined to achieve a larger site area. A proposal for two smaller lots could result in neighbor complaints, which could slow or halt the process. There is substantial risk of success and the outcome is unknown.

Overall, the appraiser acknowledges the possibility of a subdivision for parcel 044-352-050. However, given the discussions with the planner, the zoning standards, building trends, and the estimated slope, the subject site would most likely be approved for development as a single lot. The potential for subdivision is however considered in the valuation chapter of this report.

G. Description of Improvements

The subject property is improved as a maintenance yard facility for the Mid-Peninsula Water District. The southwestern portion of the site has two graded levels and is improved with two structures, a vacant employee meeting/office building and an abandoned pump house.

The vacant two-story office/meeting facility has a garage space on the lower level. The building is estimated to date from the late 1970s or early 1980s and is approximately 1,368 square feet in size. The office/meeting building is located on the upper graded level of the site, near Folger Drive. This building is two-stories in height with the meeting area on the top floor and garage on the lower level. Due to the sloping nature of the site, the garage is also at ground level. The improvements are of wood frame construction with a painted stucco façade and clay tile roofing. The interior consists of a generally open clubhouse area with a vaulted ceiling. The interior finishes include painted sheetrock walls, dropped ceiling tiles, fluorescent lighting, and carpet flooring. The ceiling also has exposed support beams and

ventilation. There is a single ADA bathroom with a sink, toilet, and grab bars. The building also has fire sprinklers. The ground level has garage parking for approximately seven vehicles. This building is no longer in use and has not been updated recently. It considered to be in dated but average condition.

The other structure is an abandoned pump house with living quarters that is approximately 2,000 square feet in size. This structure appears to date from the 1920s. The pump house is located on the lower graded level of the site to the south of the clubhouse building. This is a single-story building that is of wood frame and concrete block construction. The exterior has a painted stucco façade and clay tile roofing. Reportedly the interior has a pump room and warehouse area along with office space and living quarters. However, this building is uninhabitable, and the interior could not be inspected. As previously discussed in the environmental section of this chapter, the pump house also contains hazardous materials such as lead, asbestos, motor oil, and possibly mercury or PCB. Overall this building is considered to be in poor condition and is at the end of its economic life.

The area between the improvements is paved and striped for parking, while the remainder of the site is unpaved. The unpaved eastern portion of site is graded and has a three-foot-high retaining wall on the uphill side between Folger Drive and the neighborhood property. The entire site is fenced and has gated driveway access on Folger Drive. There are high overhead power lines that run through the property between the driveway and the improvements.

Overall the improvements are in mixed condition. Due to the age, condition, and specialized nature of the improvements, as a water district maintenance facility, the improvements are considered to have little utility for an alternate user and considered to be at the end of their economic life.

V. HIGHEST AND BEST USE AND VALUATION METHODOLOGY**A. Highest and Best Use**

Highest and best use is the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.¹

The four criteria the highest and best use must meet are physical possibility, legal permissibility, financial feasibility, and maximum productivity. Analysis of the subject's highest and best use is made as if the site were vacant, and as improved with the existing improvements.

¹ The Appraisal of Real Estate, 14th Edition, 2013, p. 332

1. As-If Vacant**a. Legally Permissible**

The subject sites are located within the R-1B Single Family Residential District, which allows for single family uses. The zoning is consistent with the neighborhood. Legal considerations do not adversely constrain potential uses of the site.

b. Physically Possible

The subject is a mid-block site with frontage on a residential street. The site has three graded levels and slopes downward to the south. A variety of residential uses are considered physically possible on the subject site.

c. Financially Feasible

The site is located in the city of Belmont, and the demand for residential uses is considered strong in the subject neighborhood. Residential construction would be financially feasible.

d. Maximally Productive

In the current market, the highest and best use of the subject is to entitle the site for the construction of two single-family residences that are consistent with current zoning codes.

2. As-Improved

In considering the highest and best use of the subject property as improved, the same tests are considered. The subject property is improved as a public

maintenance yard facility with older improvements. The improvements are vacant and are in mixed condition. The improvements are considered to have little utility for an alternate user and are considered at the end of their economic life. Therefore, the highest and best use of the subject property as-improved is to demolish the existing improvements and to entitle the site for the construction of two single-family residences that are consistent with current zoning codes.

B. Valuation Methodology

The valuation of any parcel of real estate is derived principally through three approaches to the market value. From the indications of these analyses, and the weight accorded to each, an opinion of value is reached. Each approach is more particularly described below.

1. Cost Approach

This approach is the summation of the estimated value of the land, as if vacant, and the reproduction of replacement cost of the improvements. From these are deducted the appraiser's estimate of physical deterioration, functional obsolescence and economic obsolescence, as observed during inspection of the property and its environs. The Cost Approach is based on the premise that, except under most unusual circumstances, the value of a property cannot be greater than the cost of constructing a similar building on a comparable site.

2. Sales Comparison Approach

This approach is based on the principal of substitution, i.e., the value of a property is governed by the prices generally obtained for similar properties. In analyzing the market data, it is essential that the sale prices be reduced to common denominators to relate the degree of comparability to the property under appraisal. The difficulty in this approach is that two properties are never exactly alike.

3. Income Approach

An investment property is typically valued in proportion to its ability to produce income. Hence the Income Approach involves an analysis of the property in terms of its ability to provide a net annual income. This estimated income is then capitalized at a market-oriented rate commensurate with the risks inherent in ownership of the property, relative to the rate of return offered by other investments.

The subject property is valued as two single-family development sites. The approach used in this appraisal report is the Sales Comparison Approach to value.

After the market value of subject sites are concluded, the value of the encroachment on subject parcel 044-353-080 will be estimated. The value of the encroachment area is measured by multiplying the concluded per square foot market value by the affected area.

The Income and Cost Approaches are not considered to be good indicators of value for an unentitled single-family development site and are not utilized.

The methodology is further discussed in the following chapters.

VI. SALES COMPARISON APPROACH

Fee simple land value is estimated using the Sales Comparison Approach. The table on the following page presents four comparable land transactions and one pending sale. Adjustments are made to these unit price indications for market conditions, location, utility, entitlements, and size. Unless otherwise noted, these properties transferred on an all cash basis or in terms reflecting a cash equivalent price. The comparable sales are discussed in the following paragraphs.

A. Comparable Land Sales

Comparable 1 is the listing of a residential site located at 3226 Upper Lock Avenue in Belmont. The site consists of a single lot containing 0.20 acres or 8,925 square feet. It has a zoning designation of R-1B Single Family Residential. The topography of the site slopes downward steeply from the street level. The site has Bay views and is located on a narrow street.

This property is currently listed for \$975,000 or \$109 per square foot. The property is reportedly pending sale. The site is not entitled for development.

Comparable 2 is the sale of a residential site located at 901 Holly Road in the City of Belmont. The site consists of two parcels totaling 15,473 square feet or 0.36 acres. The larger parcel is improved with a 1940s 2,185 square foot residence, which is considered to add value to the site. The gently sloping hillside lot has partial Bay views. It has a zoning designation of R1-A Single Family Residential.

In August 2017, the property sold for \$2,089,000 or \$135 per square foot of land area. After a deduction of \$200 per square foot for the contributory value of the improvements, the sale price equates to \$107 per square foot. The site was not entitled for development at the time of sale.

Comparable 3 is the sale of a residential site located between 738 and 754 Hillcrest Way in the Emerald Hills neighborhood of Redwood City. At the time of sale, the property was improved with a small storage building. The site consists of two lots containing 0.33 acres or 14,350 square feet. It has a zoning designation of RH/DR Residential Hillside/Design Review. The topography of the site slopes upward from the street level and is covered with existing trees and vegetation. The property was merged into one lot after the sale.

This property sold in May 2017 for \$990,000, which equates to \$69 per square foot. The site was not entitled at the time of sale but was planned for a new single-family residence.

Comparable 4 is the sale of a residential site located at 2902 San Juan Boulevard in the city of Belmont. The site consists of a single parcel totaling 6,255 square feet or 0.14 acres. It has a zoning designation of R-1B Single Family Residential. This

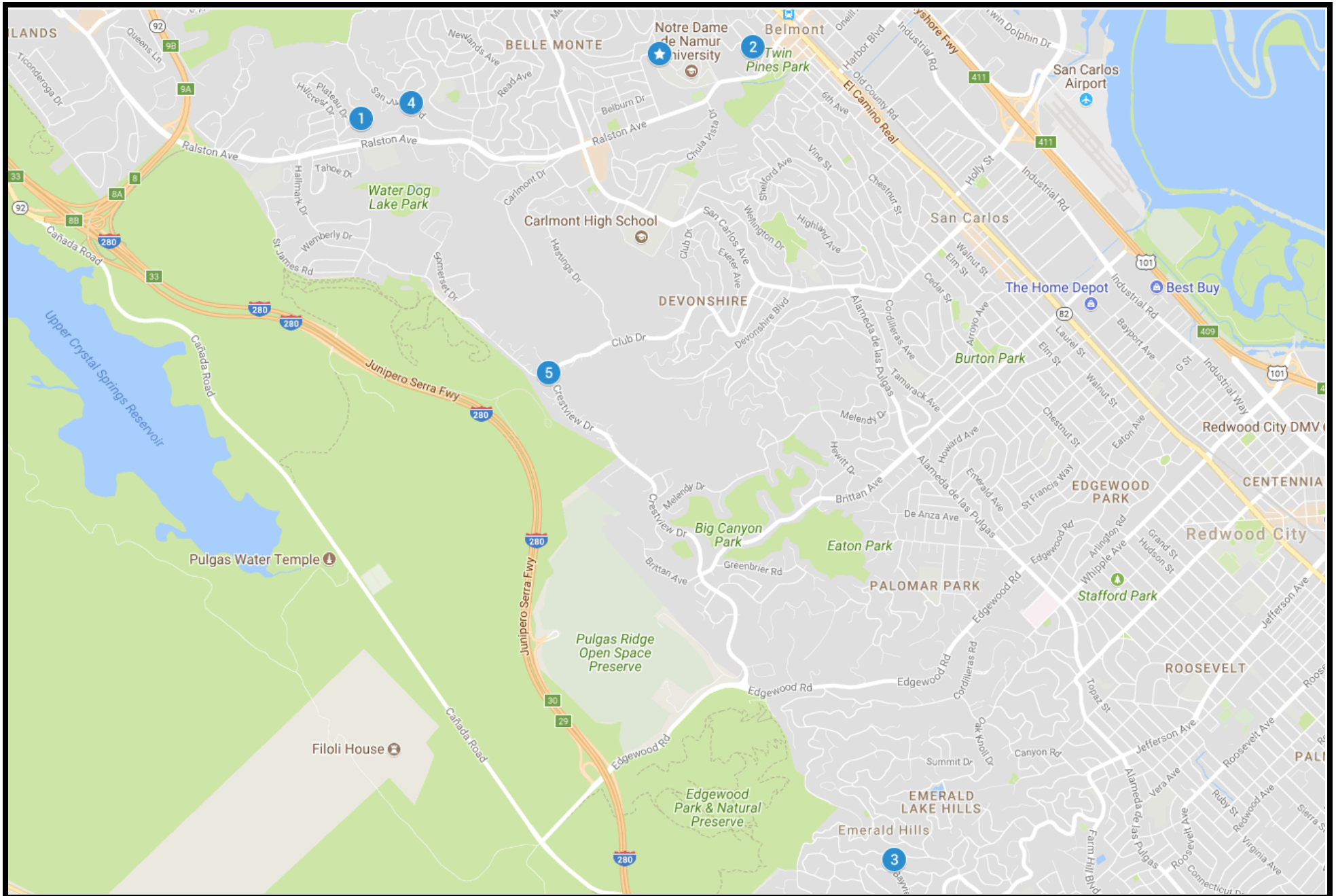
COMPARABLE LAND SALES
Appraisal of 1510 Folger Drive
Belmont, California

#	Location / APN	Recording Date	Land Area	Sale Price	Price/ PSF	Zoning General Plan Entitlements	Grantor / Grantee	Comments
1	3226 Upper Lock Avenue Belmont APN: 043-211-220	Pending	8,925 SF 0.20 AC	\$975,000	\$109	R-1B Low Density Residential Unentitled	Mark J Cooper Trust / NA	Vacant lot that slopes downward from the street level. Bay view property.
2	901 Holly Road Belmont APN: 045-151-340, -350	8/17	15,473 SF 0.36 AC	\$2,089,000 (\$437,000) (1) \$1,652,000	\$135 \$107	R-1A Low Density Residential Unentitled	Survivors Barton Trust / Harbour Capital LLC #066310	Hillside lot improved with 1940s 2,185 SF residence. Sold with adjacent vacant lot. Partial Bay views.
3	Btw 738 & 754 of Hillcrest Way Redwood City/Emerald Hills APN: 068-071-070, -080	5/17	14,350 SF 0.33 AC	\$990,000	\$69	RH/DR Low Density Residential Unentitled	UTA Family Trust / Dean & Louise Talboy Trust #045336	Vacant lot that slopes upward from the street. Two lots merged into one.
4	2902 San Juan Boulevard Belmont APN: 043-173-530	3/17	6,255 SF 0.14 AC	\$785,000	\$125	R-1B Low Density Residential Entitled	San Juan Belmont Properties LLC / Vahid Firouzdor #027413	Gently sloping site with entitlements and building permits.
5	596 Club Drive San Carlos APN: 049-391-150	2/17	25,782 SF 0.59 AC	\$2,820,000 \$19,670 (2) \$2,839,670	\$109 \$110	RS-3 Single Family, Low Density Entitled	Shturman & Romachova Trust / Redwood Building Group LLC #016390	Approved for subdivision and redevelopment with two single family houses. Improved with older 2,810 SF house. Generally level with panoramic Bay views.
	Subject Property APN: 044-352-050		15,816 SF 0.36 AC			R-1B Low Density Residential Unentitled		Gently sloping site improved with water district maintenance yard facility.
	APN: 044-353-080		10,512 SF 0.24 AC					
	Total		26,328 SF 0.60 AC					

(1) Contributory value of the improvements estimated at \$200 per square foot.
(2) Demolition costs estimated at \$7.00 per square foot of building area.

Source: Watts, Cohn and Partners, Inc., March 2018
18-WCP-008A

COMPARABLE LAND SALES MAP



property has frontage on San Juan Boulevard and Monte Cresta Drive. The site drops of steeply from Monte Cresta Drive and slopes downward gently to the San Juan Boulevard frontage.

In March 2017, the property sold for \$785,000 or \$125 per square foot of land area. The site was entitled and had building permits at the time of sale.

Comparable 5 is the sale of a residential site located at 596 Club Drive in the Beverly Terrance neighborhood of San Carlos. At the time of sale, the property was improved with an older 3,410 square foot house that was in fair condition. The site contains 0.59 acres or 25,782 square feet. It has a zoning designation of RS-3. The site is generally level and has panoramic Bay views.

This property sold in February 2017 for \$2,820,000. Costs for demolition of the improvements are added and the total sale price equates to \$110 per square foot. The property is entitled for redevelopment with two single family residences.

B. Analysis

By further analyzing the comparable sales, and adjusting for various factors, an appropriate unit value can be concluded for the subject. The most appropriate unit value indicator for single family residential sites is price per square foot. The subject consists of two parcels which are 10,172 and 15,816 square feet in size. The comparables indicate a price per square foot range between \$69 and \$125 and range from 6,255 to 25,782 square feet in size. The adjustment grid is shown on the table on the following page.

Comparable 1 is the pending sale of a residential site in Belmont. This property is listed for \$109 per square foot. It is located in Belmont and has a similar neighborhood location to the subject. No adjustments are considered warranted for location. However, the comparable is smaller than the subject sites, warranting a negative adjustment. Further negative adjustment is warranted for the comparable's superior views. These adjustments are partially offset by the inferior utility of the comparable as it has a much steeper slope. Overall a lower unit value is indicated for the subject.

Comparable 2 is the sale of a residential site on Holly Road in Belmont. This property sold in August 2017 for \$107 per square foot. Residential market conditions have continued to improve in Belmont over the past year and an upward adjustment is warranted for the date of sale. The comparable is similar in terms of size, location, entitlements, and utility to the subject and no adjustments are applied for these factors. However, the comparable has partial Bay views, warranting negative adjustment. Overall a lower unit value is indicated for the subject.

Comparable 3 is the May 2017 sale of a property on Hillcrest Way in Redwood City. This property sold for \$69 per square foot. An upward adjustment is made for

Comparable Land Sales Adjustment Grid

Appraisal of 1510 Folger Drive
Belmont, California

	Subject	Comparable 1 3226 Upper Lock Avenue Belmont		Comparable 2 901 Holly Road Belmont		Comparable 3 Btw 738 & 754 of Hillcrest Way Redwood City/Emerald Hills		Comparable 4 2902 San Juan Boulevard Belmont		Comparable 5 596 Club Drive San Carlos	
Purchase Price			\$975,000		\$1,652,000		\$990,000		\$785,000		\$2,820,000
Price/SF			\$109		\$107		\$69		\$125		\$109
Size			8,925		15,473		14,350		6,255		25,782
Property Rights	Fee simple	Fee simple	0.0%	Fee simple	0.0%	Fee simple	0.0%	Fee simple	0.0%	Fee simple	0.0%
Financing		Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale		Arm's length	0.0%	Arm's length	0.0%	Arm's length	0.0%	Arm's length	0.0%	Arm's length	0.0%
Buyer Expenditures		None	\$0	None	\$0	None	\$0	None	\$0	Demo.	\$19,670
			\$975,000		\$1,652,000		\$990,000		\$785,000		\$2,839,670
Adjusted/SF			\$109		\$107		\$69		\$125		\$110
Conditions of Sale			0%		0%		0%		0%		0%
Market Conditions		Pending	0.0%	8/17	5.0%	5/17	5.0%	3/17	5.0%	2/17	5.0%
Adjusted/SF Mkt Cond.			\$109		\$112		\$72		\$132		\$116
Location	Belmont	Similar	0.0%	Similar	0.0%	Superior	-2.5%	Similar	0.0%	Superior	-2.5%
Size	10,172 & 15,816	8,925	-5.0%	15,473	0.0%	14,350	0.0%	6,255	-10.0%	25,782	10.0%
Entitlements	Unentitled	Unentitled	0.0%	Unentitled	0.0%	Unentitled	0.0%	Entitled	-15.0%	Entitled	-15.0%
Site condition/utility	Gently Sloping	Inferior	7.5%	Similar	0.0%	Inferior	35.0%	Inferior	5.0%	Superior	-5.0%
Other/Views	None	Superior	-10.0%	Superior	-10.0%	Similar	0.0%	Similar	0.0%	Superior	-10.0%
Net Percentage Adjustment			-7.5%		-10.0%		32.5%		-20.0%		-22.5%
Per Square Foot Value Indication:			\$101		\$101		\$96		\$105		\$90

Source: Watts, Cohn and Partners, Inc., March 2018

18-WCP-008A

current stronger residential market conditions. However, the comparable is considered to have a slightly superior location in the Emerald Hills neighborhood of Redwood City, indicating negative adjustment for location. The comparable is a steeply sloping site, located on a narrow winding street. These factors will make development staging difficult and will increase development costs and a significant upward adjustment is applied for site condition and utility. The comparable is similar in terms of size, entitlements, and views and no further adjustments are warranted. Overall a higher unit value is indicated for the subject.

Comparable 4 is the March 2017 sale of a residential site in Belmont. It sold for \$125 per square foot. An upward adjustment is made for residential market conditions which have improved over the past year. However, this property is much smaller than the subject sites, indicating a negative adjustment. It was also entitled and had building permits at the time of sale, indicating further negative adjustment. A partially offsetting factor is the greater slope of the site and its irregular shape. Overall a lower unit value is indicated for the subject.

Comparable 5 is the February 2017 sale of a property in San Carlos for \$110 per square foot. A positive adjustment is warranted for the date of sale. This property is located in the San Carlos hills and is considered to have a slightly superior location to the south. The site is also considered to have super utility, as it is generally level. It is located on a much wider street, which is more accessible for construction staging. Further negative adjustment is applied for the comparable's superior views. A partially offsetting factor is the larger size of the comparable site. Overall a lower unit value is indicated for the subject.

C. Value Conclusion

After adjustment, the comparables indicate a market value for the subject parcels between \$90 and \$105 per square foot. The subject consists of two parcels which could each be developed with a single-family residence. The subject sites have developable areas of 15,816 and 10,172 square feet which is in the range of the comparables. The subject parcels are graded and slope downward from Folger Drive. Although the subject has a good residential location in Belmont, they do not have views and are not entitled for development.

The subject's southwestern parcel, APN 044-352-050 contains 15,816 square feet and is near the middle of the comparable range in terms of size. It is generally rectangular. The eastern parcel, APN 044-353-080 contains 10,172 square feet. It is smaller in size and is somewhat irregular in shape. Given the larger size of the southwestern parcel and speculative potential of the property a unit value of \$90 per square foot is estimated. A higher unit value of \$100 per square foot is concluded for the eastern parcel given its smaller size.

The resulting market value of the subject parcels is as follows:

Per Square Foot Indicator:

Southwestern Parcel (APN 044-352-050)

15,816 SF X \$90 PSF = \$1,423,400

Eastern Parcel (APN 044-353-080)

10,172 SF X \$100 PSF = \$1,017,200

As-Is Value Conclusion

Subject parcel 044-352-050 is currently improved with a 1,370 square foot vacant employee meeting/office building and garage as well as an approximately 2,000 square foot abandoned pump house. The pump house contains hazardous materials and the client reported an estimated demolition cost of \$50,000. A lower demolition cost of \$7.00 per square foot or \$9,590, rounded to \$10,000, is estimated for the meeting building. The total estimated demolition cost of \$60,000 is deducted from the concluded value to derive the as-is market value of the subject property. Parcel 044-353-080 is vacant, and no demolition costs are deducted.

As-Is Value Southwestern Parcel (APN 044-352-050)

Value of Subject as Development Site	\$1,423,400
Less: Costs of Demolition	<u>(\$60,000)</u>
As-Is Market Value	\$1,363,440
Rounded – As-Is Market Value	\$1,360,000

As-Is Value Eastern Parcel (APN 044-353-080)

Value of Subject as Development Site	\$1,017,200
As-Is Market Value (Rounded)	\$1,020,000

Total As-Is Value	\$2,380,000
--------------------------	--------------------

Based on the research and analysis contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the undersigned that the as-is market value of the fee simple interest in the subject property, as of February 19, 2018, is estimated to be:

TWO MILLION THREE HUNDRED EIGHTY THOUSAND DOLLARS

(\$2,380,000)

Further, it is our opinion that the above value could be achieved within a 12-month active exposure period.

VII. VALUE OF ENCROACHMENT

As discussed in Chapter Four of this report, subject parcel 044-353-080 is encroached upon by the neighboring property to the east with an address of 1514 Folger Drive. The encroachment is due to the incorrect placement of the neighboring property's fence. According to the land survey prepared by Pakpour Consulting Group, dated February 24, 2016, the encroachment reduces the subject's total site area by approximately 340 square feet. Therefore, the developable area of the subject parcel is reduced to approximately 10,172 square feet.

The subject's zoning designation requires a minimum site area of 6,000 square feet for existing lots and new lots must individually comply with the maximum allowed residential density and minimum lot size based on the average slope of the lot. The subject has an estimated slope of 17.75 percent, which requires a minimum lot area of 11,000 square feet for a new lot. Because of this, the subject would most likely not be approved for subdivision into multiple lots. Therefore, the subject could be developed with one single family residence, with or without the site area affected by the encroachment. This is consistent with the highest and best use of the subject site as concluded in this report. However, since the maximum allowable gross floor area is based on the size of the site, the encroachment area would slightly reduce the allowed floor area of a development on the subject property. Overall, the encroachment is not considered to significantly negatively affect the development potential of the subject property.

Encroachment Value Conclusion

The value of the encroachment by 1514 Folger Drive onto 1510 Folger Drive is calculated by multiplying the previously concluded market value of \$100 per square foot of land area by the encroachment area. The value of the encroachment is concluded as follows:

340 SF	x	\$100/SF	=	\$34,000
Rounded				\$35,000

As-Is Value of the Subject Property Encroached upon by the Adjacent Neighbor

Based on the research and analyses contained in the report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the as-is value of the subject property encroached upon by the adjacent neighbor, as of February 19, 2018, is estimated to be:

THIRTY FIVE THOUSAND DOLLARS

(\$35,000)

ADDENDA

COMPARABLE LAND SALES PHOTOGRAPHS



3226 Upper Lock Avenue
Belmont



901 Holly Road
Belmont



Btw 738 & 754 Hillcrest Way
Belmont

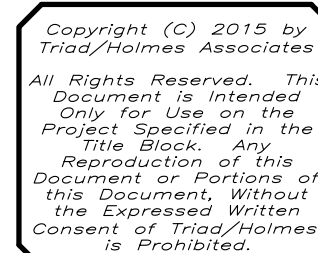


2902 San Juan Boulevard
Belmont

COMPARABLE LAND SALES PHOTOGRAPHS



596 Club Drive
San Carlos

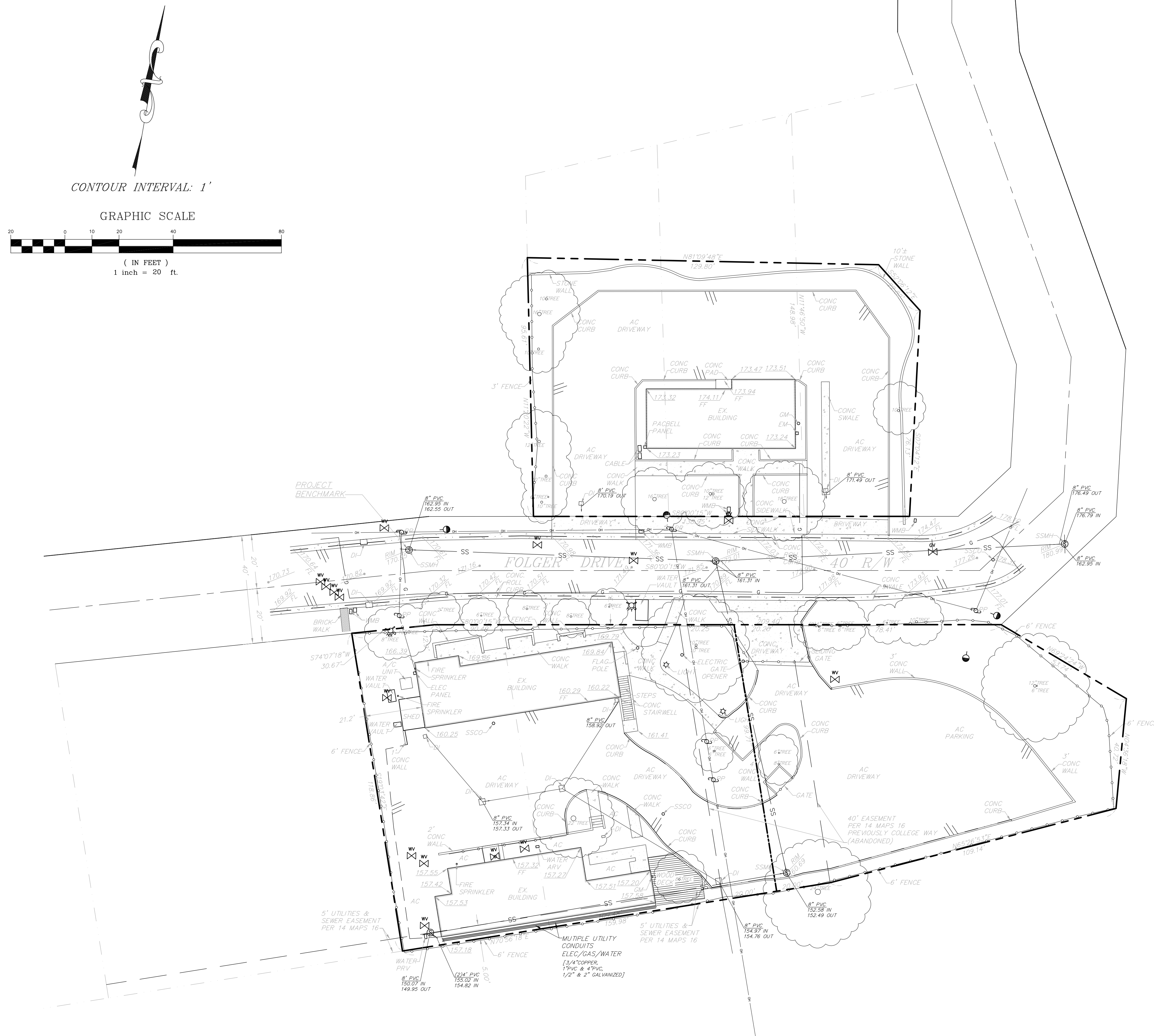
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PREPARED FOR:
PAKPOUR CONSULTING
GROUP


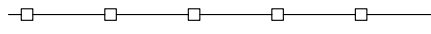
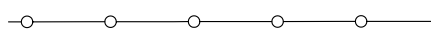


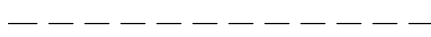
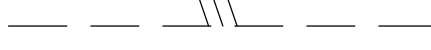

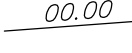








TOPOGRAPHY SURVEY


LOTS 5,6, PORT LOTS 7,32,33 & 34
14 MAPS 16, SAN MATEO COUNTY, CA

DATE	10/31/2015
SCALE	1" = 20'
DRAWN	MN
JOB NO.	09.1709
DWG	1
SHEET	1 OF 1



LEGEND:

	ADJACENT PROPERTY LINE
	WOOD FENCE
	WIRE FENCE
	CENTERLINE
	OVERHEAD UTILITIES
	EASEMENT
	EDGE OF PAVEMENT
	EXISTING GROUND CONTOUR & ELEV.
	SPOT ELEVATION
AC	ASPHALTIC CONCRETE
CONC.	CONCRETE
DI	DRAIN INLET
ELEC	ELECTRIC
FF	FINISH FLOOR
MH	MANHOLE
O.R.	OFFICIAL RECORDS
PP	POWER POLE
RET.	RETAINING
R/W	RIGHT OF WAY
UTIL	UTILITY
WMB	WATER METER BOX
	HYDRANT
	UTILITY POLE
	GUY WIRE
	GAS VALVE
	WATER VALVE
	SEWER MANHOLE
	STORM DRAIN MANHOLE
	CONCRETE


 TREE SIZE WITH DRIPLINE
 NOTE:
 ACTUAL TREE TRUNK LOCATIONS ARE
 SHOWN. DRIPLINES SHOWN ARE ONLY
 APPROXIMATE. DRIPLINES IN AREAS OF
 PROPOSED CONSTRUCTION SHOULD BE
 FIELD VERIFIED.

