



---

REGULAR MEETING  
BOARD OF DIRECTORS  
**THURSDAY, JUNE 25, 2020 – 6:30PM**

---

DUE TO COVID-19, THIS MEETING WILL BE CONDUCTED AS A TELECONFERENCE PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF THE RALPH M. BROWN ACT.

MEMBERS OF THE PUBLIC MAY NOT ATTEND THIS MEETING IN PERSON.

Board members, staff, and the public may participate remotely.

**Dial by Telephone: 1-562-247-8321**

**Audio Access Code: 195-565-320**

Public comments may be submitted via email to

District Secretary, Candy Pina, at [candyp@midpeninsulawater.org](mailto:candyp@midpeninsulawater.org).

Please indicate in your email the agenda item to which your comment applies.

Comments submitted before the meeting will be provided to the Board before or during the meeting.

Comments submitted after the meeting is called to order will be included  
in correspondence that will be provided to the full Board.

## AGENDA

**1. OPENING**

- A. Call to Order
- B. Establishment of Quorum

**2. PUBLIC COMMENT**

*If you wish to address the Board, please follow the directions at the top of the agenda. If you have anything that you wish distributed to the Board and included for the official record, please include it in your email. Comments that require a response may be deferred for staff reply*

**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 is acted upon.*

A. Approve Minutes for the Regular Board Meeting on May 28, 2020

B. Approve Expenditures from May 20, 2020 through June 16, 2020



- C. Approve Resolution 2020-11 Authorizing a Legal Services Agreement with Hanson Bridgett LLP for District Counsel Services
- D. Approve Resolution 2020-12 Authorizing Contract for Professional Services in the total amount of \$70,000 with John Davidson d/b/a Jrocket77 Design & Marketing for Public Outreach/Education/Relations, MPWD Website Management, and Printing Services
- E. Approve Resolution 2020-13 Authorizing an Agreement for Municipal Advisor Services with Wulff Hansen & Company
- F. Approve Resolution 2020-14 Authorizing a Contract for Professional Services with ManageWater Consulting, Inc., and Maddaus Water Management, Inc., for the MPWD 2020 Urban Water Management Plan and Water Shortage Contingency Plan in the amount of \$53,930, plus a 10% Contingency of \$5,400, for a Total Project Budget of \$59,330
- G. Approve Resolution 2020-15 Authorizing a Contract for Professional Services with HF&H Consultants, LLC, for the MPWD Water Rate Study and Financial Plan in the amount of \$47,926, plus a 10% Contingency of \$4,800, for a Total Project Budget of \$52,726
- H. Approve Resolution 2020-16 Authorizing a Contract for Professional Services with RDN, Inc., for the MPWD Water Capacity Charge Study in the amount of \$22,900, plus a 10% Contingency of \$2,300, for a Total Project Budget of \$25,200
- I. Approve Resolution 2020-17 Authorizing a Contract for Professional Services with Tom Hovorka of Keller Williams Peninsula Estates and Cheryl Villanueva of Compass for Real Estate Marketing and Brokerage Services to Sell MPWD Surplus Real Property Located at 1513-1515 Folger Drive in Belmont, CA
- J. Approve Resolution 2020-18 Designating the General Manager as the MPWD's Agent to File for FEMA Reimbursements related to the COVID-19 Pandemic

## **6. HEARINGS AND APPEALS - None**

## **7. REGULAR BUSINESS AGENDA**

- A. Consider Resolution 2020-19 Approving the Intention to Change from At-Large to Zone-Based Elections for Election of Members of the Board of Directors Commencing in November of 2022
- B. Consider Resolution 2020-20 Calling for an Election to be held on November 3, 2020, for the Election of Two (2) Members of the Governing Board of Directors, and Approving the San Mateo County Candidate Policy Form for Special Districts
- C. Discuss District Treasurer Vacancy and Introduce DRAFT Request for Proposal for District Treasurer and Accounting Services
- D. Receive Report from Board Committee and Discuss Happy Hydrants Project



E. Receive Update from General Manager regarding Actions Taken During COVID-19 Pandemic

F. Receive BAWSCA Update

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

A. General Manager's Report supplemented by:

1. Administrative Services Manager's Report
2. Operations Manager's Report
3. District Engineer's Report

B. Financial Reports

1. Month End May 31, 2020

C. Director Reports

## **9. COMMUNICATIONS**

## **10. 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](http://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 and provide comments at/related to public meetings. Please submit a request, including your name, phone number and/or email address, and a description of the modification, accommodation, auxiliary aid, service or alternative format requested. Requests should be sent to the District Secretary at (650) 591-8941 or [candyp@midpeninsulawater.org](mailto:candyp@midpeninsulawater.org). Requests must be received at least two days before the meeting. Requests will be granted whenever possible and resolved in favor of accessibility.*

***Next Regular Board Meeting: Thursday, July 23, 2020 at 6:30PM***

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

May 28, 2020  
Belmont, California

DUE TO COVID-19, THIS MEETING WAS CONDUCTED AS A TELECONFERENCE  
PURSUANT TO THE PROVISIONS OF THE GOVERNOR'S EXECUTIVE  
ORDERS N-25-20 AND N-29-20, WHICH SUSPEND CERTAIN REQUIREMENTS OF  
THE RALPH M. BROWN ACT.

MEMBERS OF THE PUBLIC COULD NOT ATTEND THIS MEETING IN PERSON.

Board members, staff, and the public participated remotely.

A public comment submittal option was available via email to  
District Secretary, Candy Pina, at [candyp@midpeninsulawater.org](mailto:candyp@midpeninsulawater.org).  
No public comments were received.

**1. OPENING**

**A. Call to Order:**

The regular teleconference meeting of the Mid-Peninsula Water District Board of  
Directors was called to order by President Zucca at 6:40PM.

**B. Establishment of Quorum:**

**PRESENT:** Directors Zucca, Schmidt, Wheeler, Warden and Vella.

A quorum was present.

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

**2. PUBLIC COMMENT**

None.

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

None.

**4. ACKNOWLEDGEMENTS/PRESENTATIONS**

None.

**5. CONSENT AGENDA**

**A. Approve Minutes for the Board Meeting on April 23, 2020**

Director Vella sought clarification between MPWD's Biennial System-Wide Leak  
Detection Survey referenced on lines 45-48 on page 1 of the minutes and BAWSCA's  
leak detection efforts and staff explained the difference between the two. He also noted  
a typographical error on line 178 to be amended.



Vice-President Schmidt requested that line 113 on page 3, where Resolution 2020-07 would grant authority to the General Manager to take necessary actions for continued operations due to the pandemic, be amended to include the agreed upon language of “a ninety- (90) day authorization unless extended further by the Board”. An open discussion followed and it was agreed that the minutes would be edited to reflect this inclusion. It was also decided that going forward, Board amendments to resolutions would be included in meeting minutes for transparency purposes. He also asked staff to identify the Spacecraft vendor on page 3 of the Accounts Payable Summary Report, and staff confirmed that they are a furniture consulting business.

President Zucca requested that line 116 of the minutes be amended to reflect either receive or consider, and staff agreed to remove the word receive.

Director Wheeler noted an additional typographical error on line 181.

**B. Approve Expenditures from April 15, 2020 through May 19, 2020**

Director Vella moved to approve Minutes for the Board Meeting on April 23, 2020 and Expenditures from April 15, 2020 through May 19, 2020. Director Wheeler seconded and they were unanimously approved.

**6. HEARINGS AND APPEALS**

None.

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

**A. Resolution 2020-09 Accepting As Complete the Notre Dame Ave, Cliffside Court, Tahoe Drive Area Water Main Replacement and Improvements Project and Authorizing the Recordation of A Notice of Completion For The Project**

Operations Manager Ramirez reported on project accounting, change orders and completed punch list items and District Engineer Pakpour provided highlights from their final project report.

Director Vella inquired about the change order navigation process and District Engineer Pakpour shared details on the components and sensitivities these types of negotiations involve.

President Zucca commented on the District's practice of seeking Board approval of Project Notices of Completion reporting and filing time constraints. District Counsel Sherman confirmed that Board approval is not a legal requirement, but is a long standing practice of the District and an open Board discussion followed.

Director Vella moved to approve Resolution 2020-09 Accepting as Complete the Notre Dame Ave, Cliffside Court, Tahoe Drive Area Water Main Replacement and Improvements Project and Authorizing the Recordation of a Notice of Completion for the Project. Vice-President Schmidt seconded and it was unanimously approved.

**8. REGULAR BUSINESS AGENDA**

**A. Consider Resolution 2020-10 Approving MPWD FY2020/2021 Operating and Capital Budgets**

General Manager Rudock reported that staff met with the Board Finance Committee to discuss the detail sheets and provided highlights from the revenue and expense sections of the Operations Summary Report and an open Board discussion followed.

Vice President Schmidt and Director Warden agreed with staff's decision to balance the budget.

President Zucca asked staff for the current balance of the cash reserves and inquired about anticipated COVID-19 Pandemic budget adjustments. General Manager Rudock responded and referenced a number of operational expenses and savings opportunities the District has experienced since the COVID-19 Pandemic began early-March, and pointed out potential financial impacts for FY 2020/2021.

General Manager Rudock continued with a summary review of the proposed Capital Improvement Program Budget for FY 2020/2021. President Zucca inquired about including the projects funded by the COPs within the FY 2020/2021 CIP. An open Board discussion ensued and General Manager Rudock advised that she would revise to include the approved COP capital projects from the MPWD 5-Year CIP.

Director Vella moved to approve Resolution 2020-10 Approving MPWD FY2020/2021 Operating and Capital Budgets. Director Wheeler seconded and it was unanimously approved.

**B. Discuss and Consider Revised Attachment "A" to the MPWD Water Service Ordinance Regarding Rates and Charges to Reflect A 0.00% Water Rate Adjustment, effective July 1, 2020**

General Manager Rudock gave an overview of the revised Attachment "A" to the MPWD Water Service Ordinance regarding Rates and Charges, effective July 1, 2020 and shared a copy of the notification customers will receive. A brief Board discussion followed and staff was directed to proceed accordingly.

**C. Approve Resolution 2020-11 Approving MPWD Other Post-Employment Benefits (OPEB) and Pension Rate Stabilization Program (PRSP) Funding Policy**

General Manager Rudock reported on policy definitions and section content, and the policy's objective to ensure a stable payment and distribution plan for the MPWD's OPEB and pension liabilities.

Director Wheeler asked staff to clarify the reasoning behind the decision to suspend contributions should the minimum un-restricted net position fall below \$1,000,000.00 as stated under Section 6 – Annual Contributions of the policy. An open Board discussion followed on the presented net position threshold and the need to establish a contribution and approval timeline. Upon conclusion, Board direction was given to table the item until staff can create and incorporate a schedule into the policy for final consideration.

**D. Discuss District Treasurer Vacancy and Proposed Appointment Process**

General Manager Rudock sought Board direction regarding replacement of the District Treasurer after Jeff Ira's retirement in April. She shared options from the Board Finance Committee meeting. The Board discussed the options and determined that the item would be deferred and brought back next month for further discussion.

**E. Receive BAWSCA Update**

Director Vella reported there were a number of speakers in attendance at this month's virtual BAWSCA Board meeting to weigh in on the Tuolumne River Plan. He also provided an update on the FY 2020/2021 Operating Budget and current water supply conditions.

General Manager Rudock reported on highlights from the recent Water Management Representatives Meeting she attended.

## **9. MANAGER AND BOARD REPORTS**

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

General Manager Rudock reported on the upcoming tasks included in the 3-Month Look Ahead List of her staff report.

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

Administrative Services Manager Pina reported on the Wells Fargo Checking account balance and PARS OPEB Trust Program and PRSP investment returns.

Vice-President Schmidt asked several questions about the monthly percentage figures on the PARS OPEB Trust Program and PRSP Account Summary Report. An open Board discussion followed and the Board determined that staff would make title description changes to the report for clarification purposes.

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

Operations Manager Ramirez reported on safe work practices and staff efforts during the shelter-in-place order, USA totals for the month of April, recent hydrant and valve maintenance activities and the MPWD Annual Water Consumption Comparison Graph.

#### **3. District Engineer's Report**

District Engineer Pakpour provided a final report on the Notre Dame Avenue, Cliffside Court, and Tahoe Drive Area Improvements capital project.

### **B. Financial Reports**

#### **1. Month End April 30, 2020**

General Manager Rudock reported on FY 2019/2020 revenues, expenditures, YTD targets and a potential opportunity to refund the COPs for cost savings.

### **C. Director Reports**

Director Warden thanked staff for performing the recent Happy Hydrant inventory and Board direction was given that staff add this program to a future Board agenda for further discussion.

President Zucca announced that the City and County of San Mateo Emergency Operations Center (EOC) would be closing their doors on Friday, May 29, 2020.

## **10. COMMUNICATIONS**

None.

## **11. CLOSED SESSION**

The Board convened to close session at 9:21PM.

### **A. Conference with Legal Counsel – Anticipated Litigation**

**Significant exposure to litigation pursuant to Government Code Section 54956.9(d)(2)**

## **12. RECONVENE TO OPEN SESSION**

The regular scheduled Board Meeting reconvened at 9:34PM and District Counsel advised that no reportable action had been taken.

### **13. ADJOURNMENT**

The meeting was adjourned at 9:35PM.

DISTRICT SECRETARY

APPROVED:

BOARD PRESIDENT

# Accounts Payable

## Checks by Date - Summary by Check Date

User: candyp  
Printed: 6/17/2020 9:46 AM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
35820	A-IRENTA	A-1 TRUCK & EQUIPMENT RENTAL	05/28/2020	518.78
35821	BAYAREAH	BAY AREA HOME BUILDERS, INC.	05/28/2020	4,190.25
35822	GRANITE	GRANITE ROCK, INC.	05/28/2020	256.93
35823	HASSETTH	HASSETT HARDWARE	05/28/2020	229.94
35824	HOMEDPC	HOME DEPOT	05/28/2020	581.02
35825	INTRTRAF	INTERSTATE TRAFFIC CONTROL INC	05/28/2020	349.60
35826	INTINTOL	ANTHONY INTINTOLI	05/28/2020	2,931.31
35827	OFFICEDE	OFFICE DEPOT, INC.	05/28/2020	291.19
35828	PG&E	PG&E CFM/PPC DEPT	05/28/2020	5,152.91
35829	PICOLOTT	ROBERT PICCOLOTTI	05/28/2020	100.00
35830	RECOLOGY	RECOLOGY SAN MATEO	05/28/2020	718.88
35831	REDWING	RED WING SHOE STORE, INC.	05/28/2020	2,897.77
35832	RANDB	ROBERTS & BRUNE CO. INC.	05/28/2020	2,854.12
35833	SMELECTR	SAN MATEO ELECTRIC SUPPLY	05/28/2020	81.43
35834	CYLINDER	SINGLE CYLINDER REPAIR SAN CARI	05/28/2020	379.64
35835	STANDINS	STANDARD INSURANCE COMPANY	05/28/2020	1,223.49
35836	TIMBERLI	TIMBERLINE TREE SERVICE, INC.	05/28/2020	800.00
35837	TMOBILE	T-MOBILE	05/28/2020	31.40
35838	VERIZON	VERIZON WIRELESS	05/28/2020	882.36
35839	XIOINC	XIO, INC.	05/28/2020	528.00
100873	SFWATER	SAN FRANCISCO WATER DEPT	05/28/2020	471,046.60
Total for 5/28/2020:				496,045.62
100880	DAVIDSON	JOHN T. DAVIDSON OR DBA JRocket77	05/29/2020	3,810.00
Total for 5/29/2020:				3,810.00
100874	CALPERS	CALPERS	05/31/2020	7,673.70
100875	CALPERS	CALPERS	05/31/2020	678.43
100876	HEALTHEQ	Health Equity	05/31/2020	550.84
100877	ICMACONT	ICMA contributions	05/31/2020	3,124.64
100878	ADPPAYRL	adp	05/31/2020	36,022.97
100879	ADPPAYRL	adp	05/31/2020	15,946.60
Total for 5/31/2020:				63,997.18
35840	ACWA5661	ACWA JPIA	06/04/2020	42,037.07
35841	ANDERSNJ	JONATHAN ANDERSON	06/04/2020	200.00
35842	ATT60197	AT&T 60197	06/04/2020	642.78
35843	BKFENGIN	BKF ENGINEERS	06/04/2020	53.75
35844	CUEA	CALIFORNIA UTILITIES EMERGENCY	06/04/2020	500.00
35845	COMCAST	COMCAST	06/04/2020	295.19
35846	COMCASTB	COMCAST BUSINESS	06/04/2020	626.77
35847	CONTROLF	CONTROL FIRE INC.	06/04/2020	53.75
35848	ELLIOTTJ	JAMES ELLIOTT	06/04/2020	53.75
35849	FIREMEXS	FIREMEX SOLUTIONS INC.	06/04/2020	53.75

				7
Check No	Vendor No	Vendor Name	Check Date	Check Amount
35850	HMBPAVIN	HALF MOON BAY GRADING & PAVINC	06/04/2020	7,759.52
35851	HASSETTH	HASSETT HARDWARE	06/04/2020	18.62
35852	HOMEDPC	HOME DEPOT	06/04/2020	561.46
35853	MAOBILL	BILL MAO	06/04/2020	53.75
35854	NEJADLLC	NEJAD LLC	06/04/2020	53.75
35855	OREILLYA	OREILLY AUTO PARTS, INC.	06/04/2020	65.83
35856	PG&E	PG&E CFM/PPC DEPT	06/04/2020	2,757.07
35857	SMELECTR	SAN MATEO ELECTRIC SUPPLY	06/04/2020	13.70
35858	SCHAAFWE	SCHAAF & WHEELER	06/04/2020	799.60
35859	SEOHWONT	WONTAE SEOH	06/04/2020	53.75
35860	STEPFORD	STEPFORD BUSINESS, INC.	06/04/2020	1,400.00
35861	VANGUARE	VANGUARD CLEANING SYSTEMS, INC	06/04/2020	385.00
100881	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	06/04/2020	12,312.51
100904	WFBUSRR	WELLS FARGO-OM	06/04/2020	2,439.26
100905	WFBUSCAR	WELLS FARGO -GM	06/04/2020	5,272.88
Total for 6/4/2020:				78,463.51
100906	CALPERS	CALPERS	06/05/2020	3,881.93
100907	CALPERS	CALPERS	06/05/2020	345.30
100908	HEALTHQ	Health Equity	06/05/2020	217.00
100909	ICMACONT	ICMA contributions	06/05/2020	2,834.62
100910	ADPPAYRL	adp	06/05/2020	15,932.63
100911	ADPPAYRL	adp	06/05/2020	7,609.19
Total for 6/5/2020:				30,820.67
35862	AIRGAS	AIRGAS, LLC	06/11/2020	172.32
35863	ATT60197	AT&T 60197	06/11/2020	40.99
35864	BAAQMD	BAY AREA AIR QUALITY MGMT DIST.	06/11/2020	239.00
35865	BPLANDSC	BAY POINTE LANDSCAPE	06/11/2020	1,625.00
35866	CARQUEST	CARQUEST AUTO PARTS	06/11/2020	10.23
35867	DFS	DOCUMENT FULFILLMENT SERVICES	06/11/2020	2,472.49
35868	GLOBALSU	GLOBAL SUN LANDSCAPE	06/11/2020	280.50
35869	GRANITE	GRANITE ROCK, INC.	06/11/2020	423.14
35870	HOMEDPC	HOME DEPOT	06/11/2020	375.65
35871	INTRBATT	INTERSTATE BATTERY SYSTEM, INC.	06/11/2020	111.65
35872	PG&E	PG&E CFM/PPC DEPT	06/11/2020	853.35
35873	RMORGAN	RAY MORGAN COMPANY	06/11/2020	4,449.41
35874	RECOLOGY	RECOLOGY SAN MATEO	06/11/2020	718.88
35875	RANDB	ROBERTS & BRUNE CO. INC.	06/11/2020	64,929.64
35876	SMELECTR	SAN MATEO ELECTRIC SUPPLY	06/11/2020	25.13
35877	PACWEST	SONITROL / PACIFIC WEST SECURITY	06/11/2020	1,866.00
35878	UB*00464	A1 CONSTRUCTION LLC	06/11/2020	19.40
35879	UB*00457	DANA ANDERSON	06/11/2020	8.40
35880	UB*00453	BRANAGH DEVELOPMENT	06/11/2020	2,357.72
35881	UB*00443	BREAKING BREAD ENTERPRISES	06/11/2020	47.40
35882	UB*00463	C. HAMMOND CONSTRUCTION	06/11/2020	1,439.64
35883	UB*00439	CARLMONT VILLAGE SHOPPING CEN	06/11/2020	57.10
35884	UB*00441	JOSEPH DUIMSTRA	06/11/2020	19.20
35885	UB*00446	COLIN FLAXMER	06/11/2020	12.95
35886	UB*00440	SASHA GIMBEL	06/11/2020	12.61
35887	UB*00461	INTERSTATE GRADING AND PAVING	06/11/2020	2,317.96
35888	UB*00445	HAIFA KHOURY	06/11/2020	32.54
35889	UB*00428	NELSON LEE	06/11/2020	318.98
35890	UB*00454	RICHARD MAIDEN	06/11/2020	7.68
35891	UB*00462	MELLON ENGINEERING INC.	06/11/2020	2,085.44

Check No	Vendor No	Vendor Name	Check Date	Check Amount
35892	UB*00455	JENNIFER MULRY	06/11/2020	29.67
35893	UB*00452	RK ENGINEERING	06/11/2020	2,279.80
35894	UB*00448	COLLEEN RODRIGUEZ	06/11/2020	23.81
35895	UB*00447	KARINA ROOK	06/11/2020	14.73
35896	UB*00459	LI SADLER	06/11/2020	119.06
35897	UB*00460	SAN MATEO GYMNASTICS	06/11/2020	18.47
35898	UB*00450	SAN MATEO LAWNMOWER	06/11/2020	247.00
35899	UB*00458	GILES R. SMITH	06/11/2020	13.54
35900	UB*00449	EDWIN SUSANTO	06/11/2020	15.67
35901	UB*00451	HUNG-BING TAN	06/11/2020	6.07
35902	UB*00456	EMILY TAUSCHER	06/11/2020	17.53
35903	UB*00444	AMANDEEP TITUS BARBOZA	06/11/2020	12.61
35904	UB*00438	MICHAEL TURTON	06/11/2020	19.20
35905	UB*00442	UNDERGROUND CONSTRUCTION	06/11/2020	1,139.52
100919	DAVIDSON	JOHN T. DAVIDSON OR DBA JRocket77	06/11/2020	7,739.50
100920	LIFTOFFD	LIFTOFF DIGITAL	06/11/2020	187.50
Total for 6/11/2020:				99,214.08
100912	CALPERS	CALPERS	06/15/2020	7,673.70
100913	CALPERS	CALPERS	06/15/2020	678.43
100914	HEALTHQ	Health Equity	06/15/2020	750.84
100915	ICMACONT	ICMA contributions	06/15/2020	624.64
100916	ADPPAYRL	adp	06/15/2020	33,763.70
100917	ADPPAYRL	adp	06/15/2020	14,838.75
100918	HEALTHQ	Health Equity	06/15/2020	112.10
Total for 6/15/2020:				58,442.16
Report Total (112 checks):				830,793.22



## **AGENDA ITEM NO. 5.C.**

DATE: June 25, 2020

TO: Board of Directors

FROM: Tammy Rudock, General Manager

**SUBJECT: APPROVE RESOLUTION 2020-11 AUTHORIZING AN AGREEMENT FOR LEGAL SERVICES WITH HANSON BRIDGETT LLP FOR DISTRICT COUNSEL SERVICES**

### **RECOMMENDATION**

Approve Resolution 2020-11.

### **FISCAL IMPACT**

The amount of \$90,000 was included within the approved FY 2020/2021 Operating Budget for District Counsel services.

Here is a breakdown of legal costs for the past ten (10) years paid to Hanson Bridgett LLP:

<b>FISCAL YEAR</b>	<b>TOTAL PAID</b>
FY 2019/2020 (through May 31, 2020)	\$66,898
FY 2018/2019	\$74,775
FY 2017/2018	\$66,986
FY 2016/2017	\$84,804
FY 2015/2016	\$99,833
FY 2014/2015	\$119,151
FY 2013/2014	\$89,356
FY 2012/2013	\$109,182
FY 2011/2012	\$155,128
FY 2010/2011	\$89,349

### **DISCUSSION**

Hanson Bridgett LLP was appointed by the Board as District Counsel for the MPWD effective September 1, 1995. The MPWD has been working with Hanson Bridgett LLP from a letter agreement dated September 22, 1995. District Counsel and staff worked together to develop the attached agreement for legal services to be consistent with contract requirements for all other consultants working with the MPWD.

Attachments: Resolution 2020-11  
Agreement for Legal Services

BOARD ACTION: APPROVED:\_\_\_\_\_ DENIED:\_\_\_\_\_ POSTPONED:\_\_\_\_\_ STAFF DIRECTION:\_\_\_\_\_

UNANIMOUS\_\_\_\_\_ ZUCCA\_\_\_\_\_ SCHMIDT\_\_\_\_\_ WHEELER\_\_\_\_\_ WARDEN\_\_\_\_\_ VELLA\_\_\_\_\_



**RESOLUTION NO. 2020-11**

**AUTHORIZING A LEGAL SERVICES AGREEMENT  
WITH HANSON BRIDGETT LLP  
FOR DISTRICT COUNSEL SERVICES**

\* \* \*

**MID-PENINSULA WATER DISTRICT**

**WHEREAS**, Hanson Bridgett LLP was appointed by the Board of Directors as District Counsel for the MPWD effective September 1, 1995, and has satisfactorily served in that capacity ever since; and

**WHEREAS**, there was only a letter agreement dated September 22, 1995 between the MPWD and Hanson Bridgett LLP, and

**WHEREAS**, a more formal agreement is recommended and desired by staff and District Counsel, with similar terms and conditions as required for other consultants working with the MPWD; and

**WHEREAS**, District Counsel and staff worked together and developed a legal services agreement for continued District Counsel services.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Mid-Peninsula Water District that a legal services agreement is authorized between the MPWD and Hanson Bridgett LLP for District Counsel services.