NOTES:

BENCHMARK :
ELEVATIONS ARE BASED ON NGVD 88 DATUM.
PROJECT BENCHMARK IS THE RIM OF THE SEWER
MANHOLE AS SHOWN. ELEVATION = 170.95'

PROJECT SITE(S)

1513 & 1515 FOLGER DRIVE
BELMONT CALIFORNIA
APN-044-351-040
13,273 sq.ft.
0.30 acres

1510 FOLGER DRIVE
BELMONT CALIFORNIA
APN-044-352-050
APN-044-353-080
26,328 sq.ft.
0.60 acres

BASIS OF BEARINGS:

THE BEARING OF NORTH 80°00'15" EAST AS SHOWN
HEREON FOR THE CENTERLINE OF FOLGER AVENUE AS
SHOWN ON THAT RECORD OF SURVEY MAP IN THE
OFFICE OF THE RECORDER OF THE COUNTY OF SAN
MATEO, STATE OF CALIFORNIA, IN BOOK 14 OF MAPS
AT PAGE 16, WAS CALCULATED FROM FOUND
SUBDIVISION MONUMENTS WAS TAKEN AS THE BASIS
OF BEARINGS FOR THIS SURVEY

OWNER

MID PENINSULA WATER DISTRICT
3 DAIRY LANE
BELMONT CA 94002

I HEREBY STATE THAT I AM A LICENSED LAND SURVEYOR OF THE STATE OF CALIFORNIA, THAT THIS MAP CORRECTLY REPRESENTS A SURVEY MADE UNDER MY SUPERVISION IN NOVEMBER 2015, THAT PROPERTY LINES SHOWN HEREON ARE COMPILED FROM RECORD DATA AND DO NOT REFLECT A BOUNDARY SURVEY UNLESS SPECIFICALLY NOTED HEREON, AND THAT THIS MAP DOES NOT INCLUDE EASEMENTS EXCEPT THOSE SPECIFICALLY DELINEATED HEREON.

IF UNDERGROUND UTILITIES, ZONE, SETBACK AND STREET WIDENING DATA ARE SHOWN HEREON, IT IS FOR INFORMATION ONLY, HAVING BEEN OBTAINED FROM AVAILABLE SOURCES NOT CONNECTED WITH THIS CORPORATION. THEREFORE, NO GUARANTEE IS MADE AS TO THE ACCURACY OR COMPLETENESS OF SAID INFORMATION.

ANDREW K. HOLMES

L.S. 4428

QUALIFICATIONS OF SARA A. COHN, MAI
California Certified General Real Estate Appraiser No. AG014469

EXPERIENCE

Sara A. Cohn is a Partner with Watts, Cohn and Partners, Inc. a new firm providing commercial real estate valuation. From 1988 to 2016, she worked for Carneghi and Partners and was a Senior Project Manager/Partner in their San Francisco office. This company provided real estate appraisal and consulting services in the San Francisco Bay Area. Clients include financial institutions, government agencies, law firms, development companies and individuals. Typical assignments include both valuation and evaluations of a broad variety of property types, uses and ownership considerations.

Ms. Cohn has over 28 years of appraisal experience. She has completed a wide variety of valuation and evaluation analyses. Ms. Cohn has extensive knowledge of the San Francisco Bay Area and has appraised many property types including office buildings, industrial properties, retail centers, hotels, residential projects, mixed-use properties and development sites. Recent work has involved the analysis of commercial buildings, residential subdivisions, valuation of affordable housing developments with bond financing and/or Low Income Housing Tax Credits (LIHTCs), assessment districts, as well as co-housing projects.

EDUCATION

Bachelor of Arts, University of California, Berkeley, 1978

Successful completion of all professional appraisal courses offered by the Appraisal Institute as a requirement of membership.

Continued attendance at professional real estate lectures and seminars.

PROFESSIONAL AFFILIATION AND STATE CERTIFICATION

Appraisal Institute - MAI Designation (Member Appraisal Institute) No. 12017
Continuing Education Requirement Complete

State of California Certified General Real Estate Appraiser No. AG014469
Certified Through March 2017

State of California Licensed Landscape Architect No. 2102

Member, Board of Directors, Northern California Chapter of the Appraisal Institute,
2008-2010

Seminars Co-Chair, Northern California Chapter of the Appraisal Institute, 2005-2007



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Sara A. Cohn

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

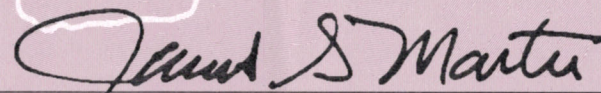
“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 014469

Effective Date: March 10, 2017

Date Expires: March 9, 2019


Jim Martin, Bureau Chief, BREA

3032359

QUALIFICATIONS OF MARK A. WATTS

Mark A. Watts is a Partner with Watts, Cohn and Partners, Inc.

Following is a brief summary of his background and experience:

EXPERIENCE

Commercial Real Estate Appraisal Experience

Mr. Watts has been a commercial real estate appraiser since 1987, and has over 20 years experience in the analysis of commercial real estate. He has completed valuation assignments on a variety of projects, including industrial facilities, residential subdivisions, apartments, shopping centers, cemeteries and recreational facilities. He has also performed feasibility studies and assisted owners in making asset management decisions.

Mr. Watts has provided litigation support and served as an expert witness in court. He has also served in arbitrations as an expert witness. He has been qualified as an expert in San Francisco and San Mateo County Superior Courts.

He served on the San Francisco County Assessment Appeals Board from 2011 to 2016.

Commercial Real Estate Investment Experience

Simultaneous to his work as a commercial appraiser, Mr. Watts has been an active real estate investor/developer. He is experienced in the acquisition, redevelopment and management of commercial properties. He has witnessed and experienced many real estate cycles and stays abreast of current trends. His personal experience as an investor makes him uniquely qualified to appraise commercial real estate.

Over the last 20 years he has completed more than 30 investment real estate transactions, an average of 1.5 transactions per year. He has negotiated with buyers and sellers directly as a principal. He has completed nearly a dozen 1031 exchanges. Beginning with a small initial capital investment, he has built a large real estate portfolio. Based on his ownership experience, Mr. Watts is keenly aware that the success or failure of an acquisition is closely related to its location. Likewise, he is sensitive to locational differences in the appraisal of real estate.

Mr. Watts has broad experience with the construction, maintenance and repair of real estate. He has demolished and re-built two structures from the ground up. He has completed fire damage repairs and remediated toxic mold. He has remodeled kitchens and baths. He has replaced foundations on structures, made additions, and made other improvements. As the quality and condition of real estate has a strong correlation with its value, his experience enables superior judgement of these attributes in his work as a commercial real estate appraiser.

Community Involvement

Mr. Watts served on the Board of Managers of the Stonestown Family YMCA from 2002 to 2017. This is an approximately 30,000 square foot health club facility. He was active on the Facilities Committee. He served as the Board Chair in 2008. He has been a member of the Olympic Club in San Francisco since 1976. He served the Forest Hill Neighborhood Association as President from 2013 to 2017.

EDUCATION

Bachelor of Arts, University of California, Davis

PROFESSIONAL AFFILIATION

State Accredited Affiliate of the Appraisal Institute
State of California Certified General Real Estate Appraiser No. AG015362



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Mark A. Watts

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 015362

Effective Date: August 16, 2017

Date Expires: August 15, 2019

Jim Martin, Bureau Chief, BREA

3035220

QUALIFICATIONS OF CHRISTIE TURNER

Christie Turner is a Project Manager with Carneghi and Partners, Inc., based in the San Francisco Office. Carneghi and Partners provides real estate consulting services in the San Francisco Bay Area. Clients include financial institutions, government agencies, law firms, development companies and individuals. Typical assignments include both valuation and evaluations of a broad variety of property types, uses and ownership considerations.

EXPERIENCE

Ms. Turner joined Carneghi and Partners, Inc. in 2012. Ms. Turner's responsibilities include conducting research and preparing narrative appraisals for a wide variety of appraisal assignments including retail, mixed-use, multi-family, office, institutional, vacant land, and recreational properties.

Ms. Turner is a Practicing Affiliate of the Appraisal Institute

EDUCATION

University of Utah, Salt Lake City
Bachelor of Science, Finance

STATE CERTIFICATION

State of California Real Estate Trainee Appraiser License No. 3001438



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Christie L. Turner

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3001438

Effective Date: November 13, 2017

Date Expires: November 12, 2019

Jim Martin, Bureau Chief, BREA

3037242

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

APPRAISAL OF:

**1513-1515 FOLGER DRIVE
BELMONT, CALIFORNIA**

PREPARED FOR:

**MID-PENINSULA WATER DISTRICT
BELMONT, CALIFORNIA**

MARCH 2018

18-WCP-008B

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

March 7, 2018

Ms. Tammy Rudock
General Manager
Mid-Peninsula Water District
3 Dairy Lane
Belmont, California 94002

Re: 18-WCP-008B, Appraisal
1513-1515 Folger Drive
Belmont, California

Dear Ms. Rudock:

At your request and authorization, Watts, Cohn and Partners, Inc. has made an appraisal of the above referenced property. The subject property has an address of 1513-1515 Folger Drive in the City of Belmont. The property is situated on the north side of Folger Drive in the Central neighborhood of Belmont. The subject consists of a single parcel with a total area of 13,273 square feet or 0.30 acres. The rectangular site has been graded and slopes upward slightly to the north. There is a stone retaining wall situated along the northern and eastern side of the property. The Mid-Peninsula Water District has used the property as an office facility for several decades, however the property has been vacant for several years. As further discussed in this report, the improvements are not considered to contribute value to the underlying site. The highest and best use concluded in this appraisal report is for the demolition of the existing improvements and the development of a single-family residence.

The subject site is improved with an older vacant office building with onsite parking. The improvements are an approximately 1,134 square foot single story wood frame building. The building is considered to be in fair condition and is in need of renovation.

The site is further identified by the San Mateo County Assessor as Assessor Parcel Number 044-351-040.

The purpose of this appraisal is to estimate the as-is market value of the fee simple interest in the subject property. It is our understanding that the intended use/user of this appraisal is for the exclusive use of the Mid-Peninsula Water District and the MPWD Board of Directors. The intended use (function) for which this appraisal was contracted is to assist in decisions relating to the possible sale of the property. ***This report should not be relied upon by any other parties for any reason.***

582 Market Street, Suite 512 | San Francisco, CA 94104 | 415-777-2666

Mark Watts | mark@wattscohn.com | Sara Cohn, MAI | sara@wattscohn.com

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

1. The slope of the subject site is based on estimates provided by the City of Belmont's Elevation Viewer. It is noted that the slopes are based on aerial photographs and are estimated calculations. The subject slope utilized in this report is assumed to be accurate.

The use of any hypothetical conditions or extraordinary assumptions in this report might have affected the assignment results.

VALUE CONCLUSION**As-Is Market Value**

Based on the research and analysis contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the undersigned that the as-is market value of the fee simple interest in the subject property, as of February 19, 2018, is estimated to be:

ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

(\$1,250,000)

Further, it is our opinion that the above value could be achieved within a 12-month active exposure period.

This letter must remain attached to the appraisal report, identified on the footer of each page as 18-WCP-008B, plus related exhibits, in order for the value opinion set forth to be considered valid.

CERTIFICATION

We, the undersigned, hereby certify that, to the best of our knowledge and belief: the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results, our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal; the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan; our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal

Watts, Cohn and Partners, Inc.

Commercial Real Estate Appraisal

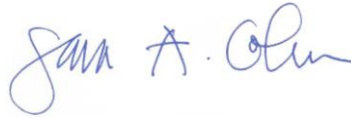
18-WCP-008B

Institute, and is in compliance with FIRREA; Sara Cohn and Mark Watts have made a personal inspection of the property that is the subject of this report; Christie Turner has not made a personal inspection of the property that is the subject of this report; no one provided significant real property appraisal assistance to the persons signing this report. The use of this report is subject to the requirements of the Appraisal Institute related to review by its duly authorized representatives. In accordance with the Competency Rule in the USPAP, we certify that our education, experience and knowledge are sufficient to appraise the type of property being valued in this report. We have not provided services regarding the property that is the subject of this report in the 36 months prior to accepting this assignment.

We are pleased to have had this opportunity to be of service. Please contact us if there are any questions regarding this appraisal.

Sincerely,

WATTS, COHN AND PARTNERS, INC.



Sara A. Cohn, MAI
Certified General Real Estate Appraiser
State of California No AG014469



Mark Watts
Certified General Real Estate Appraiser
State of California No. AG015362



Christie L. Turner
Certified General Real Estate Appraiser
State of California No. 3001438

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ADDENDA

**Comparable Land Sale Photographs
Qualifications and License of Appraisers**

I. REPORT SUMMARY

A. Property Appraised

The subject property appraised has an address of 1513-1515 Folger Drive in the city of Belmont. The property is situated on the north side of Folger Drive in the Central neighborhood of Belmont. The subject consists of a single parcel with a total area of 13,273 square feet or 0.30 acres. The rectangular site has been graded and slopes upward slightly to the north. There is a stone retaining wall situated along the northern and eastern side of the property. The Mid-Peninsula Water District has used the property as an office facility for several decades, however the property has been vacant for several years. As further discussed in this report, the improvements are not considered to contribute value to the underlying site. The highest and best use concluded in this appraisal report is for the demolition of the existing improvements and the development of a single-family residence.

The subject site is improved with an older vacant office building with onsite parking. The improvements are an approximately 1,134 square foot single story wood frame building. The building is considered to be in fair condition and is in need of renovation. The site is further identified by the San Mateo County Assessor as Assessor Parcel Number (APN): 044-351-040.

This appraisal addresses the fee simple interest in the subject property.

B. Property Identification

Assessor's Parcel No.	044-351-040
Zoning	R-1B Single Family
Census Tract No.	6087.00
Zip Code	94002
Flood Zone (Insurance is NOT Required)	N/A
Earthquake Fault Zone	None
Thomas Brother's Map Grid	769/D1

C. Client, Purpose, Intended Use and Intended User

The client for this appraisal is Ms. Tammy Rudock, General Manager of The Mid-Peninsula Water District. The purpose of this appraisal is to estimate the as-is market value of the fee simple interest in the subject property. It is our understanding that the intended use/user of this appraisal is for the exclusive use of the Mid-Peninsula Water District and the MPWD Board of Directors. The intended use (function) for which this appraisal was contracted is to assist in decisions

relating to the possible sale of the property. *This report should not be relied upon by any other parties for any reason.*

D. Reporting Format

This appraisal report is presented in a narrative format.

E. Scope of Work

The scope of work for this appraisal assignment report is to utilize the appropriate approaches to value in accordance with Uniform Standards of Professional Appraisal Practice (USPAP) to arrive at a market value conclusion. Specific steps include the inspection of the subject property and the research, analysis and verification of comparable data to arrive at a value indication as put forth in this report. The Sales Comparison Approach is considered to be the best indicator for the subject property. The Income and Cost Approaches are not considered relevant and are not included.

F. Date of Appraisal and Date of Report

The effective date of valuation is February 19, 2018.

The date of this report is March 7, 2018.

G. Definition of Terms

1. Market Value (OCC 12 CFR 34.42 (g)) (OTS 12 CFR, Part 564.2 (g))

“Market value” means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition are the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and

- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

2. *Fee Simple Interest (The Appraisal of Real Estate, 13th Edition, 2008, p.111)*

A fee simple interest in valuation terms is defined as "... absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat." It is an inheritable estate.

H. Value Conclusions

As-Is Market Value

Based on the research and analysis contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the undersigned that the as-is market value of the fee simple interest in the subject property, as of February 19, 2018, is estimated to be:

ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

(\$1,250,000)

Further, it is our opinion that the above value could be achieved within a 12-month active exposure period.

I. Assumptions and Limiting Conditions

Extraordinary Assumptions and Limiting Conditions

1. The slope of the subject site is based on estimates provided by the City of Belmont's Elevation Viewer. It is noted that the slopes are based on aerial photographs and are estimated calculations. The slopes utilized in this report are assumed to be accurate.

The use of any hypothetical conditions or extraordinary assumptions in this report might have affected the assignment results.

General Limiting Conditions

2. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable and it is free and clear of liens, encumbrances and special assessments other than as stated in this report.

3. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraisers is assumed by the appraisers.
4. All information has been checked where possible and is believed to be correct, but is not guaranteed as such.
5. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no additional soil contamination exists, other than as outlined herein, as a result of chemical drainage or leakage in connection with any production operations on or near the property.
6. In this assignment, the existence (if any) of potentially hazardous materials used in the construction or maintenance of the improvements or disposed of on the site has not been considered. These materials may include (but are not limited to) the existence of formaldehyde foam insulation, asbestos insulation, or toxic wastes. The appraiser is not qualified to detect such substances. The client is advised to retain an expert in this field.
7. Any projections of income and expenses in this report are not predictions of the future. Rather, they are an estimate of current market thinking of what future income and expenses will be. No warranty or representation is made that these projections will materialize.
8. The appraisers are not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
9. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraisers, and in any event only with the proper written qualification, only in its entirety, and only for the contracted intended use as stated herein.
10. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI designation.
11. Information regarding any earthquake and flood hazard zones for the subject property was provided by outside sources. Accurately reading flood hazard and

earthquake maps, as well as tracking constant changes in the zone designations, is a specialized skill and outside the scope of the services provided in this appraisal assignment. No responsibility is assumed by the appraiser in the misinterpretation of these maps. It is strongly recommended that any lending institution re-verify earthquake and flood hazard locations for any property for which they are providing a mortgage loan.

II. AREA AND NEIGHBORHOOD DESCRIPTION

A. San Mateo County

San Mateo County is one of the nine counties comprising the San Francisco Bay Area. It totals approximately 450 square miles of land extending from the Pacific Ocean on the west to San Francisco Bay on the east, and benefits from its proximity to both San Francisco and the Silicon Valley. The county is geographically divided into eastern and western portions by the Santa Cruz foothills, with most development traditionally having taken place along the more accessible eastern portion, facing the San Francisco Bay.

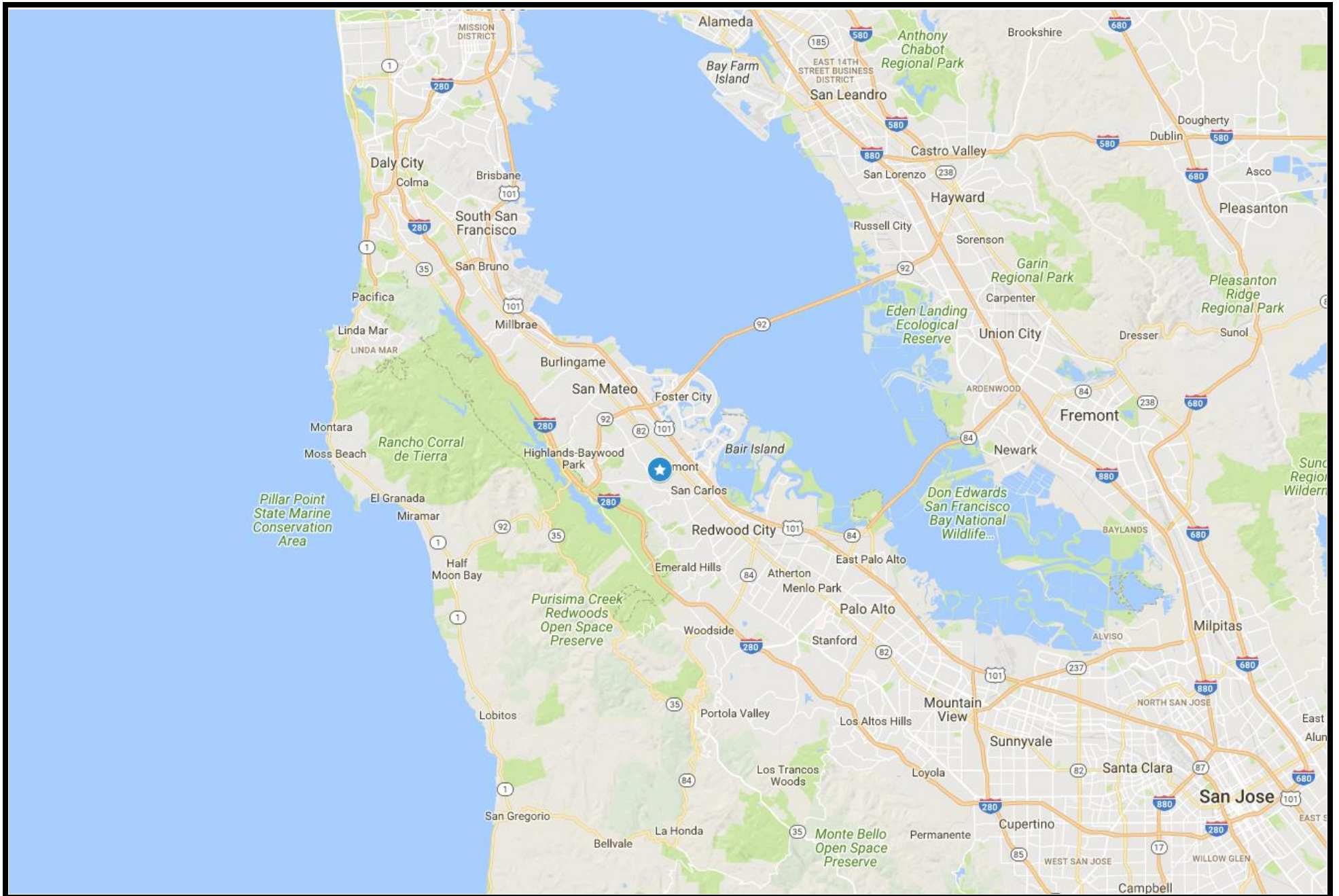
The county is characterized by a ribbon of manufacturing, engineering, and technical products firms closest to the bay, with business and residential areas stretching westward into the foothills. Land available for development is in short supply. Consequently, population expansion has slowed. As of January 1, 2017, (most recent information available), the California State Department of Finance (DOF) estimated the county's population at 770,203, a 0.6 percent increase from the prior year. The Association of Bay Area Governments (ABAG) 2013 projections estimate that San Mateo County's population will rise to 805,600 by 2025.

In terms of employment, San Mateo County has a diversified economy. Its unemployment has historically been below state and national levels. The California Economic Development Department (EDD) reports that as of December 2017, San Mateo County had an unemployment rate of 2.1 percent, which is down slightly from 2.7 percent one year prior.

County residents' household earnings, average education levels, and spending power are all above average for the region. Both rents and home sale prices are high in San Mateo County, and there is a generally recognized dearth of affordable housing for area residents. Consequently, many workers commute from other counties and cities, adding to traffic congestion throughout the area.

Transportation systems serving the county are well established and heavily used by area residents and workers. Two primary freeways running north/south through the area are the Bayshore Freeway (Highway 101) and Interstate 280 (I-280). Highway 92 and I-380 connect these arteries in the central and north/central portions of the county. El Camino Real is the main, commercially developed surface street on the San Francisco Peninsula. Caltrain passenger trains and limited rail freight serve the area, and SamTrans bus service is also available. The San Francisco International Airport is the region's main airport.

REGIONAL MAP



B. City of Belmont

Belmont is located in the southern portion of San Mateo County, bordered by the City of San Carlos on the south, the Cities of San Mateo and Foster City to the north, unincorporated San Mateo County to the west, and the San Francisco Bay to the east. As of January 1, 2017, the State Department of Finance estimated Belmont's population at 27,594, which represents a 0.1 percent decrease from the January 1, 2016 estimate of 27,608.

Similar to the county as a whole, Belmont employment statistics are historically low. Unemployment, according to the EDD, was reported at a rate of 1.8 percent as of December 2017. This represents an improvement from the rate of 2.2 percent reported one year earlier.

Belmont is primarily a residential community. The majority of the city's lands are developed with single and multi-family residential projects situated on the moderate to steep hillside terrain located west of El Camino Real. Industrial land uses are clustered mostly along Highway 101. Commercial development exists primarily along the El Camino Real and Ralston Avenue corridors and is comprised mainly of small, one- to two-story, neighborhood-serving structures which were built between 1950 and 1970.

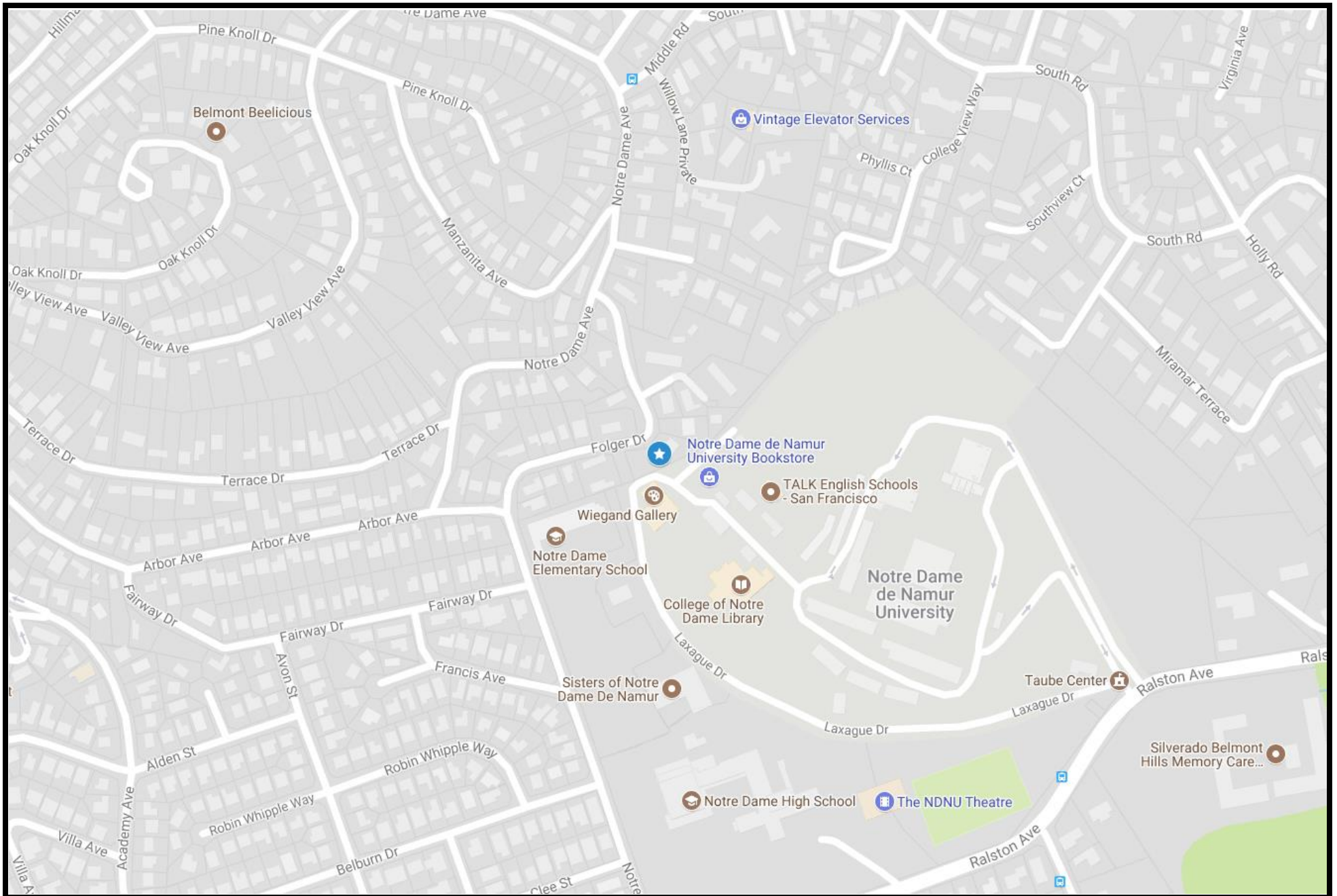
Belmont is well served by existing surface street transportation routes, which include two major freeways extending north and south between San Francisco and San Jose. Highway 101 passes through the eastern portion of the city, in close proximity to the San Francisco Bay. Interstate 280 is the other major north/south thoroughfare serving the community, although it lies outside of the city's boundaries to the west. In addition to the two freeways, El Camino Real runs through the city in a north/south direction and provides access to the neighboring communities of San Mateo and San Carlos, as well as to all other cities on the Peninsula. The major east/west thoroughfare in Belmont is Ralston Avenue, which connects the two aforementioned freeways. Caltrain also provides passenger train service to the area, as well as freight rail service, along a line of tracks adjacent to El Camino Real.

C. Neighborhood Description

The subject is situated on Folger Drive in the Central neighborhood of Belmont. The neighborhood is located to the west of downtown Belmont and is generally defined as the area bounded by Ralston Avenue to the south, El Camino Real to the east, Alameda De Las Pulgas to the west, and the border of the City of San Mateo to the north.

The subject's neighborhood is mainly residential in nature and is developed with a mixture of older, average quality single family residences and newer high quality single family residences. The subject is located on a generally narrow street and is

NEIGHBORHOOD MAP



surrounded on all sides, except to the south, by single family residential uses. The subject property is bordered to the south by the Notre Dame de Namur University campus which also includes Notre Dame Elementary School and High School. Commercial uses in the subject neighborhood are generally located along El Camino Real.

Notable uses in the subject's neighborhood include Central Elementary School, located approximately 0.5 miles to the northeast of the subject and the Barrett Community Center, located approximately 0.5 miles to the southwest of the subject.

Transportation and access characteristics in the subject neighborhood are considered to be adequate. Ralston Avenue, located approximately 0.5 miles to the south of the subject, represents the primary east/west arterial through the area. It is a two-way, two-lane fully improved public arterial, extending east to a junction with El Camino Real and a full interchange with Highway 101. Ralston Avenue carries a high traffic volume and is congested at peak times.

The subject's Walkscore (www.walkscore.com) is 39, which is a "Car Dependent", indicating that most errands require a car. Walk Score uses a proprietary algorithm to measure the proximity of a property to basic services. The average walkscore for Belmont is 46.

Overall the subject neighborhood is considered to be a desirable residential location and the outlook for the neighborhood is positive.

III. MARKET OVERVIEW

The subject property is zoned for single family residential use.

A. Bay Area Residential Market

Unemployment rates in the Bay Area dropped to record lows in 2017. In November 2017, the San Francisco unemployment rate was 2.3, the lowest rate recorded for the city in modern history. In San Mateo County the unemployment rate has also dropped 2.1 percent. With a total labor force at 4.1 million, the region currently employs just under 4.0 million of its residents. The Bay Area continued its strong job growth momentum, adding 79,700 nonfarm jobs from a year ago. Since its unemployment peak of 11.7 percent in the first quarter of 2010, 699,800 jobs have been created across the region.

According to the Marcus and Millichap Fourth Quarter 2017 Bay Area Multifamily Research Market Report, “The robust demand for technology workers and other professional employment has pushed the broad region’s employment rate to a multidecade low, prompting surging demand for the limited housing stock that exists in the marketplace. Due to the high price of single-family homes, a continual flow of renters has kept rental demand elevated. In order to meet this demand, builders have pushed deliveries to the highest point in more than a decade. Although vacancy remains extremely depressed, the peak in deliveries in 2017 has begun to weigh on overall vacancy, particularly in the submarkets receiving the bulk of the injections. As a result, a modest uptick in vacancy is expected, while rent growth continues to reflect extremely tight conditions overall.”

The number of units under construction in the Bay Area is currently over 25,000. In the past 12 months, approximately 14,600 units have delivered. Inventory has grown year-over-year at a rate of 2.0 percent.

B. Single Family Residential Market Trends

According to data provided by Redfin, a national real estate brokerage, the median price for a single family detached house in San Mateo County in January 2018 was \$1,438,000. This represents a 26.9 percent increase as compared to January 2017. In terms of sales volume, 174 single family residences were sold in San Mateo County during the month of January 2018. This is a 13.9 percent decrease from one year prior. The average sale/list price ratio for single family residences in San Mateo County for January 2018 was 110.1 percent, 7.4 percent higher January 2017. The average time on market for detached housing in January 2018 was 14 days, a decrease from 37 days in January 2017.

According to Redfin, the median price for a single-family house in the city of Belmont in January 2018 was \$1,560,000. This represents a 5.2 percent decrease as compared to January 2017. However, the median price ranged between \$1,600,000 and \$1,788,000

throughout 2017. In terms of sales volume, 9 single-family homes were sold in Belmont during the month of January 2018. This is a decrease of 25 percent as compared to January 2017. The average sale/list price ratio for single-family homes in Belmont for January 2018 was 115 percent, which is 10.6 percent higher than one year prior. The average time on market for detached housing in January 2018 was 11 days, which is similar to January 2017.

Overall, San Mateo County and Belmont contain mature residential neighborhoods that are relatively built-out in terms of city infrastructure and services with limited vacant land for new developments. The for-sale housing market is strong, and demand should continue to outpace supply in the long term.

C. Exposure Period Conclusion

The exposure period is defined as “the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.” Thus it is assumed to have occurred prior to the appraisal date. In contrast the marketing period is the estimated time that it would take to consummate the sale after the appraisal date.

To allow for adequate marketing and negotiating time and the closing of escrow, an exposure period for the subject is estimated at 12 months.

IV. PROPERTY DATA AND ANALYSIS

A. Site Description

The subject property is located on the north side of Folger Drive in the city of Belmont, San Mateo County, California. The street address is 1513-1515 Folger Drive. The site is a single parcel containing approximately 13,273 square feet, or 0.30 acres, according to a land survey prepared by Triad/Holmes Associates, dated October 31, 2015. The subject site is rectangular and has approximately 139 feet of frontage along Folger Drive. The site has been graded and slopes upward slightly to the north. There is an approximately 6 to 10-foot-high rock retaining wall along northern and eastern property line. According to estimates provided by the City of Belmont, the subject has an average slope of approximately 11.43 percent. The subject property is further identified by the San Mateo County Assessor's Office as Assessor's Parcel Number: 044-351-040. The parcel and survey maps are shown on the following pages.

The precise nature and condition of subsurface soils is not known; however, judging from the condition and appearance of the subject improvements and adjacent properties, it is assumed that soil conditions are satisfactory for the construction of conventional building improvements.

All streets adjacent to the subject are fully paved and contain curbs and gutters. The property is served with typical urban utilities, including public water and sewer systems. Local companies supply electricity, gas, and telephone service.

B. Ownership and Sales History

According to a preliminary title report prepared by the North American Title Company, dated May 3, 2010, the subject property is vested in the Mid-Peninsula Water District, who acquired the title as Belmont County Water District. The subject has been under the same ownership for several decades.

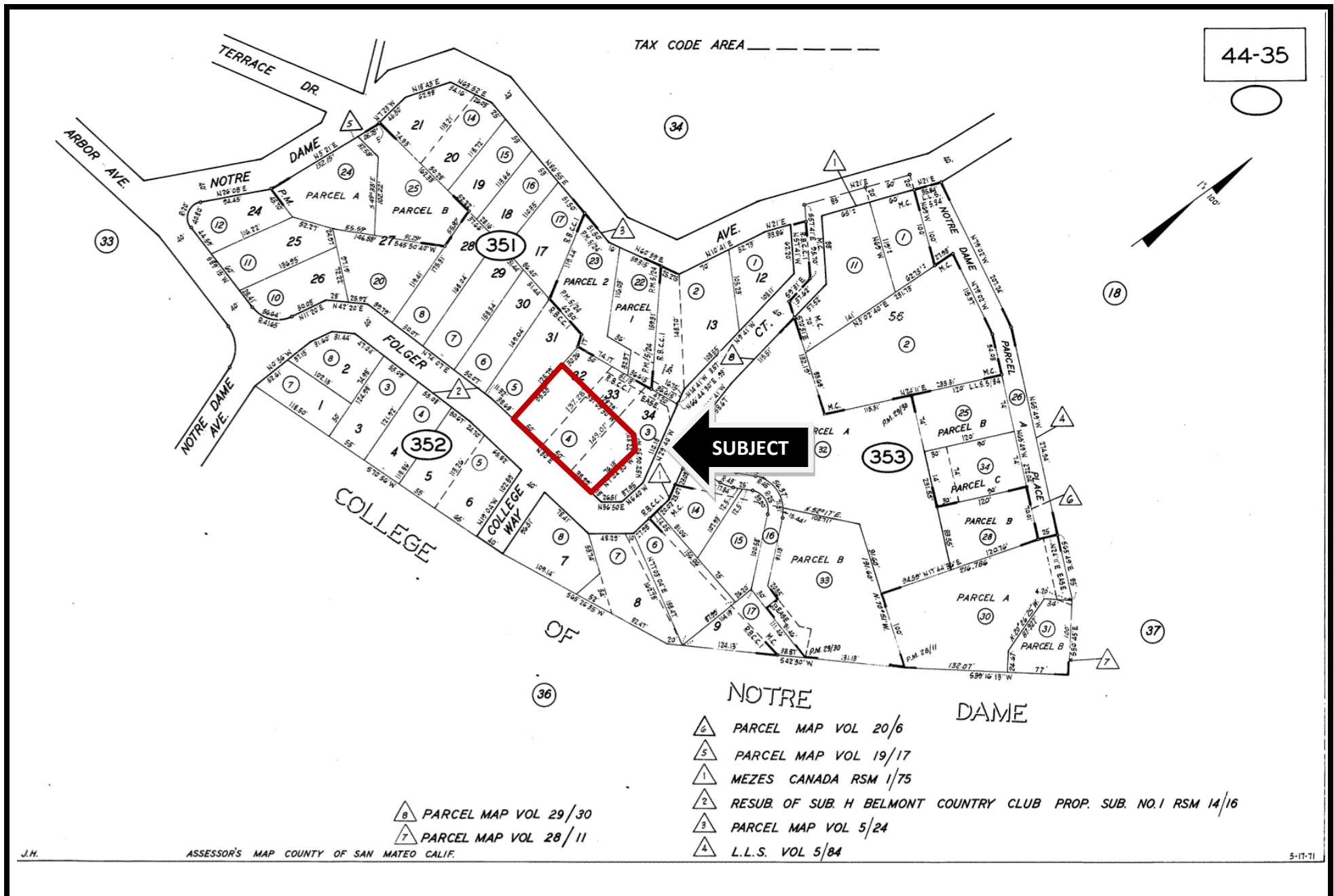
The property is reportedly not currently listed for sale. According to our research, no transfers have been reported in the last three years.

C. Environmental Observations

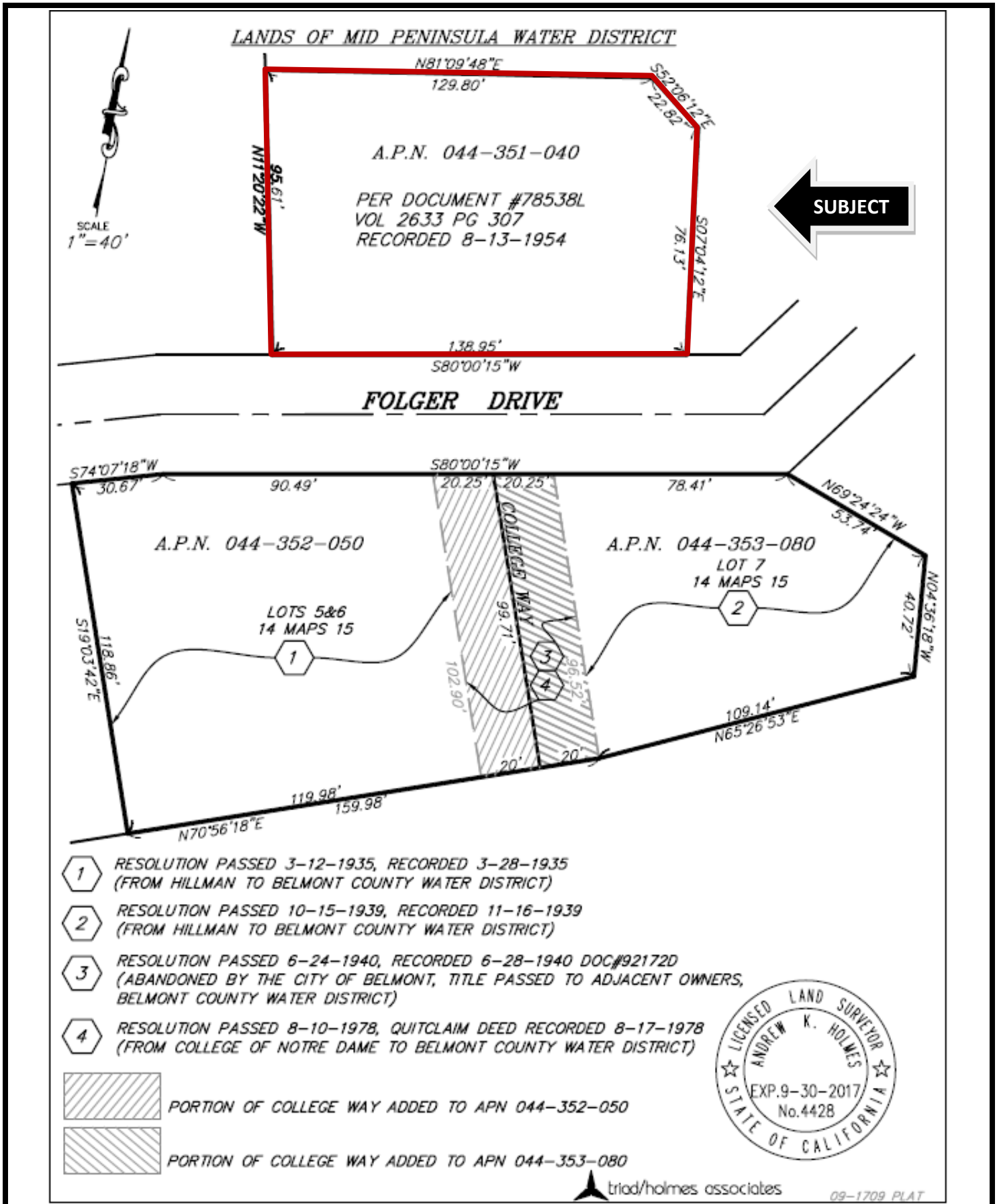
The appraisers did not observe any evidence of toxic contamination on the site. Further, no oily soil, or waste disposal, treatment or storage was observed or reported. No other environmental observations are made. However, the reader is referenced to the Environmental Hazard Limiting Condition of Chapter I of this report, which assumes the property is clean of any contamination.

No wetlands were observed on the subject property.

ASSESSOR'S MAP



ASSESSOR'S MAP



D. Easements and Encumbrances

The aforementioned title report notes the following exceptions to the title:

- The subject property is located in a Mello Roos District and is subject to special taxes, payable with the property taxes.
- Easements for any existing public utilities, including but not limited to facilities of the vestee.
- The requirement that an order from the public utilities commission be obtained authorizing the proposed conveyance, encumbrance or leasing of the property, or other satisfactory evidence that said property is “non-operative property” and is not necessary or useful in the performance of its duties to public and is not needed for or used in the conduct of its business.

Upon inspection of the subject site and review of the Assessors Map, the appraisers did not observe any other unusual easements and/or encumbrances on the property. This appraisal assumes that no other easements or exceptions to title exist that would adversely affect the utility or marketability of the property.

E. Flood Zone and Seismic Information

Based on review of FEMA’s National Flood Hazard Layer Map, Panel 06081C0168F dated July 16, 2015 the subject is located in Flood Zone X. Flood Zone X is an area of minimal flood hazard. Flood insurance is not required.

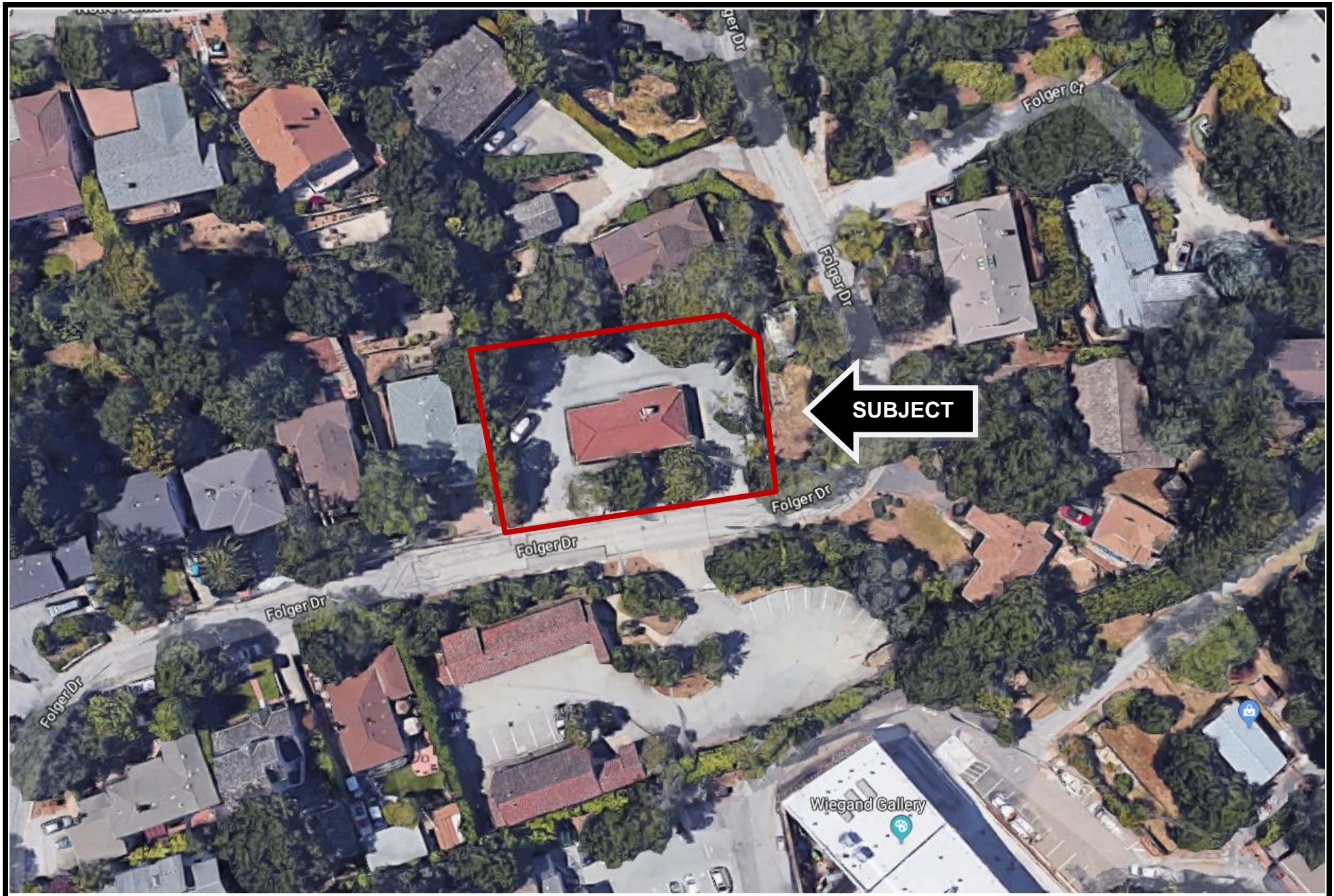
According to governmental geological evaluations, the entire San Francisco Bay Area is located in a seismic zone. No active faults are known to exist on the subject property, nor is it in the Alquist Priolo Zone. Inasmuch as similar seismic conditions generally affect competitive properties, no adverse impact on the subject property is considered.

F. Zoning and Use

The subject property has a zoning designation of R-1B Single Family Residential. This zoning district is intended for single family residences, with no more than one single family dwelling per lot. Permitted uses include residences which have no more than two paying guests and accessory uses such as crop and tree farm gardens, garages, hobby shops, recreation rooms, and storage structures. Conditional uses include public parks and playgrounds, golf courses, schools, kindergartens, day care, private colleges, religious uses, residential care, institutional uses, and public buildings. Up to one secondary living unit is also an allowed conditional use.

Many of the development standards for this zoning designation are based on the slope of the site. The minimum lot size is 6,000 square feet for existing lots.

AERIAL MAP



*drawings are for illustrative purposes only and may not reflect accurate property boundaries

However, each lot proposed for new land division must individually comply with the maximum allowed residential density and minimum lot size based on the average lot slope. The required minimum lot sizes range from 7,500 square feet for lots with average slopes of 0 to 10 percent to 45,000 square feet for lots with slopes of 35 percent or greater. The allowed floor area ratio (FAR) is also based on the slope of the site.

The maximum allowable gross floor area is calculated as the lesser of the following:

- 1) The allowable gross floor area can be determined by the slope and floor area ratio (FAR). The allowed FAR varies depending on the slope of the site; the allowed FARs range from 53.3 percent for sites with a slope of 0 to 10 percent to 26.7 percent for sites with a slope of 45 percent or more. Once the slope of the site and the corresponding FAR have been determined, the allowable gross floor area is either the greater of 1,200 square feet or the product of multiplying the net lot area by the FAR.
- 2) The allowable gross floor area can also be determined by the size of the lot. For lots under 10,000 square feet, the allowable gross floor area is 3,500 square feet. For lots over 10,000 square feet the allowable gross floor area is 3,500 to 4,500 square feet, with an additional 0.15 building square foot per lot square foot over 10,000.

Other development standards include an average lot width of 60 feet, a minimum street frontage of 50 feet, and a maximum building height of 28 feet. The required setbacks vary based on the size of the residence. New single-family dwellings must have a total of four parking spaces, with at least two spaces located in a garage.

The subject property is currently improved with a vacant office building. The improvements were constructed prior to the current zoning standards and are considered to be a legal non-conforming use.

Development Potential

The appraiser consulted with the City of Belmont Planning Department to determine whether the subject parcel could be subdivided. According to the planner, due to the size and average slope of the parcel, it is not eligible to be subdivided. The subject is an approximately 13,273 square foot site and has an estimated average slope of 11.43%. The minimum lot area for a new lot with this slope is 8,225 square feet. Because of this, if lot were split, neither new lot would meet the minimum lot size. Therefore, it is most likely that the subject would not be approved for subdivision. As a single lot this parcel could be developed with a single-family residence with a gross floor area up to approximately 3,991 square feet.

SUBJECT PROPERTY IDENTIFICATION
Appraisal of 1513-1515 Folger Drive
Belmont, California

Address/ APN	Size (SF)	Developable Area SF	Belmont Estimated Site Slope	Min lot size- Based on Slope SF	# of allowed lots	# of lots allowed with slope of 0-10% (7,500 min lot size)	Zoning	Max GFA	FAR	Max FAR
-----------------	--------------	------------------------	------------------------------------	------------------------------------	-------------------	--	--------	---------	-----	---------

1513-1515 Folger Drive

044-351-040	13,273	13,273	11.43%	8,225	1.61	1.77	R-1B	3,991	30.07%	52.90%
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Source: Watts, Cohn and Partners, Inc., March 2018
18-WCP-008B

It is noted that the average slope utilized for these calculations are estimates provided by the City of Belmont. The estimates are based on aerial photographs and are considered to be a good reference for determining the subject's development potential. Since the slopes are estimates, it is possible that the actual slopes could be slightly higher or lower; however, even if the subject has a slope of 10 percent or less, it is considered to be too small for subdivision.

Overall, the appraiser acknowledges the possibility of a subdivision for the subject. However, given the discussion with the planner, the zoning standards, building trends, and the estimated slope, the subject site would most likely be approved for development as a single lot.

G. Description of Improvements

The subject property is improved with a vacant office building. The improvements are a single story approximately 1,134 square foot building. The building is of wood frame construction and the exterior has a painted wood and brick façade with clay tile roofing. The exterior is similar in appearance to a single-family house and blends into the residential character of the neighborhood.

The interior of the improvements consists of a foyer area, open office space, a private office, and two single restrooms. The interior finishes include painted sheetrock walls, dropped ceiling tiles, fluorescent lighting, and carpet flooring. The bathrooms each have a sink and a toilet along with ADA grab bars. The bathrooms have tile flooring and wainscoting. The improvements are no longer in use and have not been updated in many decades. The age of the building is unknown; however, it is older and is in need of renovation. Overall, the subject is considered to be of average quality and in fair condition.

The subject property has two points of vehicular access on Folger Drive. The property is paved and striped with approximately 12 parking spaces. At the rear of the property there is an approximately 6 to 10-foot-high retaining wall between the subject and the neighboring property to the north and east. The neighboring house to the rear is situated close to the retaining wall and a large oak tree is leans over the wall.

Overall the improvements are older and are in need of renovation. The subject is a small office building located in a residential neighborhood and would likely have little appeal to another user. Due to the age, condition, and buildout of the improvements, the improvements are considered to be near the end of their economic life.

SUBJECT PHOTOGRAPHS



Office Building Exterior



Office Building Exterior from Street



Office Building Rear Exterior



Perimeter Wall towards Adjacent Property

SUBJECT PHOTOGRAPHS



Office Interior



Restroom

V. HIGHEST AND BEST USE AND VALUATION METHODOLOGY**A. Highest and Best Use**

Highest and best use is the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.¹

The four criteria the highest and best use must meet are physical possibility, legal permissibility, financial feasibility, and maximum productivity. Analysis of the subject's highest and best use is made as if the site were vacant, and as improved with the existing improvements.

¹ The Appraisal of Real Estate, 14th Edition, 2013, p. 332

1. As-If Vacant**a. Legally Permissible**

The subject site is located within the R-1B Single Family Residential District, which allows for single family uses. The zoning is consistent with the neighborhood. Legal considerations do not adversely constrain potential uses of the site.

b. Physically Possible

The subject is a mid-block site with frontage on a residential street. The site is graded and slopes upward slightly to the north. A variety of residential uses are considered to be physically possible on the subject site.

c. Financially Feasible

The subject site is located in the city of Belmont and the demand for residential uses is considered strong in the subject neighborhood. Residential construction would be financially feasible.

d. Maximally Productive

In the current market, the highest and best use of the subject is to entitle the site for the construction of a single-family residence that is consistent with current zoning codes.

2. *As-Improved*

In considering the highest and best use of the subject property as improved, the same tests are considered. The subject property is improved with a small public office building that has been vacant for several years. The improvements are older and are in need of renovation. The subject is an office building located in a residential neighborhood and would likely have little appeal to another user. Due to the age, condition, and buildout of the improvements, the improvements are not considered to contribute value to the underlying site.

Overall, the highest and best use of the subject property as-improved is to demolish the existing improvements and to entitle the site for the construction of a single-family residences that is consistent with current zoning codes.

B. Valuation Methodology

The valuation of any parcel of real estate is derived principally through three approaches to the market value. From the indications of these analyses, and the weight accorded to each, an opinion of value is reached. Each approach is more particularly described below.

1. *Cost Approach*

This approach is the summation of the estimated value of the land, as if vacant, and the reproduction of replacement cost of the improvements. From these are deducted the appraiser's estimate of physical deterioration, functional obsolescence and economic obsolescence, as observed during inspection of the property and its environs. The Cost Approach is based on the premise that, except under most unusual circumstances, the value of a property cannot be greater than the cost of constructing a similar building on a comparable site.

2. *Sales Comparison Approach*

This approach is based on the principal of substitution, i.e., the value of a property is governed by the prices generally obtained for similar properties. In analyzing the market data, it is essential that the sale prices be reduced to common denominators to relate the degree of comparability to the property under appraisal. The difficulty in this approach is that two properties are never exactly alike.

3. *Income Approach*

An investment property is typically valued in proportion to its ability to produce income. Hence the Income Approach involves an analysis of the property in terms of its ability to provide a net annual income. This estimated income is

then capitalized at a market-oriented rate commensurate with the risks inherent in ownership of the property, relative to the rate of return offered by other investments.

The subject property is valued as a single-family development site. The approach used in this appraisal report is the Sales Comparison Approach to value. The Income and Cost Approaches are not considered to be good indicators of value for an unentitled single-family development site and are not utilized.

The methodology is further discussed in the following chapters.

VI. SALES COMPARISON APPROACH

Fee simple land value is estimated using the Sales Comparison Approach. The table on the following page presents four comparable land transactions and one pending sale. Adjustments are made to these unit price indications for market conditions, location, utility, entitlements, and size. Unless otherwise noted, these properties transferred on an all cash basis or in terms reflecting a cash equivalent price. The comparable sales are discussed in the following paragraphs.

A. Comparable Land Sales

Comparable 1 is the listing of a residential site located at 3226 Upper Lock Avenue in Belmont. The site consists of a single lot containing 0.20 acres or 8,925 square feet. It has a zoning designation of R-1B Single Family Residential. The topography of the site slopes downward steeply from the street level. The site has Bay views and is located on a narrow street.

This property is currently listed for \$975,000 or \$109 per square foot. The property is reportedly pending. The site is not entitled for development.

Comparable 2 is the sale of a residential site located at 901 Holly Road in the city of Belmont. The site consists of two parcels totaling 15,473 square feet or 0.36 acres. The larger parcel is improved with a 1940s 2,185 square foot residence, which is considered to add value to the site. The gently sloping hillside lot has partial Bay views. It has a zoning designation of R1-A Single Family Residential.

In August 2017, the property sold for \$2,089,000 or \$135 per square foot of land area. After a deduction of \$200 per square foot for the contributory value of the improvements, the sale price equates to \$107 per square foot. The site was not entitled for development at the time of sale.

Comparable 3 is the sale of a residential site located between 738 and 754 Hillcrest Way in the Emerald Hills neighborhood of Redwood City. At the time of sale, the property was improved with a small storage building. The site consists of two lots containing 0.33 acres or 14,350 square feet. It has a zoning designation of RH/DR Residential Hillside/Design Review. The topography of the site slopes upward from the street level. The property was merged into one lot after the sale.

This property sold in May 2017 for \$990,000, which equates to \$69 per square foot. The site was not entitled at the time of sale but was planned for a new single-family residence.

Comparable 4 is the sale of a residential site located at 2902 San Juan Boulevard in the city of Belmont. The site consists of a single parcel totaling 6,255 square feet or 0.14 acres. It has a zoning designation of R-1B Single Family Residential. This property has frontage on San Juan Boulevard and Monte Cresta Drive. The site

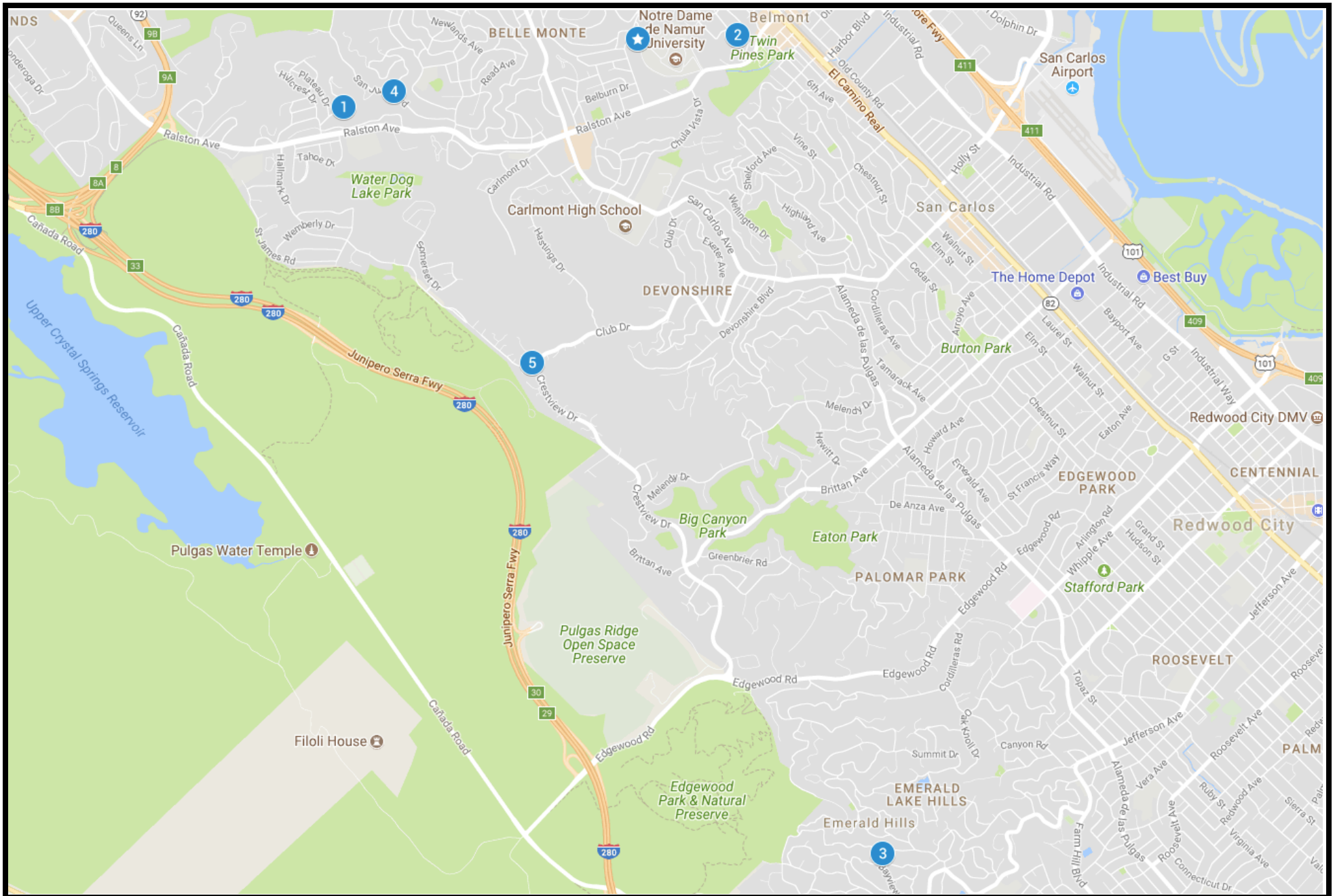
COMPARABLE LAND SALES
Appraisal of 1513-1515 Folger Drive
Belmont, California

#	Location / APN	Recording Date	Land Area	Sale Price	Price/ PSF	Zoning General Plan Entitlements	Grantor / Grantee	Comments
1	3226 Upper Lock Avenue Belmont APN: 043-211-220	Pending	8,925 SF 0.20 AC	\$975,000	\$109	R-1B Low Density Residential Unentitled	Mark J Cooper Trust / NA	Vacant lot that slopes downward from the street level. Bay view property.
2	901 Holly Road Belmont APN: 045-151-340, -350	8/17	15,473 SF 0.36 AC	\$2,089,000 (\$437,000) (1) \$1,652,000	\$135 \$107	R-1A Low Density Residential Unentitled	Survivors Barton Trust / Harbour Capital LLC #066310	Hillside lot improved with 1940s 2,185 SF residence. Sold with adjacent vacant lot. Partial Bay views.
3	Btw 738 & 754 of Hillcrest Way Redwood City/Emerald Hills APN: 068-071-070, -080	5/17	14,350 SF 0.33 AC	\$990,000	\$69	RH/DR Low Density Residential Unentitled	UTA Family Trust / Dean & Louise Talboy Trust #045336	Vacant lot that slopes upward from the street. Two lots merged into one.
4	2902 San Juan Boulevard Belmont APN: 043-173-530	3/17	6,255 SF 0.14 AC	\$785,000	\$125	R-1B Low Density Residential Entitled	San Juan Belmont Properties LLC / Vahid Firouzdor #027413	Gently sloping site with entitlements and building permits.
5	596 Club Drive San Carlos APN: 049-391-150	2/17	25,782 SF 0.59 AC	\$2,820,000 \$19,670 (2) \$2,839,670	\$109 \$110	RS-3 Single Family, Low Density Entitled	Shturman & Romachova Trust / Redwood Building Group LLC #016390	Approved for subdivision and redevelopment with two single family houses. Improved with older 2,810 SF house. Generally level with panoramic Bay views.
	Subject Property APN: 044-351-040		13,273 SF 0.30 AC			R-1B Low Density Residential Unentitled		Rectangular site that slopes upward slightly. Improved with vacant 1 story office building.