**REGULARLY PASSED AND ADOPTED** this 25th day of June 2020.

AYES:

NOES:

ABSENCES:

ABSTENTIONS:

\_\_\_\_\_  
PRESIDENT, BOARD OF DIRECTORS

ATTEST:

\_\_\_\_\_  
SECRETARY OF THE BOARD

## **AGREEMENT FOR LEGAL SERVICES**

THIS AGREEMENT is made as of this 25<sup>th</sup> day of June 2020, by and between Mid-Peninsula Water District ("District") and Hanson Bridgett LLP, a limited liability partnership engaged in the practice of law in the State of California ("Attorneys").

THE PARTIES AGREE AS FOLLOWS:

### **1. Legal Services to be Provided**

Attorneys will provide general counsel legal services to the District as requested by the District. For example, Attorneys will do the following: (1) attend meetings of the District's Board of Directors; (2) prepare or review documents, such as contracts and leases; (3) research and provide advice to District on legal matters; (4) represent District in litigation, arbitration and administrative adjudications on matters referred to them by District; and (5) provide advice to the District on labor, employment and employee benefits matters.

### **2. Retention of Law Firm**

District is retaining a law firm, not any particular attorney, and the legal services to be provided to District will not necessarily be performed by any particular attorney. It is anticipated, however, that the services described in Section 1(1) through (3) will be performed principally by Julie Sherman, and assisted, when she considers it beneficial for District, by attorneys with specialized experience relevant to a particular matter. Services described in Section 1(4) and (5) will normally be performed by attorneys specializing in litigation, labor/employment and employee benefits. District may at any time engage other attorneys and/or law firms to perform legal services. District will keep Attorneys informed of such other engagements.

### **3. Authorized Representative of District**

The parties recognize that Attorneys are engaged by, and owe their ultimate duty of loyalty to, the Board of Directors. However, on day to day matters, the Board of Directors designates the General Manager as its authorized representative to be the primary person to communicate with Attorneys. This designation is intended to establish a clear line of communication but does not preclude communication between Attorneys and members of the Board of Directors or other representatives of District.

### **4. Responsibilities of Attorneys and District**

Attorneys will perform the legal services called for under this Agreement, keep District informed of progress and developments on matters referred to them, and respond promptly to District inquiries and communications. District will be truthful and cooperative with Attorneys, keep Attorneys reasonably informed of developments and timely make payments required by this Agreement.

## **5. Attorneys Fees and Costs**

District will pay Attorneys for legal services provided under this Agreement at the blended hourly rates for partners, senior counsel, and associates providing the legal services. The current blended hourly rates for partners, senior counsel, and associates are divided into three broad categories of legal services as follows: (1) general matters, (2) employee benefits, and (3) litigation. District will also pay a monthly retainer fee to cover the preparation for and attendance of the monthly regular meetings of the Board. Those currently in effect are set out on Attachment A, attached hereto and incorporated herein by this reference.

District will also pay costs reasonably and necessarily incurred by Attorneys in connection with Attorneys' representation of District. Costs will normally be advanced by Attorneys and then billed to District; however, for substantial cost items (such as expert witness fees), Attorneys may request that District pay such costs directly. Costs include court filing fees, deposition costs, messenger and express delivery fees, process server fees, long distance telephone and photocopying. Attorneys will not charge for travel time to attend regular Board meetings. Attorneys also will not charge for in-house photocopies or postage for routine general counsel services.

## **6. Statements and Payments**

Attorneys will send District monthly statements indicating attorneys' fees and costs incurred. Statements will indicate the name of attorneys or paralegals providing service, the date, the time expended, the nature of the work performed and the corresponding charge, and the current balance owed. Any balance will be paid in full within thirty (30) days after the statement is mailed.

Attorneys' "Billing Policy Summary" sets forth the principles underlying the fees and other charges and is attached as Attachment B. To the extent there is an inconsistency in the Billing Policy Summary and this Agreement, this Agreement will govern.

After our services conclude, Attorneys will, upon District request, deliver to District the files that Attorneys created in providing representation to District, along with any funds or property of District in Attorneys' possession. If District does not request the files, Attorneys will retain them for a period of three years after the matter is closed. At the end of the three-year period, Attorneys will have no further obligation to retain the files, and may, at Attorneys' discretion, destroy them without further notice to District.

## **7. Term; Discharge and Withdrawal**

Attorneys serve at the pleasure of the Board of Directors, who may discharge Attorneys at any time by written notice effective when received by Attorneys. If Attorneys are District's attorneys of record in any proceeding, District will execute and return a substitution of attorney form immediately on its receipt from Attorneys. Attorneys may withdraw at any time as

permitted under the Rules of Professional Conduct of the State Bar of California upon thirty (30) days written notice to District. The circumstances under which the Rules permit such withdrawal include but are not limited to (a) the client consents, (b) the client's conduct renders it unreasonably difficult for the attorneys to carry out the employment effectively, and (c) the client fails to pay attorneys fees or costs as agreed.

**8. Entire Agreement**

This Agreement contains the entire agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their respective duly authorized representatives as of the day and year first above written.

**MID-PENINSULA WATER DISTRICT**

By: \_\_\_\_\_  
President, Board of Directors

Attest: \_\_\_\_\_  
Secretary, Board of Directors

**HANSON BRIDGETT LLP**

By: \_\_\_\_\_  
Julie A. Sherman, Partner

## **ATTACHMENT A**

Agreement between Mid-Peninsula Water District  
and Hanson Bridgett LLP

### RATE AND FEE SCHEDULE Effective January 1, 2020

#### Hourly Rates:

##### General

Partner:	\$375/hour
Senior Counsel:	\$350/hour
Associate:	\$315/hour

##### Litigation

Partner:	\$420/hour
Senior Counsel:	\$390/hour
Associate:	\$355/hour

##### Employee Benefits

Partner:	\$450/hour
Senior Counsel:	\$420/hour
Associate:	\$385/hour

Paralegals performing work for the District will be billed at a 10% discount from their standard hourly rate.

The above hourly rates will remain in place through December 31, 2021. Beginning January 1, 2022, hourly rates will include an annual 3% increase.

Monthly Retainer:                      \$1,300

## **ATTACHMENT B**

### **HANSON BRIDGETT LLP**

#### **Billing and Policy Summary**

1. **Billing Practices.** We have learned from experience that the attorney-client relationship works best when clients receive a full explanation at the outset about fees and payment terms. California law requires written fee agreements in many cases, and we have found that our clients prefer to have them even when not legally required. This “Billing and Policy Summary” sets forth the principles underlying our fees and other charges. Please review it and let me know if you have any questions about our billing policies. In addition, you should direct any future questions about our billing practices or any invoices to me.

2. **Fees.** Except as otherwise agreed with a client, we bill for our services on an hourly basis. We account for our time in tenth-of-an-hour increments and calculate fees by applying hourly rates assigned to attorneys and other staff to the time spent on a matter. On occasion, we may utilize contract employees to assist in providing legal or paralegal services, working under our direct supervision. In such cases the client is billed at an appropriate hourly rate commensurate with that of our professional staff with equal experience and expertise. All billing rates are reviewed annually and may be adjusted periodically.

3. **Other Charges.** Depending on the matter, we may have to use various in-office support systems and outside services. Therefore, you may incur and be billed for costs in addition to professional fees, subject only to written policies regarding the billing of disbursements that a client may provide to us in advance of the engagement. Usually we bill such charges to a client’s account at the time they are incurred. Examples include photocopying, overnight delivery, messenger services, computer research, travel expenses, court filings, court reporting, data storage and expert witnesses. In some cases, we may request that a client pay the invoice of an outside vendor directly. These expenses are billed at the actual cost with no additional mark up to you. We reserve the right to make periodic adjustments to these charges.

4. **Fee Estimates.** From time to time, we may be asked to provide estimates of anticipated fees. Although we will make every effort to do so in a manner appropriate to the circumstances, these estimates may be subject to uncertainties beyond our control. Such estimates should not be viewed as a maximum or minimum fee quotation unless we expressly confirm so in writing.

5. **Billing Procedures.** Ordinarily, we will bill clients monthly. Each invoice will separately state the amount of fees and costs. Unless otherwise specified, each represents fees and disbursements charged to the client through the end of the preceding month. The full amount of each invoice is due upon receipt by the client. Although we seek to include all fees and charges for a billing period, certain time and cost items from a billing period may not appear in the invoice for that period. Instead, they may be included in a later invoice. Matters such as probate, bankruptcy, and trust services and certain financial transactions may involve billing at specified times other than monthly, as mutually agreed upon by the client and the firm, or as required by the court.

6. **Payment Terms.** Payment is due upon presentation of the invoice. Invoices that remain unpaid after thirty (30) days from the invoice date are subject to a late payment

charge of ten percent (10%) per year. Payments that are made "on account" and not identified with a specific invoice will be credited to outstanding invoices chronologically, first to costs and then to fees.

**7. Insurer's Role.** If you are insured for all or part of the costs of our representation, we will work with you to provide the insurer with the necessary information regarding the claim. However, insurers frequently assert, rightly or wrongly, that they are not obligated to pay for all fees and costs or to pay them on a current basis. For this reason, our fees and costs will be billed to you and payment will be due from you on a current basis, irrespective of any eventual reimbursement of a portion of your fees and costs by your insurer.

**8. Preservation of Electronic Information.** If your engagement includes a litigation matter, it is possible that it will involve electronic discovery. Under California and federal law, the obligation to provide discovery of electronic information carries with it the obligation to preserve such information. Failure to preserve all electronic and paper information that is later determined to be of potential importance to pending or threatened litigation can result in a range of sanctions, including, in extreme cases, the sanction of an adverse judgment. This evidence may also turn out to be critical to your ability to prove facts that support your position in the case or disprove facts that the opposing party offers. Many electronic document storage systems contain programs that automatically overwrite or delete data. It is therefore important that you take appropriate steps to ensure that all information and electronic data that may be relevant is not lost, deleted, or destroyed. We will conduct an assessment of your electronic information systems. The assessment will include an initial evaluation and an in-depth identification of sources of relevant information. In the meantime, we recommend that normal document disposition policies, or automatic purging of electronic records, be suspended as to the matters at issue in any pending or threatened litigation until the matter is concluded. Please contact me for our additional fee schedule for assistance with collecting and processing electronically stored information as needed in your matter.

**9. Conflicts Review.** We have performed a computerized check of potential conflicts of interest that might have prevented us from providing representation in this matter. Based on information provided by you, as well as the information available in our files, we are not aware of any conflicts of interest at this time. If you later learn of any additional parties with an interest in this matter, you should notify us immediately so that we can be certain that they create no problem with this representation. We will conduct a similar search with respect to each new matter you may refer to the firm.

**10. Advance Waiver.** Given the scope of our firm wide business and client representations, it is possible that during or after the time we represent you, some of our present or future clients will ask us to represent them in disputes or transactions with or involving you which are substantially unrelated to our representation of you. We understand that you have no objection to our representation of parties with interests adverse to you, and that you consent to such representations and waive any actual or potential conflict of interest as long as those other engagements are not substantially related to our services to you. Accordingly, you agree that (i) we can in the future represent existing or new clients in any matter, including litigation or other disputes, so long as the matter is not substantially related to our work for you, even if those other clients' interests are adverse to you in the other matter; (ii) we may obtain confidential information of interest to you in these other matters that we cannot share with you; and (iii) you waive any conflict of interest that might arise from any of these representations and will not seek to disqualify us in or assert a conflict of interest with respect to any of those representations.

We agree, however, that your consent to, and waiver of such representations shall not apply in any instance where, as a result of our representation of you, we have obtained proprietary or other confidential information of a non-public nature, that, if known to such other client, could be used in any such other matter by such client to your material disadvantage or potential material disadvantage.

Similarly, new lawyers frequently join our firm. These lawyers may have represented parties adverse to you while employed by other law firms or organizations. We assume, unless you notify us otherwise, and consistent with our ethical standards, that you have no objection to our continuing representation of you notwithstanding our lawyers' prior professional relationships, provided we timely implement an ethical screen consistent with our customary practices to prohibit those lawyers from participating in your matter and we provide you with written notice of our implementation of the ethical screen.

**11. Cooperation.** To perform our services effectively, we require the support of each client. You can assist us by keeping us fully informed as to facts and developments relevant to our representation of you and to each matter assigned. It is essential that each client (as well as any employees or representatives) provide us with accurate and complete information, including written materials when requested, and that each client make its personnel available to the extent required. Failure to assist in this way may affect our ability to represent a client adequately and could result in our withdrawal as legal counsel.

**12. No Warranty of Result.** We cannot predict or represent that a particular result can be obtained within a specified time. We can make no promises or guarantees regarding the outcome of the matter or matters that are the subject of our services. We do not ordinarily undertake to keep clients informed about subsequent developments or changes in law once the matter in question has concluded. If you would like us to do so, please inform us in writing so that we can make the necessary arrangements to provide this service.

**13. Return and Disposition of Files.** After our services conclude, we will, upon your request, deliver to you the files that we created in providing representation to you, along with any funds or property of yours in our possession. If you do not request the files, we will retain them for a period of five years after the matter is closed. At the end of the five-year period, we will have no further obligation to retain the files.

**14. Internal Firm Communications.** During your representation, it may become necessary for our lawyers to analyze or address their or the firm's professional duties or responsibility regarding an issue in your matter by consulting the firm's General Counsel. We believe that the ability of our lawyers to consult on such issues as needed benefits the firm and our clients and is part of our efforts to maintain our high standards of ethics and professionalism. You will not be charged for such consultations if they occur. It is possible that a conflict of interest might be deemed to exist as between our lawyers and the firm on the one hand and you or your company on the other hand, arising out of these communications. As a condition of this engagement, you consent to waive any claim of conflict of interest that might be deemed to arise out of any such communications. You further agree and acknowledge that these are our attorney-client communications protected from disclosure to you or anyone else and that you will not seek to discover or inquire into them and may not be advised that they are occurring. Before agreeing to this waiver, we encourage you to seek independent counsel regarding the import of this consent. Of course, nothing in the foregoing shall diminish or otherwise affect our obligations to keep you informed of all material developments in your representation, including any conclusions arising out of such internal communications to the



extent that they affect your interests. Your execution of our Engagement Letter confirms your agreement to this provision.

**15. Insurance.**

A. Workers' Compensation: Attorneys shall procure and maintain at all times during the performance of such work Worker's Compensation Insurance in conformance with the laws of the State of California and Federal laws where applicable. Employers' Liability Insurance shall not be less than One Million Dollars (\$1,000,000) per accident or disease. Prior to commencement of work hereunder, Attorneys shall deliver to District a Certificate of Insurance which shall stipulate that 30 days advance written notice of cancellation, shall be given to District.

B. Bodily Injury, Death and Property Damage Liability Insurance: Attorneys shall also procure and maintain at all times during the performance of this Agreement General Liability Insurance (including automobile operation) covering Attorneys and District for liability arising out of the operations of Attorneys and any subcontractors. The policy(ies) shall include coverage for all vehicles, licensed or unlicensed, on or off District's premises, used by or on behalf of Attorneys in the performance of work under this Agreement. The policy(ies) shall be subject to a limit for each occurrence of One Million Dollars (\$1,000,000) naming as an additional insured, in connection with Attorney's activities, the District, and its directors, officers, employees and agents. The Insurer(s) shall agree that its policy(ies) is Primary Insurance and that it shall be liable for the full amount of any loss up to and including the total limit of liability without right of contribution from any other insurance covering the District.

Inclusion of the District as additional insured shall not in any way affect its rights as respects to any claim, demand, suit or judgment made, brought or recovered against Attorneys. Said policy shall protect Attorneys and District in the same manner as though a separate policy had been issued to each; but nothing in said policy shall operate to increase the Insurer's liability as set forth in the policy beyond the amount or amounts shown or to which the Insurer would have been liable if only one interest had been named as an insured.

Prior to commencement of work hereunder, Attorneys shall deliver to District a Certificate of Insurance which shall indicate compliance with the insurance requirements of this paragraph and shall stipulate that 30 days advance written notice of cancellation, shall be given to District.

C. Professional Liability Insurance: Attorneys shall also maintain Professional Liability Insurance covering Attorneys' performance under this Agreement with a limit of liability of One Million Dollars (\$1,000,000) per claim and in annual aggregate. Such Insurance shall be renewed annually. Prior to commencing work under this Agreement, Attorneys shall furnish to District a Certificate of Insurance, or certified copy of the Insurance policy if requested, indicating compliance with requirements of this paragraph. Such certificate or policy shall further stipulate that 30 days advance written notice of cancellation, shall be given to District.

**16. Termination.** Clients may terminate our legal services at any time effective upon delivery of written notice to the firm. In this event, we will be entitled to receive all fees and costs incurred up to the date of termination. Unless we specifically agree to do so, we will provide no further services and advance no further costs on the matter after we receive notice of termination. Our right to terminate services to a client is subject to certain Rules of Professional

Conduct that (a) require us to take reasonable steps to avoid foreseeable prejudice to the client from our withdrawal, and (b) establish standards for mandatory and permissive withdrawal under certain circumstances. Failure by a client to pay our bills in full, and on a timely basis, can constitute adequate grounds for us to withdraw. If we are attorney of record in any proceeding at the time we receive a termination notice, you will be required to execute and return a Substitution of Attorney consent immediately upon receipt, regardless of who initiates the termination.

**17. Miscellaneous.** From time to time, and consistent with our obligation to maintain your confidences, we may wish to reference our representation of you on our website, in attorney biographies, on matter lists, or in descriptions of our practice areas. We assume you have no objection to such use. We may send you emails with information about our firm, services, legal developments and upcoming events. If at any time you no longer wish to receive marketing communications from us, you may unsubscribe by clicking a link at the bottom of each marketing email which enables you to opt out of our mailing lists. Our agreement will be governed by California law.



### ***AGENDA ITEM NO. 5.D.***

DATE: June 25, 2020  
 TO: Board of Directors  
 FROM: Tammy Rudock, General Manager

**SUBJECT: APPROVE RESOLUTION 2020-12 AUTHORIZING CONTRACT FOR PROFESSIONAL SERVICES IN THE TOTAL AMOUNT OF \$70,000 WITH JOHN DAVIDSON D/B/A JROCKET77 DESIGN & MARKETING FOR PUBLIC OUTREACH/EDUCATION/RELATIONS SERVICES, MPWD WEBSITE MANAGEMENT, AND PRINTING SERVICES**

#### **RECOMMENDATION**

Approve Resolution 2020-12.

#### **FISCAL IMPACT**

\$55,000 is proposed for: professional graphic design and composition, marketing, public outreach/education/relations, and MPWD website management services.  
 \$17,000 is estimated for: printing services for all MPWD publications, notices, and public outreach and education materials, including the annual water awareness calendar  
 \$70,000 TOTAL (NOT-TO-EXCEED)

The total amount of \$75,000 was included within the approved FY 2020/2021 Operating Budget.

The MPWD spent a total of \$54,271 for professional and printing services in FY 2019/2020.

#### **DISCUSSION**

The attached contract is a template form developed by District Counsel and customized for the services to be provided by John Davidson d/b/a Jrocket77 Design & Marketing for MPWD public relations and outreach/education and website services to be provided within this fiscal year.

Attachments: Resolution 2020-12  
 Contract for Professional Services, including proposals for FY 2020/2021  
 Design/Marketing/Website Services and Estimated Printing Services

BOARD ACTION: APPROVED:\_\_\_\_\_ DENIED:\_\_\_\_\_ POSTPONED:\_\_\_\_\_ STAFF DIRECTION:\_\_\_\_\_

UNANIMOUS\_\_\_\_\_ ZUCCA\_\_\_\_\_ SCHMIDT\_\_\_\_\_ WHEELER\_\_\_\_\_ WARDEN\_\_\_\_\_ VELLA\_\_\_\_\_

**RESOLUTION NO. 2020-12**

**AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES  
WITH JROCKET77 DESIGN & MARKETING  
FOR PUBLIC OUTREACH/EDUCATION/RELATIONS, MPWD WEBSITE MANAGEMENT,  
AND PRINTING SERVICES**

\* \* \*

**MID-PENINSULA WATER DISTRICT**

**WHEREAS**, John Davidson of Jrocket77 Design & Marketing has successfully provided professional services to the Mid-Peninsula Water District (MPWD) in the areas of public outreach/education/relations, website management, and coordination of printing services with the MPWD's mail house vendor since 2012; and

**WHEREAS**, the MPWD desires to continue that working relationship into FY 2020/2021 and enter into a contract for the continued professional services; and

**WHEREAS**, the negotiated professional services will not exceed the total of \$70,000 for all services.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Mid-Peninsula Water District authorizes a contract between the MPWD and Jrocket77 Design & Marketing for public outreach/education/relations, MPWD website management, and printing services for FY 2020/2021 in a total amount not to exceed \$70,000, and further authorizes the General Manager to execute it.

**REGULARLY PASSED AND ADOPTED** this 25th day of June 2020.

AYES:

NOES:

ABSENCES:

ABSTENTIONS:

\_\_\_\_\_  
PRESIDENT, BOARD OF DIRECTORS

ATTEST:

\_\_\_\_\_  
SECRETARY OF THE BOARD

## CONTRACT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made as of the 25<sup>th</sup> day of June 2020, by and between the MID-PENINSULA WATER DISTRICT ("DISTRICT") and JOHN DAVIDSON D/B/A JROCKET77 DESIGN & MARKETING ("CONSULTANT").

WHEREAS, the DISTRICT desires to obtain professional public relations and outreach and web design services for the DISTRICT which CONSULTANT is qualified to provide; and

WHEREAS, CONSULTANT has experience and familiarity with providing such services to the DISTRICT and desires to do same.

NOW, THEREFORE, the parties agree as follows:

1. RENDITION OF SERVICES. The CONSULTANT agrees to provide professional services to the DISTRICT in accordance with the terms and conditions of this Agreement ("Services"). In the performance of its Services, CONSULTANT represents that it has and will exercise that degree of professional care, skill, efficiency and judgment ordinarily employed by consultants providing similar services. CONSULTANT further represents and warrants that it holds currently in effect all licenses, registrations, and certifications in good standing that may be required under applicable law or regulations to perform these services and agrees to retain such licenses, registrations, and certifications in active status throughout the duration of this engagement.

2. SCOPE OF SERVICES. The scope of the CONSULTANT's Services for FY 2020/2021 shall consist of public relations/outreach and MPWD website professional services outlined in the attached proposal identified as Exhibit A, and the related public relations/outreach printing services estimate attached as Exhibit B.

3. TERM.

This Agreement will commence upon its Effective Date and shall continue until the services set forth in Section 2 are successfully completed, as determined by the DISTRICT.

It is understood that the term of this Agreement is subject to the DISTRICT's right to terminate the Agreement in accordance with Section 13 of this Agreement.

4. COMPENSATION.

The CONSULTANT agrees to perform all of the professional services included in Section 2's Exhibit A for the not-to-exceed amount of \$55,000. Compensation shall be based upon the time devoted to the work by CONSULTANT at the hourly rate of \$100 hour.

CONSULTANT further agrees to coordinate the printing services identified in Section 2's Exhibit B for the estimated amount of \$15,000.

The agreed upon hourly rate shall include all direct labor, taxes, overhead, insurance, employee benefits, and other costs and expenses incurred by the CONSULTANT necessary for the performance of all the services called for under this Agreement. The hourly rate shall remain firm during the entire term of this Agreement. CONSULTANT may also seek

reimbursement for direct out-of-pocket expenses, without mark-up, for long distance phone calls and travel, lodging, parking and other direct costs incurred in the performance of the services as may be approved by the DISTRICT's General Manager.

5. MANNER OF PAYMENT. CONSULTANT shall submit invoices to DISTRICT on a monthly basis. Invoices shall itemize the number of hours devoted by CONSULTANT to work under this Agreement, applicable hourly rates in accordance with the fee schedule described in Section 4, and those out-of-pocket expenses incurred in the performance of work hereunder. The DISTRICT's General Manager will review and approve invoices prior to submission for payment. DISTRICT shall render payment within thirty (30) days of receipt of approved invoices.

All invoices should be sent to:	Mid-Peninsula Water District 3 Dairy Lane P.O. Box 129 Belmont, CA 94002 Attn: General Manager
---------------------------------	--

The DISTRICT reserves the right to withhold payment to the CONSULTANT if the DISTRICT determines that the quantity or quality of the work performed is unacceptable. The DISTRICT shall provide written notice to the CONSULTANT within ten (10) business days of the DISTRICT's decision not to pay and the reasons for non-payment.

6. CONSULTANT'S KEY PERSONNEL. It is understood and agreed by the parties that at all times during the term of this Agreement that John Davidson shall serve as the primary project person of CONSULTANT to undertake, render and oversee all of the services under this Agreement.

7. DISTRICT REPRESENTATIVE. Except when approval or other action is required to be given or taken by the Board of Directors of the DISTRICT, the General Manager of the DISTRICT, or such person or persons as he shall designate in writing from time to time, shall represent and act for the DISTRICT.

8. CONSULTANT'S STATUS. Neither the CONSULTANT nor any party contracting with the CONSULTANT shall be deemed to be an agent or employee of the DISTRICT. The CONSULTANT is and shall be an independent contractor, and the legal relationship of any person performing services for the CONSULTANT's shall be one solely between said parties.

9. OWNERSHIP OF WORK. All reports, designs, drawings, plans, specifications, schedules, and other materials prepared, or in the process of being prepared, for the Services to be performed by CONSULTANT shall be and are the property of the DISTRICT. The DISTRICT shall be entitled to access to and copies of these materials during the progress of the work. Any property of the DISTRICT in the hands of the CONSULTANT or in the hands of any subcontractor upon completion or termination of the work shall be immediately delivered to the DISTRICT. If any property of the DISTRICT is lost, damaged or destroyed before final delivery to the DISTRICT, the CONSULTANT shall replace it at its own expense and the CONSULTANT hereby assumes all risks of loss, damage or destruction of or to such materials. The CONSULTANT may retain a copy of all material produced under this agreement for its use in its general business activities.

Any and all rights, title, and interest (including without limitation copyright and any other intellectual-property or proprietary right) to materials prepared under this Agreement are hereby assigned to the DISTRICT. The CONSULTANT agrees to execute any additional documents which may be necessary to evidence such assignment.