(1) Contributory value of the improvements estimated at \$200 per square foot.
(2) Demolition costs estimated at \$7.00 per square foot of building area.

Source: Watts, Cohn and Partners, Inc., March 2018
18-WCP-008B

COMPARABLE LAND SALES MAP



drops of steeply from Monte Cresta Drive and slopes downward gently to the San Juan Boulevard frontage.

In March 2017, the property sold for \$785,000 or \$125 per square foot of land area. The site was entitled and had building permits at the time of sale.

Comparable 5 is the sale of a residential site located at 596 Club Drive in the Beverly Terrance neighborhood of San Carlos. At the time of sale, the property was improved with an older 3,410 square foot house that was in fair condition. The site contains 0.59 acres or 25,782 square feet. It has a zoning designation of RS-3. The site is generally level and has panoramic Bay views.

This property sold in February 2017 for \$2,820,000. After adding the estimated demolition costs of the improvements, the sale price equates to \$110 per square foot. The property is entitled for redevelopment with two single family residences.

B. Analysis

By further analyzing the comparable sales, and adjusting for various factors, an appropriate unit value can be concluded for the subject. The most appropriate unit value indicator for single family residential sites is price per square foot. The subject is approximately 13,273 square feet in size. The comparables indicate a price per square foot range between \$69 and \$125 and range from 6,255 to 25,782 square feet in size. The adjustment grid is shown on the table on the following page.

Comparable 1 is the pending sale of a residential site in Belmont. This property is listed for \$109 per square foot. It is located in Belmont and has a similar neighborhood location to the subject. No adjustments are considered warranted for location. However, the comparable is smaller in size, warranting a negative adjustment. Further negative adjustment is applied for the comparable's superior views. These adjustments are partially offset by the inferior utility of the comparable, as it has a much steeper slope. Overall a lower unit value is indicated for the subject.

Comparable 2 is the sale of a residential site on Holly Road in Belmont. This property sold in August 2017 for \$107 per square foot. Residential market conditions have continued to improve in Belmont over the past year and an upward adjustment is warranted for the date of sale. The comparable is similar in terms of size, location, and entitlements to the subject and no adjustments are applied for these factors. The comparable has a steeper slope and is considered to be inferior in utility, warranting positive adjustment. However, this adjustment is more than offset by the superior views of the comparable. Overall a lower unit value is indicated for the subject.

Comparable 3 is the May 2017 sale of a property on Hillcrest Way in Redwood City. This property sold for \$69 per square foot. An upward adjustment is made for

Comparable Land Sales Adjustment Grid

Appraisal of 1513-1515 Folger Drive
Belmont, California

	Subject	Comparable 1 3226 Upper Lock Avenue Belmont		Comparable 2 901 Holly Road Belmont		Comparable 3 Btw 738 & 754 of Hillcrest Way Redwood City/Emerald Hills		Comparable 4 2902 San Juan Boulevard Belmont		Comparable 5 596 Club Drive San Carlos	
Purchase Price		\$975,000		\$1,652,000		\$990,000		\$785,000		\$2,820,000	
Price/SF		\$109		\$107		\$69		\$125		\$109	
Size		8,925		15,473		14,350		6,255		25,782	
Property Rights	Fee simple	Fee simple	0.0%	Fee simple	0.0%	Fee simple	0.0%	Fee simple	0.0%	Fee simple	0.0%
Financing		Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%	Conventional	0.0%
Conditions of Sale		Arm's length	0.0%	Arm's length	0.0%	Arm's length	0.0%	Arm's length	0.0%	Arm's length	0.0%
Buyer Expenditures		None	\$0	None	\$0	None	\$0	None	\$0	Demo.	\$19,670
Adjusted/SF		\$975,000		\$1,652,000		\$990,000		\$785,000		\$2,839,670	
		\$109		\$107		\$69		\$125		\$110	
Conditions of Sale		0%		0%		0%		0%		0%	
Market Conditions		Pending	0.0%	8/17	5.0%	5/17	5.0%	3/17	5.0%	2/17	5.0%
Adjusted/SF Mkt Cond.		\$109		\$112		\$72		\$132		\$116	
Location	Belmont	Similar	0.0%	Similar	0.0%	Superior	-2.5%	Similar	0.0%	Superior	-2.5%
Size	13,273	8,925	-5.0%	15,473	0.0%	14,350	0.0%	6,255	-10.0%	25,782	12.5%
Entitlements	Unentitled	Unentitled	0.0%	Unentitled	0.0%	Unentitled	0.0%	Entitled	-15.0%	Entitled	-15.0%
Site condition/utility	Slight Slope	Inferior	7.5%	Inferior	2.5%	Inferior	40.0%	Inferior	5.0%	Superior	-5.0%
Other/Views	None	Superior	-10.0%	Superior	-10.0%	Similar	0.0%	Similar	0.0%	Superior	-10.0%
Net Percentage Adjustment		-7.5%		-7.5%		37.5%		-20.0%		-20.0%	
Per Square Foot Value Indication:		\$101		\$104		\$100		\$105		\$93	

Source: Watts, Cohn and Partners, Inc., March 2018
18-WCP-008B

current stronger residential market conditions. However, the comparable is considered to have a slightly superior location in the Emerald Hills neighborhood of Redwood City, indicating a negative adjustment for location. The comparable is a steeply sloping site, located on a narrow winding street. These factors will make development staging difficult and will increase development costs. A significant upward adjustment is applied for site condition and utility. The comparable is similar in terms of size, entitlements, and views and no further adjustments are warranted. Overall a higher unit value is indicated for the subject.

Comparable 4 is the March 2017 sale of a residential site in Belmont. It sold for \$125 per square foot. An upward adjustment is made for residential market conditions which have improved over the past year. However, this property is much smaller than the subject, indicating negative adjustment. It was also entitled and had building permits at the time of sale, warranting further negative adjustment. A partially offsetting factor is the greater slope of the comparable site and its irregular shape. Overall a lower unit value is indicated for the subject.

Comparable 5 is the February 2017 sale of a property in San Carlos for \$110 per square foot. A positive adjustment is warranted for the date of sale. This property is located in the San Carlos hills and is considered to have a slightly superior location to the south. It is also located on a wider street, which is more accessible for construction staging. Furthermore, the comparable was entitled at the time of sale and has Bay views. Negative adjustments are applied for these factors. A partially offsetting factor is the larger size of the comparable site. Overall a lower unit value is indicated for the subject.

C. Value Conclusion

After adjustment, the comparables indicate a market value for the subject between \$93 and \$105 per square foot. The subject is near the middle of the comparable range in terms of size, is generally rectangular, and has a slight upward slope. It is considered to be superior to many of the comparables in terms of utility. Although the subject has a good utility and a good residential location in Belmont, it does not have views and is not entitled for development. In addition, the existing retaining wall may prevent full usage of the site.

Considering the physical attributes of the subject property, a unit value of \$95 per square foot is concluded. The resulting market value of the subject is as follows:

Per Square Foot Indicator:

$$13,273 \text{ SF} \quad \times \quad \$95 \text{ PSF} \quad = \quad \$1,260,935$$

As-Is Value Conclusion

The subject is currently improved with a vacant 1,134 square foot office building. The demolition cost is estimated at \$7.00 per square foot of building area, or \$7,938, rounded to \$10,000. The estimated demolition cost is deducted from the concluded value to derive the as-is market value of the subject property.

Value of Subject as Development Site	\$1,260,935
Less: Costs of Demolition	<u>(\$10,000)</u>
As-Is Market Value (Rounded)	\$1,250,000

Based on the research and analysis contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the undersigned that the as-is market value of the fee simple interest in the subject property, as of February 19, 2018, is estimated to be:

ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

(\$1,250,000)

Further, it is our opinion that the above value could be achieved within a 12-month active exposure period.

ADDENDA

COMPARABLE LAND SALES PHOTOGRAPHS



3226 Upper Lock Avenue
Belmont



901 Holly Road
Belmont



Btw 738 & 754 Hillcrest Way
Belmont

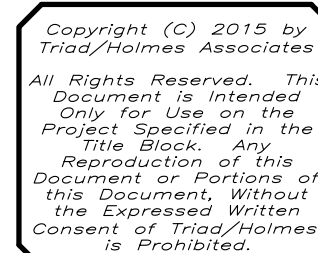


2902 San Juan Boulevard
Belmont

COMPARABLE LAND SALES PHOTOGRAPHS



596 Club Drive
San Carlos

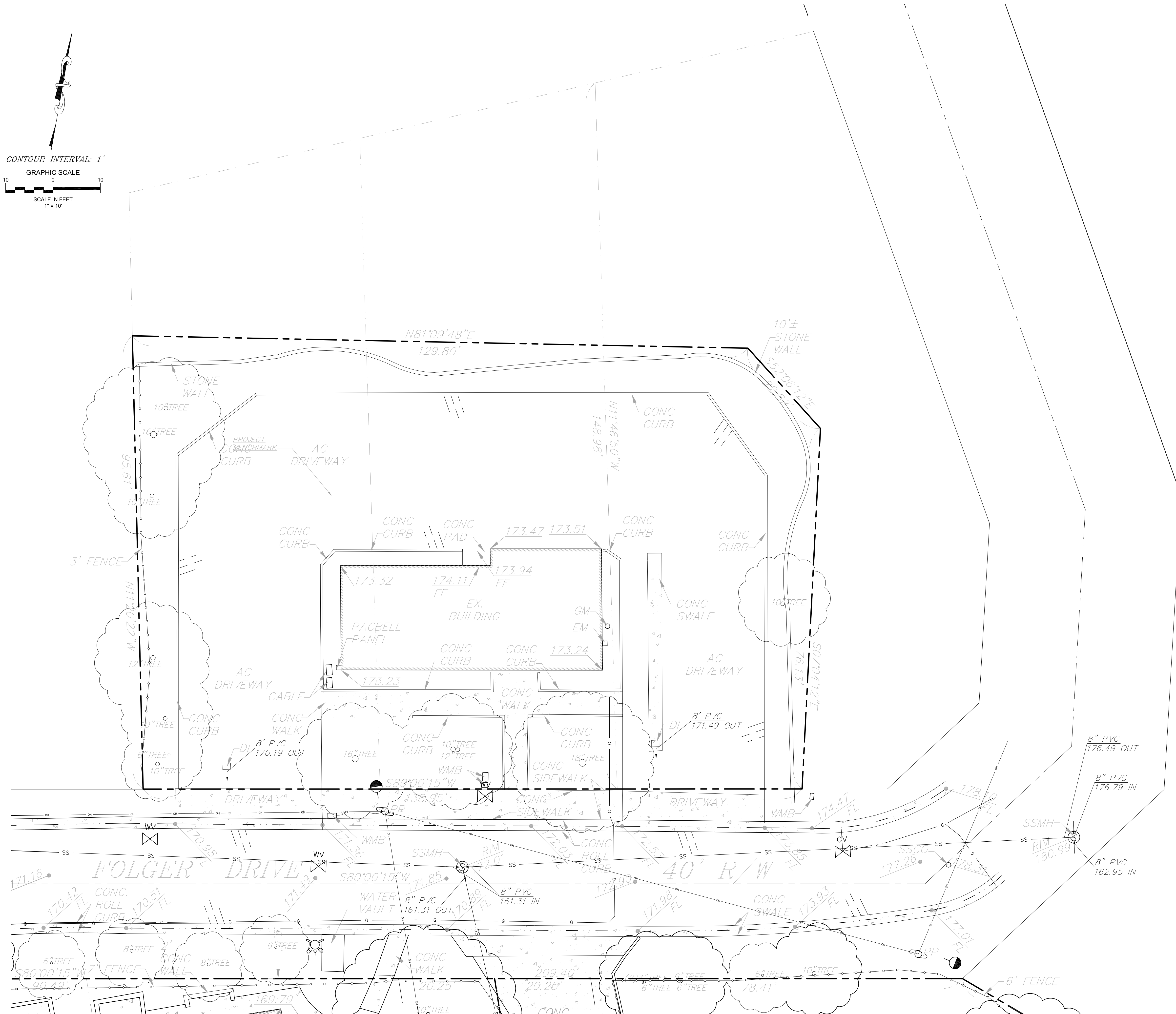
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PREPARED FOR:
PAKPOUR CONSULTING
GROUP



















TOPOGRAPHY SURVEY


LOTS 5,6, PORT LOTS 7,32,33 & 34
14 MAPS 16, SAN MATEO COUNTY, CA

DATE	10/31/2015
SCALE	1" = 10'
DRAWN	MN
JOB NO.	09.1709
DWG	1
SHEET	1 OF 1



LEGEND:

	PROPERTY LINE
	ADJACENT PROPERTY LINE
	WOOD FENCE
	WIRE FENCE
	CENTERLINE
	OVERHEAD UTILITIES
	EASEMENT
	EDGE OF PAVEMENT
	EXISTING GROUND CONTOUR & ELEV.
	SPOT ELEVATION
AC	ASPHALTIC CONCRETE
CONC.	CONCRETE
DI	DRAIN INLET
ELEC	ELECTRIC
FF	FINISH FLOOR
MH	MANHOLE
O.R.	OFFICIAL RECORDS
PP	POWER POLE
RET.	RETAINING
R/W	RIGHT OF WAY
UTIL	UTILITY
WMB	WATER METER BOX
	HYDRANT
	UTILITY POLE
	GUY WIRE
	GAS VALVE
	WATER VALVE
	SEWER MANHOLE
	STORM DRAIN MANHOLE
	CONCRETE



TREE SIZE WITH DRIPLINE
NOTE:
ACTUAL TREE TRUNK LOCATIONS ARE SHOWN. DRIPLINES SHOWN ARE ONLY APPROXIMATE. DRIPLINES IN AREAS OF PROPOSED CONSTRUCTION SHOULD BE FIELD VERIFIED.

NOTES:

BENCHMARK:
ELEVATIONS ARE BASED ON NGVD 88 DATUM.
PROJECT BENCHMARK IS THE RIM OF THE SEWER
MANHOLE AS SHOWN. ELEVATION = 170.95'

PROJECT SITE(S)

1513 & 1515 FOLGER DRIVE
BELMONT CALIFORNIA
APN-044-351-040
13,273 sq.ft.
0.30 acres

BASIS OF BEARINGS:

THE BEARING OF NORTH 80°00'15" EAST AS SHOWN
HEREON FOR THE CENTERLINE OF FOLGER AVENUE AS
SHOWN ON THAT RECORD OF SURVEY MAP IN THE
OFFICE OF THE RECORDER OF THE COUNTY OF SAN
MATEO, STATE OF CALIFORNIA, IN BOOK 14 OF MAPS
AT PAGE 16, WAS CALCULATED FROM FOUND
SUBDIVISION MONUMENTS WAS TAKEN AS THE BASIS
OF BEARINGS FOR THIS SURVEY

OWNER:
MID PENINSULA WATER DISTRICT
3 DAIRY LANE
BELMONT CA 94002

I HEREBY STATE THAT I AM A LICENSED LAND SURVEYOR OF THE STATE OF CALIFORNIA, THAT THIS MAP CORRECTLY REPRESENTS A SURVEY MADE UNDER MY SUPERVISION IN NOVEMBER 2015, THAT PROPERTY LINES SHOWN HEREON ARE COMPILED FROM RECORD DATA AND DO NOT REFLECT A BOUNDARY SURVEY UNLESS SPECIFICALLY NOTED HEREON, AND THAT THIS MAP DOES NOT INCLUDE EASEMENTS EXCEPT THOSE SPECIFICALLY DELINEATED HEREON.

IF UNDERGROUND UTILITIES, ZONE, SETBACK AND STREET WIDENING DATA ARE SHOWN HEREON, IT IS FOR INFORMATION ONLY, HAVING BEEN OBTAINED FROM AVAILABLE SOURCES NOT CONNECTED WITH THIS CORPORATION. THEREFORE, NO GUARANTEE IS MADE AS TO THE ACCURACY OR COMPLETENESS OF SAID INFORMATION.

ANDREW K. HOLMES

L.S. 4428

QUALIFICATIONS OF SARA A. COHN, MAI
California Certified General Real Estate Appraiser No. AG014469

EXPERIENCE

Sara A. Cohn is a Partner with Watts, Cohn and Partners, Inc. a new firm providing commercial real estate valuation. From 1988 to 2016, she worked for Carneghi and Partners and was a Senior Project Manager/Partner in their San Francisco office. This company provided real estate appraisal and consulting services in the San Francisco Bay Area. Clients include financial institutions, government agencies, law firms, development companies and individuals. Typical assignments include both valuation and evaluations of a broad variety of property types, uses and ownership considerations.

Ms. Cohn has over 28 years of appraisal experience. She has completed a wide variety of valuation and evaluation analyses. Ms. Cohn has extensive knowledge of the San Francisco Bay Area and has appraised many property types including office buildings, industrial properties, retail centers, hotels, residential projects, mixed-use properties and development sites. Recent work has involved the analysis of commercial buildings, residential subdivisions, valuation of affordable housing developments with bond financing and/or Low Income Housing Tax Credits (LIHTCs), assessment districts, as well as co-housing projects.

EDUCATION

Bachelor of Arts, University of California, Berkeley, 1978

Successful completion of all professional appraisal courses offered by the Appraisal Institute as a requirement of membership.

Continued attendance at professional real estate lectures and seminars.

PROFESSIONAL AFFILIATION AND STATE CERTIFICATION

Appraisal Institute - MAI Designation (Member Appraisal Institute) No. 12017
Continuing Education Requirement Complete

State of California Certified General Real Estate Appraiser No. AG014469
Certified Through March 2017

State of California Licensed Landscape Architect No. 2102

Member, Board of Directors, Northern California Chapter of the Appraisal Institute,
2008-2010

Seminars Co-Chair, Northern California Chapter of the Appraisal Institute, 2005-2007



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Sara A. Cohn

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

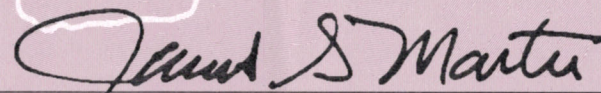
“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 014469

Effective Date: March 10, 2017

Date Expires: March 9, 2019


Jim Martin, Bureau Chief, BREA

3032359

QUALIFICATIONS OF MARK A. WATTS

Mark A. Watts is a Partner with Watts, Cohn and Partners, Inc.

Following is a brief summary of his background and experience:

EXPERIENCE

Commercial Real Estate Appraisal Experience

Mr. Watts has been a commercial real estate appraiser since 1987, and has over 20 years experience in the analysis of commercial real estate. He has completed valuation assignments on a variety of projects, including industrial facilities, residential subdivisions, apartments, shopping centers, cemeteries and recreational facilities. He has also performed feasibility studies and assisted owners in making asset management decisions.

Mr. Watts has provided litigation support and served as an expert witness in court. He has also served in arbitrations as an expert witness. He has been qualified as an expert in San Francisco and San Mateo County Superior Courts.

He served on the San Francisco County Assessment Appeals Board from 2011 to 2016.

Commercial Real Estate Investment Experience

Simultaneous to his work as a commercial appraiser, Mr. Watts has been an active real estate investor/developer. He is experienced in the acquisition, redevelopment and management of commercial properties. He has witnessed and experienced many real estate cycles and stays abreast of current trends. His personal experience as an investor makes him uniquely qualified to appraise commercial real estate.

Over the last 20 years he has completed more than 30 investment real estate transactions, an average of 1.5 transactions per year. He has negotiated with buyers and sellers directly as a principal. He has completed nearly a dozen 1031 exchanges. Beginning with a small initial capital investment, he has built a large real estate portfolio. Based on his ownership experience, Mr. Watts is keenly aware that the success or failure of an acquisition is closely related to its location. Likewise, he is sensitive to locational differences in the appraisal of real estate.

Mr. Watts has broad experience with the construction, maintenance and repair of real estate. He has demolished and re-built two structures from the ground up. He has completed fire damage repairs and remediated toxic mold. He has remodeled kitchens and baths. He has replaced foundations on structures, made additions, and made other improvements. As the quality and condition of real estate has a strong correlation with its value, his experience enables superior judgement of these attributes in his work as a commercial real estate appraiser.

Community Involvement

Mr. Watts served on the Board of Managers of the Stonestown Family YMCA from 2002 to 2017. This is an approximately 30,000 square foot health club facility. He was active on the Facilities Committee. He served as the Board Chair in 2008. He has been a member of the Olympic Club in San Francisco since 1976. He served the Forest Hill Neighborhood Association as President from 2013 to 2017.

EDUCATION

Bachelor of Arts, University of California, Davis

PROFESSIONAL AFFILIATION

State Accredited Affiliate of the Appraisal Institute
State of California Certified General Real Estate Appraiser No. AG015362



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Mark A. Watts

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 015362

Effective Date: August 16, 2017

Date Expires: August 15, 2019

Jim Martin, Bureau Chief, BREA

3035220

QUALIFICATIONS OF CHRISTIE TURNER

Christie Turner is a Project Manager with Carneghi and Partners, Inc., based in the San Francisco Office. Carneghi and Partners provides real estate consulting services in the San Francisco Bay Area. Clients include financial institutions, government agencies, law firms, development companies and individuals. Typical assignments include both valuation and evaluations of a broad variety of property types, uses and ownership considerations.

EXPERIENCE

Ms. Turner joined Carneghi and Partners, Inc. in 2012. Ms. Turner's responsibilities include conducting research and preparing narrative appraisals for a wide variety of appraisal assignments including retail, mixed-use, multi-family, office, institutional, vacant land, and recreational properties.

Ms. Turner is a Practicing Affiliate of the Appraisal Institute

EDUCATION

University of Utah, Salt Lake City
Bachelor of Science, Finance

STATE CERTIFICATION

State of California Real Estate Trainee Appraiser License No. 3001438



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Christie L. Turner

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3001438

Effective Date: November 13, 2017

Date Expires: November 12, 2019

Jim Martin, Bureau Chief, BREA

3037242

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

APPRAISAL OF:

**MID-PENINSULA WATER DISTRICT F STREET PARCEL
SAN CARLOS, CALIFORNIA**

PREPARED FOR:

**MID-PENINSULA WATER DISTRICT
BELMONT, CALIFORNIA**

MARCH 2018

18-WCP-008C

WATTS, COHN and PARTNERS, INC.

COMMERCIAL REAL ESTATE APPRAISAL

March 7, 2018

Ms. Tammy Rudock
General Manager
Mid-Peninsula Water District
3 Dairy Lane
Belmont, California 94002

Re: 18-WCP-008C, Appraisal
Mid-Peninsula Water District
F Street Parcel
San Carlos, California

Dear Ms. Rudock:

At your request and authorization, Watts, Cohn and Partners, Inc. has made an appraisal of the above referenced property. The subject property is located on the southeast corner of F Street and El Camino Real in the City of San Carlos, San Mateo County, California. The subject is a long and narrow parcel with an irregular shape. It has approximately 40 feet of frontage on El Camino Real and approximately 205 feet of frontage on F Street; however, the width of the site ranges from approximately 25 to 40 feet. The site slopes downward gently from El Camino Real to the east. The property is currently paved and vacant.

The subject property contains approximately 6,534 square feet, or 0.15 acres, according to public records. The site is further identified by the San Mateo County Assessor as Assessor Parcel Number: 045-320-100. This appraisal addresses the fee simple interest in the subject property in its as-is condition.

The purpose of this appraisal is to estimate the as-is market value of the fee simple interest in the subject property. It is our understanding that the intended use/user of this appraisal is for the exclusive use of the Mid-Peninsula Water District and the MPWD Board of Directors. The intended use (function) for which this appraisal was contracted is to assist in decisions relating to the possible sale of the property. ***This report should not be relied upon by any other parties for any reason.***

A more complete description of the subject property appraised, as well as the research and analysis leading to our opinions of value, is contained in the attached report. Chapter I provides a basic summary of salient facts and conditions upon which this appraisal is based and reviews the value conclusions.

582 Market Street, Suite 512 | San Francisco, CA 94104 | 415-777-2666

Mark Watts | mark@wattscohn.com | Sara Cohn, MAI | sara@wattscohn.com

EXTRAORDINARY ASSUMPTIONS AND LIMITING CONDITIONS

1. A preliminary title report was not provided for review. This appraisal assumes that the title is free and marketable, and that the subject is unencumbered by adverse easements, restrictions, or encumbrances.
2. The subject site area is based on information provided by public records and checked by site measurements noted on the assessor map. This appraisal assumes that the site area utilized in this report is accurate.

The use of any hypothetical conditions or extraordinary assumptions in this report might have affected the assignment results.

VALUE CONCLUSION**As-Is Market Value**

Based on the research and analyses contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the market value of the fee simple interest in the subject property, in its present, as-is condition, as of February 19, 2018, is estimated to be:

SEVEN HUNDRED TWENTY THOUSAND DOLLARS

(\$720,000)

Further, it is our opinion that the above value could be achieved within a 12-month active exposure period.

This letter must remain attached to the appraisal report, identified on the footer of each page as 18-WCP-008C, plus related exhibits, in order for the value opinion set forth to be considered valid.

CERTIFICATION

We, the undersigned, hereby certify that, to the best of our knowledge and belief: the statements of fact contained in this report are true and correct; the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions; we have no present or prospective interest in the property that is the subject of this report, and we have no personal interest with respect to the parties involved; we have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results, our compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal;

Watts, Cohn and Partners, Inc.

Commercial Real Estate Appraisal

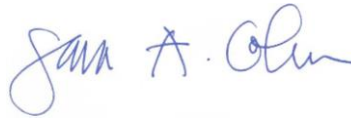
18-WCP-008C

the appraisal assignment was not based on a requested minimum valuation, a specific valuation, or the approval of a loan; our analyses, opinions and conclusions were developed, and this report has been prepared in conformity with the Uniform Standards of Professional Appraisal Practice, Code of Professional Ethics and the Standards of Professional Appraisal Practice of the Appraisal Institute, and is in compliance with FIRREA; Sara Cohn and Mark Watts have made a personal inspection of the property that is the subject of this report; Christie Turner has not made a personal inspection of the property that is the subject of this report; no one provided significant real property appraisal assistance to the persons signing this report. The use of this report is subject to the requirements of the Appraisal Institute related to review by its duly authorized representatives. In accordance with the Competency Rule in the USPAP, we certify that our education, experience and knowledge are sufficient to appraise the type of property being valued in this report. We have not provided services regarding the property that is the subject of this report in the 36 months prior to accepting this assignment.

We are pleased to have had this opportunity to be of service. Please contact us if there are any questions regarding this appraisal.

Sincerely,

WATTS, COHN AND PARTNERS, INC.



Sara A. Cohn, MAI
Certified General Real Estate Appraiser
State of California No AG014469



Mark Watts
Certified General Real Estate Appraiser
State of California No. AG015362



Christie L. Turner
Certified General Real Estate Appraiser
State of California No. 3001438

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ADDENDA

**Comparable Photographs
Qualifications and Licenses of the Appraisers**

I. REPORT SUMMARY

A. Property Appraised

The subject property appraised is identified as the Mid-Peninsula Water District F Street parcel. The subject property is located on the southeast corner of F Street and El Camino Real in the City of San Carlos, San Mateo County, California. The subject is a long and narrow parcel with an irregular shape. It has approximately 40 feet of frontage on El Camino Real and approximately 205 feet of frontage on F Street; however, the width of the site ranges from approximately 25 to 40 feet. The site slopes downward gently from El Camino Real to the east. The property is currently paved and vacant.

The subject property contains approximately 6,534 square feet, or 0.15 acres, according to public records. The site is further identified by the San Mateo County Assessor as Assessor Parcel Number 045-320-100.