The CONSULTANT represents and warrants that all materials prepared under this Agreement are original or developed from materials in the public domain (or both) and that all materials prepared under and services provided under this Agreement do not infringe or violate any copyright, trademark, patent, trade secret, or other intellectual-property or proprietary right of any third party.

10. CHANGES. The DISTRICT may, at any time, by written order, make changes within the scope of work and Services described in this Agreement. If such changes cause an increase in the budgeted cost of or the time required for performance of the agreed upon work, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 4 or in the time of required performance as set forth in Section 3, or both. In the event that CONSULTANT encounters any unanticipated conditions or contingencies that may affect the scope of work or Services and result in an adjustment in the amount of compensation specified herein, CONSULTANT shall so advise the DISTRICT immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in compensation. Such notice shall be given the DISTRICT prior to the time that CONSULTANT performs work or services related to the proposed adjustment in compensation. Any and all pertinent changes shall be expressed in a written supplement to this Agreement prior to implementation of such changes.

11. RESPONSIBILITY; INDEMNIFICATION. CONSULTANT shall indemnify, keep and save harmless the DISTRICT, and the DISTRICT members, officers, agents and employees against any and all suits, claims or actions arising out of any injury to persons or property that may occur, or that may be alleged to have occurred, arising from the performance of this Agreement by the CONSULTANT caused by an act or omission of the CONSULTANT or its employees, subcontractors or agents. CONSULTANT further agrees to defend any and all such actions, suits or claims and pay all charges of attorneys and all other incurred costs and expenses. If any judgment be rendered against the DISTRICT or any of the other individuals enumerated above in any such action, CONSULTANT shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination of this Agreement.

12. INSURANCE.

A. Workers' Compensation. If CONSULTANT employs any person to perform work in connection with this Agreement, CONSULTANT shall procure and maintain at all times during the performance of such work, Workers' Compensation Insurance in conformance with the laws of the State of California and Federal laws when applicable. Employers' Liability Insurance shall not be less than One Million Dollars (\$1,000,000) per accident or disease. Prior to commencement of work under this Agreement by any such employee, CONSULTANT shall deliver to the DISTRICT a Certificate of Insurance which shall stipulate that thirty (30) days advance written notice of cancellation, non-renewal or reduction in limits shall be given to the DISTRICT. Such insurance shall also contain a waiver of subrogation in favor of the Mid-Peninsula Water District and its Directors, officers, agents and employees while acting in such capacity, and their successors and assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally.

B. Commercial General and Automobile Liability Insurance. CONSULTANT shall also procure and maintain at all times during the performance of this Agreement Commercial General Liability Insurance covering CONSULTANT and the DISTRICT for liability arising out of the operations and activities of CONSULTANT and any subcontractors. CONSULTANT shall also procure and maintain during the entire term of this Agreement Automobile Liability Insurance which shall include coverage for all vehicles, licensed or unlicensed, on or off the DISTRICT's premises, used by or on behalf of CONSULTANT in the performance of work under this Agreement. The Commercial General Liability Insurance policy shall be subject to a limit for each occurrence of One Million Dollars (\$1,000,000) naming as an additional insured, in connection with CONSULTANT's activities, the DISTRICT, and its Directors, officers, employees and agents. The Automobile Liability Insurance policy shall be subject to a limit for each occurrence of One Hundred Thousand Dollars (\$100,000) naming as an additional insured, in connection with CONSULTANT's activities, the DISTRICT, and its Directors, officers, employees and agents. The Insurer(s) shall agree that its policy(ies) is Primary Insurance and that it shall be liable for the full amount of any loss up to and including the total limit of liability without right of contribution from any other insurance covering the DISTRICT.

Inclusion of the DISTRICT as an additional insured shall not in any way affect its rights as respects to any claim, demand, suit or judgment made, brought or recovered against CONSULTANT. The policy shall protect CONSULTANT and the DISTRICT in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the Insurer's liability as set forth in the policy beyond the amount or amounts shown or to which the Insurer would have been liable if only one interest had been named as an insured. Such insurance shall also contain a waiver of subrogation in favor of the Mid-Peninsula Water District and its Directors, officers, agents and employees while acting in such capacity, and their successors and assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally

Prior to commencement of work hereunder, CONSULTANT shall deliver to the DISTRICT a Certificate of Insurance which shall indicate compliance with the insurance requirements of this paragraph and shall stipulate that thirty (30) days' advance written notice of cancellation, non-renewal or reduction in limits shall be given to the DISTRICT.

C. Deductibles and Retentions. CONSULTANT shall be responsible for payment of any deductible or retention on CONSULTANT's policies without right of contribution from the DISTRICT. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable.

In the event that the policy of the CONSULTANT or any subcontractor contains a deductible or self-insured retention, and in the event that the DISTRICT seeks coverage under such policy as an additional insured, CONSULTANT shall satisfy such deductible or self-insured retention to the extent of loss covered by such policy for a lawsuit arising from or connected with any alleged act or omission of CONSULTANT, subcontractor, or any of their officers, directors, employees, agents, or suppliers, even if CONSULTANT or subcontractor is not a named defendant in the lawsuit.

13. TERMINATION. The DISTRICT shall have the right to terminate this Agreement at any time by giving written notice to the CONSULTANT. In the event of termination for any reason other than the fault of the CONSULTANT, the CONSULTANT shall be compensated in



accordance with the provisions of Sections 4 and 5 for the services performed and expenses incurred to the date of such termination, plus any reasonable costs and expenses which are reasonably and necessarily incurred by CONSULTANT to effect such termination. For termination for default, the DISTRICT shall remit final payment to CONSULTANT in an amount to cover only those services performed and expenses incurred in accordance with the terms and conditions of this Agreement up to the effective date of termination.

14. NOTICES. All communications relating to the day to day activities of the project shall be exchanged between the DISTRICT's General Manager and the CONSULTANT's Principal, John Davidson.

All other notices and communications deemed by either party to be necessary or desirable to be given to the other party shall be in writing and may be given by personal delivery to a representative of the parties or by mailing the same postage prepaid, addressed as follows:

If to the DISTRICT:	Mid-Peninsula Water District 3 Dairy Lane Post Office Box 129 Belmont, California 94002 ATTENTION: General Manager
---------------------	--

If to the CONSULTANT:	John Davidson d/b/a Jrocket77 Design & Marketing 2564 E 2150 South Circle St. George, UT 84790 ATTENTION: John Davidson
-----------------------	---

The address to which mailings may be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

15. EQUAL EMPLOYMENT OPPORTUNITY. In connection with the performance of this Agreement the CONSULTANT shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, gender identity, disability or national origin. The CONSULTANT shall take affirmative actions to insure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT further agrees to include a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

#### 16. MISCELLANEOUS

A. Records. During the term of this Agreement, CONSULTANT shall permit representatives of the DISTRICT to have access to, examine and make copies, at the DISTRICT's expense, of its books, records and documents relating to this Agreement at all reasonable times.

B. District Warranties. The DISTRICT makes no warranties, representations or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.

C. Release of Information. CONSULTANT shall not release any reports, information or promotional materials prepared in connection with this Agreement without the approval of the DISTRICT's General Manager.

D. Use of Subcontractors. CONSULTANT shall not subcontract any Services to be performed by it under this Agreement without the prior written approval of the DISTRICT, except for service firms engaged in drawing, reproduction, typing and printing. CONSULTANT shall be solely responsible for reimbursing any subcontractors and the DISTRICT shall have no obligation to them.

E. No Assignment. CONSULTANT shall not assign any of the rights nor transfer any of its obligations under the Agreement without the prior written consent of the District.

F. Attorney's Fees. If any legal proceeding should be instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable legal fees.

G. Applicable Law. This Agreement, its interpretation and all work performed thereunder, shall be governed by the laws of the State of California.

H. Binding on Successors. All of the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

I. Waiver. Any waiver of any breach or covenant of this Agreement must be in a writing executed by a duly authorized representative of the party waiving the breach. A waiver by any of the parties of a breach or covenant of this Agreement shall not be construed to be a waiver of any succeeding breach or any other covenant unless specifically and explicitly stated in such waiver.

J. Entire Agreement; Modification. This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes any prior understanding or agreement, oral or written, with respect to such subject matter. It may not be amended or modified, except by a written amendment executed by authorized representatives by both parties. In no event will the Agreement be amended or modified by oral understandings reached by the parties or by the conduct of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

MID-PENINSULA WATER DISTRICT

JOHN DAVIDSON D/B/A  
JROCKET77 DESIGN & MARKETING

By: \_\_\_\_\_  
Tammy A. Rudock  
General Manager

By: \_\_\_\_\_  
John Davidson  
Principal/Owner

DBA



RE:

Proposal for 2020-2021 Design/Marketing/Website Services

Attn: Tammy Rudock, MPWD

6.19.20 | Page 1 of 2

## SCOPE OF SERVICES

JROCKET77 DESIGN & MARKETING shall provide the following services to MPWD during FY 20-21:

**1. Ongoing Website Design Strategy and Management** ..... 160 hours

- A. Manage website for consistency and timely communications.
- B. Maintenance of the MPWD Customer Connect program to integrate text alerts and email customer communications, and run survey campaigns.
- C. Produce regularly scheduled *Waterline* e-newsletter campaigns.
- D. Coordinate with staff the addition of more content on the MPWD website.
- E. Maintain operation of and access to MPWD website.
- F. Maintain compliance with multiple transparency guidelines.
- G. Other website services as directed by staff.
- H. Continue Website 4.0 enhancements.
- I. Implement online emergency response and disaster survival resources for rate payers and public.

**2. Publications** ..... 140 hours

- A. Annual CCR by June 30th.
- B. Annual end-of-year newsletter by November 30th.
- C. Annual water conservation report by October 15.
- D. Create CIP brochures/reports/FAQs as identified by MPWD.
- E. Annual Water Conservation Calendar.
- F. Development of Financial Control Policy Manual.
- G. Development of O&M Manual.
- H. Other publications as directed by staff.

**3. Public Relations and Outreach** ..... 100 hours

- A. Press releases: Including but not limited to: Board reorganization, calendar contest winners, CIP impact on local neighborhoods, community events and projects.
- B. Monthly bill stuffers as identified by MPWD.
- C. CIP messaging (print and electronic media).
- D. CIP traffic signage.
- E. Assist with customer survey campaign as directed by MPWD.
- F. Promotion/advertising of MPWD workshops.
- G. Public Service Announcements related to health orders, utility outages, disasters or other public emergencies.
- H. Other projects as directed by staff.




---

**SUBMIT ALL CORRESPONDENCE AND PAYMENTS TO: JOHN T. DAVIDSON**

2564 E 2150 South Circle | St. George, UT 84790 | 951.265.8778 | jrocket77@me.com

DBA



RE:

Proposal for 2020-2021 Design/Marketing/Website Services

Attn: Tammy Rudock, MPWD

6.19.20 | Page 2 of 2

**4. Branding and Identity Support** ..... 60 hours

- A. Continued consistent messaging and support of MPWD branding and identity.
- B. Annual printing of MPWD letterhead after confirmed Board reorganization by January 31st.
- C. Business cards as needed.
- D. Business envelopes as needed.
- E. Graphic design and liaison work with third-party vendors for MPWD facility signage and vehicle graphics.
- F. Ensure coordination of BAWSCA materials include MPWD branding and identity.
- G. Graphic design and liaison work with third-party vendors for promo items as identified by MPWD.
- H. Support additional promotional needs and research for community events.
- I. Other support as directed by staff.

**5. Water Conservation and Marketing** ..... 20 hours

- A. Misc. water conservation messaging (print and electronic media).
- B. California Way of Life campaign.
- C. Copy writing services.
- D. Other items as directed by staff.

**6. Personnel/Administrative Support** ..... 20 hours

- A. Standard Operating Procedures manual and staff training.
- B. MPWD Safety Calendar initiative.

Total annual ..... 500 hours

Average monthly hours: 42. Hourly rate: \$110. .... Annual: \$55,000

These services shall be ongoing through MPWD FY 2020/2021 and managed by the General Manager.

Thank you,

**SUBMIT ALL CORRESPONDENCE AND PAYMENTS TO: JOHN T. DAVIDSON**

2564 E 2150 South Circle | St. George, UT 84790 | 951.265.8778 | jrocket77@me.com

DBA



RE:

Estimated Costs for Printing Fiscal Year 2020/2021

Attn: Tammy Rudock, MPWD

6.19.20

## PRINTING ESTIMATE

Proposal of costs for printing/production and mailhouse delivery services for MPWD during Fiscal Year 2020/2021:

Annual CCR, *Waterline* newsletters, envelopes for mailing campaigns, staff and BOD business cards, letterheads, water conservation annual report, annual student water conservation calendars, public service announcements, rebate program applications, bill stuffer messaging, CIP collateral, emergency service alert mailers. Costs include tax and delivery.

..... Estimated: \$15,000

Thank you,




---

**SUBMIT ALL CORRESPONDENCE AND PAYMENTS TO: JOHN T. DAVIDSON**

2564 E 2150 South Circle | St. George, UT 84790 | 951.265.8778 | jrocket77@me.com



### ***AGENDA ITEM NO. 5.E.***

DATE: June 25, 2020  
 TO: Board of Directors  
 FROM: Tammy Rudock, General Manager

**SUBJECT: APPROVE RESOLUTION 2020-13 AUTHORIZING AN AGREEMENT FOR MUNICIPAL ADVISOR SERVICES WITH WULFF HANSEN & COMPANY**

#### **RECOMMENDATION**

Approve Resolution 2020-13.

#### **FISCAL IMPACT**

Wulff Hansen's fee will be dependent upon the refunding of the MPWD's 2016 COPs or a new debt issuance, if any.

#### **DISCUSSION**

Wulff Hansen & Company previously worked with the MPWD during its 2016 COP issuance. The Board Finance Committee requested information about any refunding and cost savings opportunities on the MPWD's 2016 COPs. Before the MPWD can receive advice from Wulff Hansen, they must first be under contract to be following SEC (Securities Exchange Commission) protocols.

Staff is also interested in exploring any new potential debt financing opportunities for capital project funding options.

Attachments: Resolution 2020-13  
 Agreement for Municipal Advisor Services, including Addendums 1 and 2

BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ ZUCCA\_\_\_\_ SCHMIDT\_\_\_\_ WHEELER\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_

**RESOLUTION NO. 2020-13****AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES  
WITH WULFF HANSEN & COMPANY FOR MUNICIPAL ADVISOR SERVICES****MID-PENINSULA WATER DISTRICT**

\* \* \*

**WHEREAS**, the Mid-Peninsula Water District (MPWD) is interested in all potential refunding opportunities of its 2016 certificates of participation for capital debt; and

**WHEREAS**, the MPWD might also be interested in considering new capital debt, including bond issuance, certificates of participation, or other appropriate securities to finance a portion of the water system improvements described in the MPWD's 5-Year Capital Improvement Program (FY 2019/2020 through FY 2023/2024); and

**WHEREAS**, it is desirable to appoint a municipal advisor to research and provide information to the MPWD regarding potential refunding of its 2016 debt or new financing opportunities, and in connection with the issuance of all securities; and

**WHEREAS**, the MPWD successfully worked with Wulff, Hansen & Company, of San Francisco, California, in connection with the issuance of the MPWD's 2016 certificates of participation, and desires to work with them again.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors for the Mid-Peninsula Water District as follows:

1. Wulff, Hansen & Company, of San Francisco, California is hereby designated as municipal advisor to the MPWD in connection with the research and presentation of potential refunding and financing opportunities, and issuance of the securities related thereto.
2. The General Manager, or the designee thereof, is authorized and directed in the name and on behalf of the MPWD to execute an agreement for municipal advisory services with Wulff, Hansen & Company, in a form approved by the District Counsel and General Manager, with compensation to be paid from the proceeds of the securities.

**REGULARLY PASSED AND ADOPTED** this 25<sup>th</sup> day of June 2020, by the following vote:

AYES:

NOES:

ABSENCES:

ABSTENTIONS:

\_\_\_\_\_  
President, Board of Directors

ATTEST:

\_\_\_\_\_  
Secretary of the Board



# WULFF, HANSEN & Co.

ESTABLISHED 1931

INVESTMENT BANKERS

100 SMITH RANCH ROAD, SUITE 330

SAN RAFAEL, CALIFORNIA 94903

(415) 421-8900

April 2, 2020

**Tammy Rudock**  
**General Manager**  
**Mid-Peninsula Water District**  
**3 Dairy Lane**  
**Belmont, CA 94002**

This is an Agreement (AGREEMENT) between Mid-Peninsula Water District (CLIENT) and Wulff, Hansen & Co. (MUNICIPAL ADVISOR or ADVISOR) a registered municipal advisory firm. The purpose of the AGREEMENT is to provide a framework allowing MUNICIPAL ADVISOR to provide municipal advisory services (SERVICES) to CLIENT from time to time as may be mutually agreed upon by both parties. All such SERVICES to be delivered under this Agreement will be specifically described in an Addendum to the AGREEMENT accepted by both parties, and no services will be provided in the absence of such an Addendum. The terms and conditions of this Agreement are set forth below. CLIENT understands and acknowledges that any information or services provided by ADVISOR pursuant to an Addendum to this Agreement are for the purpose of serving as Municipal Advisor to CLIENT and not as an Underwriter or otherwise facilitating the placement of municipal securities issued by CLIENT.

This AGREEMENT also contains various disclosures and other information required under MSRB Rule G-42 and, with its Addenda, will serve as written documentation of certain specific terms, disclosures and other items of information relating to our relationship as of the date this AGREEMENT is signed by ADVISOR. If this information materially changes during the relationship any such change will be described in writing and delivered to you.

## **1. Scope of Services.**

### **(a) *Services to be provided.***

From time to time CLIENT may request that ADVISOR provide municipal advisory services relating to a specific project or projects. The scope of any such services, any limitations thereon, any compensation to be earned by ADVISOR in connection with their delivery, and any conflicts of interest (other than those disclosed in this AGREEMENT) that ADVISOR may have in connection with such services will be described in an Addendum to this AGREEMENT. No services which are not so described and documented in an Addendum will be provided by ADVISOR to CLIENT.

### **(b) *Limitations on Scope of Services***

Where an Addendum to this Agreement describes the scope of services to be provided under that Addendum, any limitations on such scope in addition to those included in this Agreement will be described in that Addendum.

Unless otherwise specifically provided in an Addendum to this Agreement, ADVISOR is not responsible for preparing any preliminary or final official statement, or for certifying as to the accuracy or completeness of any preliminary or final official statement, other than with respect to any information about Municipal Advisor provided by Municipal Advisor for inclusion in such documents. In addition, ADVISOR will not provide any of the following services in connection with any engagement pursuant to this Agreement or any associated Addenda:

- a) Legal services of any kind;
- b) Assistance to CLIENT with regard to CLIENT's responsibilities under the federal securities laws and regulations relating to initial or continuing disclosure in connection with municipal securities, inclusive of the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934. Such services will be provided only if ADVISOR is explicitly engaged by CLIENT in a separate contract unrelated to this Agreement or any Addenda thereto.
- c) Engineering services of any kind;
- d) Special Tax Rate Consulting
- e) Absorption Analysis or the review thereof;
- f) Feasibility Studies or the review thereof
- g) Fiscal Consulting;

- h) Underwriting or placement agent services;
- i) Accounting services;
- j) Investment advice concerning investment of excess bond proceeds, if any, resulting from an issuance of municipal securities
- k) Advice concerning derivative transactions or other municipal financial products, including but not limited to advice regarding swap transactions or strategies.

CLIENT acknowledges its responsibility with respect to compliance with federal securities laws and represents its intention to comply in all respects with such laws. CLIENT acknowledges and understands that state and federal laws relating to disclosure in connection with municipal securities may apply to the CLIENT and that the failure of ADVISOR to advise CLIENT respecting these laws shall not constitute a breach by ADVISOR of any of its duties and responsibilities under this Agreement.

**2. Municipal Advisor's Regulatory Duties When Advising CLIENT.**

MSRB Rule G-42 requires that Municipal Advisor make a reasonable inquiry as to the facts that are relevant to CLIENT's determination whether to proceed with a course of action or that form the basis for any advice provided by Municipal Advisor to CLIENT. The rule also requires that Municipal Advisor undertake a reasonable investigation to determine that it is not basing any recommendation on materially inaccurate or incomplete information. Municipal Advisor is also required under the rule to use reasonable diligence to know the essential facts about CLIENT and the authority of each person acting on CLIENT's behalf.

Accordingly, Municipal Advisor will seek CLIENT's assistance and cooperation, and the assistance and cooperation of CLIENT's agents, with the carrying out by Municipal Advisor of these regulatory duties, including providing to Municipal Advisor accurate and complete information and reasonable access to relevant documents, other information and personnel needed to fulfill such duties. In addition, to the extent CLIENT seeks to have Municipal Advisor provide advice with regard to any recommendation made by a third party, Municipal Advisor requests that CLIENT provide to Municipal Advisor written direction to do so as well as any information it has received from such third party relating to its recommendation.

**3. Term.**

This AGREEMENT shall become effective upon acceptance by both parties and shall terminate **July 1, 2021** unless terminated earlier by one of the parties. Either party may terminate this AGREEMENT upon thirty days written notice to the other party or as may be mutually agreed by both parties. ADVISOR's engagement to provide municipal advice on a specific project or projects described in an Addendum to this document shall terminate as described in that Addendum.

**4. Compensation.**

The form and basis of any compensation for any of Municipal Advisor's services provided or expenses incurred pursuant to an Addendum to this AGREEMENT will be as described in that Addendum.

**5. Limitation of Liability.**

In the absence of willful misconduct, bad faith, gross negligence or reckless disregard of obligations or duties hereunder on the part of Municipal Advisor or any of its associated persons, Municipal Advisor and its associated persons shall have no liability to CLIENT for any act or omission in the course of, or connected with, rendering services hereunder, or for any error of judgment or mistake of law, or for any loss arising out of any issuance of municipal securities, any municipal financial product or any other investment, or for any financial or other damages resulting from CLIENT's election to act or not to act, as the case may be, contrary to any advice or recommendation provided by Municipal Advisor to CLIENT. No recourse shall be had against Municipal Advisor for loss, damage, liability, cost or expense (whether direct, indirect or consequential) of CLIENT arising out of or in defending, prosecuting, negotiating or responding to any inquiry, questionnaire, audit, suit, action, or other proceeding brought or received from the Internal Revenue Service in connection with any Issue or otherwise relating to the tax treatment of any Issue, or in connection with any opinion or certificate rendered by counsel or any other party. Notwithstanding the foregoing, nothing contained in this paragraph or elsewhere in this Agreement shall constitute a waiver by CLIENT

of any of its legal rights under applicable U.S. federal securities laws or any other laws whose applicability is not permitted to be contractually waived nor shall it constitute a waiver or diminution of Municipal Advisor's fiduciary duty to CLIENT under Section 15B(c)(1) of the Securities Exchange Act of 1934, as amended, and the rules thereunder.

#### **6. Required Disclosures.**

MSRB Rule G-42 requires that MUNICIPAL ADVISOR provide CLIENT with the following disclosures of material conflicts of interest and of information regarding certain legal events and disciplinary history.

(a) ***Disclosures of Conflicts of Interest.*** MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable. If no such material conflicts of interest are known to exist based on the exercise of reasonable diligence by the municipal advisor, municipal advisors are required to provide a written statement to that effect.

Accordingly, any material conflicts of interest known to MUNICIPAL ADVISOR in connection with the Scope of Services are disclosed below, including those conflicts applying to various forms of compensation which are described in a document attached to this AGREEMENT. We believe that these conflicts are mitigated by our duties to CLIENT as assigned to us under Federal and State laws and regulations and the rules of the Municipal Securities Rulemaking Board. In addition, because MUNICIPAL ADVISOR is a broker-dealer with significant business and economic interests due to the nature of its overall business, the success and profitability of MUNICIPAL ADVISOR is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty where such duty exists. Furthermore, MUNICIPAL ADVISOR's municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of MUNICIPAL ADVISOR potentially departing from their regulatory duties due to personal interests.

#### ***Other Municipal Advisor or Underwriting Relationships.***

MUNICIPAL ADVISOR serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of CLIENT. For example, MUNICIPAL ADVISOR serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to CLIENT under this Agreement. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, MUNICIPAL ADVISOR could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of MUNICIPAL ADVISOR to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that MUNICIPAL ADVISOR serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair MUNICIPAL ADVISOR's ability to fulfill its regulatory duties to CLIENT.

#### ***Broker-Dealer and Investment Advisory Business.***

MUNICIPAL ADVISOR is a broker-dealer and investment advisory firm that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and investment advice in connection with such securities, including securities of CLIENT, may be undertaken on behalf of, or as counterparty to, CLIENT, personnel of CLIENT, and current or potential investors in the securities of CLIENT. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of CLIENT, such as when their buying or selling of CLIENT's securities may have an adverse effect on the market for CLIENT's securities, and the interests of such other clients could create the

incentive for MUNICIPAL ADVISOR to make recommendations to CLIENT that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from MUNICIPAL ADVISOR effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the MUNICIPAL ADVISOR that operate separately from MUNICIPAL ADVISOR's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by MUNICIPAL ADVISOR to CLIENT under this Agreement.

In addition to the considerations above, the fact that MUNICIPAL ADVISOR's staff are engaged in support of these other business activities could create a conflict when multiple demands exist on a particular individual's time and resources. We reasonably believe that this conflict is mitigated by our staff's desire to complete CLIENT's work in a timely manner and consequently be compensated by MUNICIPAL ADVISOR for their efforts.

***Other Business Relationships***

MUNICIPAL ADVISOR may have existing or future business relationships, unrelated to CLIENT or MUNICIPAL ADVISOR's services to CLIENT, with underwriters, placement agents, attorneys, accountants, financial institutions, contractors or other entities whose services it may recommend to CLIENT or whom CLIENT may select on its own initiative. MUNICIPAL ADVISOR's business relationships with such entities may include payments or referrals made to Advisor by such entities or payments or referrals made by Advisor to such entities in connection with matters wholly unrelated to CLIENT's business or activities. Because under no circumstances will Advisor accept any form of payment or other remuneration, directly or indirectly, from any third party in connection with Advisor's services to CLIENT, Advisor believes that none of these other engagements or relationships would create a material conflict or otherwise impair MUNICIPAL ADVISOR's ability to fulfill its regulatory duties to CLIENT.

***Secondary Market Transactions in CLIENT's Securities.***

MUNICIPAL ADVISOR, in connection with its sales and trading activities, may take a principal position in securities, including securities of CLIENT, and therefore MUNICIPAL ADVISOR could have interests in conflict with those of CLIENT with respect to the value of CLIENT's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, MUNICIPAL ADVISOR or its affiliates may submit orders for and acquire CLIENT's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with CLIENT in that it could create the incentive for MUNICIPAL ADVISOR to make recommendations to CLIENT that could result in more advantageous pricing of CLIENT's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through staff members of the MUNICIPAL ADVISOR that operate independently from MUNICIPAL ADVISOR's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by MUNICIPAL ADVISOR to CLIENT under this Agreement.

***Other Conflicts of Interest.*** None.

(b) ***Disclosures of Information Regarding Legal Events and Disciplinary History.*** MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel. Accordingly, Municipal Advisor addresses below the required disclosures and related information in connection with such disclosures.

Required disclosures include specific information about any criminal actions, regulatory actions, investigations, terminations, judgments, liens, civil judicial actions, customer complaints, arbitrations and civil litigation. Municipal Advisor and members of its staff have been subject to various such legal or disciplinary events. Municipal Advisor reasonably believes that it as an entity has no such events that may be material to CLIENT's evaluation of Municipal Advisor as such. However, during its 88 years as a broker/dealer, Municipal Advisor has accumulated a number of such events related to its broker/dealer business as such and CLIENT may wish to review these. Members of Municipal Advisor's staff who have also been registered representatives of one or more broker/dealers have disclosures which could potentially be material to CLIENT's evaluation. Specific instances of such events can be found

in Item 9 of our Form MA and, for staff members, Item 6 of Forms MA-I. Direct links to all of this information for the firm and each individual are provided on our website at:

<http://www.wulffhansen.com/publish/disclosureMA.html>

The date of the last material change to a legal or disciplinary event disclosure on any Form MA or Form MA-I filed by Municipal Advisor with the SEC is December 10, 2019, which change consisted of adding historical disclosures about a newly affiliated third-party accountant. The disclosures were not related to the municipal advisory business.

(c) **Customer Protections.** Municipal Advisor is registered with the Securities and Exchange Commission and the Municipal Securities Rulemaking Board. The latter's website is located at [www.msrb.org](http://www.msrb.org). A municipal advisory client brochure is available on that website that describes the protections that may be provided by the MSRB's rules and how a client may file a complaint with an appropriate regulatory authority.

(d) **Future Supplemental Disclosures.** As required by MSRB Rule G-42, this information may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of Municipal Advisor. Municipal Advisor will provide CLIENT with any such supplement or amendment as it becomes available throughout the term of the Agreement.

**7. Choice of Law.**

This Agreement shall be construed and given effect in accordance with the laws of the State of California.

**8. Entire Agreement.** This instrument, including all Addenda and Appendices hereto, contains the entire agreement between the parties relating to the rights herein granted and obligations herein assumed. This Agreement may not be amended, supplemented or modified except by means of a written instrument executed by both parties.

**9. Severability.** If any provision of this Agreement is, or is held or deemed to be, invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions because it conflicts with any provisions of any constitution, statute, rule or public policy, or for any other reason, such circumstances shall not make the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or make any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

Wulff, Hansen & Co.

By: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**ACKNOWLEDGED:**

Mid-Peninsula Water District

By: \_\_\_\_\_  
Tammy A. Rudock

Title: General Manager

Date: June 25, 2020

## DISCLOSURE OF CONFLICTS OF INTEREST WITH VARIOUS FORMS OF COMPENSATION

The Municipal Securities Rulemaking Board requires us, as your Advisor, to provide written disclosure to you about the actual or potential conflicts of interest presented by various forms of compensation. We must provide this disclosure unless you have required that a particular form of compensation be used. You should select a form of compensation that best meets your needs and the agreed upon scope of services.

**Forms of compensation; potential conflicts.** The forms of compensation for Advisors vary according to the nature of the engagement and requirements of the client, among other factors. Various forms of compensation present actual or potential conflicts of interest because they may create an incentive for an Advisor to recommend one course of action over another if it is more beneficial to the Advisor to do so. This document discusses various forms of compensation and the timing of payments to the Advisor.

**Fixed fee.** Under a fixed fee form of compensation, the Advisor is paid a fixed amount established at the outset of the transaction. The amount is usually based upon an analysis by the client and the Advisor of, among other things, the expected duration and complexity of the transaction and the agreed-upon scope of work that the Advisor will perform. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the advisor may suffer a loss. Thus, the advisor may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. There may be additional conflicts of interest if the Advisor's fee is contingent upon the successful completion of a financing, as described below.

**Hourly fee.** Under an hourly fee form of compensation, the Advisor is paid an amount equal to the number of hours worked by the advisor times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if the client and the Advisor do not agree on a reasonable maximum amount at the outset of the engagement, because the advisor does not have a financial incentive to recommend alternatives that would result in fewer hours worked. In some cases, an hourly fee may be applied against a retainer (*e.g.*, a retainer payable monthly), in which case it is payable whether or not a financing closes. Alternatively, it may be contingent upon the successful completion of a financing, in which case there may be additional conflicts of interest, as described below.

**Fee contingent upon the completion of a financing or other transaction.** Under a contingent fee form of compensation, payment of an Advisor's fee is dependent upon the successful completion of a financing or other transaction. Although this form of compensation may be customary for the client, it presents a conflict because the Advisor may have an incentive to recommend unnecessary financings or financings that are disadvantageous to the client. For example, when facts or circumstances arise that could cause the financing or other transaction to be delayed or fail to close, an Advisor may have an incentive to discourage a full consideration of such facts and circumstances, or to discourage consideration of alternatives that may result in the cancellation of the financing or other transaction.

**Fee paid under a retainer agreement.** Under a retainer agreement, fees are paid to an Advisor periodically (*e.g.*, monthly) and are not contingent upon the completion of a financing or other transaction. Fees paid under a retainer agreement may be calculated on a fixed fee basis (*e.g.*, a fixed fee per month regardless of the number of hours worked) or an hourly basis (*e.g.*, a minimum monthly payment, with additional amounts payable if a certain number of hours worked is exceeded). A retainer agreement does not present the conflicts associated with a contingent fee arrangement (described above).

**Fee based upon principal or notional amount and term of transaction.** Under this form of compensation, the Advisor's fee is based upon a percentage of the principal amount of an issue of securities (*e.g.*, bonds) or, in the case of a derivative, the present value of or notional amount and term of the derivative. This form of compensation presents a conflict of interest because the advisor may have an incentive to advise the client to increase the size of the securities issue or modify the derivative for the purpose of increasing the Advisor's compensation.

## **ADDENDUM TO MUNICIPAL ADVISORY AGREEMENT**

### **Addendum 1: REFUNDING OF MPWD 2016 CERTIFICATES OF PARTICIPATION**

#### **1. Purpose**

This Addendum 1 to the Municipal Advisory Agreement dated April 2, 2020 between Mid-Peninsula Water District (hereafter, "CLIENT") and Wulff, Hansen & Co. (hereafter, "Municipal Advisor") specifies and describes specific municipal advisory services to be performed by Municipal Advisor under that Agreement.

#### **2. Services**

##### **2.1 Scope of Services**

Municipal Advisor will provide the following services to CLIENT pursuant to this Addendum:

CLIENT wishes Municipal Advisor to review its 2016 Certificates of Participation to determine whether it could benefit from a potential refunding of that issue if such a transaction appears possible. The approximate amount of any refinancing is not anticipated to exceed \$18,000,000. Municipal Advisor will perform the requested review and discuss the findings with CLIENT. Should CLIENT then decide to pursue a transaction, Municipal Advisor will provide the following additional services:

- a) Attendance at public meetings of the CLIENT at which matters relating to the Services are considered, except routine matters, including informational and educational meetings with the public;
- b) Attendance at CLIENT's staff meetings, Council meetings, or meetings with members of the public or others on matters relating to the Services, upon the request of the CLIENT after reasonable notice;
- c) Work with members of the public, other public agencies, CLIENT staff, and Board members to address matters relating to the Services and develop and coordinate recommendations acceptable to interested parties;
- d) If requested, assist the CLIENT in its selection of any needed outside professionals (e.g., Bond Counsel, consultants, accountants, Trustee, Escrow Agent and others as appropriate);
- e) Prepare a Distribution List with contact information on all relevant participants in the project and the refinancing and Schedule indicating timing for significant steps in the process;
- f) Assist any of the CLIENT's staff and/or special consultants in developing specific terms and conditions affecting the project and the financing so as to best reflect the CLIENT's priorities and interests;
- g) Preparation of cash flow analysis and other schedules per CLIENT's direction and related consultation, including completion of an analysis of initial debt capacity based on currently available revenue sources and future anticipated revenues from CLIENT's recently increased sewer rates;
- h) Telephone consultation with staff members to answer questions about the project, the financing and related matters;
- i) Assist in preparing and arranging for any issuance of securities to be sold to a private investor through a placement agent (Private Placement) or alternatively through an underwriter (Public Offering);
- j) Assist the CLIENT in transmitting to the Bond Counsel and Disclosure Counsel requested information to be used in the creation of the Bond and Offering Documents;
- k) Assist the CLIENT and the Placement Agent/Underwriter, Bond Counsel and other members of the financing team in closing the transaction;
- l) Assist the CLIENT in efforts to maintain or improve the CLIENT's credit rating, including preparation of materials, presentation and conference calls in the process of application for rating from the various credit rating agencies, if applicable;
- m) Assist the CLIENT in the preparation of materials and presentation in the application process for bond insurance and a surety bond for the Debt Service Reserve requirement from the various Bond Insurers, if applicable;
- n) Provide ongoing follow up consultation relating to the Financing, as necessary.

## 2.2 Limitations on Scope of Services

The services to be provided by Municipal Advisor to CLIENT pursuant to this Addendum are subject to the following limitations in addition to those described in the Agreement.

Municipal Advisor will accept the conclusions of CLIENT's rate study, if performed, at face value, will use those conclusions in formulating its advice to CLIENT, and will not be reviewing or otherwise rendering an opinion on the rate study's conclusions.

## 3. Termination

The provisions of this Addendum shall terminate and thereafter be null and void upon the completion and closing of the contemplated financing or July 1, 2021, whichever occurs first. This Addendum 1 may only be extended by a written agreement between CLIENT and Wulff, Hansen & Co.

## 4. Fees

With regard to Services to be provided by Municipal Adviser under this Addendum 1, Municipal Advisor shall be compensated as follows:

If Municipal Advisor's analysis indicates that a refunding is not practical or not sufficiently beneficial, no fee will be charged.

Should CLIENT engage in the financing, Municipal Advisor's fee Under this Addendum 1 shall be paid out of the proceeds of the related financing and will be contingent upon a successful sale of placement and the completion and funding of the specific financing. Compensation related to a specific transaction, outlined below, shall not be due to the Advisor for services rendered under this Addendum 1 if the specified financing is not completed.

Advisor's fee for the services described above in connection with a financing estimated not to exceed a par amount of \$18,000,000 will be \$57,500. A partial fee will be negotiated between the parties for a partial refunding.

## 5. Conflicts of Interest

Because Municipal Advisor will perform an analysis of the potential refunding, and will receive no fee if no transaction occurs, Municipal Advisor has an incentive to encourage CLIENT to engage in the potential transaction and thus has an inherent conflict of interest. It believes, however, that because its analysis will be almost entirely quantitative and numerical, the risk that any findings could reflect bias by Municipal Advisor are minimal in that the numbers will speak for themselves, allowing CLIENT to have a full understanding of the facts and to make its decision on that basis. Municipal Advisor is not aware of any additional material conflicts of interest to which it is subject in the context of this Addendum 1 other than those previously disclosed to CLIENT in connection with the Agreement.

Approved:  
Mid-Peninsula Water District

Approved:  
Wulff, Hansen & Co.

/s/ \_\_\_\_\_

/s/ \_\_\_\_\_

\_\_\_\_\_  
Print Name and Title

Chris Charles, President

Date: \_\_\_\_\_

Date: \_\_\_\_\_



## **ADDENDUM TO MUNICIPAL ADVISORY AGREEMENT**

### **Addendum 2: FINANCING FOR CAPITAL IMPROVEMENT PROJECTS**

#### **1. Purpose**

This Addendum 2 to the Municipal Advisory Agreement dated April 2, 2020 between Mid-Peninsula Water District (hereafter, "CLIENT") and Wulff, Hansen & Co. (hereafter, "Municipal Advisor") specifies and describes specific municipal advisory services to be performed by Municipal Advisor under that Agreement.

#### **2. Services**

##### **2.1 Scope of Services**

Municipal Advisor will provide the following services to CLIENT pursuant to this Addendum:

Municipal Advisor will advise and assist the CLIENT in developing a plan of financing for capital improvement projects utilizing some or all available financing sources, in the approximate range of \$12,000,000 to \$20,000,000. Services to be provided are as follows:

- a) Attendance at public meetings of the CLIENT at which matters relating to the Services are considered, except routine matters, including informational and educational meetings with the public;
- b) Attendance at CLIENT's staff meetings, Council meetings, or meetings with members of the public or others on matters relating to the Services, upon the request of the CLIENT after reasonable notice;
- c) Work with members of the public, other public agencies, CLIENT staff, and Board members to address matters relating to the Services and develop and coordinate recommendations acceptable to interested parties;
- d) If requested, assist the CLIENT in its selection of any needed outside professionals (e.g., Bond Counsel, consultants, accountants, Trustee, Escrow Agent and others as appropriate);
- e) Prepare a Distribution List with contact information on all relevant participants in the project and the refinancing and Schedule indicating timing for significant steps in the process;
- f) Assist any of the CLIENT's staff and/or special consultants in developing specific terms and conditions affecting the project and the financing so as to best reflect the CLIENT's priorities and interests;
- g) Preparation of cash flow analysis and other schedules per CLIENT's direction and related consultation, including completion of an analysis of initial debt capacity based on currently available revenue sources and future anticipated revenues from CLIENT's recently increased sewer rates;
- h) Telephone consultation with staff members to answer questions about the project, the financing and related matters;
- i) Assist in preparing and arranging for any issuance of securities to be sold to a private investor through a placement agent (Private Placement) or alternatively through an underwriter (Public Offering);
- j) Assist CLIENT in analyzing, reviewing, preparing and processing documents or applications for other possible sources of funds, including but not limited to state and federal subsidies, low interest government loan programs and grants, if possible, and considering the impact of such funding on the Project's overall financial needs. Because CLIENT's needs require that it undertake the Project as expeditiously as possible, the timeliness of possible receipt of such alternative sources of funds will be evaluated and given significant consideration along with any associated financial terms.
- k) Assist the CLIENT in transmitting to the Bond Counsel and Disclosure Counsel requested information to be used in the creation of the Bond and Offering Documents;
- l) Assist the CLIENT and the Placement Agent/Underwriter, Bond Counsel and other members of the financing team in closing the transaction;
- m) Assist the CLIENT in efforts to maintain or improve the CLIENT's credit rating, including preparation of materials, presentation and conference calls in the process of application for rating from the various credit rating agencies, if applicable;

- n) Assist the CLIENT in the preparation of materials and presentation in the application process for bond insurance and a surety bond for the Debt Service Reserve requirement from the various Bond Insurers, if applicable;
- o) Provide ongoing follow up consultation relating to the Financing, as necessary.

## 2.2 Limitations on Scope of Services

The services to be provided by Municipal Advisor to CLIENT pursuant to this Addendum are subject to the following limitations in addition to those described in the Agreement.

Municipal Advisor does not represent itself to possess special expertise in the obtaining of grants, subsidies, and similar financings as referred to Paragraph (j) above. Advisor understands that CLIENT expects to retain a professional grant writer or similar expert, should a grant or subsidy be considered, and that Advisor's role will be to review any financial terms and advise CLIENT as to how such funding sources would affect and interact with CLIENT's contemplated debt financing.

Municipal Advisor will accept the conclusions of CLIENT's rate study at face value, will use those conclusions in formulating its advice to CLIENT, and will not be reviewing or otherwise rendering an opinion on the rate study's conclusions.

## 3. Termination

The provisions of this Addendum 2 shall terminate and thereafter be null and void upon completion and closing of the contemplated financing, or July 1, 2021, whichever occurs first. This Addendum 2 may only be extended by a written agreement between CLIENT and Wulff, Hansen & Co.

## 4. Fees

With regard to Services to be provided by Municipal Adviser under this Addendum 2, Municipal Advisor shall be compensated as follows:

The fee due to Municipal Advisor Under this Addendum 2 shall be paid out of the proceeds of the related financing and will be contingent upon a successful sale of placement and the completion and funding of the specific financing. Compensation related to a specific transaction, outlined below, shall not be due to the Advisor for services rendered under this Addendum 2 if the specified financing is not completed.

Advisor's fee for the services described above in connection with a financing estimated not to exceed a par amount of \$12,000,000 shall be \$ 37,500.

Advisor's fee for the services described above in connection with a financing estimated not to exceed a par amount of \$16,000,000 shall be \$50,000.

Advisor's fee for the services described above in connection with a financing estimated not to exceed a par amount of \$20,000,000 shall be \$75,000.

## 5. Conflicts of Interest

Municipal Advisor is not aware of any additional material conflicts of interest to which it is subject in the context of this Addendum 2 other than those previously disclosed to CLIENT in connection with the Agreement.

Approved:  
Mid-Peninsula Water District

Approved:  
Wulff, Hansen & Co.

/s/ \_\_\_\_\_

/s/ \_\_\_\_\_

Chris Charles, President

\_\_\_\_\_  
Print Name and Title

Date: \_\_\_\_\_

Date: \_\_\_\_\_



### ***AGENDA ITEM NO. 5.F.***

DATE: June 25, 2020

TO: Board of Directors

FROM: Rene A. Ramirez, Operations Manager

**SUBJECT: APPROVE RESOLUTION 2020-14 AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES WITH MANAGEWATER CONSULTING, INC., AND MADDAUS WATER MANAGEMENT, INC., FOR THE MPWD 2020 URBAN WATER MANAGEMENT PLAN AND WATER SHORTAGE CONTINGENCY PLAN, IN THE AMOUNT OF \$53,930, PLUS A 10% CONTINGENCY OF \$5,400, FOR A TOTAL PROJECT BUDGET OF \$59,330**

#### **RECOMMENDATION**

Approve Resolution 2020-14.

#### **FISCAL IMPACT**

The total cost for the ManageWater Consulting, Inc., and Maddaus Water Management, Inc. (ManageWater & Maddaus) proposal is \$53,930. Staff is recommending a 10% contingency of \$5,400, which would bring the award to \$59,330. The MPWD's FY 2020/2021 Operating Budget included up to \$75,000 to update the District's UWMP.

#### **BACKGROUND**

The California Water Code (CWC) section 10620(a) requires urban water suppliers to prepare and adopt an Urban Water Management Plan (UWMP) consistent with CWC section 10640. All urban water suppliers serving water to 3,000 or more customers or supplying more than 3,000 acre-feet of water annually are required to prepare an UWMP. An UWMP is required for urban water suppliers to be eligible for state Department of Water Resources grants, loans and drought assistance. The 2020 UWMP update must be adopted and submitted to the Department of Water Resources by July 1, 2021.

Staff prepared and issued a Request for Proposals (RFP) on April 21, 2020, during the shelter-in-place, and received four (4) proposals on the due date of June 1, 2020.

Four members of staff and the General Manager reviewed and ranked the proposals based on rating criteria contained in the RFP. Costs ranged from a low of \$53,000 to a high of \$88,493.

## **DISCUSSION**

Upon completing the review of the four (4) proposals staff recommended ManageWater & Maddaus as the best value for the following reasons:

- Guaranteed availability of senior and experienced staff to carry out most of the work efforts
- Successfully prepared the MPWD's 2015 UWMP and Water Shortage Contingency Plan
- They have productive long-term working relationships within the San Francisco Regional Water System, including with the MPWD, BAWSCA and the SFPUC
- Provided a detailed timeline and check-in schedule with MPWD staff on progress
- They have facts and document templates, which will only require updating and not re-creation
- One of the two lowest-cost submittals

Should the Board award to ManageWater & Maddaus, the process to begin the update to the UWMP and Water Shortage Contingency Plan would start soon with a very regimented schedule in order for public hearings, consideration and Board adoption and submittal to the state Department of Water Resources by July 1, 2021.

Excerpts from the proposal are attached.

Attachments: Resolution 2020-14  
Professional Services Agreement  
Excerpts from Proposal by ManageWater Consulting, Inc., and Maddaus Water Management, Inc.

---

BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ ZUCCA\_\_\_\_ SCHMIDT\_\_\_\_ WHEELER\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_

**RESOLUTION NO. 2020-14**

**AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES WITH  
MANAGEWATER CONSULTING, INC., AND MADDAUS WATER MANAGEMENT, INC.,  
FOR THE MPWD 2020 URBAN WATER MANAGEMENT PLAN AND  
WATER SHORTAGE CONTINGENCY PLAN, IN THE AMOUNT OF \$53,930,  
PLUS A 10% CONTINGENCY OF \$5,400, FOR A TOTAL PROJECT BUDGET OF \$59,330**

\* \* \*

**MID-PENINSULA WATER DISTRICT**

**WHEREAS**, the California Water Code Section 10620(a) requires urban water suppliers serving 3,000 or more customers or supplying more than 3,000 acre-feet of water to prepare and adopt an Urban Water Management Plan consistent with California Water Code Section 10640 in order for urban water suppliers to be eligible for state Department of Water Resources grants, loans and drought assistance; and

**WHEREAS**, the update to the Urban Water Management Plan must be adopted and submitted to the state Department of Water Resources by July 1, 2021; and

**WHEREAS**, District staff issued a Request for Proposals on April 21, 2020 for interested consultants to propose on preparing the update to the Urban Water Management Plan and Water Shortage Contingency Plan with a due date of June 1, 2020; and

**WHEREAS**, an internal review committee of five members of staff read, scored and ranked the four (4) proposals received; and

**WHEREAS**, the internal review committee all agreed that the best value for the 2020 Urban Water Management Plan Update and Water Shortage Contingency Plan preparation was from the proposal submitted by ManageWater Consulting, Inc., and Maddaus Water Management, Inc., and it was recommended that a contract for professional services be awarded to them.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Mid-Peninsula Water District that a professional services agreement is awarded to ManageWater Consulting, Inc., and Maddaus Water Management Inc., from Redwood City and Danville, CA, respectively, to develop the 2020 Urban Water Management Plan and Water Shortage Contingency Plan for

the District in the amount listed in their proposal dated June 1, 2020 of \$53,930, plus a ten percent (10%) contingency of \$5,400, for a total project budget of \$59,330.

**REGULARLY PASSED AND ADOPTED** this 25th day of June 2020.

AYES:

NOES:

ABSENCES:

ABSTENTIONS:

ATTEST:

---

PRESIDENT, BOARD OF DIRECTORS

---

SECRETARY OF THE BOARD

## **PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT is made as of this 25<sup>th</sup> day of June 2020, by and between MID-PENINSULA WATER DISTRICT, a public agency ("DISTRICT") and MANAGEWATER CONSULTING, INC., and MADDAUS WATER MANAGEMENT, INC., both California corporations ("CONSULTANT").

WHEREAS, the DISTRICT desires to obtain professional services in conjunction with the 2020 Urban Water Management Plan and Water Shortage Contingency Plan; and

WHEREAS, the CONSULTANT is ready, willing and able to furnish such services and has submitted a Proposal dated June 1, 2020, which is attached hereto and incorporated herein as Exhibit A.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

### 1. PROVISION OF SERVICES

The CONSULTANT agrees to provide professional services to DISTRICT in accordance with the terms and conditions of this Agreement. In the performance of its Services, CONSULTANT represents that it has and will exercise that degree of professional care, skill, efficiency and judgment ordinarily employed by consultants providing similar services. CONSULTANT further represents and warrants that it holds currently in effect all licenses, registrations, and certifications in good standing that may be required under applicable law or regulations to perform these services and agrees to retain such licenses, registrations, and certifications in active status throughout the duration of this engagement.

### 2. SCOPE OF WORK

The scope of CONSULTANT's work shall be as set forth in Exhibit A. Otherwise, the terms of this Agreement shall control over any contrary provisions of Exhibit A.

### 3. TERM

This Agreement will commence upon its Effective Date and shall continue until the services set forth in Section 2 are successfully completed, as determined by the DISTRICT. It is understood that the term of this Agreement is subject to the DISTRICT's right to terminate the Agreement in accordance with Section 13 of this Agreement.

### 4. CONTRACT AMOUNT

The CONSULTANT shall perform all work set forth in Section 2 of this Agreement for a total sum not to exceed \$53,930 including all labor, materials, taxes, insurance, subcontractor / subconsultant costs, overhead, profit, and all other costs and expenses incurred by CONSULTANT.

### 5. MANNER OF PAYMENT

The CONSULTANT shall submit monthly invoices as CONSULTANT completes work, and the invoices shall describe the work completed during the billing period, who performed the services, their applicable hourly rate, and all out-of-pocket costs and subcontractor /

subconsultant payments, if any. The DISTRICT shall review and approve the invoices and shall pay approved invoices within thirty (30) days of DISTRICT's approval.

All invoices should be sent to: Mid-Peninsula Water District  
3 Dairy Lane  
P.O. Box 129  
Belmont, CA 94002  
ATTENTION: Tammy Rudock, General Manager

#### 6. CONSULTANT'S KEY PERSONNEL

It is understood and agreed by the parties that at all times during the term of this Agreement that Marty Laporte of ManageWater Consulting, Inc., and Michelle Maddaus of Maddaus Water Management, Inc., shall serve as the primary CONSULTANTS to undertake, render and oversee all of the services under this Agreement.

#### 7. DISTRICT REPRESENTATIVE

Except when approval of other action is required to be given or taken by the Board of Directors of the DISTRICT, the General Manager of the DISTRICT, or their designee by writing, shall represent and act for the DISTRICT.

#### 8. CONSULTANT'S STATUS

Neither the CONSULTANT nor any party contracting with the CONSULTANT shall be deemed to be an agent or employee of the DISTRICT. The CONSULTANT is and shall be an independent contractor, and the legal relationship of any person performing services for the CONSULTANT shall be one solely between said parties.