This appraisal addresses the fee simple interest in the subject property.

B. Property Identifications

Assessor's Parcel No.	045-320-100
Zoning	PD
Census Tract No.	6092.02
Zip Code	94070
Flood Zone (Insurance is NOT Required)	X
Earthquake Fault Zone	No
Thomas Brother's Map Grid	33-C4

C. Client, Purpose, Intended Use and Intended User

The client for this appraisal is Ms. Tammy Rudock, General Manager of The Mid-Peninsula Water District. The purpose of this appraisal is to estimate the as-is market value of the fee simple interest in the subject property. It is our understanding that the intended use/user of this appraisal is for the exclusive use of the Mid-Peninsula Water District and the MPWD Board of Directors. The intended use (function) for which this appraisal was contracted is to assist in decisions relating to the possible sale of the property. ***This report should not be used or relied upon by any other parties for any reason.***

D. Scope of Work

The scope of work for this appraisal assignment report is to utilize the appropriate approaches to value in accordance with Uniform Standards of Professional Appraisal

Practice (USPAP) to arrive at a market value conclusion. Specific steps include the inspection of the subject property and the research, analysis and verification of comparable data to arrive at a value indication as put forth in this report. The Sales Comparison Approach is considered to be the best indicator for the subject property. The Income and Cost Approaches are not considered relevant and are not included.

E. Reporting Format

This is an Appraisal Report written in a narrative format.

F. Date of Appraisal and Date of Report

The effective date of valuation is February 19, 2018.

The date of this report is March 7, 2018.

G. Definition of Terms

1. *Definition of Market Value (OCC 12 CFR 34.42 (g)) (OTS 12 CFR, Part 564.2 (g)).*

Market value means the most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller, each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- a. Buyer and seller are typically motivated;
- b. Both parties are well informed or well advised, and acting in what they consider their own best interests;
- c. A reasonable time is allowed for exposure in the open market;
- d. Payment is made in terms of cash in US dollars or in terms of financial arrangements comparable thereto; and
- e. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

2. *Fee Simple Interest (The Appraisal of Real Estate, 13th Edition, 2008, p.111)*

A fee simple interest in valuation terms is defined as "... absolute ownership unencumbered by any other interest or estate, subject only to the limitations

imposed by the governmental powers of taxation, eminent domain, police power, and escheat.” It is an inheritable estate.

H. Value Conclusion

Based on the research and analyses contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the market value of the fee simple interest in the subject property, in its present, as-is condition, as of February 19, 2018, is estimated to be:

SEVEN HUNDRED TWENTY THOUSAND DOLLARS

(\$720,000)

It is our opinion that the above value could be achieved within a 12-month exposure period.

I. Assumptions and Limiting Conditions

Extraordinary Assumptions and Limiting Conditions

1. A preliminary title report was not provided for review. This appraisal assumes that the title is free and marketable, and that the subject is unencumbered by adverse easements, restrictions, or encumbrances.
2. The subject site area is based on information provided by public records and checked by site measurements noted on the assessor map. This appraisal assumes that the site area utilized in this report is accurate.

The use of any hypothetical conditions or extraordinary assumptions in this report might have affected the assignment results.

General Limiting Conditions

3. It is the client's responsibility to read this report and to inform the appraiser of any errors or omissions of which he/she is aware prior to utilizing this report or making it available to any third party.
4. No responsibility is assumed for legal matters. It is assumed that title of the property is marketable, and it is free and clear of liens, encumbrances and special assessments other than as stated in this report.
5. Plot plans and maps are included to assist the reader in visualizing the property. Information, estimates, and opinions furnished to the appraiser, and contained in the report, were obtained from sources considered reliable and believed to be true and correct. However, no responsibility for accuracy of such items furnished the appraiser is assumed by the appraiser.

6. All information has been checked where possible and is believed to be correct, but is not guaranteed as such.
7. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil, or structures, which would render it more or less valuable. The appraiser assumes no responsibility for such conditions, or for engineering which might be required to discover such factors. It is assumed that no additional soil contamination exists, other than as outlined herein, as a result of chemical drainage or leakage in connection with any production operations on or near the property.
8. In this assignment, the existence (if any) of potentially hazardous materials used in the construction or maintenance of the improvements or disposed of on the site has not been considered. These materials may include (but are not limited to) the existence of formaldehyde foam insulation, asbestos insulation, or toxic wastes. The appraiser is not qualified to detect such substances. The client is advised to retain an expert in this field.
9. The appraiser is not required to give testimony or appear in court in connection with this appraisal unless arrangements have been previously made.
10. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event only with the proper written qualification, only in its entirety, and only for the contracted intended use as stated herein.
11. Neither all nor part of the contents of this report shall be conveyed to the public through advertising, public relations, news sales, or other media without the written consent and approval of the appraiser, particularly as to the valuation conclusions, the identity of the appraiser, or any reference to the Appraisal Institute or the MAI designation.
12. Information regarding any earthquake and flood hazard zones for the subject property was provided by outside sources. Accurately reading flood hazard and earthquake maps, as well as tracking constant changes in the zone designations, is a specialized skill and outside the scope of the services provided in this appraisal assignment. No responsibility is assumed by the appraiser in the misinterpretation of these maps. It is strongly recommended that any lending institution reverify earthquake and flood hazard locations for any property for which they are providing a mortgage loan.

II. AREA AND NEIGHBORHOOD DESCRIPTION

A. San Mateo County

San Mateo County is one of the nine counties comprising the San Francisco Bay Area. It totals approximately 450 square miles of land extending from the Pacific Ocean on the west to San Francisco Bay on the east, and benefits from its proximity to both San Francisco and the Silicon Valley. The county is geographically divided into eastern and western portions by the Santa Cruz foothills, with most development traditionally having taken place along the more accessible eastern portion, facing the San Francisco Bay.

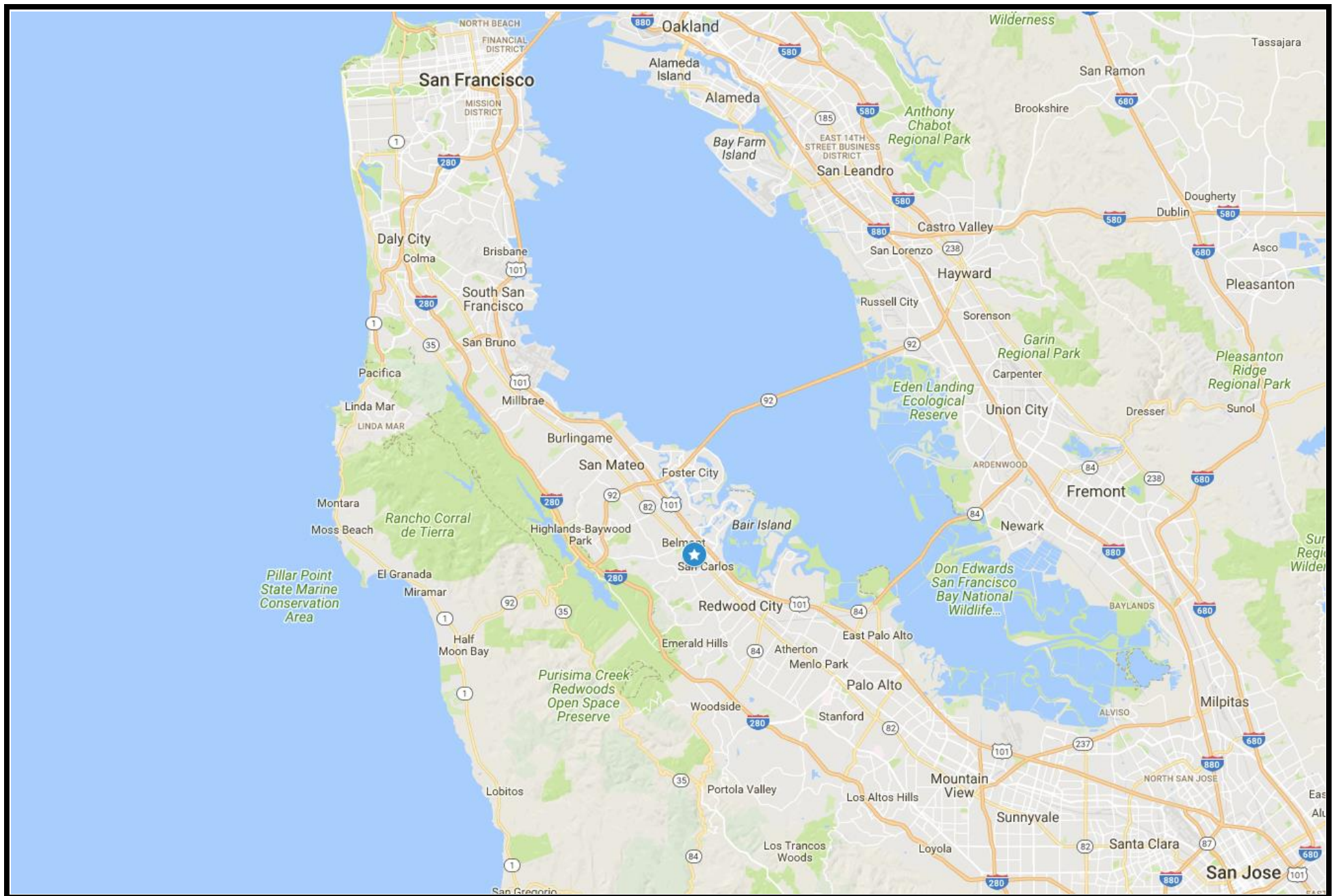
The county is characterized by a ribbon of manufacturing, engineering, and technical products firms closest to the bay, with business and residential areas stretching westward into the foothills. Land available for development is in short supply. Consequently, population expansion has slowed. As of January 1, 2017, (most recent information available), the California State Department of Finance (DOF) estimated the county's population at 770,203, a 0.6 percent increase from the prior year. The Association of Bay Area Governments (ABAG) 2013 projections estimate that San Mateo County's population will rise to 805,600 by 2025.

In terms of employment, San Mateo County has a diversified economy. Its unemployment has historically been below state and national levels. The California Economic Development Department (EDD) reports that as of December 2017, San Mateo County had an unemployment rate of 2.1 percent, which is down slightly from 2.7 percent one year prior.

County residents' household earnings, average education levels, and spending power are all above average for the region. Both rents and home sale prices are high in San Mateo County, and there is a generally recognized dearth of affordable housing for area residents. Consequently, many workers commute from other counties and cities, adding to traffic congestion throughout the area.

Transportation systems serving the county are well established and heavily used by area residents and workers. Two primary freeways running north/south through the area are the Bayshore Freeway (Highway 101) and Interstate 280 (I-280). Highway 92 and I-380 connect these arteries in the central and north/central portions of the county. El Camino Real is the main, commercially developed surface street on the San Francisco Peninsula. Caltrain passenger trains and limited rail freight serve the area, and SamTrans bus service is also available. The San Francisco International Airport is the region's main airport.

REGIONAL MAP



B. City of San Carlos

The city of San Carlos is located toward the southeastern sector of San Mateo County, approximately 25 miles from both San Francisco to the north and San Jose to the south. The city is generally bordered by the city of Belmont and unincorporated land to the north and east and Redwood City to the south. Its northeastern boundary is formed by the Redwood Shores area of Redwood City and Belmont, as well as unincorporated land of San Mateo County and the San Francisco Bay. As of January 1, 2017, the DOF estimated San Carlos' population at 29,311, reflecting a 0.2 percent increase from the year prior. Similar to the region, this moderate growth is attributed mostly to the restricted supply of residential land for future development within the city.

As with the overall trend in San Mateo County, employment conditions in the City of San Carlos have been strong over the past few years. As of December 2017, the unemployment rate for San Carlos was reported by the EDD at 2.1 percent. One year prior, this rate was reported at 2.6 percent.

San Carlos is served by three major vehicle transportation routes: Highway 101 on the east, El Camino Real through the central portion of the city, and Interstate 280 near the western boundary of the city. Woodside Road or State Highway 84, located along the southeastern part of the city, links Highway 101 with Interstate 280. In addition, the city has a network of major surface streets, a rail line, numerous truck carriers and public bus services.

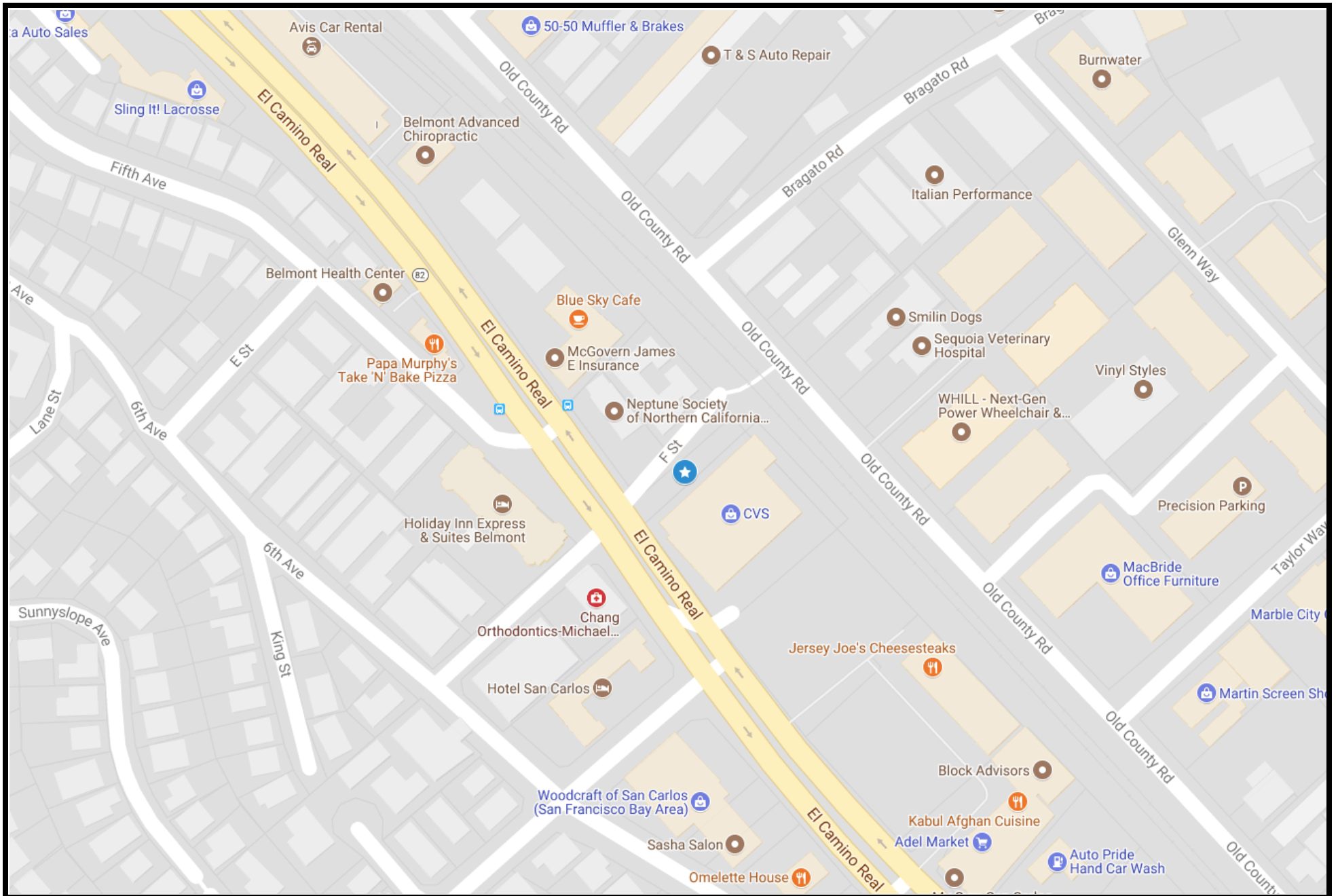
The City of San Carlos consist of mostly residential developments on the west side of El Camino Real. Commercial developments are situated along El Camino Real and Alameda De Las Pulgas as well as in the downtown area along Laurel Street, while industrial developments are situated along the Industrial Road corridor. Recent developments are typically re-use or redevelopment of sites improved with older facilities as there is a lack of remaining vacant land in the community.

C. Neighborhood and Immediate Environs

The subject property is located on El Camino Real, at the southeast corner of F Street, to the north of the central downtown San Carlos area. The subject's general neighborhood is defined as the El Camino Real corridor through San Carlos and the adjacent community of Belmont to the north. The neighborhood is characterized by a mix of professional services, neighborhood serving retail commercial, and apartment uses. El Camino Real, the primary commercial arterial through the area, is a two-directional, four-lane street. F Street is a secondary two-way street that extends for two blocks from Laurel Street/6th Avenue to the railroad tracks. The street in proximity to the subject narrows to 20 feet in width and terminates east of the subject property.

Uses immediately adjacent to the subject are reflective of the broader development patterns in the neighborhood. To the north, on El Camino Real there is a cremation service business and a strip retail center. To the north, on F Street is an apartment development. To the east is an industrial neighborhood across the railroad tracks. To

NEIGHBORHOOD MAP



the west is a medical office building and a Holiday Inn hotel. Further west the neighborhood transitions into residential uses with multifamily and single-family improvements. Directly south of the subject is a one-story building occupied by CVS Pharmacy. CVS is part of a larger shopping center that has a mixture of commercial uses.

Transportation and access to the subject property is considered good. The Holly Street on/off ramp to Highway 101 is within approximately 1.5 miles of the subject location. In addition, Interstate 280 and Highways 92 and 84 are located within a five-mile radius. Major nearby surface streets include Industrial Road, El Camino Real, Holly Street, and Ralston Avenue. The nearest CalTrain commuter rail station is located in Belmont at the intersection of El Camino Real and Ralston Avenue, less than one mile from the subject.

The subject's Walkscore (www.walkscore.com) is 80, Very Walkable, and most errands can be accomplished on foot. Walk Score uses a proprietary algorithm to measure the proximity of a property to basic services.

Overall, the subject property is located within a mixed commercial and residential area of South Carlos. The site has good transportation access and is close to services such as grocery stores and commercial shops. The outlook for the area and neighborhood are generally positive in the long term.

III. MARKET OVERVIEW

The subject zoning allows for a mixed-use project with residential and ground floor commercial uses. Market conditions are discussed below for both types of uses in the market area.

A. Commercial Market Conditions

The Cushman & Wakefield 4th Quarter 2017 San Francisco Retail Market Beat Report (including San Francisco and San Mateo counties), reported that “The San Francisco retail market ended the fourth quarter 2017 with an overall vacancy rate of 3.2 percent. Although it was -20 basis points lower than the 3.4 percent last quarter, this was an increase of +80 basis points from the 2.4 percent recorded last year. Reasons for the climb include some business closures due to a variety of reasons: rising rents, increasing personnel costs, worker shortages, new market entrants and competition, as well as lease expirations. Nevertheless, the vacancy rate in San Francisco is still one of the lowest among all major cities in the nation.”

Marcus and Millichap’s 3rd Quarter 2017 Bay Area Metros Retail Research Report notes that vacancy remains below 2.0 percent in San Mateo County, which is lower than San Francisco’s vacancy. Furthermore, Marcus and Millichap reports, “Rent growth remained extremely abundant in the northern and central portions of San Mateo County, rising 4.2 percent to \$28.97 per square foot and 5.4 percent to \$41.32 per square foot.” The subject property is located in the North County submarket, with an average asking rent of \$41.32 per square foot annually, triple net. The average vacancy of the subject market as of the 3rd Quarter 2017 was 1.1 percent.

The retail market in San Mateo County has historically been stable and vacancy has remained below 3.0 percent over the past 2 years. Brokers report leasing activity remains historically slow due to a lack of good quality supply. However, according to Marcus and Millichap, over the past year approximately 280,000 square feet of retail space in the San Francisco metro area was completed, with completions reaching their highest point since 2009. In San Mateo County, three small projects totaling less than 8,000 square feet came online at the end of 2017.

The commercial district in the vicinity of the subject property is considered active and has a high volume of automobile traffic. There is a shopping center, anchored by CVS, located directly south of the subject on El Camino Real. Overall the subject neighborhood is central to a strong residential base.

In summary, retail activity in San Mateo County and the city of San Carlos has historically been stable. Vacancy and rental rates have remained stable over the last year. The future outlook for the commercial market and the subject property is considered to be stable.

B. Apartment Market Trends

Unemployment rates in the Bay Area dropped to record lows in 2017. In November 2017, the San Francisco unemployment rate was 2.3, the lowest rate recorded for the city in modern history. In San Mateo County the unemployment rate has also dropped to 2.1 percent. With a total labor force at 4.1 million, the region currently employs just under 4.0 million of its residents. The Bay Area continued its strong job growth momentum, adding 79,700 nonfarm jobs from a year ago. Since its unemployment peak of 11.7 percent in the first quarter of 2010, 699,800 jobs have been created across the region. According to the Marcus and Millichap Fourth Quarter 2017 Bay Area Multifamily Research Market Report, “The robust demand for technology workers and other professional employment has pushed the broad region’s employment rate to a multidecade low, prompting surging demand for the limited housing stock that exists in the marketplace. Due to the high price of single-family homes, a continual flow of renters has kept rental demand elevated. In order to meet this demand, builders have pushed deliveries to the highest point in more than a decade. Although vacancy remains extremely depressed, the peak in deliveries in 2017 has begun to weigh on overall vacancy, particularly in the submarkets receiving the bulk of the injections. As a result, a modest uptick in vacancy is expected, while rent growth continues to reflect extremely tight conditions overall.”

Vacancy Rates

The following table shows vacancy rates for the San Francisco and San Mateo County metro and Central San Mateo County as reported by the Marcus and Millichap 4th Quarter 2017 Bay Area Multifamily Research Market Report.

Area	4Q 2016 Vacancy	4Q 2017 Vacancy	Basis Point Change
San Francisco / San Mateo Metro	3.3%	3.8%	+50
Central San Mateo County	3.4%	4.2%	+80

Marcus and Millichap

As shown in the table, the San Francisco and San Mateo County vacancy rates have increased over the past year. This is likely due to new deliveries. The number of units under construction in the Bay Area is currently over 25,000. In the past 12 months, approximately 14,600 units have delivered. Inventory has grown year-over-year at a rate of 2.0 percent.

Rental Rates

The following table shows average rental rates for the Bay Area and San Mateo County market areas as reported by the Marcus and Millichap Fourth Quarter 2017 Bay Area Multifamily Research Market Report.

Area	4Q 2016 Avg Rental Rate	4Q 2017 Avg Rental Rate	% Change
San Francisco / San Mateo County Metro	\$3,025	\$3,071	1.5%
Central San Mateo County	\$2,937	\$3,042	3.6%

Marcus and Millichap

Rental rates in San Francisco and San Mateo County have grown slightly over the past year. Marcus and Millichap note that rent growth in the metro was lead by the South San Mateo County submarket, “where the average effective rent climbed 5.4 percent to \$3,020 per month. The SoMa submarket in San Francisco posted a 4.0 percent decline to \$3,622.” Over the past year approximately 4,100 units were completed and although little new development is planned for San Mateo County, slowing rental rate growth is expected, as San Mateo County faces strong competition from San Francisco and Santa Clara counties, and even the East Bay.

Overall, the San Mateo County rental market has been performing well with increases in rental rates and stable occupancy. Overall the multi-family market has been positively impacted by improvements in the strong economy. The outlook for the multi-family housing market in the subject area is considered stable.

C. Exposure Period Conclusion

The exposure period is defined as “the estimated length of time the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal.” Thus, it is assumed to have occurred prior to the appraisal date. In contrast the marketing period is the estimated time that it would take to consummate the sale after the appraisal date.

To allow for adequate marketing and negotiating time and the closing of escrow, an exposure period for the subject is estimated at 12 months.

IV. PROPERTY IDENTIFICATION AND DESCRIPTION

A. Site Description

The subject property is identified as the Mid-Peninsula Water District F Street Parcel and is located at the southeast corner of El Camino Real and F Street in the City of San Carlos. The subject property contains approximately 6,534 square feet, or 0.15 acres, according to public records. The subject site is currently vacant and is paved. The site has a cyclone fence along the street and east boundary. There is a shorter metal fencing along the northern property line.

The site slopes downward gently from El Camino Real to the east. The site has a narrow frontage of approximately 40 feet on El Camino Real and approximately 205 feet of frontage on F Street. The parcel has a long and narrow configuration and is somewhat irregular in shape, as the width of the site ranges from approximately 25 to 40 feet. The subject property is further identified by the San Mateo County Assessor's office as Assessor's Parcel Number 045-320-100. The parcel map is shown on the following page.

The precise nature and condition of subsurface soils is not known; however, judging from the condition and appearance of the subject improvements and adjacent properties, it is assumed that soil conditions are satisfactory for the construction of conventional building improvements.

All streets adjacent to the subject are fully paved and contain sidewalks, curbs, gutters and street lighting. The property is serviced with typical urban utilities, including public water and sewer systems. Local companies supply electricity, gas, and telephone service.

B. Ownership and Sales History

According to public records the subject property is currently vested in Belmont County Water District. The subject has been under the same ownership for several decades. According to our research, no transfers were noted in the last three years.

C. Environmental Observations

The appraisers did not observe any evidence of toxic contamination on the site. Further, no oily soil, or waste disposal, treatment or storage was observed or reported. No other environmental observations are made. However, the reader is referenced to the Environmental Hazard Limiting Condition of Chapter I of this report, which assumes the property is clean of any contamination.

No wetlands were observed on the subject property.

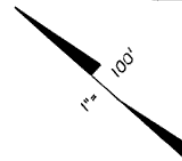
ASSESSOR'S MAP

TAX CODE AREA _____

45-32

BK-46

5



66' OLD COUNTY

ROAD 66'

S. P. R. R. CO. S.B.E. 872-41-7A PAR. 14

BK-50

5

SUBJECT

320

PARCEL

PARCEL I

REAL

EL

100' CAMINO

SPRING ST.

HULL DR.

31



PARCEL MAP VOL 49/16-17



PARCEL MAP VOL 28/46

ACREAGE CITY OF SAN CARLOS

ASSESSOR'S MAP COUNTY OF SAN MATEO, CALIF

D. M.

3-22-74

D. Easements and Restrictions

A title report was not provided to the appraisers. According to the parcel map, there is a 20-foot easement that runs between the subject property and El Camino Real. The easement is labeled as “slope” on the map and extends in front of the commercial properties to the south. These properties appear to be using the slope area as landscaping which blends in well and would likely be required as a buffer from the street by the City. As such, no negative impact is noted from this easement.

Based on inspection of the site, it does not appear to be impacted by any other unusual easements or restrictions. It is an assumption and limiting condition of the appraisal that the subject is not impacted by any other easements or restrictions.

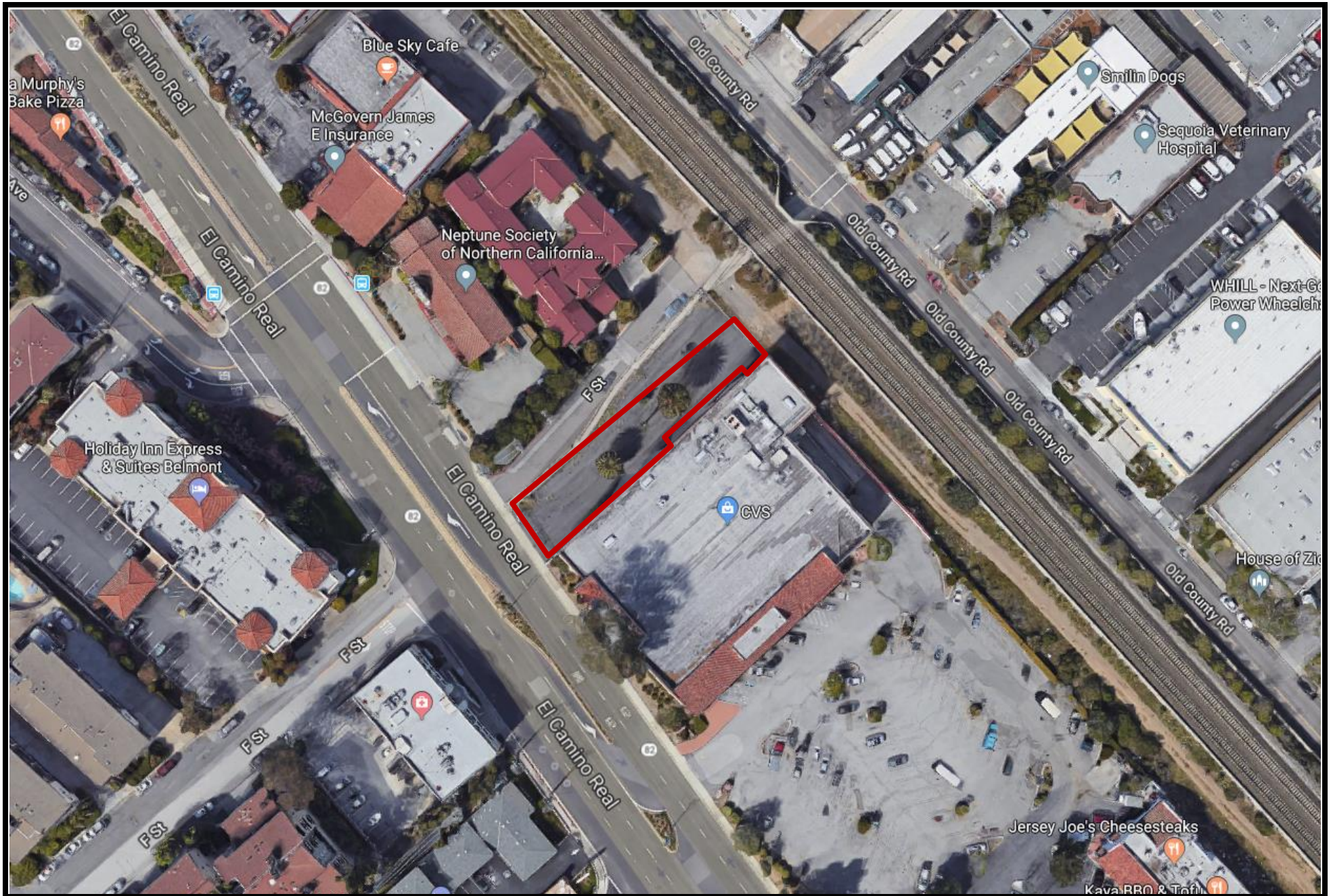
E. Zoning and Land Use Restrictions

The subject property has a General Plan designation of Mixed-Use, Medium Density with an allowed residential density of 21 to 50 dwelling units per acre. The San Carlos 2030 General Plan, adopted October 12, 2009, indicates that the subject property is located in the El Camino Real Development Area. According to the General Plan, “recent development activity on El Camino Real demonstrates the potential for this corridor as a transit-oriented area suitable for increased residential and mixed-use development.”