#### 9. OWNERSHIP OF WORK

A. All reports, designs, drawings, plans, specifications, schedules, and other materials prepared by CONSULTANT under this Agreement ("Work Product") shall be the property of DISTRICT.

B. CONSULTANT assigns to DISTRICT all right, title, and interest in and to the Work Product, including ownership of the entire copyright in the Work Product and any causes of action existing or arising in connection with the copyright to said Work Product. DISTRICT shall be entitled to access to and copies of these materials as they are being developed. Any such materials in the hands of CONSULTANT or in the hands of any subcontractor upon completion or termination of services hereunder shall be immediately delivered to DISTRICT. If any property of the DISTRICT is lost, damaged or destroyed before final delivery to the DISTRICT, the CONSULTANT shall replace it at its own expense and the CONSULTANT hereby assumes all risks of loss, damage or destruction of or to such materials. The CONSULTANT may retain a copy of all material produced under this agreement for its use in its general business activities.

#### 10. CHANGES

The DISTRICT may, at any time, by written order, make changes within the scope of work and Services described in this Agreement. If such changes cause an increase in the



budgeted cost of or the time required for performance of the agreed upon work, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 4 or in the time of required performance as set forth in Section 3, or both. In the event that CONSULTANT encounters any unanticipated conditions or contingencies that may affect the scope of work or Services and result in an adjustment in the amount of compensation specified herein, CONSULTANT shall so advise the DISTRICT immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in compensation. Such notice shall be given the DISTRICT prior to the time that CONSULTANT performs work or services related to the proposed adjustment in compensation. Any and all pertinent changes shall be expressed in a written supplement to this Agreement prior to implementation of such changes.

#### 11. RESPONSIBILITY; INDEMNIFICATION

CONSULTANT agrees to indemnify, defend and hold harmless the DISTRICT, and its directors, agents, and employees from and against all claims, losses, damages and liabilities (including reasonable attorneys fees) arising out of any injury to persons or property that may occur, or that may be alleged to have occurred, in the course of the performance of the Agreement to the extent caused by CONSULTANT's recklessness or willful misconduct; or by CONSULTANT's negligent provision or omission of services contemplated by this Agreement.

Irrespective of any language to the contrary in this Agreement or under applicable law, CONSULTANT shall have no duty to provide or fund up-front defense costs of DISTRICT against unproven claims or allegations, but shall reimburse those reasonable attorneys' fees, expert fees and all other costs and fees incurred in any judicial proceeding, litigation, arbitration, mediation or other negotiated settlement incurred by DISTRICT that are caused by the negligence, recklessness or willful misconduct of CONSULTANT, its employees, agents and subconsultants (collectively, "Defense Costs"). However, CONSULTANT shall provide its immediate cooperation, at no additional cost to the DISTRICT, to the DISTRICT in defending such claims. Moreover, CONSULTANT's responsibility for the DISTRICT's defense costs shall be limited to the proportion of CONSULTANT's responsibility for the underlying injury as determined in any judicial proceeding, litigation, arbitration, mediation, or other negotiated settlement which addressed the CONSULTANT's responsibility for the underlying injury. In the event that it is determined that the losses, injuries or damages claimed against the DISTRICT did not arise out of, pertain to, or relate to CONSULTANT's negligence, recklessness or willful misconduct, CONSULTANT shall not be responsible for any portion of the DISTRICT's defense costs. This indemnity shall survive the termination of this Agreement.

#### 12. INSURANCE

A. Workers' Compensation: CONSULTANT shall procure and maintain at all times during the performance of such work Worker's Compensation Insurance in conformance with the laws of the State of California and Federal laws where applicable. Employers' Liability Insurance shall not be less than One Million Dollars (\$1,000,000) per accident or disease. Prior to commencement of work hereunder, CONSULTANT shall deliver to DISTRICT a Certificate of Insurance which shall stipulate that 30 days advance written notice of cancellation, shall be given to DISTRICT.

B. Bodily Injury, Death and Property Damage Liability Insurance: CONSULTANT shall also procure and maintain at all times during the performance of this

Agreement General Liability Insurance (including automobile operation) covering CONSULTANT and DISTRICT for liability arising out of the operations of CONSULTANT and any subcontractors. The policy(ies) shall include coverage for all vehicles, licensed or unlicensed, on or off DISTRICT's premises, used by or on behalf of CONSULTANT in the performance of work under this Agreement. The policy(ies) shall be subject to a limit for each occurrence of One Million Dollars (\$1,000,000) naming as an additional insured, in connection with CONSULTANT's activities, the DISTRICT, and its directors, officers, employees and agents. The Insurer(s) shall agree that its policy(ies) is Primary Insurance and that it shall be liable for the full amount of any loss up to and including the total limit of liability without right of contribution from any other insurance covering the DISTRICT.

Inclusion of the DISTRICT as additional insured shall not in any way affect its rights as respects to any claim, demand, suit or judgment made, brought or recovered against CONSULTANT. Said policy shall protect CONSULTANT and DISTRICT in the same manner as though a separate policy had been issued to each; but nothing in said policy shall operate to increase the Insurer's liability as set forth in the policy beyond the amount or amounts shown or to which the Insurer would have been liable if only one interest had been named as an insured.

Prior to commencement of work hereunder, CONSULTANT shall deliver to DISTRICT a Certificate of Insurance which shall indicate compliance with the insurance requirements of this paragraph and shall stipulate that 30 days advance written notice of cancellation, shall be given to DISTRICT.

C. Professional Liability Insurance: CONSULTANT shall also maintain Professional Liability Insurance covering CONSULTANT's performance under this Agreement with a limit of liability of One Million Dollars (\$1,000,000) per claim and in annual aggregate. Such Insurance shall be renewed annually. Prior to commencing work under this Agreement, CONSULTANT shall furnish to DISTRICT a Certificate of Insurance, or certified copy of the Insurance policy if requested, indicating compliance with requirements of this paragraph. Such certificate or policy shall further stipulate that 30 days advance written notice of cancellation, shall be given to DISTRICT.

### 13. TERMINATION

DISTRICT shall have the right to terminate this Agreement upon thirty (30) days written notice to the CONSULTANT. Upon receipt of such notice, the CONSULTANT shall not commit itself to any further expenditure of time or resources.

If the Agreement is terminated for any reason other than breach of a material term by CONSULTANT, the DISTRICT shall pay to CONSULTANT all sums actually due and owing from DISTRICT for all services performed and all expenses incurred up to the day written notice of termination is given, plus any costs reasonably and necessarily incurred by CONSULTANT to effect such suspension or termination.

If CONSULTANT breaches a material term of this Agreement and fails to remedy the breach within ten (10) days after the DISTRICT notifies the CONSULTANT of the breach, the Agreement may be terminated immediately and the DISTRICT shall in such event not thereafter pay or allow to the CONSULTANT any compensation for any labor, supplies or materials furnished under this Agreement; and the DISTRICT may proceed to complete this Agreement by other means, and the CONSULTANT shall be liable to the DISTRICT for all loss or damage which it may suffer on account of the CONSULTANT's breach of this Agreement.

#### 14. NOTICES

All communications relating to the day to day activities of the project shall be exchanged between the DISTRICT'S General Manager, or his designee, and the CONSULTANT's Project Manager.

All other notices and communications deemed by either party to be necessary or desirable to be given to the other party, except for confidential reports described in Section 6 of this Agreement, may be given by personal delivery to the representative of the parties or by mailing the same postage prepaid, addressed as follows:

If to the DISTRICT:	Mid-Peninsula Water District 3 Dairy Lane P.O. Box 129 Belmont, CA 94002 ATTENTION: Tammy Rudock, General Manager
---------------------	---

If to the CONSULTANT:	ManageWater Consulting, Inc. 430 Nimitz Ave., Redwood City, California 94061 Phone: 650-722-7841 Contact: Marty Laporte, M.S. Email: <a href="mailto:ManageWaterNow@gmail.com">ManageWaterNow@gmail.com</a>
-----------------------	--

	Maddaus Water Management, Inc. 105 Zephyr Place Danville, California 94526 Phone: (925) 831-0194 Contact: Michelle Maddaus, P.E. and M.B.A. Email: <a href="mailto:Michelle@maddauswater.com">Michelle@maddauswater.com</a>
--	--

The address to which mailings may be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

#### 15. EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of this Agreement the CONSULTANT shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, gender identity, disability or national origin. The CONSULTANT shall take affirmative actions to insure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT further agrees to include a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

#### 16. RECORDS

During the term of this Agreement, CONSULTANT shall permit representatives of the DISTRICT to have access to, examine and make copies, at the DISTRICT's expense, of its books, records and documents relating to this Agreement at all reasonable times.

#### 17. DISTRICT WARRANTIES

The DISTRICT makes no warranties, representations or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.

#### 18. RELEASE OF INFORMATION

CONSULTANT shall not release any reports, information or promotional materials prepared in connection with this Agreement without the approval of the DISTRICT's General Manager.

#### 19. USE OF SUBCONTRACTORS

CONSULTANT shall not subcontract any services to be performed by it under this Agreement without the prior written approval of the DISTRICT, except for service firms engaged in drawing, reproduction, typing and printing. CONSULTANT shall be solely responsible for reimbursing any subcontractors and the DISTRICT shall have no obligation to them.

#### 20. ASSIGNMENT

CONSULTANT shall not assign any of the rights nor transfer any of its obligations under this Agreement without the prior written consent of the DISTRICT.

#### 21. ATTORNEY'S COSTS

If any legal proceeding should be instituted by either of the parties hereto to enforce the terms of this Agreement or to determine the rights of the parties thereunder, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable attorney's fees.

#### 22. APPLICABLE LAW

This Agreement, its interpretation and all work performed thereunder, shall be governed by the laws of the State of California.

#### 23. BINDING ON SUCCESSORS

All of the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives. CONSULTANT shall not assign this Agreement without the prior express written approval of the DISTRICT.

#### 24. WAIVER

Any waiver of any breach or covenant of this Agreement must be in a writing executed by a duly authorized representative of the party waiving the breach. A waiver by any of the

parties of a breach or covenant of this Agreement shall not be construed to be a waiver of any succeeding breach or any other covenant unless specifically and explicitly stated in such waiver.

25. ENTIRE AGREEMENT; MODIFICATION. This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes any prior understanding or agreement, oral or written, with respect to such subject matter. It may not be amended or modified, except by a written amendment executed by authorized representatives by both parties. In no event will the Agreement be amended or modified by oral understandings reached by the parties or by the conduct of the parties.

26. COMPLIANCE WITH LAWS AND REGULATIONS

During the progress of the work, CONSULTANT shall fully adhere to all applicable State and Federal laws and county, municipal or DISTRICT ordinances and regulations which in any manner affect those engaged or employed in the work, or the materials and equipment used in the work, or which in any way affect the conduct of the work. CONSULTANT, and any subcontractors performing any work under this Agreement, shall hold such licenses as may be required by the State of California for the performance of the work specified in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

DISTRICT:

**MID-PENINSULA WATER DISTRICT**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

CONSULTANT:

**MANAGEWATER CONSULTING, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**MADDAUS WATER MANAGEMENT, INC.**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

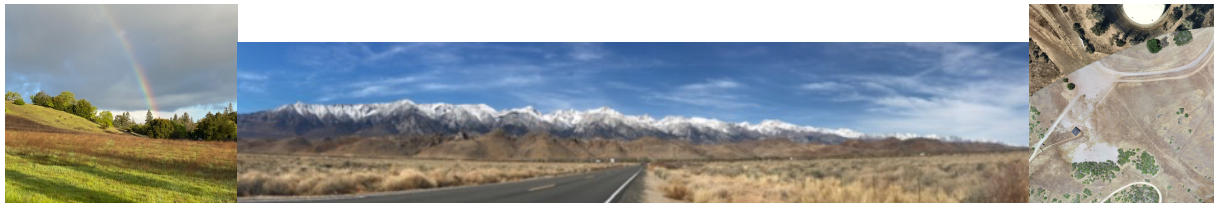
\*NOTE: This Agreement must be executed by two corporate officers, consisting of: (1) the President, Vice President or Chair of the Board, and (2) the Secretary, Assistant Secretary, Chief Financial Officer, Assistant Chief Financial Officer, or by any person authorized by the corporation to execute written contracts.



**Proposal to Provide  
Consulting Services for the  
Mid-Peninsula Water District's  
2020 Urban Water Management Plan Update**

**June 1, 2020**

**ManageWater Consulting, Inc., and  
Maddaus Water Management, Inc.**



ManageWater Consulting, Inc.



*MADDAUS  
WATER  
MANAGEMENT INC.*

### 3. Project Staffing

ManageWater Consulting, Inc.'s staff for the project include Marty Laporte, Jean Gardner, Noel Laporte, and Melissa Huels. Marty Laporte, M.S., is MW's Principal and has more than 30 years' experience managing water resources and compliance programs. Ms. Laporte led the consultant team to prepare MPWD's 2015 UWMP and 2016 Water Shortage and Drought Contingency Plan. As a BAWSCA Water Quality Committee Chair, technical committee Vice Chair, a BAWSCA Board member, Stanford University's representative for 22 years, and subsequently a consultant to BAWSCA, Ms. Laporte's experience spans more than 3 decades of managing programs, projects, teams, and preparing multi-disciplinary reports.

To complement MW's experience, Ms. Jean Gardner, M.S., P.E., is tasked as the Technical Reviewer for the Team. Ms. Gardner has extensive experience with BAWSCA's projects and UWMP requirements. Her work with Urban Water Management Planning and assisting water utilities to prepare UWMPs started with the original AB 797 in 1983.

In addition, Ms. Gardner has developed conservation potential analyses for new developments to offset projected water demand by implementing water conservation practices. She has also worked extensively with wholesale water agencies, for the supplier as well as the customer. With the supplier, she was responsible for providing the water supply outlook for retail water agency customers to use in their planning activities, and on behalf of the SFPUC water agency customers through the BAWSCA, Ms. Gardner has advocated for supply and infrastructure planning to satisfy customer needs.

Mr. Noel Laporte, M.S., is an Associate Project Manager and data analyst. Mr. Laporte's role is to assist with developing and tracking the project schedule, analyses of the water data, and support project work in general.

Ms. Melissa Huels, B.A., is the Administrative Lead for the project. She will support the project as the Logistics Administrator for report tracking and preparation. Ms. Huels is an educator and has experience in managing projects, remote video conferencing software, and report preparation.

The MWM team is led by Michelle Maddaus, PE, MBA. Ms. Maddaus, is the President of Maddaus Water Management and has over 20 years' experience that includes preparing Urban Water Management Plans since 2000. Ms. Maddaus has worked with all BAWSCA agencies, including MPWD, to prepare the Demand Support System (DSS) models that all agencies are using for water demand management. Ms. Maddaus will serve as a Senior Technical Advisor on this project. Ms. Maddaus' is an expert on the DSS Model that comprises the data used to develop water demand and conservation projections for MPWD and all BAWSCA water agencies. Ms. Hannah Braun with MWM, will be supporting the MW-MWM Team with the DSS model to develop the 2020 UWMP update for MPWD.

The **key features** and **benefits** of selecting our team for this important assignment are our:

- Thorough understanding of Urban Water Management Plan requirements including what is new for 2020.
- Expertise with the MPWD's DSS Model.
- Experience working with MPWD's 2015 UWMP and 2016 Water Shortage Contingency Plan.
- Proven management record of projects and interdisciplinary teams.
- Experience in the design and evaluation of water conservation programs.
- Demonstrated technical ability to produce a quality plan.
- Experience in working with water use targets.
- Guaranteed availability of senior staff.
- Productive working relationships with MPWD, BAWSCA, and SFPUC.

The Consultant Team for this project and specific individual qualifications for the personnel are shown in Table 1. The Team bios, relevant experience, and résumés are provided in Appendix 1, Sections 1 through 3.

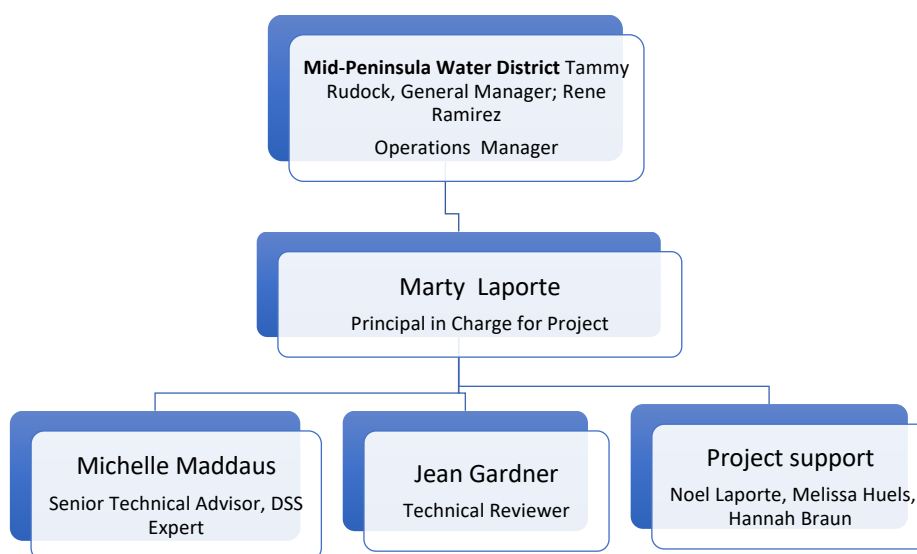
**Table 1. Project Consultant Team Qualifications and Experience**

Person	Position	Service/Discipline	Years Exp.	Education / Degree / License
Marty Laporte	Principal in Charge, Project Manager, QA/QC	Water Resource Planning, Management, UWMP, Regulatory Compliance. SFPUC Supply, BAWSCA expertise.	32	M.S. Geology,
				B.A. Biology/ Environmental Studies
Michelle Maddaus	Senior Technical Advisor	Water Resource Planning, Management, UWMP, DSS Model, Demand expertise.	21	M.B.A.,
				B.S. Engineering; PE.
Jean Gardner	Technical Reviewer	Water Resource Planning, UWMP, Regulatory Compliance. SFPUC Supply, BAWSCA expertise.	40	M.S. Engineering
				B.S. Engineering; PE.
Hannah Braun	Project Support, DSS Model	Water Resource Planning, DSS Model	5	B.A. Environmental Studies
Noel Laporte	Project Support, Data Analyst	Data Analysis and Management, Software Support	5	M.S. Management
				B.S. Biology
Melissa Huels	Project Support, Logistics Administrator	Administrative Lead, Logistics Administrator	6	B.A. Education

Our Consultant Team will work under the direction of MPWD. Ms. Laporte (MW) is the Principal in Charge and the Project Manager. She knows MPWD water system through working on MPWD's 2015 UWMP and 2016 WSCP. Ms. Laporte, Ms. Maddaus and Ms. Gardner have many years of in-depth knowledge about the UWMP requirements, the supply and demand in the SFPUC regional system, and water resource management.

Michelle Maddaus (MWM) is the Senior Technical Advisor on this project. Ms. Maddaus has expertise in demand management, water conservation programs and water shortage contingency plans, UWMPs, and knows MPWD through working on their DSS Model. Jean Gardner is the Technical Reviewer on this project. She will be responsible for reviewing all Chapters and draft and final documents to ensure compliance, consistency, and clarity. Hanna Braun, Noel Laporte, and Melissa Huels will be supporting the project with the DSS model, data analysis and administrative logistics. The proposed Organizational Chart is shown in Figure 1.



**Figure 1. Proposed Organizational Chart.**

An estimate of the required personnel hours by task and description of the tasks, as specified in the MPWD Scope of Services, is presented below.

**Table 2. Project personnel hours by task and job title for the tasks.**

Task #	Task Description	Marty Laporte, MS.	Michelle Maddaus, MBA, PE.	Jean Gardner, MS., PE.	Hannah Braun, BA.	Noel Laporte, MS.	Melissa Huels, BA.	Total Hours/Task
1	Information and Data Collection/Review and Project Kick-Off Meeting	3	0	3	1	6	4	17
2	Water Demand and Conservation	24	4	14	16	8	6	72
3	Water Supply Projections	14	0	6	4	6	6	36
4	Prepare and Submit Draft and Final 2020 UWMP	44	4	40	8	20	30	146
5	Support Public Outreach	6	0	4	2	2	0	14
6	Project Management, Quality Assurance/Quality Control	24	0	6	0	7	0	37
<b>TOTAL</b>								<b>322</b>

## 4. Proposed Scope of Work

### 4.1 Project Approach

Outlined below is our approach for the tasks identified by MPWD and to complete the 2020 UWMP update effectively.

The Urban Water Management Planning Act (Act), first established in 1983, requires urban water suppliers with 3,000 or more connections or who deliver 3,000 acre-feet or more per year, to describe and evaluate sources of

their water supply and compare supply to demand in a document – the Urban Water Management Plan (UWMP). The UWMP must be adopted by the water agency’s governing Council or Board and submitted to the Department of Water Resources (DWR) every five years.

Senate Bill X7-7 (SBX7-7) was passed by the California legislature and approved by the Governor on November 10, 2009, amending the Act in several important ways. SBX7-7 requires a 20 percent statewide reduction in urban potable water use by December 31, 2020. The percent reduction required by each water supplier varies by region and includes water savings targets measured in daily per capita use to be met by 2020 as well as an interim water savings target that had to be met by 2015.

Since the preparation of the MPWD’s 2015 UWMP, additional regulatory requirements and updates for the 2020 UWMP include:

- *Urban water suppliers are required to report standards in their 2020 UWMPs on their plan to meet water loss performance standards.* Water loss management (SB 555, Wolk, passed October 9, 2015) requires that the State Water Board, no earlier than January 1, 2019, and no later than July 1, 2020, adopts rules requiring urban retail water suppliers to meet performance standards for the volume of water losses.
- *A supplement to the 2020 UWMP will be due by January 1, 2024 and is required to incorporate Demand Management Measures to meet the adopted water use standards.* SB 606 and AB 1668 establish guidelines for efficient water use and a framework for the implementation and oversight of new urban water use efficiency standards is to be adopted by the State Water Board, in coordination with DWR by June 30, 2022. The requirement for DWR and the State Water Board is to establish standards for (1) indoor residential use; (2) outdoor residential use; (3) outdoor CII use with dedicated irrigation meters; and (4) water losses. This requirement will incorporate Demand Management Measures (DMM) to achieve the Urban Water Use Objective by January 1, 2027 based on State Water Board adoption of water use standards by June 30, 2022. (SB 606, Hertzberg, AB 1668, Friedman.)
- *SB 664 requires urban water suppliers to include within their UWMP, beginning January 1, 2020, a seismic risk assessment and mitigation plan to assess the vulnerability of various facilities of a water system and mitigate those vulnerabilities.* SB 664 (Hertzberg) allows an urban water supplier to comply with this requirement by submitting a copy of the most recently adopted local hazard mitigation plan or multi-hazard mitigation plan under federal law that addresses seismic risk
- *The Water Shortage Contingency Plan (WSCP) requires six (6) standard shortage levels corresponding to progressive ranges of up to 10, 20, 30, 40, 50, and greater than 50 percent shortage (or cross-reference current WSCP stages to the six (6) standard stages; CWC §10632).* We plan to discuss with MPWD options for updating MPWD’s WSCP to comply with the new requirements.
- *A water supply and demand assessment is required that compares the total water supply sources available to the water supplier with the long-term total projected water use over the next 20 years (to 2040 or 2045), in five-year increments, for a normal water year, a single dry water year, and a drought lasting five consecutive water years.* (CWC §10635(a)) MPWD’s Scope of Work requests an assessment to 2045.
- *A report on compliance with previously adopted 2020 per capita water use targets in accordance with SB X7-7 (Water Conservation Act of 2009) is required.*

DWR has not yet issued the draft and final 2020 UWMP Guidebooks. Therefore, our approach and scope of services reflects current knowledge about the 2020 UWMP requirements. Based on some discussions at the March 10<sup>th</sup> UWMP workshop, additional reporting changes for the 2020 UWMP may include a request to provide more detail about management and mitigation for: climate change, power outages, fire hazards, or other

impacts on MPWD's water supply and its management. As of late May, we expect the draft and final 2020 UWMP Guidance documents to be available mid-August and mid-November 2020.

Our approach to MPWD's project is as follows:

1. Start with the 2015 UWMP Document and update it using MPWD's relevant data from subsequent years, including data presented in the recently updated 2020 DSS Model.
2. Extend tables to 2045, and update tables and figures to reflect 2020 conditions.
3. Update and address the per capita use (GPCD) to conformance with the SBX7-7 20% target of 121 GPCD by 2020. We will rely on the "Bay Area Water Supply & Conservation Agency's Regional Water Demand and Conservation Projections for 2020" document, since it contains updated information.
4. Update the materials to comply with new DWR requirements, as outlined in the section above and to-be-completed 2020 UWMP Guidebook.
5. Add relevant information from MPWD's submittals in the BAWSCA Database, Water Conservation reports, and current DSS Model for the MPWD UWMP to be submitted on the July 1, 2021.

## 4.2 Summary of work

The MW-MWM Team has developed the Scope of Services in accordance with MPWD's RFP ATTACHMENT "A". Our task-based scope of work is presented below.

The following is a summary of our strategy, tasks and important elements, assumptions, and the proposed schedule.

### Task 1: Information and Data Collection/Review and Project Kick-Off Meeting

Our Team will prepare a 'data needs' list and agenda and send it to MPWD *ahead of* the kick-off meeting. We propose to hold the kick-off meeting in early July, soon after the contract award and based on MPWD staff availability. This meeting provides an opportunity for us to review the overall project, the data needs, the project structure, and present the proposed information flow and its management.

To streamline communication and information flow for the project, Marty Laporte will be the main contact on our Team and Jean Gardner will be the backup contact for all communications. To facilitate efficiency and effectiveness in communications, we suggest that MPWD also identifies the main staff person and their backup who will coordinate the workflow for the MPWD with our Team.

#### **Task 1.1. Kick-off meeting between consultant and MPWD staff to discuss UWMP requirements, project goals, opportunities, constraints, information needs, roles, responsibilities, project coordination, schedule, and expectations.**

During the kick-off meeting we will review our proposal in detail, discuss regulatory requirements and 2020 UWMP updates, discuss the MPWD data needs, sources of data, identify potential difficulties with data access or the project, and other potential hurdles that may impact the 2020 UWMP and WSCP updates. We will review our project management style, the work plan tasks and schedule and make adjustments, if needed. We plan to submit draft chapters as they are ready and hold monthly check-in Zoom video calls.