The subject property is zoned PD, or Planned Development. The subject property, along with approximately five acres adjacent to the south of the subject, was rezoned from Highway Service Commercial (CS) to Planned Community District (PD) in 2001. According to the San Carlos Zoning Code, the PD District “provides for one or more properties to be developed under a plan that provides for better coordinated development and incorporates development standards crafted to respond to site conditions.” According to Ordinance No. 1289, the subject’s “Planned Community will be used as a regional retail shopping area which is consistent with the West Side Specific Plan.” However, it is noted that the General Plan has since been updated and the current General Plan Designation of Mixed-Use, Medium Density supersedes the West Side Specific Plan.

According to Ordinance No. 1289 many of the zoning standards are based on the previous zoning designation of CS. Permitted uses include commercial and service uses such as automobile, boat and trailer sales and service, automotive accessories sales, automotive repair, body and paint shops, motel, nursery, horticulture, personal service uses, public garage, retail food sales, and outdoor seating for restaurants. Conditional uses include bus terminal, carwash, drive-in restaurant and fast-food establishment, dry cleaners, dwellings units, office uses above the ground floor, service stations, used car lot, and retail sales. Prohibited uses include single family residences and ground floor office uses. The development standards for the subject include an allowed floor area ratio (FAR) of 2 and a height limit of 50 feet. There are no setback requirements.

AERIAL MAP



*drawing is for illustrative purposes only and may not reflect accurate property boundaries

The subject site is currently vacant. Based on the development standards a mixed-use development with ground floor commercial and a maximum of 7 upper level residential units could be developed on the site. However due the small size and irregular configuration of the subject site, the subject property is considered to be best suited for assemblage with the adjacent shopping center. According to our discussions with the San Carlos Planning Department, low intensity uses such as food trucks or a plant nursery could also be approved on a temporary basis.

SUBJECT PHOTOGRAPHS



Subject Property to the North



Subject Property to the South



Subject Property facing South



Adjacent Railroad Property to the North

V. HIGHEST AND BEST USE AND VALUATION METHODOLOGY

A. Highest and Best Use

Highest and best use is the reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.¹

The four criteria the highest and best use must meet are physical possibility, legal permissibility, financial feasibility, and maximum productivity. Analysis of the subject's highest and best use is made as if the site were vacant, and as improved with the existing improvements.

¹ *The Appraisal of Real Estate, 14th Edition, 2013, p.332*

In determining the highest and best use of the subject site as if vacant, the four tests are applied to the subject. These include: legal permissibility, physical possibility, financial feasibility and maximum productivity.

1. *As If Vacant*

a. *Legally Permissible*

The subject has a General Plan designation of Mixed-Use, Medium Density and a zoning designation of PD. Based on the zoning designation, a mixed-use development with ground floor commercial uses and upper level residential uses would be allowed. Based on the allowed maximum density of 50 dwelling units per acre approximately seven residential units could be allowed on the subject site.

b. *Physically Possible*

The subject is a corner site with frontage on F Street and El Camino Real, and totals approximately 0.15 acres, or 6,534 square feet. The subject property has a narrow frontage on El Camino Real and is irregular in shape. The subject site has below average utility due to its narrow frontage, irregular shape, and small size. The physical characteristics of the site limit its use to assemblage with the adjacent shopping center or a low intensity use.

c. *Financially Feasible*

As discussed in the Market Overview chapter, the commercial and residential markets are currently strong in San Mateo County and San Carlos. Therefore, speculative development of a mixed-use commercial and residential development is considered to be currently feasible.

d. Maximally Productive/Conclusion

The maximally productive use is that use, from among financially feasible uses, that provides the highest rate of return or value.

As an individual parcel, the highest and best use of the subject to assemble it with the adjacent shopping center for the development of a transit oriented mixed-use residential and commercial project at the maximum allowed density for the site.

Alternatively, if an assemblage were not possible, the highest and best use of the subject parcel would be for a low intensity use such as a food truck with outdoor seating or a plant nursery, or similar use allowed by zoning, which would be physically possible on a long narrow lot.

B. Methodology

The valuation of any parcel of real estate is derived principally through three approaches to the market value. From the indications of these analyses, and the weight accorded to each, an opinion of value is reached. Each approach is more particularly described below.

1. Cost Approach

This approach is the summation of the estimated value of the land, as if vacant, and the reproduction of replacement cost of the improvements. From these are deducted the appraiser's estimate of physical deterioration, functional obsolescence and economic obsolescence, as observed during inspection of the property and its environs. The Cost Approach is based on the premise that, except under most unusual circumstances, the value of a property cannot be greater than the cost of constructing a similar building on a comparable site.

2. Sales Comparison Approach

This approach is based on the principal of substitution, i.e., the value of a property is governed by the prices generally obtained for similar properties. In analyzing the market data, it is essential that the sale prices be reduced to common denominators to relate the degree of comparability to the property under appraisal. The difficulty in this approach is that two properties are never exactly alike.

3. Income Approach

An investment property is typically valued in proportion to its ability to produce income. Hence, the Income Approach involves an analysis of the property in terms of its ability to provide a net annual income. This estimated

income is then capitalized at a rate commensurate with the risks inherent in ownership of the property, relative to the rate of return offered by other investments.

The subject property is valued as a mixed-use development site. The Sales Comparison Approach is considered to be the best indicator for the subject property. The Income and Cost Approaches are not considered relevant given the number of assumptions required and are not included.

The methodology is further discussed in the following chapters.

VI. VALUATION BY THE SALES COMPARISON APPROACH

Fee simple land value is estimated using the Sales Comparison Approach. The table on the following page presents four comparable land transactions and one pending sale. Adjustments are made to these unit price indications for market conditions, location, utility, entitlements, and size. Unless otherwise noted, these properties transferred on an all cash basis or in terms reflecting a cash equivalent price. The comparable sales are discussed in the following paragraphs.

A. Comparable Sales

Comparable 1 is located at 1301 Broadway in the city of Millbrae. The property consists of a single parcel containing 22,000 square feet or 0.51 acres of land area. The parcel is rectangular and has frontage on two streets. The site has approximately 203 feet of frontage on Broadway and 147 feet of frontage on Ludeman Lane. As such, developmental utility is considered good. The property has a zoning designation of Commercial which allows for various commercial uses and multi-family uses with a conditional use permit. It is currently improved with an older 1950s 7,609 square foot office building that is in fair condition.

This comparable is currently listed for \$4,680,000 or \$160 per square foot. Including the estimated demolition costs of the improvements, this equates to approximately \$162 per square foot of land area. The property is listed as a redevelopment site and is reportedly in contract.

Comparable 2 is located at 405 East 4th Avenue, on the outskirts of the CBD area of downtown San Mateo. The property consists of two separate, but contiguous, legal parcels containing a total of approximately 0.51 acres or 22,000 square feet of land area and includes multiple corner orientations. The site is rectangular in shape and contains approximately 220 feet of frontage along East 4th Avenue and an additional approximately 100 feet of frontage on both Rail Road Avenue and Claremont Street. As such, both developmental utility and visibility/exposure are considered good. The property has a zoning designation of CBD-S (Central Business District Support) which allows for various forms of commercial development as well as residential uses as a part of a mixed-use development. The maximum density is 50 units per acre. The property is currently improved with two older commercial buildings that appear to date from the 1950s, are currently in fair condition, and contain a combined total of approximately 10,000 square feet of building area.

In August 2017 this property sold for \$6,576,500 or \$299 per square foot. Including the estimated costs for demolition of the improvements, this equates to \$302 per square foot. At the time of sale, the property was entitled for the development of a four-story mixed-use building with three levels of office and a fourth-floor residential level with 15 units.

Comparable 3 is located at 1240 El Camino Real in San Carlos. This property consists of a single rectangular parcel containing approximately 6,755 square feet, or 0.16 acres.

COMPARABLE LAND SALES
Appraisal of Mid-Peninsula Water District F Street Parcel
San Carlos, California

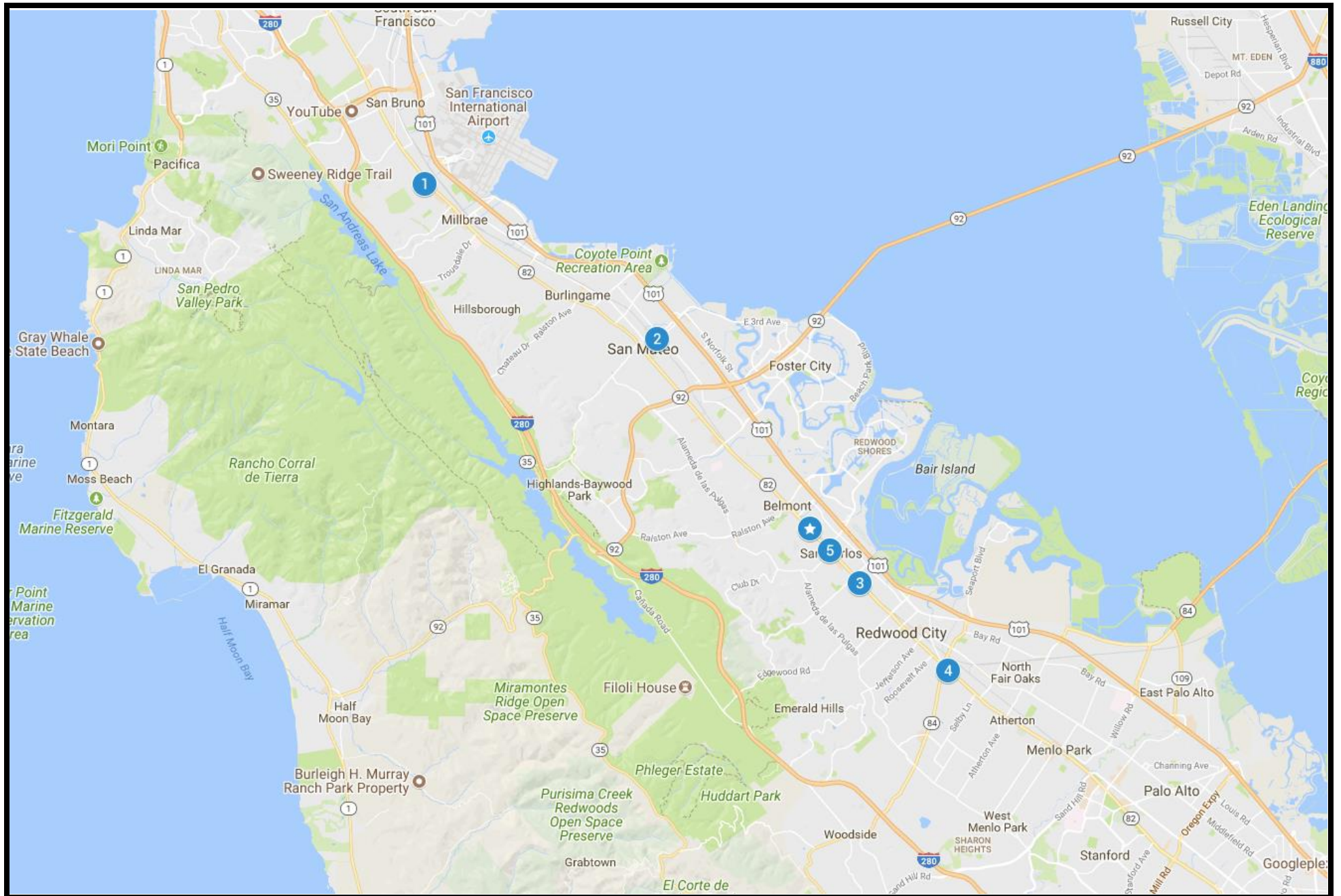
#	Location / APN	Recording Date	Land Area	Sale Price	Price/ Unit /PSF	Zoning Entitlements	Grantor / Grantee	Comments
1	1301 Broadway Millbrae APN: 021-276-330	Pending	29,263 SF 0.67 AC	\$4,680,000 \$53,263 (1) \$4,733,263	\$160 \$162	C Commercial Unentitled	American Gnostic Church / NA NA	Corner site improved with 1950s 7,609 SF office building. Marketed as redevelopment site.
2	405 East 4th Avenue San Mateo APN: 034-182-050 & -060	8/17	22,000 SF 0.51 AC	\$6,576,500 \$70,000 (1) \$6,646,500	\$299 \$302	CBD-S Central Business District Entitled	M&M Makoto Endo/ Windy Hill OV Seven CM LLC #073776, #073805	Submitted plans for four story office and residential building with 3 levels of office and a top floor residential level with 15 units.
3	1240 El Camino Real San Carlos APN: 051-336-140	5/17	6,755 SF 0.16 AC	\$1,570,000 (\$312,500) (2) \$1,257,500	\$232 \$186	MU-SB Mixed-Use South Boulevard Unentitled	Family Raymond Living Trust / H&T San Carlos Properties LLC #0000044009	Mid-block site improved with vacant 2,500 SF restaurant building. 50 feet of frontage on El Camino Real.
4	2336 El Camino Real Redwood City APN: 053-309-200	2/17	23,485 SF 0.54 AC	\$4,000,000 \$29,400 (1) \$4,029,400	\$170 \$172	MUC-ERC Mixed Use Corridor - El Camino Real Unentitled	Greg F Isom / Butler Realty LLC #0000010572	Flag shaped parcel with 60 feet of frontage on El Camino Real. Frontage on 3 streets. Improved with 1970s 4,200 SF retail building.
5	552 El Camino Real San Carlos APN: 050-074-080	2/17	7,250 SF 0.17 AC	\$1,200,000 \$7,490 (1) \$1,207,490	\$166 \$167	MU-D Mixed Use Downtown Unentitled	Girdlestone Trust / Daniel & Karen Lyons #0000018092	Mid-block parcel improved with 1920s 1,070 SF building. 50 feet of frontage on El Camino Real.
	Subject Property		6,534 SF 0.15 AC			PD Planned Development		Vacant site with 40 feet of frontage on El Camino Real.

(1) Demolition costs estimated at \$7.00 per square foot of building area.

(2) Contributory value of the improvements estimated at \$125 per square foot.

*Source: Watts, Cohn and Partners, Inc., March 2018
18-WCP-008C*

COMPARABLE LAND SALES MAP



This mid-block site has approximately 50 feet of frontage on El Camino Real and a depth of 134 feet. It also has frontage on an alleyway at the rear of the site. As such, both developmental utility and visibility/exposure are considered average. At the time of sale, the site was improved with a vacant 2,500 square foot commercial building. The improvements are built out for restaurant use and is considered to contribute value to the underlying site. The site has a zoning of Mixed-Use South Boulevard, which allows for a variety of residential and commercial uses.

This property sold in May 2017 for \$1,570,000, or approximately \$232 per square foot of land area. With a deduction of \$125 per square foot for the contributory value of the improvements, the sale price equates to \$186 per square foot. The property was purchased for its development potential but was not entitled at the time of sale.

Comparable 4 is located at 2336 El Camino Real in Redwood City. This property consists of a single rectangular parcel containing a total of 23,485 square feet or 0.54 acres. This flag-shaped site has approximately 60 feet of frontage on El Camino Real, 269 feet of frontage on Hemlock Avenue, and 100 feet of frontage on Linden Street. As such, both developmental utility and visibility/exposure are considered good. At the time of sale, the site was improved with a 1970s 4,200 square foot commercial building. The site has a zoning of Mixed-Use Corridor – El Camino Real, which allows for a variety of residential and commercial uses. The maximum residential density is 60 dwelling units per acre.

This property sold in February 2017 for \$4,000,000, or approximately \$170 per square foot of land area. Adding the cost of demolition of the improvements, the sale price equates to approximately \$172 per square foot. The property was purchased for its development potential but was not entitled at the time of sale.

Comparable 5 is located at 552 El Camino Real in San Carlos. This property consists of a single rectangular parcel containing approximately 7,250 square feet, or 0.17 acres. This mid-block site has approximately 50 feet of frontage on El Camino Real and a depth of 145 feet. It also has frontage on an alleyway at the rear of the site. As such, both developmental utility and visibility/exposure are considered average. At the time of sale, the site was improved with a 1,070 square foot commercial building that is in fair condition. The site has a zoning of MUD (Mixed-Use Downtown), which allows for a variety of residential and commercial uses. The maximum residential density is 50 dwelling units per acre.

This property sold in February 2017 for \$1,200,000, or approximately \$166 per square foot of land area. Including the cost of demolition of the improvements, the sale price equates to approximately \$167 per square foot. The property was purchased for its development potential but was not entitled at the time of sale.

B. Price Per Square Foot Analysis

The most commonly used unit value indicator for unentitled sites is price per square foot of land area. The comparable sales indicate unadjusted unit values ranging from

COMPARABLE LAND SALES ADJUSTMENT GRID

Appraisal of Mid-Peninsula Water District F Street Parcel

San Carlos, California

		Comparable 1 1301 Broadway	Comparable 2 405 East 4th Avenue	Comparable 3 1240 El Camino Real	Comparable 4 2336 El Camino Real	Comparable 5 552 El Camino Real
Location:	<i>Subject</i>	Millbrae	San Mateo	San Carlos	Redwood City	San Carlos
Land Area Sq. Ft.:	6,534	29,263	22,000	6,755	23,485	7,250
Sale Date:		Pending 1/18	8/17	5/17	2/17	2/17
Transaction Price:		\$4,733,263	\$6,646,500	\$1,257,500	\$4,029,400	\$1,207,490
Unadjusted Price/Per SF:		\$162	\$302	\$186	\$172	\$167
Financing Terms:		0.0%	0.0%	0.0%	0.0%	0.0%
Property Interest:		0.0%	0.0%	0.0%	0.0%	0.0%
Adjusted Sale Price:		\$4,733,263	\$6,646,500	\$1,257,500	\$4,029,400	\$1,207,490
Adjusted Price/PSF:		\$162	\$302	\$186	\$172	\$167
Conditions of Sale:		0.0%	0.0%	0.0%	0.0%	0.0%
Market Conditions:		0.0%	5.0%	5.0%	10.0%	10.0%
Price Adj. For Mkt. Cond.		\$162	\$317	\$195	\$189	\$183
Location:		0.0%	5.0%	-5.0%	-5.0%	-5.0%
Site Size:	6,534	10.0%	7.5%	0.0%	7.5%	0.0%
Site Conditions/Utility:	Below Avg	-30.0%	-30.0%	-30.0%	-30.0%	-30.0%
Access	Avg	-10.0%	-10.0%	0.0%	-10.0%	0.0%
Topography	Slightly Sloping	0.0%	0.0%	0.0%	0.0%	0.0%
Zoning / Approvals:	Unentitled	0.0%	-35.0%	-5.0%	-5.0%	-5.0%
Density / Other:		0.0%	0.0%	0.0%	0.0%	0.0%
Total Adjusted %:		-30.0%	-62.5%	-40.0%	-42.5%	-40.0%
Adjusted Per SF Value for the Subject:		\$113	\$119	\$117	\$109	\$110

Source: Watts, Cohn and Partners, Inc., March 2018
18-WCP-008C

approximately \$162 to \$302 per square foot. The comparables range in size from 6,755 and 29,263 square feet and have mixed-use or commercial zoning designations with allowed densities of 50 to 60 dwelling units per acre. The variation in per square foot prices of the land sales reflects differences in location, size, density, entitlements, and site utility. On a per square foot basis, the relationship between cost and density is generally directly related.

The sales occurred between February and August 2017, with one sale pending. After further analysis, an appropriate unit value can be concluded for the subject property. The table on the following page presents an adjustment grid for the subject property. It should be emphasized that although the adjustment process is a mechanical one, the analysis applied by the appraiser is actually less mechanical and more intuitive in nature. Specific adjustments are intended to represent the appraiser's best judgment concerning the differential between each comparable and the subject. Any specific adjustment should be considered general in nature and the overall process is intended to narrow the pattern indicated by the comparable data.

Comparable 1 reflects the recent contract of a property located on Broadway in Millbrae. The property is listed for \$162 per square foot, including demolition costs. This was a recent contract and no adjustment is made for market conditions. The comparable is located on a secondary street but still has good visibility and neighborhood appeal. No adjustment for location is made. The property is also much larger in size and a positive adjustment is made for this factor. However, the comparable is rectangular and has two wide street frontages, indicating negative adjustments for site utility and access. Overall a lower unit value is indicated for the subject.

Comparable 2 reflects the August 2017 sale of a property in downtown San Mateo for \$302 per square foot, including demolition costs. Market conditions have continued to improve over the past year and a positive adjustment is applied for the date of sale. Although this property has a good location in downtown San Mateo, it is located on a secondary street and is considered to be inferior in terms of visibility and commercial appeal to the subject. The comparable is also larger in overall size. Positive adjustments are applied for these factors. This property is rectangular and has frontage on three streets and it is considered to be superior in terms of street frontage, utility, and accessibility. These factors indicate negative adjustment. Further negative adjustment is applied for the entitled status of the comparable and its superior mixed-use zoning designation that does not require a conditional use permit for residential uses. Overall a much lower unit value is indicated for the subject.

Comparable 3 is the May 2017 sale of a property on El Camino Real in San Carlos. It sold for \$186 per square foot, including deductions for the contributory value of the improvements. Market conditions have continued to improve over the past year and a positive adjustment is applied for the date of sale. This comparable is considered to have a superior commercial location, as it is located near downtown San Carlos. This property is rectangular in shape and has frontage on El Camino Real as well as an alley at the rear of the site. Although the comparable has a mid-block location, it is

considered to be superior in terms of street frontage and utility, indicating negative adjustment. Furthermore, the comparable has a superior mixed-use zoning designation that does not require a conditional use permit for residential uses. Overall a lower unit value is indicated for the subject.

Comparable 4 is the February 2017 sale of a property on El Camino Real in Redwood City for \$172 per square foot, including demolition costs. Market conditions have continued to improve over the past year and a positive adjustment is applied for the date of sale. The comparable has a superior commercial location on El Camino Real in Redwood City and a downward adjustment is applied for location. A positive adjustment is applied for the larger size of the comparable site. However, this adjustment is more than offset by the superior utility and accessibility of the comparable as a site with frontage on three streets. Further, a negative adjustment is applied for the comparable's superior zoning designation that does not require a conditional use permit for residential uses. A partially offsetting factor is the larger size of the comparable. Overall a lower unit value is indicated for the subject.

Comparable 5 is the February 2017 sale of a property on El Camino Real in downtown San Carlos. It sold for \$167 per square foot, including demolition costs. Market conditions have continued to improve, and a positive adjustment is applied for the date of sale. This property is located in downtown San Carlos and is considered to have a superior neighborhood location to the subject, indicating negative adjustment. The comparable is rectangular and has frontage on El Camino Real and an alley at the rear of the site. Although the comparable has a mid-block location, it is considered to be superior in terms of street frontage and utility, indicating negative adjustment. Furthermore, the comparable has a superior mixed-use zoning designation that does not require a conditional use permit for residential uses. Overall a lower unit value is indicated for the subject.

Value Conclusion

After adjustment, the comparables reflect a unit value range of \$109 to \$119 per square foot, with three of the comparables in the \$109 to \$113 per square foot range. The subject is located at the southeast corner of El Camino Real and F Street and has a good commercial location. However, the subject is negatively impacted by its irregular shape and narrow street frontage. It is also limited to assemblage with the adjacent site or a low intensity use. The comparable is not entitled for development and the zoning requires a conditional use permit for residential uses.

The listing of a long and narrow industrial site in Belmont is also considered in this analysis. This property is located on Elmer Street and Harbor Boulevard in Belmont and is approximately 12,197 square feet in size. It is currently listed for \$98 per square foot. The site has a long and narrow configuration with a width of approximately 30 feet, a depth of 350 feet, and only 25 feet of street frontage. Although this property is considered to be inferior as an industrial site, it is similar in configuration to the subject. The subject is smaller in size and has a superior location, zoning, and utility to this

property and a unit value above \$100 per square foot is considered supported for the subject.

Overall, considering the functional utility, zoning, location, small size, development restrictions, and commercial appeal of the subject, a per square foot value at the low end of the comparable range of \$110 is concluded and is used in this analysis. The market value of the fee simple interest in the subject property, is therefore estimated as follows:

6,534 Square Feet x \$110 per square foot =	\$718,740
Rounded:	\$720,000

VII. VALUE CONCLUSION

Based on the research and analyses contained in this report, and subject to the assumptions and limiting conditions contained herein, it is the opinion of the appraisers that the market value of the fee simple interest in the subject property, in its present, as-is condition, as of February 19, 2018 is estimated to be:

SEVEN HUNDRED TWENTY THOUSAND DOLLARS

(\$720,000)

ADDENDA

COMPARABLE LAND SALES PHOTOGRAPHS



1301 Broadway
Millbrae



405 East 4th Avenue
San Mateo



1240 El Camino Real
San Carlos



2336 El Camino Real
Redwood City

COMPARABLE LAND SALES PHOTOGRAPHS



552 El Camino Real
San Carlos

QUALIFICATIONS OF SARA A. COHN, MAI
California Certified General Real Estate Appraiser No. AG014469

EXPERIENCE

Sara A. Cohn is a Partner with Watts, Cohn and Partners, Inc. a new firm providing commercial real estate valuation. From 1988 to 2016, she worked for Carneghi and Partners and was a Senior Project Manager/Partner in their San Francisco office. This company provided real estate appraisal and consulting services in the San Francisco Bay Area. Clients include financial institutions, government agencies, law firms, development companies and individuals. Typical assignments include both valuation and evaluations of a broad variety of property types, uses and ownership considerations.

Ms. Cohn has over 28 years of appraisal experience. She has completed a wide variety of valuation and evaluation analyses. Ms. Cohn has extensive knowledge of the San Francisco Bay Area and has appraised many property types including office buildings, industrial properties, retail centers, hotels, residential projects, mixed-use properties and development sites. Recent work has involved the analysis of commercial buildings, residential subdivisions, valuation of affordable housing developments with bond financing and/or Low Income Housing Tax Credits (LIHTCs), assessment districts, as well as co-housing projects.

EDUCATION

Bachelor of Arts, University of California, Berkeley, 1978

Successful completion of all professional appraisal courses offered by the Appraisal Institute as a requirement of membership.

Continued attendance at professional real estate lectures and seminars.

PROFESSIONAL AFFILIATION AND STATE CERTIFICATION

Appraisal Institute - MAI Designation (Member Appraisal Institute) No. 12017
Continuing Education Requirement Complete

State of California Certified General Real Estate Appraiser No. AG014469
Certified Through March 2017

State of California Licensed Landscape Architect No. 2102

Member, Board of Directors, Northern California Chapter of the Appraisal Institute,
2008-2010

Seminars Co-Chair, Northern California Chapter of the Appraisal Institute, 2005-2007



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Sara A. Cohn

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

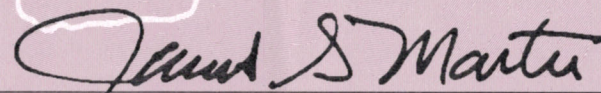
“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 014469

Effective Date: March 10, 2017

Date Expires: March 9, 2019


Jim Martin, Bureau Chief, BREA

3032359

QUALIFICATIONS OF MARK A. WATTS

Mark A. Watts is a Partner with Watts, Cohn and Partners, Inc.

Following is a brief summary of his background and experience:

EXPERIENCE

Commercial Real Estate Appraisal Experience

Mr. Watts has been a commercial real estate appraiser since 1987, and has over 20 years experience in the analysis of commercial real estate. He has completed valuation assignments on a variety of projects, including industrial facilities, residential subdivisions, apartments, shopping centers, cemeteries and recreational facilities. He has also performed feasibility studies and assisted owners in making asset management decisions.

Mr. Watts has provided litigation support and served as an expert witness in court. He has also served in arbitrations as an expert witness. He has been qualified as an expert in San Francisco and San Mateo County Superior Courts.

He served on the San Francisco County Assessment Appeals Board from 2011 to 2016.

Commercial Real Estate Investment Experience

Simultaneous to his work as a commercial appraiser, Mr. Watts has been an active real estate investor/developer. He is experienced in the acquisition, redevelopment and management of commercial properties. He has witnessed and experienced many real estate cycles and stays abreast of current trends. His personal experience as an investor makes him uniquely qualified to appraise commercial real estate.

Over the last 20 years he has completed more than 30 investment real estate transactions, an average of 1.5 transactions per year. He has negotiated with buyers and sellers directly as a principal. He has completed nearly a dozen 1031 exchanges. Beginning with a small initial capital investment, he has built a large real estate portfolio. Based on his ownership experience, Mr. Watts is keenly aware that the success or failure of an acquisition is closely related to its location. Likewise, he is sensitive to locational differences in the appraisal of real estate.

Mr. Watts has broad experience with the construction, maintenance and repair of real estate. He has demolished and re-built two structures from the ground up. He has completed fire damage repairs and remediated toxic mold. He has remodeled kitchens and baths. He has replaced foundations on structures, made additions, and made other improvements. As the quality and condition of real estate has a strong correlation with its value, his experience enables superior judgement of these attributes in his work as a commercial real estate appraiser.

Community Involvement

Mr. Watts served on the Board of Managers of the Stonestown Family YMCA from 2002 to 2017. This is an approximately 30,000 square foot health club facility. He was active on the Facilities Committee. He served as the Board Chair in 2008. He has been a member of the Olympic Club in San Francisco since 1976. He served the Forest Hill Neighborhood Association as President from 2013 to 2017.

EDUCATION

Bachelor of Arts, University of California, Davis

PROFESSIONAL AFFILIATION

State Accredited Affiliate of the Appraisal Institute
State of California Certified General Real Estate Appraiser No. AG015362



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Mark A. Watts

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 015362

Effective Date: August 16, 2017

Date Expires: August 15, 2019

Jim Martin, Bureau Chief, BREA

3035220

QUALIFICATIONS OF CHRISTIE TURNER

Christie Turner is a Project Manager with Carneghi and Partners, Inc., based in the San Francisco Office. Carneghi and Partners provides real estate consulting services in the San Francisco Bay Area. Clients include financial institutions, government agencies, law firms, development companies and individuals. Typical assignments include both valuation and evaluations of a broad variety of property types, uses and ownership considerations.

EXPERIENCE

Ms. Turner joined Carneghi and Partners, Inc. in 2012. Ms. Turner's responsibilities include conducting research and preparing narrative appraisals for a wide variety of appraisal assignments including retail, mixed-use, multi-family, office, institutional, vacant land, and recreational properties.