SBx7-7 requires that urban retail water suppliers (URWS) which deliver more than 3,000 acre-feet of water or that serve more than 3,000 connections meet specified 2015 and 2020 water use targets (Targets). In MPWD's 2015 UWMP we used Method 3: 95% of State Hydrologic Region Target.

The data collection and review effort will focus on assembling information that has changed since MPWD's 2015 UWMP was completed. Once the Final 2020 UWMP Guidebook is released by DWR (currently planned for Fall 2020), if warranted, our Team will prepare a table of additional information needs.

### **Task 1.2. Identify and research available existing data, records, maps, reports and plans**

The 2015 UWMP and 2016 WSCP elements will be reviewed and updated by our Team:

- Data for calculating the baseline and compliance with Urban Per Capita Water Use based on DWR requirements.
- Population estimates and projections.
- Water production, water consumption, land use and demand management implementation.
- Current service area maps (in jpeg format, ready for use).

### **Task 1.3. Identify and research other information, records, and current data necessary to develop the UWMP Update**

- Monthly water use, conservation reports to agencies.
- Changes to population estimates and projections for 2015-2045 (in Excel format).
- BAWSCA database data.
- Key changes since the 2015 UWMP was developed in service area water supply, additional water supply options, changes in population, area development, sector and general water use trends, or other factors identified by MPWD.
- Updated (if changed from 2015) service area water system maps (in jpeg or pdf format).

### **Task 1 Deliverables:**

- ***Draft and final version of data needs summary.***  
We will provide the data needs in Excel format.
- ***Kick-off meeting agenda, minutes, and list of identified action item.***  
The meeting agenda will be prepared ahead of the meeting. Notes from the meeting will document our key discussion points, information and data needs, scheduled date for next monthly update and coordination meeting, and "who does what by when". These are proposed to be stored and accessible on MW's Google Drive (link will be set up after contract award).

### **Task 2: Water Demand and Conservation**

*Consultant will update the following information as part of this task:*

- ***Water System/Service Area Description.***  
We plan to use existing service area maps (in jpeg/pdf format, ready for use) and description and any changes available from MPWD (Excel, Word format).
- ***Current and Future Population Estimates.***  
We plan to use existing service area information and any changes available from MPWD (Excel, Word format).
- ***Water Demand and Conservation Projections.***  
We plan to use existing service area information from MPWD's DSS Model, BAWSCA Database, and any changes available from MPWD (Excel, Word format).
- ***Evaluation of Historic, Current and Projected Future Water Conservation and Demand Management Measures (DMM).***  
We plan to use existing service area information from MPWD's DSS Model, BAWSCA database, and any changes available from MPWD (Excel, Word format).
- ***System Water Loss Report.***

We plan to use existing service area information from MPWD's AWWA audit software results, DSS Model, BAWSCA database, and any changes available from MPWD (Excel, Word format).

- **Senate Bill X7-& Per Capita Water Usage Analysis.**

We plan to discuss with MPWD per capita use since 2015, changes in use projections and service area changes impacting changes in per capita use. For cost purposes, we assume using the single method previously selected by MPWD staff. We plan to use existing service area information from MPWD's BAWSCA database, and any changes available from MPWD (Excel, Word format).

- **Water Shortage Contingency Plan (WSCP).**

We plan to update MPWD's 2016 WSCP to reflect new DWR requirements as discussed earlier. Once we complete the 2020 WSCP, we assume the same plan will be included in MPWD's 2020 UWMP. If any significant update is needed, we are prepared to discuss the scope of this effort.

## **Task 2 Deliverables:**

- **Draft description of water system and service area.**

Once MPWD reviews the changes we assume if there are any additional updates to be minor and readily available.

- **Draft demand projections—in total and by water use sector.**

We anticipate completing this draft deliverable, comprising all or mostly of existing information in MPWD's 2020 DSS Model. We assume very minor updates are needed and the data necessary is readily available and will be provided by MWWD staff. However, if the data are not available and updates are needed, we will likely need more time to complete this deliverable.

- **Draft system water loss report.**

- **Draft 2020 WSCP summary version of updated 2016 WSCP.**

We assume the information for the Draft 2020 WSCP summary is readily available from MPWD.

- **Draft DMM summary.**

This section of the 2020 UWMP has undergone some significant changes since the 2015 UWMP. We assume the information for the Draft DMM summary is readily available from MPWD, including any new conservation actions that have been undertaken since the 2015 UWMP. All changes will be provided in electronic format as requested.

MWM is very familiar with information previously submitted by MPWD for the "Bay Area Water Supply & Conservation Agency's Regional Water Demand and Conservation Projections for 2020".

*As noted earlier, a supplement to the 2020 UWMP will be due by January 1, 2024 and is required to incorporate Demand Management Measures to meet the adopted water use standards. MW can provide services to complete the Supplement under a separate agreement.*

## **Task 3: Water Supply Projections**

Consultant will update the MPWD on its work progress and solicit input. The following information will be presented:

- Water Supply Projections.
- Potential Supplemental Water Supplies.
- Recycled Water Supply.
- Current and Future Groundwater Supplies.
- Water Quality Data.
- A Supply versus Demand Assessment.

We assume the MPWD will have current information on its water supply availability, including water supply projections from SFPUC, potential supplemental water supplies, recycled water supply, current and future groundwater supplies, and related water quality data. Our Team will assess the supply versus demand and

review our findings with MPWD.

### **Task 3 Deliverables:**

- ***Draft update for supply projections, including descriptions of water availability and reliability.***
- ***Draft update for recycled water potential.***
- ***Draft update for evaluation of water quality.***
- ***Draft update for supply versus demand projection comparisons.***

All the above deliverables are dependent on timely availability of information from MPWD. The information needs will be discussed at the Kick-off meeting.

### **Task 4: Prepare and Submit Draft and Final 2020 UWMP**

#### ***Administrative Draft UWMP:***

Our Team will prepare the 2020 Administrative Draft UWMP that reflects all of MPWD's information and input throughout the preparation process. The Administrative Draft shall essentially be considered the final proposed document that will be reviewed by MPWD staff prior to preparation of the Public Review Draft. We are targeting to finalize responses to the 2020 Administrative Draft UWMP before the end of March in order to have a Final 2020 UWMP to be presented for adoption by the MPWD Board of Directors on May 27, 2021.

- **Public Review Draft UWMP:** Our Team will prepare the Public Review Draft UWMP based upon comments received on the Administrative Draft UWMP. The Public Review Draft UWMP will be circulated to the appropriate public locations, including copies for Directors of the MPWD Board.
- **Final UWMP:** Our Team will meet with MPWD staff and review as well as respond to comments once all comments are received, including any received as part of the public hearing. The expected outcome of this review is consolidation of all comments into the Final MPWD 2020 UWMP.

Within 30 days of the MPWD's adoption, our Team will forward the Final 2020 UWMP on the MPWD's behalf to CA DWR, the California State Library, and the San Mateo County Library. The Final 2020 UWMP will be delivered to the MPWD in MS WORD and Adobe PDF formats. As with MPWD's 2015 UWMP, we assume MW's final deliverables will be electronic. We are prepared to make 10 paper copies.

### **Task 4 Deliverables:**

- ***Draft UWMP (Electronic copies in MS WORD and PDF formats)***  
Our Team will submit the draft 2020 Administrative Draft UWMP for MPWD review in before the end of March 2021.
- ***Final 2020 UWMP (2 electronic copies: in MS WORD and PDF formats)***  
As with the 2015 UWMP, our Team will provide 2 electronic copies in MS WORD and PDF formats of the Final UWMP for MPWD submission May 27, 2021.
- ***Final submittal to CA DWR*** – As with the 2015 submission to DWR, we expect DWR to provide guidance on uploading the 2020 UWMP documents to DWR electronically.  
If MPWD agrees, our Team will upload the 2020 MPWD UWMP electronically to DWR on July 1, 2021, and provide MPWD verification of the electronic submittal. Our Team will also be responsible for the electronic table submission (the electronic tables are required to be submitted to DWR via their website submission in addition the UWMP report).
- ***Meeting agenda and minutes.***  
Notes from meetings will document our key discussion points, information and data needs, scheduled date for next monthly update and coordination meeting, and "who does what by when".



## Task 5: Support Public Outreach

- Draft coordination letters and notices required by CWC Sections 10621(b); Section 10620(d)(2); and Section 10642. Our Team will support MPWD in this effort.
- Attend and present at one (1) MPWD Board meeting.  
Marty Laporte plans to attend the MPWD Board meeting on May 27, 2021.
- Engage stakeholders as directed by the MPWD in the workshops identified as part of Tasks 2 and 3.
- We will discuss the MPWD expectations for this sub-task at the kick-off meeting. As was the case with the 2015 UWMP, we expect the level of effort to include routine video conference meetings for each task. Conference meetings to be held for each task as listed in this proposal under Task 6. Our Team is prepared to conduct additional workshops beyond the routine meetings, if directed by MPWD and once we discuss the changes in scope and level of effort needed to conduct the workshops. Notes from meetings will document our key discussion points, information and data needs, scheduled date for next monthly update and coordination meeting, and clear action items with “who does what by when”.

### Task 5 Deliverables:

- ***Draft and final versions of all outreach letters, notices, and other materials.***  
Similar to the 2015 UWMP process, we will support the MPWD to ensure compliance with the draft and final versions of all outreach letters, notices, and other materials for the 2020 UWMP.
- ***Meeting agendas and minutes.***  
We will develop meeting agendas ahead of our check-in meetings, based on discussions with MPWD and workflow.
- ***Presentation materials (e.g., handouts).***  
We assume the only presentation materials required for this project, as discussed in the RFP, are those for the May 27, 2021 Board meeting. We plan to submit a draft presentation, discuss it with the MPWD UWMP coordinator and finalize the presentation based on that discussion.

## Task 6: Project Management

- **Coordinate UWMP development process.**  
Marty Laporte is the Principal in Charge and will coordinate all aspects of the consultant Team as well as the 2020 UWMP development and QA/QC process. Jean Gardner is the backup coordinator for this project. To facilitate efficiency and effectiveness in communications, we suggest that MPWD also designates the main staff person and their backup to coordinate the workflow for the MPWD with the consultant Team.
- **Communicate and consult with MPWD staff.**  
MPWD is the client, and as such our Team will consult with the designated MPWD staff person throughout the process. The key means for ongoing communications will be via email, phone, check-in progress discussions via Zoom video (or similar video conferencing application), and meeting notes. Any identified or proposed changes from the agreed-upon and documented scope of work will be discussed with MPWD prior to proceeding with changes. Our Team will use a log to facilitate coordination and document communications about consultations, proposed changes, and decisions about the changes that alter the original scope of work (agreed upon at the start of the contract).

Our Team will schedule routine check-in status updates (typically 30 to 60 minutes video conference calls) with MPWD. Our Team will prepare agendas prior to the status update meetings. In addition to the

deliverables addressed in each task description, our Team will prepare short monthly progress reports following the status update meetings.

- **Attend and/or present at meetings with MPWD staff.** At a minimum, consultant should assume progress meetings after completion of Tasks 2 and 3 and after the review of the Administrative and Public Review Draft UWMPs.

Our Team will schedule progress meetings, via video conferencing, with agendas developed ahead of the meetings. The anticipated meetings, to be approved by MPWD, will include:

- Meeting 1. July 1, 2020 (assuming date works for MPWD) – Kickoff meeting – video conference call.
- Meeting 2. August 2020 – progress meeting, Plan preparation, general – video conference call
- Meeting 3. September 2020 – progress meeting, System description – video conference call
- Meeting 4. October 2020 – progress meeting, Demand projections – video conference call
- Meeting 5. November 2020 – progress meeting, System water use – video conference call
- Meeting 6. December 2020 – progress meeting, System water loss, water quality – video conference call
- Meeting 7. January 2021 – progress meeting, WSCP – video conference call
- Meeting 8. February 2021 – progress meeting, Baseline and Targets – video conference call
- Meeting 9. March 2021 – progress meeting, Water Supply Reliability – video conference call
- Meeting 10. April 2021 – progress meeting, Administrative Draft – video conference call
- Meeting 11. May 2021 – progress meeting, Public Draft – video conference call
- Meeting 12. May 27, 2021 – In-person Presentation to the Board, 2020 UWMP completed for Board adoption – Marty Laporte will present.
- Meeting 13. July 2021 – Project final meeting – video conference call

#### **Task 6 Deliverables:**

- **Meeting agendas and minutes.**

The meeting agenda will be prepared ahead of the meetings. Notes from meetings will document our key discussion points, information and data needs, scheduled date for next monthly update and coordination meeting, and “who does what by when”.

#### **Assumptions**

Below are our key assumptions for this project.

- The tasks and our proposed schedule are based on knowledge about the 2020 UWMP as of the March 10, 2020 DWR UWMP workshop. Subsequent changes/requirements by DWR to the 2020 UWMP and WSCP may affect the level of effort for tasks and the schedule.

We assume the DWR draft and final 2020 UWMP Guidebooks will specify the document content and formats for all data and tables. Additionally, we assume the draft and final Guidebooks will be available mid-August and mid-November 2020, respectively, as currently indicated by DWR in late May. Once the draft and final DWR 2020 UWMP Guidance documents are available, our Team will review the changes and potential impacts, if any, to our proposed level of effort and schedule. We will discuss our analysis with MPWD.

- For consistency of data use, we assume MPWD staff will provide the relevant references and data requested in Task 1.



- As with MPWD’s 2015 UWMP preparation, we assume that all routine progress meetings during the 2020 UWMP preparation will be via video conferencing. With MPWD’s approval, we plan to use the Zoom platform and will set up routine update meetings using this platform. MW’s Project Manager, Ms. Laporte, plans to attend the Public/Board meeting when the MPWD’s Administrative draft is presented. Additional meetings and workshops, if requested by MPWD, will be provided by MW on a time and materials basis.
- To manage our communication and facilitate an efficient electronic file system, with MPWD’s approval, all references, meeting notes, schedules, and draft and final chapters will be stored on a shared MW’s Google Drive. MPWD staff will have access to these files.
- As with MPWD’s 2015 UWMP preparation, we assume that MPWD will send required notices and coordinate with the public and other agencies. MW will support MPWD and include copies of the public notices in MPWD’s 2020 UWMP.
- As with MPWD’s 2015 UWMP preparation, we assume one review by MPWD of each deliverable. For final deliverables, as with the 2015 UWMP, we assume that MW will provide electronic copies and MPWD will print the copies needed for distribution. Additionally, as with the 2015 UWMP, MW will use the final ‘ready-to-use’ covers that MPWD provides for the final 2020 UWMP and WSCP documents.
- As with MPWD’s 2015 UWMP preparation, we assume that MPWD will schedule/conduct a public hearing and the MPWD’s Board will adopt the 2020 UWMP before MW’s submittal of MPWD’s 2020 UWMP to DWR to comply with the July 1, 2021 deadline.
- As required by SB664, we will reference and document the MPWD’s seismic risk assessment in the 2020 UWMP. However, the MPWD’s seismic risk assessment is a separate project that is not included in our scope of services. Please note that MPWD may comply with SB664 by submitting a copy of the current hazard or multi-hazard mitigation plan that addresses seismic risk.
- SB 606 requires a ‘Supplement’ to MPWD’s 2020 UWMP that includes Demand Management Measures to achieve Urban Water Use Objectives by January 1, 2027, based on the State Water Board’s adoption of water use standards by June 30, 2022. The Supplement is not included in MW’s scope of work for MPWD’s 2020 UWMP. MW can provide the services for completion of the Supplement that is due by January 1, 2024 in a separate agreement.

## 5. Proposed Cost

### 5.1 Project Consultant Team hourly rates for the MPWD UWMP update project.

The rates for each Consultant Team member are presented in Table 3.

**Table 3. Project Consultant Team hourly rates for the 2020 MPWD UWMP project.**

Person	Position	Service/Discipline	Years Exp.	Education / Degree	License	Hourly Rate
Marty Laporte	Principal in Charge, Project Manager, QA/QC	Water Resource Planning, Management, UWMP, Regulatory Compliance. SFPUC Supply, BAWSCA expertise.	32	M.S. Geology,		\$250
				B.A. Biology/ Environmental Studies		
Michelle Maddaus	Senior Technical Advisor	Water Resource Planning, Management, UWMP, DSS Model, Demand expertise.	21	M.B.A.,	P.E.	\$250
				B.S. Engineering		
Jean Gardner	Technical Reviewer	Water Resource Planning, UWMP, Regulatory Compliance. SFPUC Supply, BAWSCA expertise.	40	M.S. Engineering	P.E.	\$175
				B.S. Engineering		
Hannah Braun	Project Support, DSS Model	Water Resource Planning, DSS Model	5	B.A. Environmental Studies		\$115
Noel Laporte	Project Support, Data Analyst	Data Analysis and Management, Software Support	5	M.S. Management		\$95
				B.S. Biology		
Melissa Huels	Project Support, Logistics Administrator	Administrative Lead, Logistics Administrator	6	B.A. Education		\$85

## 5.2 Fee Schedule

In addition to the hourly rates listed in Table 3, Table 4 provides the cost summary per task for the estimated number of consulting hours, and total not-to-exceed cost. We do not expect additional costs for “other ancillary charges” unless the scope of work changes. Invoices will be submitted at the end of each month with a request for 30-day payment.

**Table 4. Fee Schedule.**

Task #	Task Description	Total Hours/Task	Cost
1	Information and Data Collection/Review and Project Kick-Off Meeting	17	\$2,185
2	Water Demand and Conservation	72	\$12,560
3	Water Supply Projections	36	\$5,630
4	Prepare and Submit Draft and Final 2020 UWMP	146	\$23,450
5	Support Public Outreach	14	\$2,390
6	Project Management, Quality Assurance/Quality Control	37	\$7,715
<b>TOTAL</b>		<b>322</b>	<b>\$53,930</b>

## 6.0 Project Schedule

As with the preparation of the MPWD's 2015 UWMP, we propose to submit each draft chapter of the MPWD's 2020 UWMP as soon as we complete it, with specific deadlines and turn-around times for each of the 10 chapters. Table 5, below, provides our proposed schedule for chapter submittal and turn-around time to receive MPWD comments. The table shows color-coded rows to indicate same month submittal of draft deliverables to MPWD for review. This type of specific schedule worked well last time on the 2015 UWMP.

**Table 5. Proposed chapter preparation and review schedule for the Mid-Peninsula Water District 2020 UWMP update. This schedule is based on the 2015 UWMP DWR Guidebook, because the 2020 DWR Guidebook will not be available until mid-August 2020.**

Relevant Dates and Proposed Schedules		
Consultant contract award by the MPWD Board, June 25, 2020		
DWR provides Draft 2020 UWMP Guidance Document – mid-August, 2020		
DWR provides Final 2020 UWMP Guidance Document – mid-November, 2020		
2020 UWMP Chapter	Consultant Team Sends Draft to MPWD	MPWD Returns Comments to Consultant Team
Task 1 – Information, Data Collection, Project kick-off	1 July, 2020	One week after receipt.
Chapter 1: Introduction, Overview, 2020 UWMP Changes	July, 2020	One week after receipt.
Chapter 2: Plan Preparation	August 2020	One week after receipt.
Chapter 3: System Description	August 2020	One week after receipt.
Chapter 4: System Water Use	September 2020	One week after receipt.
Chapter 5: Baselines and Targets	October 2020	One week after receipt.
Chapter 6: System Supplies	November 2020	One week after receipt.
Chapter 7: Water Supply Reliability	November 2020	One week after receipt.
Chapter 8: Water Shortage Contingency Planning	January 2021	One week after receipt.
Chapter 9: Demand Management Measures	February 2021	One week after receipt.
Chapter 10: Plan Adoption, Submittal, Implementation	February 2021	One week after receipt.
Compiled Administrative Draft	March, 2021	One week after receipt.
Public Draft - <i>Release</i>	March, 2021	
Final – <i>Release</i> , Presentation to the MPWD Board, UWMP Completed for adoption by MPWD's Board.	27 May, 2021	
Submit 2020 UWMP Update to CA DWR	1 July, 2021	

Table 6 presents the preliminary project schedule with the understanding that a final project schedule will be developed with the MPWD as part of the kick-off meeting. The “X” designates the month that work on this task is expected.



### ***AGENDA ITEM NO. 5.G.***

DATE: June 25, 2020

TO: Board of Directors

FROM: Rene A. Ramirez, Operations Manager  
Candy Pina, Administrative Services Manager

**SUBJECT: APPROVE RESOLUTION 2020-15 AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES WITH HF&H CONSULTANTS, LLC, FOR THE MPWD WATER RATE STUDY AND FINANCIAL PLAN IN THE AMOUNT OF \$47,926, PLUS A 10% CONTINGENCY OF \$4,800, FOR A TOTAL PROJECT BUDGET OF \$52,726**

#### **RECOMMENDATION**

Approve Resolution 2020-15.

#### **FISCAL IMPACT**

The HF&H proposal is \$47,926. Staff is recommending a 10% contingency of \$4,800, which would bring the total contract award to \$52,726. The FY 2020/2021 operating budget included up to \$75,000 for this five-year rate study and financial plan.

#### **BACKGROUND**

The Board's Strategic Plan – Element #5 Financial Management, Priority No. 5-1/20 established a goal to have a 5-year rate plan and a proposition 218 process completed by July 2020. There is no proposed rate adjustment beginning on July 1, 2020, and the current rate study's five-year window has ended. Staff prepared and issued a Request for Proposals (RFP) on April 9, 2020, during the shelter-in-place, and received six (6) proposals on the date of June 3, 2020.

Five members of staff (Managers and Supervisors) and the General Manager reviewed and ranked the proposals based on criteria contained in the RFP. The costs ranged from a low of \$34,640 to a high of \$61,471.

#### **DISCUSSION**

Upon completing the review of the six (6) proposals staff recommended HF&H as the best value and most responsive to carry out the five-year rate study for the following reasons:

- More than 30 years' experience in municipal and special district rate studies
- More than 1,000 rate, capacity fee studies for more than 400 clients

- Reference contacted said “they are the best in the business and worth every penny”
- The team proposed for the District:
  - Is comprised of a Senior Vice President and Vice President along with other support staff with more than 62 years of experience. This group has worked together on many Bay Area studies as a team
  - Experience with water rate studies for a lot of agencies in San Mateo County, Bay Area and west coast
  - Experience with the public agency clients like the District, within the SFPUC Regional Water System, and many BAWSCA agencies
  - Did the best job describing a workplan and methodical framework to prepare a cost of service rate study
  - Did the best job of describing the opportunities for staff input on the rate model and financial plan for immediate and long-term needs of the District
  - Has demonstrated the best practical experience in developing a defensible rate design methodology that has withstood litigation over tiered rates, which the District uses (recent experience with the Town of Hillsborough)

HF&H has no exceptions to the standard professional services agreement prepared by District Counsel. Should the Board award to HF&H, the process to begin the rate study work would start soon with a very regimented schedule in order to be in a position for a potential rate adjustment at the beginning of Fiscal Year 2021/2022.

Excerpts from the proposal are attached.

Attachments:     Resolution 2020-15  
                          Professional Services Agreement  
                          Excerpts from HF&H Proposal

---

BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ ZUCCA\_\_\_\_ SCHMIDT\_\_\_\_ WHEELER\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_

## RESOLUTION NO. 2020-15

### AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES WITH HF&H CONSULTANTS, LLC FOR THE MPWD WATER RATE STUDY AND FINANCIAL PLAN IN THE AMOUNT OF \$47,926, PLUS A 10% CONTINGENCY OF \$4,800, FOR A TOTAL PROJECT BUDGET OF \$52,726

\* \* \*

### MID-PENINSULA WATER DISTRICT

**WHEREAS**, the Board's Strategic Plan – Element #5 Financial Management, Priority No. 5-1/20 established a goal to have a 5-year rate plan and Proposition 218 process completed by July 2020; and

**WHEREAS**, the General Manager during discussion of the Fiscal Year 2020/2021 Operating Budget with the Board's Finance Committee and at a subsequent regular meeting with the entire Board stated that a water rate adjustment was not needed for Fiscal Year 2020/2021, but recommended engaging a consultant to conduct a five-year rate study and financial model for a potential water rate adjustment at the beginning of Fiscal Year 2021/2022; and

**WHEREAS**, District staff issued a Request for Proposals on April 9, 2020 for interested consultants to propose on the five-year rate study and financial plan with a due date of June 3, 2020; and

**WHEREAS**, an internal review committee comprised of the General Manager, two other managers and three supervisors read, scored and ranked the six (6) proposals received; and

**WHEREAS**, the internal review committee all agreed that the best value and most responsive for the five-year rate study and financial model was from the proposal submitted by HF&H Consultants.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Mid-Peninsula Water District that a professional services agreement is awarded to HF&H Consultants, LLC of Walnut Creek, CA to perform a five-year rate study and financial

model for the District in the amount listed in their proposal dated June 3, 2020 of \$47,926, plus a ten percent (10%) contingency of \$4,800.00, for a total project budget of \$52,726.00.

**REGULARLY PASSED AND ADOPTED** this 25th day of June 2020.

AYES:

NOES:

ABSENCES:

ABSTENTIONS:

\_\_\_\_\_  
PRESIDENT, BOARD OF DIRECTORS

ATTEST:

\_\_\_\_\_  
SECRETARY OF THE BOARD

## **PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT is made as of this 25th day of June, 2020, by and between MID-PENINSULA WATER DISTRICT, a public agency ("DISTRICT") and HF&H Consultants, LLC, a California corporation ("CONSULTANT").

WHEREAS, the DISTRICT desires to obtain professional services in conjunction with the 2020 Water Rate Study Project; and

WHEREAS, the CONSULTANT is ready, willing and able to furnish such services and has submitted a Proposal dated June 3, 2020, which is attached hereto and incorporated herein as Exhibit A.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

### 1. PROVISION OF SERVICES

The CONSULTANT agrees to provide professional services to DISTRICT in accordance with the terms and conditions of this Agreement. In the performance of its Services, CONSULTANT represents that it has and will exercise that degree of professional care, skill, efficiency and judgment ordinarily employed by consultants providing similar services. CONSULTANT further represents and warrants that it holds currently in effect all licenses, registrations, and certifications in good standing that may be required under applicable law or regulations to perform these services and agrees to retain such licenses, registrations, and certifications in active status throughout the duration of this engagement.