Ms. Turner is a Practicing Affiliate of the Appraisal Institute

EDUCATION

University of Utah, Salt Lake City
Bachelor of Science, Finance

STATE CERTIFICATION

State of California Real Estate Trainee Appraiser License No. 3001438



Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Christie L. Turner

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3001438

Effective Date: November 13, 2017

Date Expires: November 12, 2019

Jim Martin, Bureau Chief, BREA

3037242



TO: Board of Directors

FROM: Tammy A. Rudock
General Manager

DATE: May 24, 2018

MANAGER'S REPORT

FOLLOW-UP FROM 04/26/18 REGULAR BOARD MEETING

- The Quarterly Reconciliation Report on 2016 COP Financing for Period January 1, 2018 through March 31, 2018, and Quarterly Project Fund Report through March 31, 2018 were posted on the MPWD website.
- Rate adjustment notice cards were created and mailed to customers and property owners during the week of May 14th.
- The nomination letter was prepared for the LAFCo Regular Special District Member.

MPWD WATER CAPACITY CHARGES AND WATER DEMAND OFFSET FEES

Next month staff will present options for the Board's consideration based upon recommendations made in the original Bartle Wells Associates report that these fees and charges be reviewed annually and adjusted for inflation. The fees and charges were approved by the Board on April 23, 2015 per Ordinance No. 112, and effective on May 23, 2015. No adjustments have been made since enactment.

MPWD MISCELLANEOUS FEES AND CHARGES

Consultant Dan Bergmann and staff have been working on updating the MPWD's Miscellaneous Fees and Charges. An associated revision to the MPWD's Water Service Ordinance 103 will also be required, which will be coordinated with District Counsel. Field work identifying resources, cost-of-service analyses, and market comparisons, were initiated during the week of April 16th and follow-up work was performed and the team reviewed preliminary working results. Staff anticipates an initial discussion with the Board at its regularly scheduled meeting on June 28, 2018.

UPDATE ON OPEB ACTUARIAL REPORT AS OF JULY 1, 2017

Staff continued working with actuarial consultant, Demsey, Filliger & Associates (DFA) in preparation of the 2017 OPEB Actuarial report. A review with the Board is scheduled during its regular meeting on June 28, 2018.

WATER CONSERVATION SUMMARY

Water consumption for April 2018 was down 29.5% when compared to 2013.

The R-GPCD (Residential-Gallons per Capita per Day) was 70.7 (compared to 87.9 in 2013).

Cumulative water savings from July 1, 2017 through April 30, 2018 (compared to 2013) was -16.3%.

3-MONTH “LOOK AHEAD” FOR BOARD MEETINGS

JUNE 28, 2018

- Adopt FY 2018/2019 Operating and Capital Budgets (if not adopted in May).
- Receive MPWD OPEB Actuarial Report (as of July 1, 2017).
- Initial review and discussion of preliminary schedule of proposed/updated MPWD Miscellaneous Fees and Charges.
- Consider/Approve CPI increases to Water Capacity Charges and Water Demand Offset Fees effective July 1, 2018.
- Review DRAFT MPWD Rules of the Board.

JULY 26, 2018

- Review proposed MPWD Miscellaneous Fees and Charges and implementation plan.
- Establish Appropriations Limit.
- Consider/Approve budgeted annual professional services agreements.
- Receive BAWSCA report.

AUGUST 23, 2018

- Consider/Approve updated MPWD Miscellaneous Fees and Charges and implementation plan effective January 1, 2019.
- Receive progress report on MPWD Strategic Plan for 2017-2018.
- Review and approve Conflict of Interest Code (every even-numbered year).
- Review Annual Report on Fiscal Year Reimbursements over \$100 to Employees.
- Annual review of Catalog of Enterprise Systems.

UPCOMING MEETINGS/EVENTS

HIA Meeting (Belmont): June 7, 2018 – *No meetings in July and August.*

BAWSCA Water Management Meeting (Foster City): June 7, 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: May 24, 2018

ADMINISTRATIVE SERVICES MANAGER'S REPORT

FINANCIAL REPORTING:

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

SCHEDULE OF CASH AND INVESTMENTS		
CASH ACCOUNT	BALANCE @ 04/30/18	BALANCE @ 05/15/18
PETTY CASH	\$400	\$400
CASH DRAWER	\$200	\$200
WELLS FARGO CHECKING	\$117,381	\$86,136
LAIF*	\$6,847,072	\$6,547,072
BNY INSTALLMENT ACCOUNT	\$365,877	\$365,877
TOTAL	\$7,330,929	\$6,999,685

PARS OPEB TRUST FUNDING SCHEDULE		
	PAYMENT AMT	BALANCE
March 31, 2018*	\$375,000	\$375,000
June 30, 2018	\$375,000	\$750,000
September 30, 2018	\$375,000	\$1,125,000
December 31, 2018	\$375,000	\$1,500,000

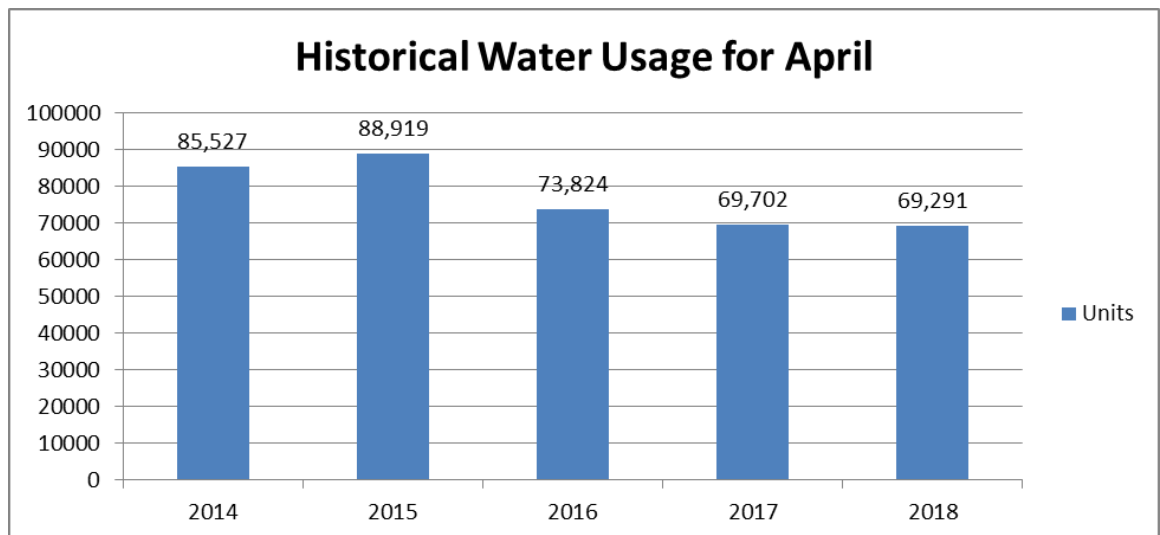
* May 15, 2018, made March 31, 2018 payment due to market volatility in March. Transferred \$400,000 from LAIF to WFB to cover 1st installment.

Month End Bal of PARS/OPEB for March 2018 (April 2018 report not available): \$963,779. Total Net Losses of \$5,068 were reported. Net Earnings FY17/18 to date total \$25,875.

Reserve Account	Balance @ 4/30/2016	Balance @ 04/30/2017	Balance @ 04/30/2018	Budget for Reserve Policy
Capital Reserves			\$ 1,747,072	\$ 1,500,000
Working Capital Reserves			\$ 1,500,000	\$ 1,500,000
TOTAL RESERVE FUNDS	\$ 4,049,652	\$ 5,568,454	\$ 3,247,072	\$ 3,000,000
Committed Capital Pay-Go			\$ 500,000	\$ 500,000
PARS OPEB Liability			\$ 1,500,000	\$ 1,500,000
PARS PRSP Pension Liability			\$ 1,600,000	\$ 1,600,000
APPROVED RESERVE EXP			\$ 3,600,000	\$ 3,600,000
TOTAL RESERVE FUNDS	\$ 4,049,652	\$ 5,568,454	\$ 6,847,072	\$ 6,600,000

2) 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	991,425	221,480	1,212,904	1,263
AUG	124,029	1,058,493	221,539	1,280,032	1,263
SEP	127,050	1,086,960	221,731	1,308,691	1,263
OCT	117,970	969,367	220,229	1,189,596	1,270
NOV	100,278	842,728	221,252	1,063,980	1,258
DEC	76,510	597,628	221,492	819,121	1,276
JAN	85,964	649,486	221,521	871,007	1,271
FEB	74,590	563,551	220,748	784,299	1,277
MAR	71,713	574,400	223,925	798,325	1,276
APR	69,291	551,631	220,858	772,489	1,269
TOTAL	965,156	7,885,668	2,214,776	10,100,444	12,686



CONFERENCES, TRAINING, & MEETINGS:

- 1) Jeanette Kalabolas/Misty Malczon/Candy Pina/Rene Ramirez/Laura Ravella/Tammy Rudock/: 04/25/18 – Administrative Professional's Day Lunch
- 2) Jeanette Kalabolas: 05/03/18 – Water Conservation Professional Student Interview
- 3) Candy Pina: 05/03/18 – HIA meeting
- 4) Jeanette Kalabolas: 05/07/18 – USCS Students Water Conservation Drought Rate Study Conference Call
- 5) Jeanette Kalabolas: 05/09/18 – SFPUC Water Quality Meeting
- 6) Candy Pina: 05/11/18 – Leadership Essentials Webinar
- 7) Jeanette Kalabolas/Candy Pina: 05/23/18 – City of Belmont Public Works Day
- 8) Candy Pina: 05/23/18 – Meeting with Ryan Miller regarding Springbrook

TEAM BUILDING ACTIVITIES:

We celebrated Robby Piccolotti's 15-year anniversary with the District. We continued 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: May 24, 2018

OPERATIONS REPORT – April

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;
- District Engineer and Operations Manager met with City of San Carlos Public Works staff to introduce and seek input on the capital improvement project which intends to cross highway 101 and day-light on Shoreway Road in San Carlos;
- Operations staff had a field meeting at the Exbourne Tank site with consultants to troubleshoot and test SCADA equipment;
- Participated in a conference call with West Yost Associates to discuss potential geotechnical technical challenges crossing highway 101 in the young bay mud and the many forms of existing infrastructure under Shoreway Road;
- Constructed a new 1-inch service upgrade at 1121 Judson;
- Poured concrete and laid asphalt after constructing a 4-inch fire service at 940 Old County Road; and
- Constructed a new 1-inch service upgrade at 2712 Comstock Circle.

Maintenance:

- Responded to and completed 231 USA (underground service alerts) requests and identified infrastructure before digging in the streets or easements. Last month we marked 284 locations, which was 19% fewer than last month, but still up significantly from a couple of years ago when we averaged 150 utility marking requests;
- Read meters in zones without AMI;
- Replaced a leaking fitting at 1201 Shoreway Road;
- Spent several days cleaning up around residential meter sites and painting fire hydrants;
- Had to locate, uncover and reset a meter box that was paved over during a PG&E project; Dig and repair broken curb stop at 2104 Coronet Boulevard;
- Collected a requisite 44 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 was 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.)
No Leaks!					

Development:

Staff is currently working with developers on 49 development projects:

Mixed Use Commercial/Residential:

- o 576-600 El Camino Real – Fees paid, scheduling contractor installation;
- o 400-490 El Camino Real – Tentative schedule for meter installations;
- o 1325 Old County Rd. – Currently reviewing plans; letter of intent provided;
- 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 1201 Shoreway Road – Domestic/Fire services installed awaiting hydrant relocation;
- o 1477 El Camino Real – Currently reviewing their plans;
- o 699 Ralston Ave. – Installation complete;
- o 940 Old County Road - Awaiting backflow certification;
- o Belmont Ave Parcel APN's – (2) awaiting plans;
- o 1500 Ralston Ave. – Currently reviewing plans;
- o 2200 Carlmont Dr. – Fees paid, schedule pending;
- o 1400 Alameda de las Pulgas – Submittals approved ;
- o 400 Industrial Road – Plans approved fee schedule provided to developer; and
- o 2710 Ralston Ave. – Awaiting plans.

Residential/Multi-Family:

- o 1829 Oak Knoll – Installation scheduled;
- o 10 Notre Dame Place – Pre-construction meeting scheduled;
- o 1919 Oak Knoll Dr. – Currently reviewing their plans;
- o 1630 Robin Whipple – Currently reviewing their plans;
- o 2720 Belmont Canyon Rd - Currently reviewing their plans;
- o 1922 Bayview – Installation scheduled;

- 2515 Carlmont Dr. - Currently reviewing their plans;
- 1105 Tahoe – Pre-construction meeting scheduled;
- 2856 San Juan - Plans approved, fee schedule provided;
- 2009 Mezes – Currently reviewing their plans;
- 2723 Monserrat – Currently reviewing their plans;
- 796 Miramar Terrace - Currently reviewing their plans;
- 2114 Cipriani – Currently reviewing their plans;
- Bishop Road development – Payment for install, 1 of 3;
- Talbryn Dr. parcel - Developer requesting system information;
- Ralston Parcel - Developer requesting system information;
- 2620 Ponce – Currently reviewing their plans;
- 1320 Talbryn Lane Development- Developer returned WSA agreement;
- 2712 Comstock – Completed;
- 2689 Comstock – Installed, awaiting backflow installation;
- 3918 Christian Dr. – Plans approved;
- 517 Middlesex Road - Currently reviewing their plans;
- 665 South - Currently reviewing their plans;
- 713 Alameda – Awaiting payment;
- 853 Alameda – Currently reviewing their plans;
- 857 Alameda – Currently reviewing their plans;
- 861 Alameda – Currently reviewing their plans;
- 2723 Wemberly - Currently reviewing their plans;
- 2514 Carmelita – Plan review complete;
- 3900 Marsten – Currently reviewing their plans;
- 1121 Notre Dame - Currently reviewing their plans;
- 3900 Christian – Currently reviewing their plans; and
- 1121 Judson St. - Completed.

Administration:

- Continued working with CINTAS on a new agreement for uniform services;
- Participated in a GoTo Meeting for training on the process of an electronic agenda process from NovusAgenda;
- Celebrated Robbie Piccolotti's 15th anniversary with the District;
- Held an Operations staff meeting;
- A couple members of Operations attended a California Rural Water Association conference at Lake Tahoe as a part of their required continuing education and to network;
- Continued 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** May 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

Construction Status

During April, all the tie-ins along Arthur Avenue were completed. The 8-inch DIP water main is fully in service and all the service connections were transferred from the old pipe to the new 8-inch water main. In addition, 8-inch Fusible PVC pipe at Karen Road was fully fused by R&B company and pulled through the existing 12-inch host pipe by S&G without major incidents.

Project Schedule

As of April 1, 2018, the project has 27 out of 173 working days remaining on the contract (110 contract days with an additional 53 days for Change Orders No.1, thru No.4), with approximately 13% of the work remaining.

Remaining work on South Road, Folger Road, Folger Court, Mezes Avenue, and Arthur includes slurry seal and striping. Remaining work on Karen Road includes three tie-ins, service connections, Fire Hydrants, paving, slurry seal, and striping.

Change Orders

Enclosed please find Change Order No.4 for \$4,453.60 for additional work during March and April 30, 2018. Work included unforeseen site conditions such as unknown/unmarked underground utilities, abandoned gate valves, and asphalt thickness. The total change order as of April 30, 2018, is \$38,972.54, which represents an approximate 1.9% increase over the original contract amount which is well below the industry average of 10% for underground construction.

Request for Progress Payment No. 6

As of April 30, 2018, S&G completed 87% of the contractual work **(\$1,727,015.54)**. Enclosed please find Progress Payment No.7 due S&G for this period for **\$375,070.60** (value of work including change order, 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	\$4,453.60	\$ 38,972.54	1.9%
Final Contract Amount		\$ 2,094,243.54	
Previous Value of Work Completed		\$ 1,043,730.62	
Previously Paid		\$ 1,351,944.94	
Current Request (Includes Change orders, Less Retention)	\$ 375,070.60	\$ 1,727,015.54	
Retention	\$ 19,741.00	\$ 90,896.00	
Total Value of Work Completed	\$ 394,811.60	\$ 1,817,911.54	87%
Total Remaining on Contract		\$ 276,332.00	13%

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

**Change Order No. 4
Stoloski & Gonzalez, Inc.
May 14, 2018**

Item No. 1 – Unmarked Storm Drain Line on Arthur Ave, STA 19+65 to 19+80

On March 6, 2018, Stoloski & Gonzalez (S&G) found an unmarked storm drain line, backfilled with concrete, crossing the Arthur Avenue at the intersection of Arthur Avenue and Covington Road. Extra work included associated downtime to jackhammer the concrete and dug around and under the storm drain and modifying the new water main alignment to avoid conflict with the storm drain. 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 conformance with the project specifications. This extra work is per S&G's Daily Extra Work Report dated May 8, 2018.

Total Cost of Item No. 1 -	\$ 671.17
Total Increase of Working Days for Item No. 1 -	0 Day

Item No. 2 – Hand Excavation to Protect the Tree Root at Arthur Ave, STA 13+79

On March 30, 2018, S&G found tree roots larger than 2" in diameter, in and around one of the costumer's service meter trench and box. The District requested S&G to hand excavate around the roots to avoid any damages to the existing tree and/or roots. Extra work included associated downtime for hand excavating the new service line 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 conformance with the project specifications. This extra work is per S&G's Daily Extra Work Report dated May 8, 2018.

Total Cost of Item No. 2 -	\$ 293.89
Total Increase of Working Days for Item No. 2 -	0 Day

Item No. 3 – ±30" Thick Asphalt Concrete at Arthur Ave, STA 13+79

On April 23, 2018, and again April 24, 2018, the District was notified by S&G, the existing asphalt concrete (AC) at the intersection of Arthur Avenue and Alameda de las Pulgas is over 30" thick. Extra work included associated downtime to sawcut and remove the existing 30" thick AC. 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 conformance with the project specifications. This extra work is per S&G's Daily Extra Work Report dated May 8, 2018.

Total Cost of Item No. 3 -	\$ 3,168.56
Total Increase of Working Days for Item No. 3 -	1 Day

Item No. 4 – Removing Two Abandoned Water Main at Dairy Lane, STA 18+65

On April 26, 2018, S&G found two old and abandoned water valves along the new water main alignment at Dairy Lane. Extra work included associated downtime to remove the abandoned valves. 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 conformance with the project specifications. This extra work is per S&G's Daily Extra Work Report dated May 8, 2018.

Total Cost of Item No. 4 -	\$ 319.98
Total Increase of Working Days for Item No. 4 -	0 Day

Item No. 5 – Ten (10) working day non-compensable time extension per Stoloski & Gonzalez (S&G) Request.

On March 08, 2018, S&G requested an additional 35 working days to be added to the contract mainly due to lower production rate caused by unforeseen problems such as utility conflict, changes in alignment, etc. On April 19, 2018, the District project team evaluated S&G request and decided to grant S&G an additional 20 working days, which was added to Change Order No.03. On May 2018, the District project team re-evaluated S&G request again and decided to grant S&G the remaining 10 working days, as they requested.

Total Cost of Item No. 5 -	\$ 0.00
Total Increase of Working Days for Item No. 5 -	10 Day

Item No. 6 – One (1) working day non-compensable time extension due to inclement weather.

During April 2018, S&G requested an additional working day to account for project shutdown due to inclement weather. The District agreed to a non-compensable time extension of One (1) working days for April 6, 2018.

Total Cost of Item No. 6 -	\$ 0.00
Total Increase of Working Days for Item No. 6 -	1 Day

Total Cost of Change Order No. 4	\$ 4,453.60
Overall Increase of Working Days for Change Order No. 4 -	12 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.

Bid	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
	Original Contract	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	926	\$ 187,978.00	95%	0	\$ -	0%	926	\$ 187,978.00	95%
2	8-inch Class 350 DIP	LF	\$ 309	1,563	\$ 482,967.00	0	\$ 309	\$ -	1,563	\$ 309.00	\$ 482,967.00	20	\$ 6,180.00	1%	1613	\$ 498,417.00	103%	1633	\$ 504,597.00	104%
3	10-inch Class 350 DIP	LF	\$ 336	785	\$ 263,760.00	0	\$ 336	\$ -	785	\$ 336.00	\$ 263,760.00	0	\$ -	0%	794	\$ 266,784.00	101%	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%	1	\$ 12,000.00	100%	1	\$ 12,000.00	100%
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%	1	\$ 10,500.00	100%	1	\$ 10,500.00	100%
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%	1	\$ 23,000.00	100%	1	\$ 23,000.00	100%
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	1	\$ 10,900.00	100%	0	\$ -	0%	1	\$ 10,900.00	100%
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	1	\$ 15,600.00	100%	0	\$ -	0%	1	\$ 15,600.00	100%
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	1	\$ 12,700.00	100%	0	\$ -	0%	1	\$ 12,700.00	100%
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	1	\$ 16,000.00	100%	0	\$ -	0%	1	\$ 16,000.00	100%
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	0	\$ -	0%	1	\$ 6,000.00	100%	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	0	\$ -	0%	1	\$ 7,000.00	100%	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	0	\$ -	0%	5	\$ 18,000.00	100%	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	7	\$ 17,500.00	17%	31	\$ 77,500.00	74%	38	\$ 95,000.00	90%
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	3	\$ 37,500.00	25%	7	\$ 87,500.00	58%	10	\$ 125,000.00	83%
29	Fire Hydrant Bollard	EA	\$ 400	20	\$ 8,000.00	0	\$ 400	\$ -	20	\$ 400.00	\$ 8,000.00	0	\$ -	0%	4	\$ 1,600.00	20%	4	\$ 1,600.00	20%
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%
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	0	\$ -	0%	3	\$ 9,300.00	300%	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	1	\$ 31,000.00	100%	0	\$ -	0%	1	\$ 31,000.00	100%

Bid	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
Item	Original Contract	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	%
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	15	\$ 46,500.00	22%	43	\$ 133,300.00	63%	58	\$ 179,800.00	85%
39	Residential PRV	EA	\$ 400	3	\$ 1,200.00	0	\$ 400	\$ -	3	\$ 400.00	\$ 1,200.00	3	\$ 1,200.00	100%	0	\$ -	0%	3	\$ 1,200.00	100%
40	Service Meter Retaining Wall	EA	\$ 1,100	5	\$ 5,500.00	0	\$ 1,100	\$ -	5	\$ 1,100.00	\$ 5,500.00	0	\$ -	0%	5	\$ 5,500.00	100%	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%	3	\$ 2,400.00	43%	5	\$ 4,000.00	71%
42	Abandon Existing Gate Valve/Blow-Off	EA	\$ 450	25	\$ 11,250.00	0	\$ 450	\$ -	25	\$ 450.00	\$ 11,250.00	0	\$ -	0%	21	\$ 9,450.00	84%	21	\$ 9,450.00	84%
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%	590	\$ 7,080.00	20%	590	\$ 7,080.00	20%
46	Traffic Control	LS	\$ 45,000	1	\$ 45,000.00	0	\$ 45,000	\$ -	1.00	\$ 45,000.00	\$ 45,000.00	0.10	\$ 4,500.00	10%	0.75	\$ 33,750.00	75%	0.85	\$ 38,250.00	85%
47	Street Sweeping	EA	\$ 600	36	\$ 21,600.00	0	\$ 600	\$ -	36	\$ 600.00	\$ 21,600.00	2	\$ 1,200.00	6%	6	\$ 3,600.00	17%	8	\$ 4,800.00	22%
	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	0	\$ -	0%	1	\$ 23,716.83	100%	1	\$ 23,716.83	100%
	Change Order No.2 (January 1, 2018 thru February 28, 2018)					1	\$ 10,802.11	\$ 10,802.11	1	\$ 10,802.11	\$ 10,802.11	0	\$ -	0%	1	\$ 10,802.11	100%	1	\$ 10,802.11	100%
	Change Order No.3 (March 1, 2018 thru March 31, 2018)					1	\$ -	\$ -	1	\$ -	\$ -	0	\$ -	0%	1	\$ -	0%	1	\$ -	0%
	Change Order No.4 (March 1, 2018 thru April 30, 2018)					1	\$ 4,453.60	\$ 4,453.60	1	\$ 4,453.60	\$ 4,453.60	1	\$ 4,453.60	100%	0	\$ -	0%	1	\$ 4,453.60	100%
	Contract Amount				\$2,055,271.00			\$38,972.54			\$2,094,243.54									
	Amount Earned												\$394,811.60	19%		\$1,423,099.94	68%		\$1,817,911.54	87%
	Retention (5%)												(\$19,741.00)			(\$71,155.00)			(\$90,896.00)	
	Progress Payment No.1																		(\$135,090.00)	
	Progress Payment No.2																		(\$220,599.00)	
	Progress Payment No.3																		(\$260,757.00)	
	Progress Payment No.4																		(\$142,355.83)	
	Progress Payment No.5																		(\$231,222.11)	
	Progress Payment No.5																		(\$361,921.00)	
	Amount Due												\$375,070.60						\$375,070.60	
	Amount Remaining on Contract																		\$276,332.00	13%

Prepared By

Joubin Pakpour, P.E.
District Engineer

Amount Remaining on Contract	\$276,332.00	13%
Total Retention Being Held	\$90,896.00	

Karen, Mezes, Arthur, South Folger Water Main Improvements
Progress Payment No. 07
Breakdown Summary

Karen Road	Current	Total	
Original Contract Amount		\$438,196.00	
Approved Change Orders	\$319.98	\$319.98	0.1%
Final Contract Amount		\$438,515.98	
Previous Value of Work Completed		\$0.00	
Previously Paid		\$0.00	
Current Request (Less Retention)	\$204,532.98	\$204,532.98	
Retention	\$10,765.00	\$10,765.00	
Total Value of Work Completed	\$215,297.98	\$215,297.98	49%
Total Remaining on Contract		\$223,218.00	51%

Arthur Avenue	Current	Total	
Original Contract Amount		\$553,771.00	
Approved Change Orders	\$4,133.62	\$4,133.62	0.7%
Final Contract Amount		\$557,904.62	
Previous Value of Work Completed		\$0.68	
Previously Paid		\$360,401.00	
Current Request (Less Retention)	\$170,537.62	\$530,938.62	
Retention	\$8,976.00	\$27,945.00	
Total Value of Work Completed	\$179,513.62	\$558,883.62	100%
Total Remaining on Contract		-\$979.00	0%

Folger Drive	Current	Total	
Original Contract Amount		\$461,097.00	
Approved Change Orders		\$28,671.02	6.2%
Final Contract Amount		\$489,768.02	
Previous Value of Work Completed		\$464,680.02	
Previously Paid		\$441,446.02	
Current Request (Less Retention)	\$0.00	\$441,446.02	
Retention	\$0.00	\$23,234.00	
Total Value of Work Completed	\$0.00	\$464,680.02	95%
Total Remaining on Contract		\$25,088.00	5%

Mezes Avenue	Current	Total	
Original Contract Amount		\$235,278.00	
Approved Change Orders	\$0.00	\$4,505.24	1.9%
Final Contract Amount		\$239,783.24	
Previous Value of Work Completed		\$232,031.24	
Previously Paid		\$220,429.24	
Current Request (Less Retention)	\$0.00	\$220,429.24	
Retention	\$0.00	\$11,602.00	
Total Value of Work Completed	\$0.00	\$232,031.24	97%
Total Remaining on Contract		\$7,752.00	3%

South Road	Current	Total	
Original Contract Amount		\$366,929.00	
Approved Change Orders	\$0.00	\$1,342.68	0.4%
Final Contract Amount		\$368,271.68	
Previous Value of Work Completed		\$347,018.68	
Previously Paid		\$329,667.68	
Current Request (Less Retention)	\$0.00	\$329,667.68	
Retention	\$0.00	\$17,351.00	
Total Value of Work Completed	\$0.00	\$347,018.68	94%
Total Remaining on Contract		\$21,253.00	6%

Total (All Projects)	Current	Total	
Original Contract Amount		\$2,055,271.00	
Approved Change Orders	\$4,453.60	\$38,972.54	1.9%
Final Contract Amount		\$2,094,243.54	
Previous Value of Work Completed		\$1,043,730.62	
Previously Paid		\$1,351,944.94	
Current Request (Less Retention)	\$375,070.60	\$1,727,015.54	
Retention	\$19,741.00	\$90,896.00	
Total Value of Work Completed	\$394,811.60	\$1,817,911.54	87%
Total Remaining on Contract		\$276,332.00	13%

**Karen, Mezes, Arthur, South & Folger Water Main Improvements
Mid-Peninsula Water District, Belmont, CA
April 1, 2018 Thru April 30, 2018**



April 4, 2018 – Installation of 8" PRV Station (ADLP/Arthur Ave)



April 10, 2018 – 8" PRV Station (ADLP/Arthur Ave)

Karen, Mezes, Arthur, South & Folger Water Main Improvements
Mid-Peninsula Water District, Belmont, CA
April 1, 2018 Thru April 30, 2018



April 13, 2018 – Tie-in at ADLP
(ADLP/Arthur Ave)



April 17, 2018 – Tie-in at Arthur
Ave (Arthur Ave)

**Karen, Mezes, Arthur, South & Folger Water Main Improvements
Mid-Peninsula Water District, Belmont, CA
April 1, 2018 Thru April 30, 2018**



April 18, 2018 – Fusible PVC (Dairy Lane/ Karen Road)



April 18, 2018 – Fusible PVC operation (Dairy Lane/ Karen Road)

**Karen, Mezes, Arthur, South & Folger Water Main Improvements
Mid-Peninsula Water District, Belmont, CA
April 1, 2018 Thru April 30, 2018**



April 2018 – Pulling Fusible PVC
(Dairy Lane/ Karen Road)

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

DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUALS 7/1/2017 4/30/18	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 83.3%
				Y-T-D % OF BUDGET
OPERATING REVENUE				
WATER COMMODITY CHARGES	8,700,000	7,885,668	814,332	90.6%
FIXED SYSTEM CHARGES	2,663,720	2,214,776	448,944	83.1%
FIRE SERVICE CHARGES	14,000	12,686	1,314	90.6%
SERVICE LINE & INSTALLATION CHARGES	10,000	76,762	(66,762)	767.6%
MISCELLANEOUS OPERATING	10,000	63,364	(53,364)	633.6%
PROPERTY TAX REVENUE	260,000	285,524	(25,524)	109.8%
TOTAL OPERATING REVENUE	11,657,720	10,538,781	1,118,939	90.4%
WATER SYSTEM CAPACITY CHARGES	200,000	283,109	(83,109)	141.6%
WATER DEMAND OFFSET CHARGES	10,000	33,899	(23,899)	339.0%
MISCELLANEOUS NON-OPERATING	10,000	81,500	(71,500)	815.0%
INTEREST REVENUE - LAIF	40,000	58,898	(18,898)	147.2%
INTEREST REVENUE - COP	150,000	155,213	(5,213)	103.5%
LEASE OF PHYSICAL PROPERTY	150,000	124,495	25,505	83.0%
LANDSCAPE PERMIT REVENUE	11,200	12,000	(800)	107.1%
TOTAL NON-OPERATING REVENUE	571,200	749,113	(177,913)	131.1%
TOTAL REVENUE	12,228,920	11,287,894	941,026	92.3%
OPERATING EXPENDITURES (OP EXP)				
SALARIES & WAGES	1,893,566	1,294,564	599,002	68.4%
PAYROLL TAXES & BENEFITS	1,084,880	882,676	202,204	81.4%
PURCHASED WATER	5,554,624	4,602,266	952,358	82.9%
OUTREACH & EDUCATION	92,400	44,724	47,676	48.4%
M&R - OPS SYSTEM	486,598	491,871	(5,273)	101.1%
M&R - FACILITIES & EQUIPMENT	166,860	109,647	57,213	65.7%
MAJOR MAINTENANCE	30,000	12,376	17,624	41.3%
OFFICE SUPPLIES & EQUIPMENT	317,278	219,393	97,885	69.1%
MEMBERSHIP & GOV FEES	208,613	186,612	22,001	89.5%
BAD DEBT & CLAIMS	17,000	(4,000)	21,000	-23.5%
UTILITIES	306,200	206,916	99,284	67.6%
PROFESSIONAL SERVICES	406,450	330,921	75,529	81.4%
TRAINING/TRAVEL & RECRUITMENT	45,000	25,377	19,623	56.4%
RESTRICTED EARNINGS	216,000	214,110	1,890	99.1%
DEBT SERVICE TRUSTEE FEES & EXPENSES	-	1,700	(1,700)	N/A
DEBT SERVICE 2016 COPs	984,950	903,066	81,884	91.7%
TOTAL OP EXP LESS DEPRECIATION (DEPREC)	11,810,419	9,522,219	2,288,200	80.6%
TOTAL OP REVENUE LESS OP EXP & DEPREC	418,501	1,765,675	(1,347,174)	421.9%
DEPRECIATION	900,000	727,984	172,016	80.9%
TOTAL OP REVENUE LESS OP EXP	(481,499)	1,037,691	(1,519,190)	-215.5%
NET TRANSFERS TO CAPITAL	481,499	(1,037,691)	1,519,190	-215.5%
NET RESULTS OF OPERATIONS	-	-	-	
Debt Service Coverage Ratio (DSCR)	216	2.96		

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 4/30/2018	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 83.3%
					Y-T-D % OF BUDGET
4010	Water Commodity Charges (A)	8,700,000	7,885,668	814,332	90.6%
4020	Fixed System Charges	2,663,720	2,214,776	448,944	83.1%
4030	Fire Service Charges	14,000	12,686	1,314	90.6%
4050	Service Line & Installation Charges (B)	10,000	76,762	(66,762)	767.6%
4080	Miscellaneous Operating (C)	10,000	63,364	(53,364)	633.6%
4000	TOTAL WATER CHARGES	11,397,720	10,253,257	1,144,463	90.0%
4202	Property Tax Revenue (D)	260,000	285,524	(25,524)	109.8%
4200	OTHER OPERATING REVENUE	260,000	285,524	(25,524)	109.8%
	TOTAL OPERATING REVENUE	11,657,720	10,538,781	1,118,939	90.4%
4060	Water System Capacity Charges (E)	200,000	283,109	(83,109)	141.6%
4070	Water Demand Offset Charges (E)	10,000	33,899	(23,899)	339.0%
4090	Miscellaneous - Non Operating (F)	10,000	81,500	(71,500)	815.0%
4102	Interest Revenue- LAIF (G)	40,000	58,898	(18,898)	147.2%
4103	Interest Revenue-COP Funds (G)	150,000	155,213	(5,213)	103.5%
4100	INTEREST REVENUE	190,000	214,110	(24,110)	112.7%
4201	Lease of Physical Property	150,000	124,495	25,505	83.0%
4208	Landscape Plan Permit Review (H)	11,200	12,000	(800)	107.1%
4200	OTHER NON-OPERATING REVENUE	161,200	136,495	24,705	84.7%
4000	TOTAL NON-OPERATING REVENUE	571,200	749,113	(177,913)	131.1%
	TOTAL OPERATING & NON-OP REVENUE	12,228,920	11,287,894	941,026	92.3%
6011	Salaries & Wages	1,822,566	1,227,786	594,780	67.4%
6012	Director Compensation	11,000	6,000	5,000	54.5%
6010	GROSS REGULAR WAGES	1,833,566	1,233,786	599,780	67.3%
6017	CAPITAL SALARY & WAGES reversed	-	-	-	
6021	Overtime Labor (I)	30,000	29,459	541	98.2%
6022	Standby Labor (I)	30,000	31,319	(1,319)	104.4%
6020	SUB-TOTAL SALARY & WAGES	1,893,566	1,294,564	599,002	68.4%
6031	FICA/Medicare PR Tax	125,000	98,407	26,593	78.7%
6038	ACWA Health Care	329,600	293,924	35,676	89.2%
6039	ACWA Dental	25,000	23,016	1,984	92.1%
6040	ACWA Vision	4,481	4,012	469	89.5%
6041	ACWA Life/AD&D	4,326	3,808	518	88.0%
6042	Standard LDL/SDL Disability	10,000	9,040	960	90.4%
6043	Workers' Comp Insurance	40,000	29,886	10,114	74.7%
6044	Unemployment	217 1,030	-	1,030	NA
6045	CALPERS Retirement - ER 2%@55	275,000	199,739	75,261	72.6%

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 4/30/2018	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 83.3%
					Y-T-D % OF BUDGET
6046	Retirees' ACWA Health Care	57,680	51,049	6,631	88.5%
6047	Directors' ACWA Health Care	111,240	98,333	12,907	88.4%
6049	Medical Reimbursement	1,030	410	620	39.8%
6050	Employee Service Recognition (J)	10,000	12,744	(2,744)	127.4%
6051	Safety Incentive Program	15,000	5,177	9,823	34.5%
6052	Uniforms	25,493	22,196	3,297	87.1%
6053	PARS OPEB Expense (K)	50,000	123,848	(73,848)	247.7%
6030	TOTAL PAYROLL TAXES & BENEFITS	1,084,880	975,588	109,292	89.9%
6054	CAPITAL PAYROLL, TAXES & BENEFITS		(92,912)	92,912	N/A
6000	PERSONNEL COSTS	2,978,446	2,177,240	801,206	73.1%
6101	SFPUC Treated Water (A)	5,000,000	4,129,446	870,554	82.6%
6102	BAWSCA (Debt Service Surcharges)	476,000	407,600	68,400	85.6%
6103	Rates Stabilization	-	-	-	NA
6104	SFPUC Water Service Charge	78,624	65,220	13,404	N/A
6100	PURCHASED WATER	5,554,624	4,602,266	952,358	82.9%
6301	Water Conservation Program	7,200	4,583	2,617	63.7%
6302	School Conservation Program (L)	7,200	22,827	(15,627)	317.0%
6303	Public Outreach & Education	15,000	5,266	9,734	35.1%
6305	HET Rebates	19,750	7,982	11,768	40.4%
6306	Washing Machine Rebates	-	-	-	NA
6307	Lawn-Be-Gone Rebates	38,100	3,851	34,249	10.1%
6308	Rain Barrel Rebates	5,150	215	4,935	4.2%
6304	TOTAL WATER CONSERVATION REBATES	63,000	12,048	50,952	19.1%
6300	OUTREACH/EDUCATION	92,400	44,724	47,676	48.4%
6401	Water Quality	69,010	20,118	48,892	29.2%
6402	Pumping	65,148	21,057	44,091	32.3%
6403	Storage Tanks	10,300	744	9,556	7.2%
6404	Mains/Distribution (M)	200,000	375,590	(175,590)	187.8%
6405	Meters & Service	30,900	8,522	22,378	27.6%
6406	Fire Hydrants	31,930	28,398	3,532	88.9%
6407	Regulator Stations	6,180	2,812	3,368	45.5%
6408	Safety	32,960	21,309	11,652	64.6%
6409	SCADA Maintenance	15,450	11,392	4,058	73.7%
6410	Generator Maintenance	24,720	1,929	22,791	7.8%
6400	M&R - OPS SYSTEMS	486,598	491,871	(5,273)	101.1%
6501	M&R-Buildings&Grounds	95,790	64,651	31,139	67.5%
6502	M&R- Equipment&Tools	21,630	9,017	12,613	41.7%
6503	M&R- Vehicles & Large Equipment	19,570	17,862	1,708	91.3%
6504	M&R - Fuel	29,870	18,117	11,753	60.7%
6500	M&R - FACILITIES & EQUIPMENT	166,860	109,647	57,213	65.7%
6601	Cathodic Protection Survey	218	(1,424)	1,424	NA

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 4/30/2018	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 83.3%
					Y-T-D % OF BUDGET
6602	Leak Detection Survey	30,000	13,800	16,200	NA
6600	MAJOR MAINTENANCE	30,000	12,376	17,624	41.3%
6701	Office Supplies	15,450	5,282	10,168	34.2%
6702	Insurance- Liability/Vehicles	80,000	60,592	19,408	75.7%
6703	Postage	8,240	2,447	5,793	29.7%
6704	Printing/Printing Supplies	10,000	7,181	2,819	71.8%
6705	Equipment Services/Maintenance	20,000	15,072	4,928	75.4%
6706	Computer Supplies & Upgrades	32,000	13,721	18,280	42.9%
6707	Security & Safety	11,073	4,456	6,617	40.2%
6708	Other Fees	515	-	515	NA
6709	Customer Credit Card Svs Fees	140,000	110,642	29,358	79.0%
6700	OFFICE SUPPLIES & EQUIP	317,278	219,393	97,885	69.1%
6801	Dues & Publications (N)	30,685	30,992	(307)	101.0%
6802	Gov't Fees & Licenses	29,848	21,934	7,914	73.5%
6803	BAWSCA Membership Assessments	76,000	42,352	33,648	55.7%
6804	Env Health - Cross Connection Inspection	31,930	27,250	4,680	85.3%
6805	Software License (O)	40,150	64,084	(23,934)	159.6%
6800	MEMBERSHIP & GOV FEES	208,613	186,612	22,001	89.5%
6901	Bad Debt (P)	7,000	(3,427)	10,427	-49.0%
6902	Claims (Q)	10,000	(573)	10,573	-5.7%
6900	BAD DEBT & CLAIMS	17,000	(4,000)	21,000	-23.5%
7001	Utilities-Internet/Cable	10,000	6,208	3,792	62.1%
7002	Utilities-Cellular Telephones	12,206	9,071	3,135	74.3%
7003	Utilities-Electric-Pumping	226,600	147,676	78,924	65.2%
7004	Utilities-Electric-Bldgs&Grounds	24,720	19,083	5,637	77.2%
7005	Utilities-Telephones	25,000	19,654	5,346	78.6%
7006	Utilities-Sewer - NPDES	7,674	5,224	2,450	68.1%
7000	UTILITIES	306,200	206,916	99,284	67.6%
7101	Prof Serv - District Counsel	75,000	57,540	17,461	76.7%
7102	Prof Serv - District Engineer (C)	65,000	61,999	3,001	95.4%
7103	Prof Serv - IT	19,750	16,820	2,930	85.2%
7104	Prof Serv- Annual Finance Audit (R)	19,000	19,050	(50)	100.3%
7105	Prof Serv - Mngmt Consult	-	-	-	NA
7106	Prof Serv- Accounting & Payroll	21,750	14,088	7,662	64.8%
7107	Prof Serv- Customer Billing	72,250	51,891	20,359	71.8%
7109	Prof Serv - Answering Svs	5,000	2,810	2,190	56.2%
7110	Prof Serv - Miscellaneous	125,000	104,924	20,076	83.9%
7111	Prof Serv - District Treasurer	3,700	1,800	1,900	48.6%
7100	PROFESSIONAL SERVICES	406,450	330,921	75,529	81.4%
7201	Director Travel	219 5,000	2,739	2,261	54.8%
7202	Director Expense	1,000	-	1,000	NA

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

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 4/30/2018	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 83.3%
					Y-T-D % OF BUDGET
7203	Elections	-	-	-	NA
7204	Employee Travel/Training	32,000	19,103	12,897	59.7%
7205	Meetings Expense	7,000	3,534	3,466	50.5%
7200	TRAINING & TRAVEL	45,000	25,377	19,623	56.4%
7302	Restricted Earnings Expense - Interest LAIF & COP (G)	216,000	214,110	1,890	99.1%
7300	RESTRICTED EARNINGS EXPENSE	216,000	214,110	1,890	99.1%
8001	Working Reserves: Capital	-	-	-	NA
8002	Working Reserves: Operating	-	-	-	NA
8000	RESERVES	-	-	-	NA
9010	DEPRECIATION	900,000	727,984	172,016	80.9%
9011	DEBT SERVICE TRUSTEE FEES & EXPENSES	-	1,700	(1,700)	NA
9012	DEBT SERVICE 2017-2018 COPs (S)	984,950	903,066	81,884	91.7%
SUB-TOTAL - OPERATING EXPENSES		9,731,973	8,072,963	1,659,010	83.0%
TOTAL OPERATING EXPENSES		12,710,419	10,250,203	2,460,216	80.6%
NET OPERATING SURPLUS/(LOSS)					
TRANSFER TO CAPITAL		(481,499)	1,037,691	(1,519,190)	-215.5%
Debt Service Coverage Ratio (DSCR)			2.96		

- (A) Water revenues are at 90.6% and water purchases are at 82.6%. Water revenues is a preliminary number. Revenue does not include the second half of the month.
- (B) Nine (9) meter upgrades & new services closed & revenue recognized accordingly.
- (C) BAWSCA Reimbursements and also Pakpour expenses related to Fire flow tests totaing \$7,308, but there is Misc Income totaling \$7,308 to balance out the expense.
- (D) Receive property tax revenue in Dec 2017 & April 2018
- (E) New Service Installations fees recognized for eight (10) projects.
- (F) Vehicle Damage Reimbursements, Fire Inspection Fees balanced by District Engineering expense, Revenue from vehicle charges on projects,
- (G) LAIF and COP funds generating more interest revenue than expected.
- (H) Plan review revenue for two (2) projects totaling \$10,000 & Landscape review revenue for five (5) projects totaling \$2,000.
- (I) Change in reporting when Comp Time is used.
- (J) Employee appreciation dinner totaling \$5,626.
- (K) PARS expense accrued for month until funding is put in place.
- (L) Water education kit purchased from BAWSCA totaling \$2,611.
- (M) More than expected main breaks occurred: Half Moon Paving & Grading costs total \$222,422.
- (N) Golden State dues totaling \$2,318 and CSDA 2017 Membership dues paid totaing \$570.
- (O) Accela (Springbrook) software license from prior year recognized this year \$15,713.92. This year's license is \$2619/month.
- (P) Reversing Bad Debt sent to collections 4 years ago.
- (Q) Insurance Reimbursement for Claim paid totaling \$6,812.
- (R) Financial Audit payment for field work completed.
- (S) This includes both interest and principal paid on debt.

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

	Jul 17 - Apr 18	Jul 16 - Apr 17	\$ Change	% Change
Ordinary Income/Expense				
Income				
OPERATING REVENUE	10,651,765.15	9,237,664.66	1,414,100.49	15.31%
INTEREST INCOME	214,110.14	28,607.14	185,503.00	648.45%
OTHER INCOME	422,018.82	406,008.18	16,010.64	3.94%
Total Income	11,287,894.11	9,672,279.98	1,615,614.13	16.7%
Expense				
PERSONNEL COSTS	2,177,239.74	2,217,868.94	-40,629.20	-1.83%
PURCHASED WATER	4,602,266.20	4,191,494.53	410,771.67	9.8%
OUTREACH/EDUCATION	44,723.75	-3,067.34	47,791.09	1,558.06%
M&4 - OPS SYSTEMS	491,870.89	228,999.63	262,871.26	114.79%
FACILITIES & EQUIPMENT	109,647.31	70,107.49	39,539.82	56.4%
MAJOR MAINTENANCE	12,376.00	590.74	11,785.26	1,995.0%
OFFICE SUPPLIES & EQUIPMENT	219,393.24	229,982.76	-10,589.52	-4.6%
MEMBERSHIP & GOV FEES	186,612.32	134,973.06	51,639.26	38.26%
BAD DEBT & CLAIMS	-4,000.46	16,311.81	-20,312.27	-124.53%
UTILITIES	206,915.54	203,686.36	3,229.18	1.59%
PROFESSIONAL SERVICES	330,920.57	320,172.45	10,748.12	3.36%
TRAINING & TRAVEL	25,377.23	26,446.44	-1,069.21	-4.04%
Total Expense	8,403,342.33	7,637,566.87	765,775.46	10.03%
Net Ordinary Income	2,884,551.78	2,034,713.11	849,838.67	41.77%
Other Income/Expense				
Other Expense				
DEPRECIATION	727,983.69	764,092.06	-36,108.37	-4.73%
DEBT SERVICE TRUSTEE FEES & EXPENSES	1,700.00	0.00	1,700.00	100.0%
COP Financing Costs	588,066.47	0.00	588,066.47	100.0%
Total Other Expense	1,317,750.16	764,092.06	553,658.10	72.5%
Net Revenue/(Expenses)	1,566,801.62	1,270,621.05	296,180.57	23.3%

RECONCILIATION TO OPERATING BUDGET

Adjustments to Increase Net Operating Surplus

Interest Income - LAIF & COP Interest	-214,110.14
Debt Service Principal Payment	-315,000.00
Total Adjustments to Increase Net Operating Surplus	-529,110.14

Net Revenue/(Expenses)

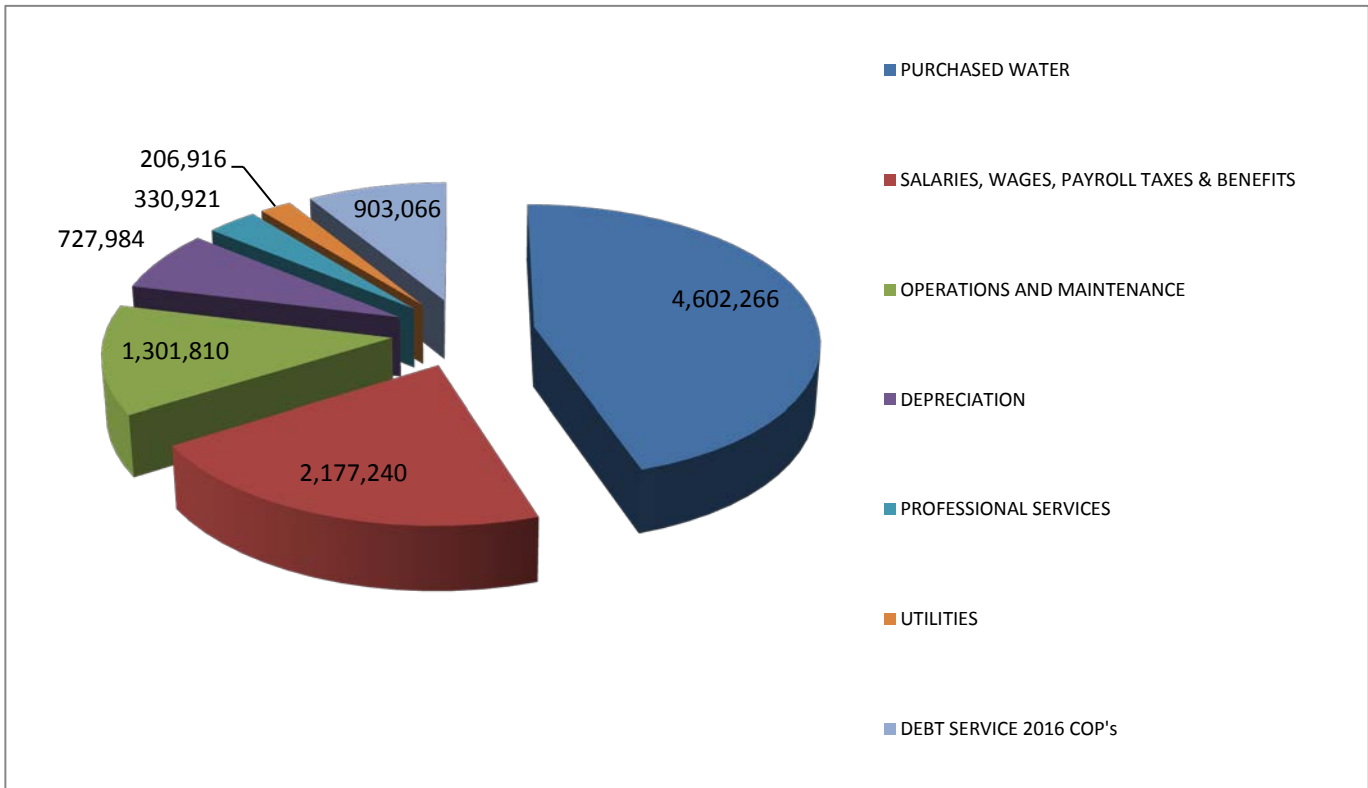
1,566,801.62

Net Operating Surplus/(Loss) Transfer to Capital

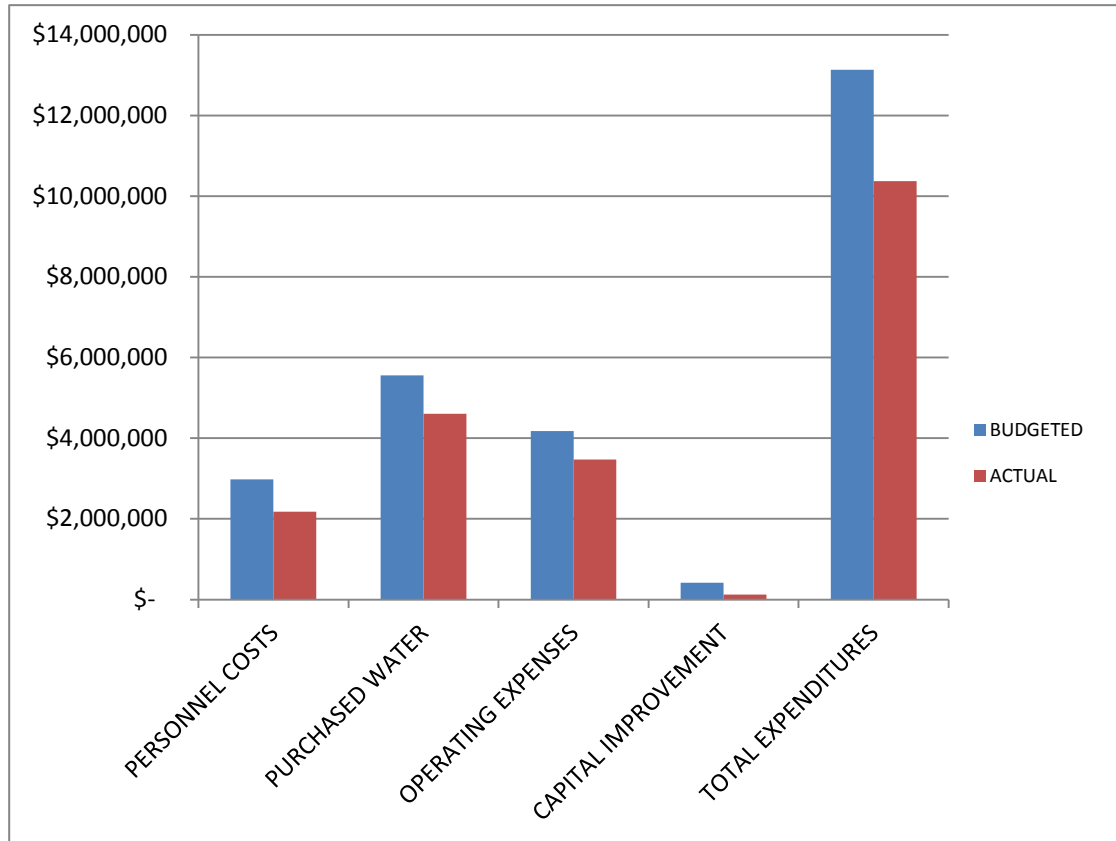
1,037,691.48

**MID-PENINSULA WATER DISTRICT
ACTUAL OPERATING EXPENDITURES SUMMARY
Apr-18**

OPERATING EXPENDITURES	ACTUAL \$	% OF TOTAL
PURCHASED WATER	4,602,266	44.9%
SALARIES, WAGES, PAYROLL TAXES & BENEFITS	2,177,240	21.2%
OPERATIONS AND MAINTENANCE	1,301,810	12.7%
DEPRECIATION	727,984	7.1%
PROFESSIONAL SERVICES	330,921	3.2%
UTILITIES	206,916	2.0%
DEBT SERVICE 2016 COP's	903,066	8.8%
TOTAL OPERATING EXPENDITURES	10,250,203	100%



2017/2018 BUDGET vs ACTUAL TOTAL EXPENDITURES Apr-18



	BUDGETED	ACTUAL	BUDGETED % OF TOTAL	ACTUAL % OF TOTAL
TOTAL EXPENDITURES				
PERSONNEL COSTS	\$ 2,978,446	\$ 2,177,240	23%	21%
PURCHASED WATER	\$ 5,554,624	\$ 4,602,266	42%	44%
OPERATING EXPENSES	\$ 4,177,349	\$ 3,470,697	32%	33%
CAPITAL IMPROVEMENT	\$ 418,504	\$ 124,580	3%	1%
TOTAL EXPENDITURES	\$ 13,128,923	\$ 10,374,783	100%	100%

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

DESCRIPTION	APPROVED MID-YEAR FY 2017-2018 BUDGET \$	ACTUAL 7/1/2017 4/30/2018	REMAINING BALANCE/ (OVER BUDGET)	Target YTD %
				83.3% Y-T-D % OF BUDGET
CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)				
2017 Joint WMR and Belmont Sewer Rehab Project (Pay-Go Portion)	375,000	25,551	349,449	6.8%
2017 Water Main Replacement CIP (Pay-Go Portion)	-	80,525	(80,525)	N/A
AMI Meter Change Out Program	-	-	0	N/A
CAPITAL IMPROVEMENTS - WIP TOTAL	375,000	106,076	268,924	28.3%
CAPITAL OUTLAY				
Replacement Printer/Scanner/Copier	18,504	18,504	0	100.0%
Miscellaneous Capital Outlay/Projects	25,000	-	25,000	0.0%
CAPITAL OUTLAY TOTAL	43,504	18,504	25,000	42.5%
CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL	418,504	124,580	293,924	29.8%
DEPRECIATION	900,000	727,984	172,016	80.9%
TRANSFER FROM OPS	(481,496)	1,037,691	(1,519,187)	-215.5%
TRANSFER (TO)/FROM CAPITAL RESERVES	-	(1,641,095)	1,641,095	N/A
CAPITAL OUTLAY/CAPITAL PROJECTS	(418,504)	(124,580)	(293,924)	29.8%
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**

	30-Apr-18	30-Apr-17	\$ Change	% Change
ASSETS				
CURRENT ASSETS				
Total Checking/Savings	7,330,929.56	25,079,050.64	-17,748,121.08	-70.77%
Total COP Funds	17,038,584.95	0.00	0.00	100.0%
Total Accounts Receivable	859,608.94	814,546.01	45,062.93	5.53%
Total Other Current Assets	228,589.05	242,002.73	-13,413.68	-5.54%
TOTAL CURRENT ASSETS	25,457,712.50	26,135,599.38	-677,886.88	-2.59%
FIXED ASSETS				
Fixed Assets	43,855,997.06	43,097,864.65	758,132.41	1.76%
Accumulated Depreciation	-27,273,679.10	-26,528,184.03	-745,495.07	-2.81%
Construction in Progress	3,377,492.21	900,518.57	2,476,973.64	275.06%
TOTAL FIXED ASSETS	19,959,810.17	17,470,199.19	2,489,610.98	14.25%
TOTAL OTHER ASSETS	803,133.00	442,276.00	360,857.00	81.59%
TOTAL ASSETS	46,220,655.67	44,048,074.57	2,172,581.10	4.93%
LIABILITIES & EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Total Accounts Payable	134,676.83	471,912.49	-337,235.66	-71.46%
Total Other Current Liabilities	2,338,869.66	1,358,910.80	979,958.86	72.11%
TOTAL CURRENT LIABILITIES	2,473,546.49	1,830,823.29	642,723.20	35.11%
LONG TERM LIABILITIES				
Total COP Financing Debt (B)	17,910,000.00	0.00	17,910,000.00	100.0%
Total COP Premium (B)	894,131.70	0.00	894,131.70	100.0%
Total Other Long Term Liabilities (B)	1,765,634.45	20,531,870.75	-18,766,236.30	-91.4%
TOTAL LONG TERM LIABILITIES	20,569,766.15	20,531,870.75	37,895.40	0.19%
TOTAL LIABILITIES	23,043,312.64	22,362,694.04	680,618.60	3.04%
EQUITY				
3000 - Opening Bal Equity	0.00	0.00	0.00	0.0%
3800 - RESERVES *	6,847,071.80	5,568,453.80	1,278,618.00	22.96%
3940 - Fund Bal Invest in Util Plant	19,959,810.17	17,379,053.88	2,580,756.29	14.85%
Net Assets (A)	-3,629,538.94	-1,262,127.15	-2,367,411.79	-187.57%
TOTAL EQUITY	23,177,343.03	21,685,380.53	1,491,962.50	6.88%
TOTAL LIABILITIES & EQUITY	46,220,655.67	44,048,074.57	2,172,581.10	4.93%

	Balance @ Apr-16	Balance @ Apr-17	Balance @ Apr-18	Budget for Reserve Policy
* RESERVES				
Capital Reserves	0	0	1,747,072	1,500,000
Working Capital Reserves	0	0	1,500,000	1,500,000
TOTAL RESERVE FUNDS	4,049,652	5,568,454	3,247,072	3,000,000
Committed Capital Pay-Go	0	0	500,000	500,000
PARS OPEB Liability	0	0	1,500,000	1,500,000
PARS PRSP Pension Liability	0	0	1,600,000	1,600,000
APPROVED RESERVE EXP	0	0	3,600,000	3,600,000
TOTAL RESERVE FUNDS	4,049,652	5,568,454	6,847,072	6,600,000

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

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