### 2. SCOPE OF WORK

The scope of CONSULTANT's work shall be as set forth in Exhibit A. Otherwise, the terms of this Agreement shall control over any contrary provisions of Exhibit A.

### 3. TERM

This Agreement will commence upon its Effective Date and shall continue until the services set forth in Section 2 are successfully completed, as determined by the DISTRICT. It is understood that the term of this Agreement is subject to the DISTRICT's right to terminate the Agreement in accordance with Section 13 of this Agreement.

### 4. CONTRACT AMOUNT

The CONSULTANT shall perform all work set forth in Section 2 of this Agreement for a total sum not to exceed \$47,926 including all labor, materials, taxes, insurance, subcontractor / subconsultant costs, overhead, profit, and all other costs and expenses incurred by CONSULTANT.

### 5. MANNER OF PAYMENT

The CONSULTANT shall submit monthly invoices as CONSULTANT completes work,



and the invoices shall describe the work completed during the billing period, who performed the services, their applicable hourly rate, and all out-of-pocket costs and subcontractor / subconsultant payments, if any. The DISTRICT shall review and approve the invoices and shall pay approved invoices within thirty (30) days of DISTRICT's approval.

All invoices should be sent to: Mid-Peninsula Water District  
3 Dairy Lane  
P.O. Box 129  
Belmont, CA 94002  
ATTENTION: Tammy Rudock, General Manager

#### 6. CONSULTANT'S KEY PERSONNEL

It is understood and agreed by the parties that at all times during the term of this Agreement that John W. Farnkopf, P.E., shall serve as the primary staff person of CONSULTANT to undertake, render and oversee all of the services under this Agreement.

#### 7. DISTRICT REPRESENTATIVE

Except when approval of other action is required to be given or taken by the Board of Directors of the DISTRICT, the General Manager of the DISTRICT, or such person or persons as the General Manager may designate in writing from time to time, shall represent and act for the DISTRICT.

#### 8. CONSULTANT'S STATUS

Neither the CONSULTANT nor any party contracting with the CONSULTANT shall be deemed to be an agent or employee of the DISTRICT. The CONSULTANT is and shall be an independent contractor, and the legal relationship of any person performing services for the CONSULTANT shall be one solely between said parties.

#### 9. OWNERSHIP OF WORK

A. All reports, designs, drawings, plans, specifications, schedules, and other materials prepared by CONSULTANT under this Agreement ("Work Product") shall be the property of DISTRICT.

B. CONSULTANT assigns to DISTRICT all right, title, and interest in and to the Work Product, including ownership of the entire copyright in the Work Product and any causes of action existing or arising in connection with the copyright to said Work Product. DISTRICT shall be entitled to access to and copies of these materials as they are being developed. Any such materials in the hands of CONSULTANT or in the hands of any subcontractor upon completion or termination of services hereunder shall be immediately delivered to DISTRICT. If any property of the DISTRICT is lost, damaged or destroyed before final delivery to the DISTRICT, the CONSULTANT shall replace it at its own expense and the CONSULTANT hereby assumes all risks of loss, damage or destruction of or to such materials. The CONSULTANT may retain a copy of all material produced under this agreement for its use in its general business activities.

## 10. CHANGES

The DISTRICT may, at any time, by written order, make changes within the scope of work and Services described in this Agreement. If such changes cause an increase in the budgeted cost of or the time required for performance of the agreed upon work, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 4 or in the time of required performance as set forth in Section 3, or both. In the event that CONSULTANT encounters any unanticipated conditions or contingencies that may affect the scope of work or Services and result in an adjustment in the amount of compensation specified herein, CONSULTANT shall so advise the DISTRICT immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in compensation. Such notice shall be given the DISTRICT prior to the time that CONSULTANT performs work or services related to the proposed adjustment in compensation. Any and all pertinent changes shall be expressed in a written supplement to this Agreement prior to implementation of such changes.

## 11. RESPONSIBILITY; INDEMNIFICATION

CONSULTANT agrees to indemnify, defend and hold harmless the DISTRICT, and its directors, agents, and employees from and against all claims, losses, damages and liabilities (including reasonable attorneys fees) arising out of any injury to persons or property that may occur, or that may be alleged to have occurred, in the course of the performance of the Agreement to the extent caused by CONSULTANT's recklessness or willful misconduct; or by CONSULTANT's negligent provision or omission of services contemplated by this Agreement.

Irrespective of any language to the contrary in this Agreement or under applicable law, CONSULTANT shall have no duty to provide or fund up-front defense costs of DISTRICT against unproven claims or allegations, but shall reimburse those reasonable attorneys' fees, expert fees and all other costs and fees incurred in any judicial proceeding, litigation, arbitration, mediation or other negotiated settlement incurred by DISTRICT that are caused by the negligence, recklessness or willful misconduct of CONSULTANT, its employees, agents and subconsultants (collectively, "Defense Costs"). However, CONSULTANT shall provide its immediate cooperation, at no additional cost to the DISTRICT, to the DISTRICT in defending such claims. Moreover, CONSULTANT's responsibility for the DISTRICT's defense costs shall be limited to the proportion of CONSULTANT's responsibility for the underlying injury as determined in any judicial proceeding, litigation, arbitration, mediation, or other negotiated settlement which addressed the CONSULTANT's responsibility for the underlying injury. In the event that it is determined that the losses, injuries or damages claimed against the DISTRICT did not arise out of, pertain to, or relate to CONSULTANT's negligence, recklessness or willful misconduct, CONSULTANT shall not be responsible for any portion of the DISTRICT's defense costs. This indemnity shall survive the termination of this Agreement.

## 12. INSURANCE

A. Workers' Compensation: CONSULTANT shall procure and maintain at all times during the performance of such work Worker's Compensation Insurance in

conformance with the laws of the State of California and Federal laws where applicable. Employers' Liability Insurance shall not be less than One Million Dollars (\$1,000,000) per accident or disease. Prior to commencement of work hereunder, CONSULTANT shall deliver to DISTRICT a Certificate of Insurance which shall stipulate that 30 days advance written notice of cancellation, shall be given to DISTRICT.

**B. Bodily Injury, Death and Property Damage Liability Insurance:**

CONSULTANT shall also procure and maintain at all times during the performance of this Agreement General Liability Insurance (including automobile operation) covering CONSULTANT and DISTRICT for liability arising out of the operations of CONSULTANT and any subcontractors. The policy(ies) shall include coverage for all vehicles, licensed or unlicensed, on or off DISTRICT's premises, used by or on behalf of CONSULTANT in the performance of work under this Agreement. The policy(ies) shall be subject to a limit for each occurrence of One Million Dollars (\$1,000,000) naming as an additional insured, in connection with CONSULTANT's activities, the DISTRICT, and its directors, officers, employees and agents. The Insurer(s) shall agree that its policy(ies) is Primary Insurance and that it shall be liable for the full amount of any loss up to and including the total limit of liability without right of contribution from any other insurance covering the DISTRICT.

Inclusion of the DISTRICT as additional insured shall not in any way affect its rights as respects to any claim, demand, suit or judgment made, brought or recovered against CONSULTANT. Said policy shall protect CONSULTANT and DISTRICT in the same manner as though a separate policy had been issued to each; but nothing in said policy shall operate to increase the Insurer's liability as set forth in the policy beyond the amount or amounts shown or to which the Insurer would have been liable if only one interest had been named as an insured.

Prior to commencement of work hereunder, CONSULTANT shall deliver to DISTRICT a Certificate of Insurance which shall indicate compliance with the insurance requirements of this paragraph and shall stipulate that 30 days advance written notice of cancellation, shall be given to DISTRICT.

**C. Professional Liability Insurance:** CONSULTANT shall also maintain Professional Liability Insurance covering CONSULTANT's performance under this Agreement with a limit of liability of One Million Dollars (\$1,000,000) per claim and in annual aggregate. Such Insurance shall be renewed annually. Prior to commencing work under this Agreement, CONSULTANT shall furnish to DISTRICT a Certificate of Insurance, or certified copy of the Insurance policy if requested, indicating compliance with requirements of this paragraph. Such certificate or policy shall further stipulate that 30 days advance written notice of cancellation, shall be given to DISTRICT.

**13. TERMINATION**

DISTRICT shall have the right to terminate this Agreement upon thirty (30) days written notice to the CONSULTANT. Upon receipt of such notice, the CONSULTANT shall not commit itself to any further expenditure of time or resources.

If the Agreement is terminated for any reason other than breach of a material term by

CONSULTANT, the DISTRICT shall pay to CONSULTANT all sums actually due and owing from DISTRICT for all services performed and all expenses incurred up to the day written notice of termination is given, plus any costs reasonably and necessarily incurred by CONSULTANT to effect such suspension or termination.

If CONSULTANT breaches a material term of this Agreement and fails to remedy the breach within ten (10) days after the DISTRICT notifies the CONSULTANT of the breach, the Agreement may be terminated immediately and the DISTRICT shall in such event not thereafter pay or allow to the CONSULTANT any compensation for any labor, supplies or materials furnished under this Agreement; and the DISTRICT may proceed to complete this Agreement by other means, and the CONSULTANT shall be liable to the DISTRICT for all loss or damage which it may suffer on account of the CONSULTANT's breach of this Agreement.

#### 14. NOTICES

All communications relating to the day to day activities of the project shall be exchanged between the DISTRICT'S General Manager, or his designee, and the CONSULTANT's Project Manager.

All other notices and communications deemed by either party to be necessary or desirable to be given to the other party, except for confidential reports described in Section 6 of this Agreement, may be given by personal delivery to the representative of the parties or by mailing the same postage prepaid, addressed as follows:

If to the DISTRICT:	Mid-Peninsula Water District 3 Dairy Lane P.O. Box 129 Belmont, CA 94002 ATTENTION: Tammy Rudock, General Manager
---------------------	---

If to the CONSULTANT:	HF&H Consultants, LLC 201 North Civic Drive, Suite 230 Walnut Creek, CA 94596 ATTENTION: John W. Farnkopf, P.E.
-----------------------	--

The address to which mailings may be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

#### 15. EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of this Agreement the CONSULTANT shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, gender identity, disability or national origin. The CONSULTANT shall take affirmative actions to insure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms

of compensation; and selection for training, including apprenticeship. CONSULTANT further agrees to include a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

#### 16. RECORDS

During the term of this Agreement, CONSULTANT shall permit representatives of the DISTRICT to have access to, examine and make copies, at the DISTRICT's expense, of its books, records and documents relating to this Agreement at all reasonable times.

#### 17. DISTRICT WARRANTIES

The DISTRICT makes no warranties, representations or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.

#### 18. RELEASE OF INFORMATION

CONSULTANT shall not release any reports, information or promotional materials prepared in connection with this Agreement without the approval of the DISTRICT's General Manager.

#### 19. USE OF SUBCONTRACTORS

CONSULTANT shall not subcontract any services to be performed by it under this Agreement without the prior written approval of the DISTRICT, except for service firms engaged in drawing, reproduction, typing and printing. CONSULTANT shall be solely responsible for reimbursing any subcontractors and the DISTRICT shall have no obligation to them.

#### 20. ASSIGNMENT

CONSULTANT shall not assign any of the rights nor transfer any of its obligations under this Agreement without the prior written consent of the DISTRICT.

#### 21. ATTORNEY'S COSTS

If any legal proceeding should be instituted by either of the parties hereto to enforce the terms of this Agreement or to determine the rights of the parties thereunder, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable attorney's fees.

#### 22. APPLICABLE LAW

This Agreement, its interpretation and all work performed thereunder, shall be governed by the laws of the State of California.

#### 23. BINDING ON SUCCESSORS

All of the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal

representatives. CONSULTANT shall not assign this Agreement without the prior express written approval of the DISTRICT.

24. WAIVER

Any waiver of any breach or covenant of this Agreement must be in a writing executed by a duly authorized representative of the party waiving the breach. A waiver by any of the parties of a breach or covenant of this Agreement shall not be construed to be a waiver of any succeeding breach or any other covenant unless specifically and explicitly stated in such waiver.

25. ENTIRE AGREEMENT; MODIFICATION. This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes any prior understanding or agreement, oral or written, with respect to such subject matter. It may not be amended or modified, except by a written amendment executed by authorized representatives by both parties. In no event will the Agreement be amended or modified by oral understandings reached by the parties or by the conduct of the parties.

26. COMPLIANCE WITH LAWS AND REGULATIONS

During the progress of the work, CONSULTANT shall fully adhere to all applicable State and Federal laws and county, municipal or DISTRICT ordinances and regulations which in any manner affect those engaged or employed in the work, or the materials and equipment used in the work, or which in any way affect the conduct of the work. CONSULTANT, and any subcontractors performing any work under this Agreement, shall hold such licenses as may be required by the State of California for the performance of the work specified in this Agreement.

//

//

//

//

//

//

//

//

//

//

//

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

DISTRICT:

MID-PENINSULA WATER DISTRICT

By: \_\_\_\_\_

Name: Tammy Rudock\_\_\_\_\_

Title: General Manager

CONSULTANT:

HF&H CONSULTANTS, LLC

By: \_\_\_\_\_

Name: John W. Farnkopf, P.E.

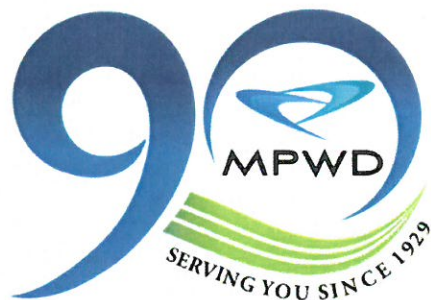
Title: Senior Vice President

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\*NOTE: This Agreement must be executed by two corporate officers, consisting of: (1) the President, Vice President or Chair of the Board, and (2) the Secretary, Assistant Secretary, Chief Financial Officer, Assistant Chief Financial Officer, or by any person authorized by the corporation to execute written contracts.



# MID-PENINSULA WATER DISTRICT

## Proposal: Water Rate Study

June 3, 2020

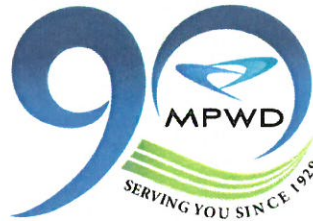


HF&H Consultants, LLC



**MID-PENINSULA WATER DISTRICT**

3 Dairy Lane  
Belmont, CA 94002

**PROPOSAL****WATER RATE STUDY**

*June 3, 2020*

**HF&H CONSULTANTS, LLC**

201 North Civic Drive, Suite 230  
Walnut Creek, CA 94596



© HF&H CONSULTANTS, LLC All rights reserved.

## SECTION II. STUDY APPROACH AND SCHEDULE

### UNDERSTANDING AND APPROACH

Our understanding of the District's requirements is based on information contained in the District's RFP, the District's responses to questions, and the District's website. In addition, John Farnkopf is familiar with the District as a member of the Bay Area Water User's Association and its successor the Bay Area Water Supply and Conservation Authority. Since 1978, he assisted in negotiating the 1984 and 2009 wholesale water supply agreements. Furthermore, between 1999 and 2011, he assisted the City of Belmont with annual sewer rate updates and periodic sewer capacity charge updates. During that period, the City converted its residential flat sewer rates to flow-based rates, which gave him familiarity with the District's metered water use data.

Based on this understanding of the District's requirements and our experience with the District, we have developed the following workplan. The tasks are designed to address the objectives listed in the District's RFP while meeting all governing legal requirements and conforming with best industry practices.

### WORKPLAN

The following workplan tasks will provide the District with a ten-year financial model that includes a five-year rate model, which will be used for setting rates now and can be used by the District for future sensitivity analysis and rate increases. All of the modeling becomes available to the District at no additional cost or licensing fees. The model is designed for inclusion in the project report as part of the administrative record.

#### Task 1. Kickoff Meeting

The project will begin with a kickoff meeting attended by all critical District and consulting staff. The meeting will introduce the participants, identify their roles, and confirm the project objectives, workplan, schedule, and deliverables. The consultants will be prepared to discuss the documents that the District has already provided in order to confirm our understanding and to request additional data that is needed. The discussion will also include the District's experience with its current rates and fiscal policies. Of particular concern will be legal changes in rate setting that have transpired in California since the District's last rate study such as the *San Juan Capistrano* decision.

#### Deliverables:

- Meeting agenda.
- One two-hour meeting.

- Meeting notes summarizing decisions, directions from the District, data requested, and responsibilities for action items.

## **Task 2. Ten-Year Financial Plan**

A ten-year financial plan will be prepared to project expenses, revenues, and reserve balances. The first five years of the financial plan will also serve as the basis for the five-year rate model that will be prepared in Task 4. The financial plan is an Excel spreadsheet model that will provide the District with a means of updating rates when annual budgets and capital expenditures change each year. The model will be developed with input from District Staff to ensure that the model meets the District's needs. The model will be as simple as possible so that special training is minimal. The models are work products included as part of the deliverables at no additional cost and with no licensing restrictions.

In preparing the financial plans, we approach each element as follows:

- **Expenses.** We rely on the District's budget and other reports with which it is most familiar as much as possible so that our model is easy for the District to follow. We utilize the District's chart of accounts, not some predetermined format from other studies. We calculate operating expenses whenever possible, based on the underlying unit costs and purchased commodities (e.g., purchased water based on SFPUC projections).
- **Revenues.** We calculate and project rate revenue based on the current rate structure and projected growth in units of service. This is more accurate than simply extrapolating total revenues, which is a common, albeit less accurate, practice, and provides a good crosscheck on the District's numbers.
- **Reserves.** Reserve funds are the third critical element in the model. We will evaluate the District's current reserves including the existing policies. We will make recommendation regarding the types of reserves and the target balances that are appropriate based on standards promulgated by the American Water Works Association, regulatory commissions, and the Government Finance Officers Association.
- **Cash flows.** We prefer expressing our financial models in terms of intuitively clear cash flows so that trends can be analyzed. We prefer to see cash flows for each fund and for the utility in the aggregate.

We will rely on the best available data sources for preparing the financial plan including the budget, capital improvement plan, and Urban Water Management Plan. The revenue requirement models will derive the capital costs on a cash basis.

We will work closely District staff in developing the financial plan. We would welcome the opportunity to work with a Board subcommittee as the model is being developed.



Deliverables:

- Ten-year financial plan.

**Task 3. Cost-of-Service Analysis**

The first year of the financial plans will be used for the cost-of-service analysis in which the overall revenue requirements are distributed among the customer classes and to the fixed and variable charges. The cost-of-service analysis will be tailor-made to conform to the rate structures that are identified for each customer class. The cost-of-service analysis is dependent on the rate structure for which rates are designed based on the results of the cost-of-service analysis. Prior to preparing the cost-of-service analyses, we will present alternatives for the District's consideration. In presenting these alternatives, we will determine whether the District's customer billing system has the ability to charge the rates. We do not want to pursue alternative rate structures before we know that they can be implemented by the District.

The cost-of-service analysis will clearly indicate how the revenue requirement is apportioned among the customer classes, which is a requirement under Proposition 218 in meeting the burden of proof. In our approach, we will follow the America Water Works Associations base/extra capacity formulas in deriving the rates. The base/extra capacity methodology is a tested approach to calculating the rates for tiered structures that will conform to the dictates of the *San Juan Capistrano* decision.

The cost of service analysis will also derive the portion of the revenue requirements that is attributable to providing fire service. Charges for fire protection services have been the subject of increasing litigation. We will review the District's current structure and future objectives for recovery the costs of fire service.

Deliverables:

- Cost of service analysis integrated into the ten-year financial model.

**Task 4. Five-Year Rate Model**

The process of designing rates is one in which the District's current rates are compared with the proposed alternatives that are identified during the cost-of-service analysis. Again, our approach is very methodical to ensure that the proposed alternative meets all of the District's rate-making objectives.

In developing the rates, we will recommend that the District include a formula that will allow it to adjust its rates to account for variances in the cost of wholesale water without the need for a full Proposition 218 protest process (i.e., pass-through cost adjustments). We will also recommend a formula for adjusting rates during water shortages to maintain revenue neutrality without the need for a full Proposition 218 protest process (i.e., water shortage emergency adjustments).

In addition to the service charges and usage rates, we will suggest other rate structure mechanisms that may be of interest in stabilizing rates. For example, the relative proportions of revenue recovered from fixed and variable charges can be evaluated to find the combination that optimizes revenue stability while providing a conservation signal.

There may be other issues facing the District, such as hardship subsidies for low-income customers. We will assist the District in understanding the legal requirements and current industry standards.

Deliverables:

- Five-year rate model integrated into the ten-year financial model.

**Task 5. Customer Impact Analysis**

Our rate designs are presented so that impacts are easily understood by staff, elected officials, and rate payers. We compare rate structure alternatives with the current rate structure and with comparable agencies' rate structures. We also compare the customer bills produced by those rate structures. We use tabular and graphical techniques to clearly communicate the differences. These techniques allow us to make refinements during meetings to achieve the optimal result.

In addition, we will also provide a comparison of the District's rates and the resulting bill impacts with those of comparable agencies. In making these comparisons, we account for the size of the agencies' service area populations, which influences the comparison due to economies of scale.

Deliverables:

- Customer impact analysis integrated into the ten-year financial model.

**Task 6. Documentation and Implementation**

Our analysis will be documented in a concise report written for the layperson. The effectiveness of our reports is one reason why we have managed to consistently gain rate approval. The report will be prepared as a draft for staff review. A revised draft will be prepared for presentation to the Board. A final draft will be prepared at the conclusion of the project to reflect the adopted rates. A copy of the model will be included in the report appendix. We are mindful of creating an administrative record that anticipates and addresses potential challenges. The report will be provided in digital format and hard copy.

As part of implementation, we will present a summary of the report to the Board of Directors at the time that they authorize mailing notices to ratepayers in compliance with Proposition 218. A similar presentation will also be made at the protest hearing when the Board adopts rates.



We will also assist the District in complying with Proposition 218's procedural requirements. We will assist in preparing ordinances, resolutions, and notices to rate payers. We can also assist in preparing material for public outreach and education.

Deliverables:

- Preliminary, revised, and final report drafts in digital format.
- Digital copies of the models.
- Attendance at two public hearings including presentations.
- Assistance with preparing ordinances, resolutions, notices to rate payers, and public information.

**Task 7. Project Management**

An allowance is included for project management, which includes monitoring the project budget and schedule and for preparing invoices.

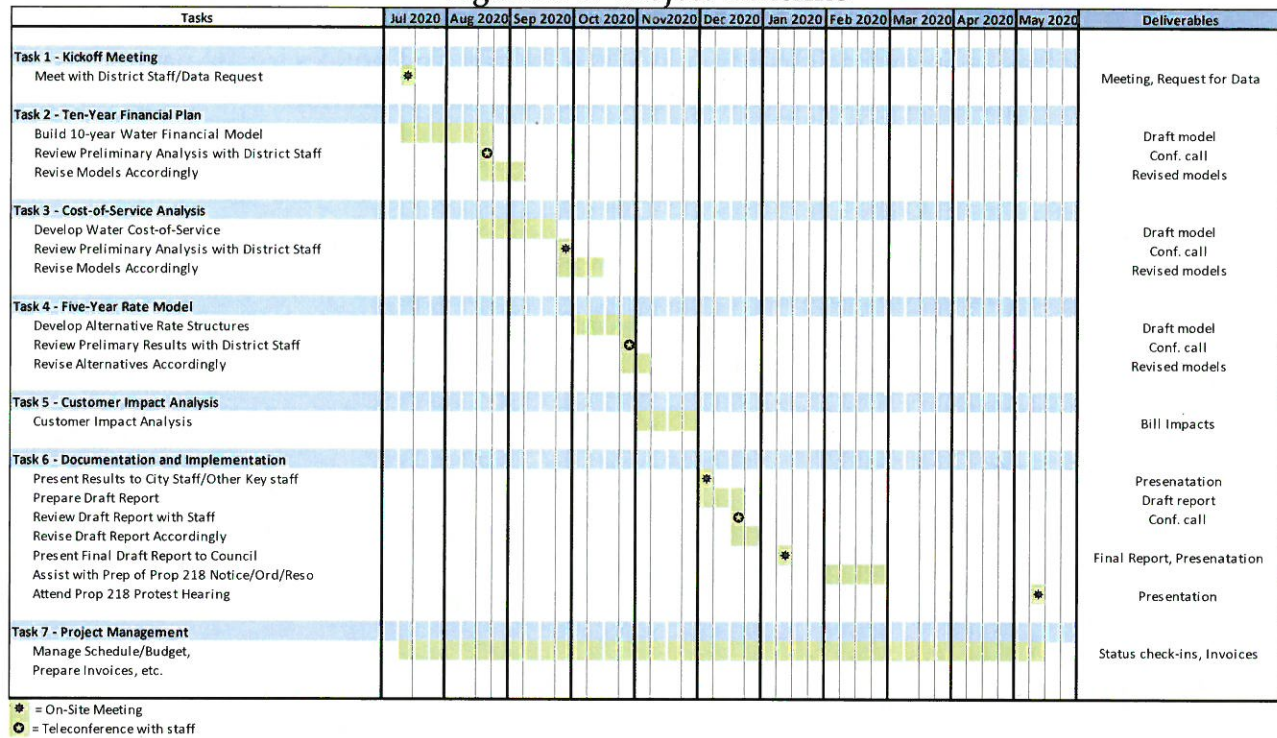
Deliverables:

- Invoices.

**SCHEDULE**

Figure II-1 shows a timeline that calls for completion in time for adoption of rates for FY 2021-22. It is assumed that this schedule would be reviewed during contract negotiations and that it will be adjusted based, for example, on the availability of data, the District's review time for deliverables, and scheduling requirements for staff interviews and Board presentations. We will be as flexible as possible if the District would like to accelerate the project.

Figure II-1. Project Timeline



## SECTION III. TEAM EXPERIENCE

### PROJECT STAFFING

The project team comprises three HF&H consultants who work in the firm's Walnut Creek office. Résumés are included in the Statement of Qualifications in **Appendix A**.

#### **John Farnkopf, PE, Project Director**

John Farnkopf directs HF&H's water, wastewater, and stormwater consulting practice. He has 42 years of rate-making experience, which 13 years as a water resources consulting engineer and Big 8 management consultant before co-founding HF&H in 1989. Since that time, he has focused on setting water, wastewater, and stormwater rates and development impact fees.

In addition to his consulting experience, John Farnkopf has co-authored or edited rate-making manuals spanning the water, wastewater, and stormwater industries in California and nationally. Of particular significance was his role in co-editing the Water Environment Federation's national stormwater rate-making manual of practice.

- *California Water Rate Setting Under Proposition 218: A Practical Guidebook*, contributing editor for the American Water Works Association California-Nevada Financial Management Committee, 2018.
- *Private Property Infiltration and Inflow Control*, review editor for the Water Environment Federation, 2016.
- *Building Better Water Rates for an Uncertain World*, review editor, Alliance For Water Efficiency, 2014.
- *User-Fee-Funded Stormwater Utilities*, review editor for the Water Environment Federation, 2013.
- *Financing and Charges for Wastewater Systems*, authored Chapter XI "Implementing Rate Studies," Water Environment Federation Manual of Practice, 2004.

John will act as Project Director on the proposed project where he will be responsible for the following functions:

- Coordinate the project team's interaction with the District to ensure that all work is completed properly.
- Manage the project team's progress against the schedule and budget.
- Lead all project meetings and presentations.
- Assist in preparing draft and final reports with support from the project team.



- Perform QA/QC on all HF&H deliverables.

**Rick Simonson, CMC, Project Manager**

Rick Simonson's experience includes six years of governmental audit experience prior to joining HF&H in 2000. Rick has conducted numerous rate studies for water, wastewater, stormwater, and solid waste agencies. He has also conducted cost allocation studies to determine the amount that enterprises should reimburse the general fund for public safety services, governmental facilities, and rights-of-way maintenance. Rick has been with the firm nearly 20 years, serving as project director/manager on a variety of projects in the firm's water and wastewater rate practice.

Rick will act at the Project Manager. He will work closely with Geoffrey Michalczyk in developing the rate model and cost-of-service analysis. As Project Manager, Mr. Simonson will be responsible for the following functions:

- Attend all meetings.
- Prepare draft reports and presentations for review by John.
- Work closely with the project team in designing and reviewing all models.
- Perform QA/QC on all models and deliverables.

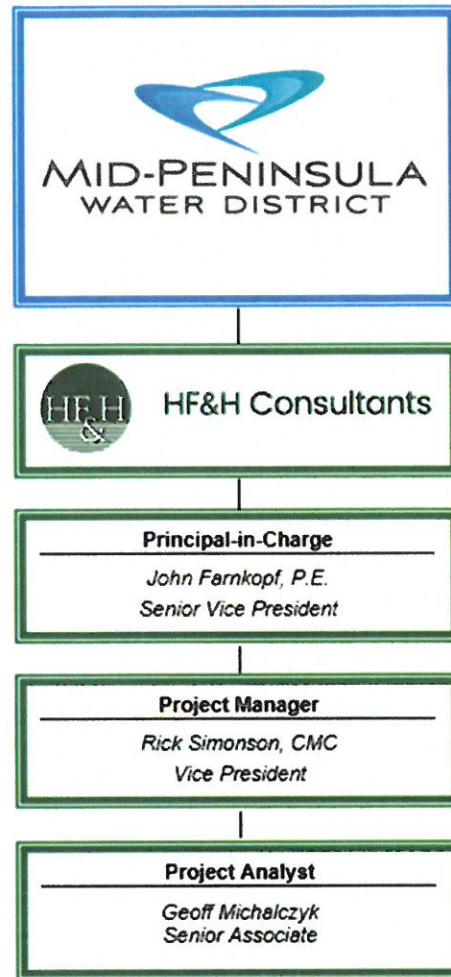
**Geoffrey Michalczyk, MBA, Project Analyst**

Geoffrey Michalczyk provides water and wastewater consulting services to cities, counties, and special districts throughout California. He has assisted in creating utility rate structures and connection fees in compliance with state law and industry standards. Additionally, he has developed long-term financial plans for the operations of water and wastewater systems. Geoffrey specializes in municipal finance and is knowledgeable in developing rates and fees that provide adequate funding for the long-term needs of his clients.

Geoffrey will work closely with John and Rick in developing the stormwater/storm drainage model which will allow for on-the-spot scenarios and sensitivity analyses. He will be responsible for the following assignments:

- Develop rate models and analysis.
- Assist in preparing the project report.
- Attend meetings and assist with presentations, as necessary.

Figure III-1. Organization Chart



## SECTION V. REFERENCES

Since 1989, HF&H has completed over 300 rate studies for agencies providing water, sanitary sewer, and storm sewer services, which are listed in the Statement of Qualifications in the Appendix. Those projects have been managed by John Farnkopf and Rick Simonson with the assistance of the project team members.

We have provided three references that are extremely relevant to the District's proposed project.

- Hillsborough is a neighbor to the District that is one of the SFPUC's suburban wholesale customers. We set Hillsborough's tiered water rates with a strong conservation orientation following the American Water Works Association's base/extra capacity method. Our work has resolved litigation over the previous rates.
- Beverly Hills' rates had also been challenged and, again, using the base/extra capacity method, we resolved the litigation. We also incorporated pass-through adjustments and water shortage emergency rates in the structure.
- Daly City's tiered rates were failing to recover the cost of wholesale water. Applying the base/extra capacity approach, the rates were restructured with strong public support.

All three of these references demonstrate our capability of setting defensible tiered rates that can withstand the kind of challenge experienced in San Juan Capistrano, where the rates for each tier were not cost based.

### **TOWN OF HILLSBOROUGH - WATER, SEWER, STORM SEWER RATES**

Over the past five years, John Farnkopf and Rick Simonson have assisted the Town in developing funding for its water, wastewater, and stormwater services. Excess use charges and rate surcharges were implemented for the water enterprise in response to the need for increased water conservation. The tiered water rate structure was set based on the cost of service for each tier. Wastewater and stormwater rate increases were needed to fund capital improvements in the near term for local facilities and later for wastewater treatment costs.

- A stormwater funding strategy was developed integrating funding from a portfolio sources including related services such as water and wastewater revenue, which does not require voter approval, to sources requiring voter approval such as stormwater fees and assessments.
- Tiered rates were designed to conform to the cost of providing service for each tier, which is advisable in light of the San Juan Capistrano decision.



- Litigation over the prior water rates was resolved.
- Significant wastewater rate increases were approved, enabling the Town to accelerate its capital improvement program in compliance with a regulatory compliance order.
- Substantial additional funding was identified for the stormwater program.
- HF&H has conducted annual water rate updates to verify the need for the projected rate increases from our original five-year study. We have found that the third rate increase of 8% was not necessary due to higher than anticipated water sales and lower than anticipated capital expenditures. The Town was able to hold rates steady for two years as a result.

This study was conducted in the shadow of litigation that was filed prior to our update. No further legal action has been taken by the plaintiffs since our study was completed. The analysis of the tiered water rate structure applied the AWWA base/extra capacity cost allocation methodology to ensure that each tier is proportionate to the cost of service. In developing the recommended rates, we made multiple presentations to the Town's Financial Advisory Committee and Town Council.

The water rate study was conducted during the drought when the Governor's mandated cutback for the Town was 36%. In updating the rates, we developed "revenue stabilization factors," which will allow the Town to automatically adjust its rates to offset revenue lost during droughts when customers are required to ration water; these adjustments can be made by notifying customers at least 30 days in advance on their bills without triggering the notification and protest process under Proposition 218.

The wastewater rate study was completed in 2016 and resulted in annual revenue increases of roughly 10%, which provided additional funding for capital projects and to bring reserves up to a prudent level to minimize the rate volatility in future years.

We are currently updating the storm drain funding strategy and fee, based on the funding strategy we first prepared as part of this multi-year project in 2016.

#### **Reference:**

Jan Cooke, Finance Director, 650-375-7408, [jcooke@hillsborough.net](mailto:jcooke@hillsborough.net).

#### **CITY OF BEVERLY HILLS - WATER AND SEWER RATES**

John Farnkopf and Rick Simonson updated the City's water rates. Using the base/extra capacity cost allocation methodology promulgated by the American Water Works Association, HF&H recommended several changes to the City's rate structure. The analysis resulted in adjusting tier breakpoints for single family customers, reducing the number of tiers from four to two for multifamily customers, and maintaining the commercial rate

structure. A water reliability charge was also implemented to provide a steady source of funding during the expansion of the City's water system.

Another issue facing the City was providing justification for its outside-city rates, which were 1.25 times City rates. This long-standing rate differential was an approximation of the additional cost to serve Outside City customers and had not been recently evaluated. The cost of service analysis realigned the outside-city rates to be the same as inside-city rates.

#### Key Results:

- Lowered the tier breakpoints for single and multifamily customers, which resulted in customers moving into higher priced tiers sooner. This resulted in bill decreases during months of low water use and bill increases during periods of high water use.
- Developed outside-city rates based on their cost of service rather than a uniform 1.25 factor applied to all rate categories.
- Developed a per-hcf water reliability charge to fund local groundwater supply projects to reduce the City's reliance on purchased water from the Metropolitan Water District of Southern California.
- Developed revenue stabilization factors to offset revenue lost during droughts.
- Implemented automatic pass-through rate adjustments for changes in the cost of purchased water without having to conduct another Prop 218 process.

#### Reference:

Shana Epstein, Director of Public Works, 310-285-2494, [sepstein@beverlyhills.org](mailto:sepstein@beverlyhills.org)

### **CITY OF DALY CITY - WATER, SEWER, AND STORM SEWER RATE STUDIES**

John Farnkopf, Rick Simonson, Geoff Michalczyk, and Gabe Sasser have been working with the City since 2017 on various water, sewer, and solid waste projects. HF&H recently completed a water rate study for the five-year planning period of FY 2018-19 through FY 2022-23. The study, and subsequent rate adjustments, realigned the tiered water rates to the cost of service and allowed the City to increase capital project spending from less than \$1 million per year (which was less than annual depreciation expense) to \$1.9 million per year.

We are currently conducting sewer rate and stormwater fee studies for the City. These studies are interrelated because the sewer rates provide funding for appropriate portions of the stormwater program.

#### Reference:

Tom Piccolotti, Director of Water and Wastewater Resources; [tpiccolotti@dalycity.org](mailto:tpiccolotti@dalycity.org);  
(650) 991-8200 ext. 8201



## SECTION VI. COST PROPOSAL

Our cost proposal reflects our current understanding of the project at this time. As such, our cost proposal is subject to review with the District to confirm that it meets the District's needs and does not include unnecessary services. Following this review, we will make adjustments accordingly. The cost proposal indicates the hours by each consultant for each task and the associated cost based on the consultants' hourly rates. Reimbursable costs are included in hourly rates.

**Table VI-1. Cost Estimate**

Tasks		Estimated Hours and Fees					Work Products
		Farnkopf	Simonson	Michalczyk			
		Project Director	Project Manager	Project Analyst	Admin	Total	
Hourly Rates		\$290	\$260	\$184	\$120		
Task 1 - Kickoff Meeting							
Meet with District Staff/Data Request	Task Hours	2	2	2	0	6	Meeting
	Task Fees	\$580	\$520	\$368	\$0	\$1,468	Request for data
Task 2 - Ten-Year Financial Plan							
Build 10-year Water Financial Model		2	6	12	0	20	Draft model
Review Preliminary Analysis with District Staff		2	2	2	0	6	Conf. call
Revise Models Accordingly		0	2	4	0	6	Revised models
	Task Hours	4	10	18	0	32	
	Task Fees	\$1,160	\$2,600	\$3,312	\$0	\$7,072	
Task 3 - Cost-of-Service Analysis							
Develop Water Cost-of-Service		4	6	12	0	22	Draft model
Review Preliminary Analysis with District Staff		2	2	2	0	6	Conf. call
Revise Models Accordingly		0	4	6	0	10	Revised models
	Task Hours	6	12	20	0	38	
	Task Fees	\$1,740	\$3,120	\$3,680	\$0	\$8,540	
Task 4 - Five-Year Rate Model							
Develop Alternative Rate Structures		4	6	10	0	20	Draft model
Review Preliminary Results with District Staff		2	2	2	0	6	Conf. call
Revise Alternatives Accordingly		0	4	4	0	8	Revised alternatives
	Task Hours	6	12	16	0	34	
	Task Fees	\$1,740	\$3,120	\$2,944	\$0	\$7,804	
Task 5 - Customer Impact Analysis							
Customer Impact Analysis		1	2	2	0	5	Draft model
	Task Hours	1	2	2	0	5	
	Task Fees	\$290	\$520	\$368	\$0	\$1,178	
Task 6 - Documentation and Implementation							
Present Results to City Staff/Other Key staff		4	5	3	0	12	Models, Presentation
Prepare Draft Report		8	14	6	2	30	Draft report
Review Draft Report with Staff		2	2	2	0	6	Conf. call(s)
Revise Draft Report Accordingly		2	4	2	2	10	Revised draft report
Present Final Draft Report to Council		4	6	1	0	11	Draft report/Presentation
Assist with Prep of Prop 218 Notice/Ord/Reso		1	2	1	0	4	
Attend Prop 218 Protest Hearing		4	4	0	0	8	
	Task Hours	25	37	15	4	81	
	Task Fees	\$7,250	\$9,620	\$2,760	\$480	\$20,110	
Task 7 - Project Management							
Manage Schedule/Budget, Prepare Invoices, etc.	Task Hours	1	4	1	2	8	Status check-ins, Invoices
	Task Fees	\$290	\$1,040	\$184	\$240	\$1,754	
	Total Hours	45	79	74	6	204	
Total Fees and Expenses		\$13,050	\$20,540	\$13,616	\$720	\$47,926	
% of Total Hours		22%	39%	36%	3%	100%	

HF&H is committed to providing value-added services as cost-effectively as possible for our clients. It is our practice to bill only for hours spent on the project. If additional work is required, we notify our clients as soon as possible to receive authorization. Additional work is work over and above the hours estimated for existing tasks or for work on new tasks.





### ***AGENDA ITEM NO. 5.H.***

DATE: June 25, 2020

TO: Board of Directors

FROM: Rene A. Ramirez, Operations Manager  
Candy Pina, Administrative Services Manager

---

**SUBJECT: APPROVE RESOLUTION 2020-16 AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES WITH RDN, INC., FOR THE MPWD WATER CAPACITY CHARGE STUDY IN THE AMOUNT OF \$22,900, PLUS A 10% CONTINGENCY OF \$2,300, FOR A TOTAL PROJECT BUDGET OF \$25,200**

---

#### **RECOMMENDATION**

Approve Resolution 2020-16.

#### **FISCAL IMPACT**

The RDN, Inc. proposal was \$22,900. Staff is recommending a 10% contingency of \$2,300, which would establish a budget for this study at \$25,200. The FY 2020/2021 Operating Budget included up to \$50,000 for the water capacity charge study.

#### **BACKGROUND**

The Board's Strategic Plan – Element #5 Financial Management, Priority No. 5-6/20 established a measure of success to review capacity charges and water demand offset fees. The Board requested a new study to ensure the MPWD is collecting. Staff prepared and issued a Request for Proposals (RFP) on April 9, 2020, during the shelter-in-place, and received six (6) proposals on the date of June 3, 2020.

An internal review committee comprised of five (5) members of staff (Managers and Supervisors) plus the General Manager reviewed and ranked the proposals based on criteria contained in the RFP. The costs ranged from a low of \$22,900 to a high of \$35,540. RDN's proposal scored very well by all compared to the other five (5) proposals and was the least cost.

#### **DISCUSSION**

The District has no experience with RDN, Inc. and they have little work experience in the Bay Area, but Staff felt that the capacity charge study and its elements require a solid economic analysis and RDN's proposed team is stacked with people with economic backgrounds. Calls made to references stated that RDN was very responsive to their client's needs, delivered the work product on time, and that they would engage them again.

RDN, Inc., had no exceptions to the standard professional services agreement prepared by District Counsel. Should the Board award to RDN, Inc., the capacity charge study process would begin soon so that any changes to the District's current capacity charges would be ready for implementation at the latest by the beginning of FY 2021/2022.

Excerpts from the proposal are attached.

Attachments: Resolution 2020-15  
Professional Services Agreement  
Excerpts from Proposal by RDN, Inc.

---

BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ ZUCCA\_\_\_\_ SCHMIDT\_\_\_\_ WHEELER\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_

**RESOLUTION NO. 2020-16**

**AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES WITH RDN, INC.,  
FOR THE MPWD WATER CAPACITY CHARGE STUDY  
IN THE AMOUNT OF \$22,900, PLUS A 10% CONTINGENCY OF \$2,300,  
FOR A TOTAL PROJECT BUDGET OF \$25,200**

\* \* \*

**MID-PENINSULA WATER DISTRICT**

**WHEREAS**, the Board's Strategic Plan – Element #5 Financial Management, Priority No. 5-6/20 establishes a measure of success to review capacity charges and water demand offset fees; and

**WHEREAS**, District staff issued a Request for Proposals on April 9, 2020 for interested consultants to propose on a water capacity charge study with a due date of June 3, 2020; and

**WHEREAS**, an internal review committee comprised of the General Manager, two other managers and three supervisors read, scored and ranked the six (6) proposals received; and

**WHEREAS**, the internal review committee agreed that the RDN, Inc. proposal was not only the lowest cost proposal, but also scored well enough to be recommended for award to prepare the water capacity charge study.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Mid-Peninsula Water District that a professional services agreement is awarded to RDN, Inc., of Santa Barbara, CA to perform a water capacity charge study for the District in the amount listed in their proposal dated June 3, 2020 of \$22,900, plus a ten percent (10%) contingency in the amount of \$2,300, for a total project budget of \$25,200.

**REGULARLY PASSED AND ADOPTED** this 25th day of June 2020.

AYES:

NOES:

ABSENCES:

ABSTENTIONS:

\_\_\_\_\_  
PRESIDENT, BOARD OF DIRECTORS

ATTEST:

\_\_\_\_\_  
SECRETARY OF THE BOARD

## **PROFESSIONAL SERVICES AGREEMENT**

THIS AGREEMENT is made as of this 25th day of June, 2020, by and between MID-PENINSULA WATER DISTRICT, a public agency ("DISTRICT") and RDN, Inc., a California corporation ("CONSULTANT").

WHEREAS, the DISTRICT desires to obtain professional services in conjunction with the 2020 Water Capacity Charge Study; and

WHEREAS, the CONSULTANT is ready, willing and able to furnish such services and has submitted a Proposal dated June 3, 2020, which is attached hereto and incorporated herein as Exhibit A.

NOW, THEREFORE, THE PARTIES AGREE AS FOLLOWS:

### 1. PROVISION OF SERVICES

The CONSULTANT agrees to provide professional services to DISTRICT in accordance with the terms and conditions of this Agreement. In the performance of its Services, CONSULTANT represents that it has and will exercise that degree of professional care, skill, efficiency and judgment ordinarily employed by consultants providing similar services. CONSULTANT further represents and warrants that it holds currently in effect all licenses, registrations, and certifications in good standing that may be required under applicable law or regulations to perform these services and agrees to retain such licenses, registrations, and certifications in active status throughout the duration of this engagement.

### 2. SCOPE OF WORK

The scope of CONSULTANT's work shall be as set forth in Exhibit A. Otherwise, the terms of this Agreement shall control over any contrary provisions of Exhibit A.

### 3. TERM

This Agreement will commence upon its Effective Date and shall continue until the services set forth in Section 2 are successfully completed, as determined by the DISTRICT. It is understood that the term of this Agreement is subject to the DISTRICT's right to terminate the Agreement in accordance with Section 13 of this Agreement.

### 4. CONTRACT AMOUNT

The CONSULTANT shall perform all work set forth in Section 2 of this Agreement for a total sum not to exceed \$22,900 including all labor, materials, taxes, insurance, subcontractor / subconsultant costs, overhead, profit, and all other costs and expenses incurred by CONSULTANT.

### 5. MANNER OF PAYMENT

The CONSULTANT shall submit monthly invoices as CONSULTANT completes work, and the invoices shall describe the work completed during the billing period, who performed the services, their applicable hourly rate, and all out-of-pocket costs and subcontractor / subconsultant payments, if any. The DISTRICT shall review and approve the invoices and shall

pay approved invoices within thirty (30) days of DISTRICT's approval.

All invoices should be sent to: Mid-Peninsula Water District  
3 Dairy Lane  
P.O. Box 129  
Belmont, CA 94002  
ATTENTION: Tammy Rudock, General Manager

#### 6. CONSULTANT'S KEY PERSONNEL

It is understood and agreed by the parties that at all times during the term of this Agreement that Ichiko Kido, shall serve as the primary staff person of CONSULTANT to undertake, render and oversee all of the services under this Agreement.

#### 7. DISTRICT REPRESENTATIVE

Except when approval of other action is required to be given or taken by the Board of Directors of the DISTRICT, the General Manager of the DISTRICT, or such person or persons as the General Manager may designate in writing from time to time, shall represent and act for the DISTRICT.

#### 8. CONSULTANT'S STATUS

Neither the CONSULTANT nor any party contracting with the CONSULTANT shall be deemed to be an agent or employee of the DISTRICT. The CONSULTANT is and shall be an independent contractor, and the legal relationship of any person performing services for the CONSULTANT shall be one solely between said parties.

#### 9. OWNERSHIP OF WORK

A. All reports, designs, drawings, plans, specifications, schedules, and other materials prepared by CONSULTANT under this Agreement ("Work Product") shall be the property of DISTRICT.

B. CONSULTANT assigns to DISTRICT all right, title, and interest in and to the Work Product, including ownership of the entire copyright in the Work Product and any causes of action existing or arising in connection with the copyright to said Work Product. DISTRICT shall be entitled to access to and copies of these materials as they are being developed. Any such materials in the hands of CONSULTANT or in the hands of any subcontractor upon completion or termination of services hereunder shall be immediately delivered to DISTRICT. If any property of the DISTRICT is lost, damaged or destroyed before final delivery to the DISTRICT, the CONSULTANT shall replace it at its own expense and the CONSULTANT hereby assumes all risks of loss, damage or destruction of or to such materials. The CONSULTANT may retain a copy of all material produced under this agreement for its use in its general business activities.

#### 10. CHANGES

The DISTRICT may, at any time, by written order, make changes within the scope of work and Services described in this Agreement. If such changes cause an increase in the budgeted cost of or the time required for performance of the agreed upon work, an equitable

adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 4 or in the time of required performance as set forth in Section 3, or both. In the event that CONSULTANT encounters any unanticipated conditions or contingencies that may affect the scope of work or Services and result in an adjustment in the amount of compensation specified herein, CONSULTANT shall so advise the DISTRICT immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in compensation. Such notice shall be given the DISTRICT prior to the time that CONSULTANT performs work or services related to the proposed adjustment in compensation. Any and all pertinent changes shall be expressed in a written supplement to this Agreement prior to implementation of such changes.

#### 11. RESPONSIBILITY; INDEMNIFICATION

CONSULTANT agrees to indemnify, defend and hold harmless the DISTRICT, and its directors, agents, and employees from and against all claims, losses, damages and liabilities (including reasonable attorneys fees) arising out of any injury to persons or property that may occur, or that may be alleged to have occurred, in the course of the performance of the Agreement to the extent caused by CONSULTANT's recklessness or willful misconduct; or by CONSULTANT's negligent provision or omission of services contemplated by this Agreement.

Irrespective of any language to the contrary in this Agreement or under applicable law, CONSULTANT shall have no duty to provide or fund up-front defense costs of DISTRICT against unproven claims or allegations, but shall reimburse those reasonable attorneys' fees, expert fees and all other costs and fees incurred in any judicial proceeding, litigation, arbitration, mediation or other negotiated settlement incurred by DISTRICT that are caused by the negligence, recklessness or willful misconduct of CONSULTANT, its employees, agents and subconsultants (collectively, "Defense Costs"). However, CONSULTANT shall provide its immediate cooperation, at no additional cost to the DISTRICT, to the DISTRICT in defending such claims. Moreover, CONSULTANT's responsibility for the DISTRICT's defense costs shall be limited to the proportion of CONSULTANT's responsibility for the underlying injury as determined in any judicial proceeding, litigation, arbitration, mediation, or other negotiated settlement which addressed the CONSULTANT's responsibility for the underlying injury. In the event that it is determined that the losses, injuries or damages claimed against the DISTRICT did not arise out of, pertain to, or relate to CONSULTANT's negligence, recklessness or willful misconduct, CONSULTANT shall not be responsible for any portion of the DISTRICT's defense costs. This indemnity shall survive the termination of this Agreement.

#### 12. INSURANCE

A. Workers' Compensation: CONSULTANT shall procure and maintain at all times during the performance of such work Worker's Compensation Insurance in conformance with the laws of the State of California and Federal laws where applicable. Employers' Liability Insurance shall not be less than One Million Dollars (\$1,000,000) per accident or disease. Prior to commencement of work hereunder, CONSULTANT shall deliver to DISTRICT a Certificate of Insurance which shall stipulate that 30 days advance written notice of cancellation, shall be given to DISTRICT.

B. Bodily Injury, Death and Property Damage Liability Insurance: CONSULTANT shall also procure and maintain at all times during the performance of this Agreement General Liability Insurance (including automobile operation) covering

CONSULTANT and DISTRICT for liability arising out of the operations of CONSULTANT and any subcontractors. The policy(ies) shall include coverage for all vehicles, licensed or unlicensed, on or off DISTRICT's premises, used by or on behalf of CONSULTANT in the performance of work under this Agreement. The policy(ies) shall be subject to a limit for each occurrence of One Million Dollars (\$1,000,000) naming as an additional insured, in connection with CONSULTANT's activities, the DISTRICT, and its directors, officers, employees and agents. The Insurer(s) shall agree that its policy(ies) is Primary Insurance and that it shall be liable for the full amount of any loss up to and including the total limit of liability without right of contribution from any other insurance covering the DISTRICT.

Inclusion of the DISTRICT as additional insured shall not in any way affect its rights as respects to any claim, demand, suit or judgment made, brought or recovered against CONSULTANT. Said policy shall protect CONSULTANT and DISTRICT in the same manner as though a separate policy had been issued to each; but nothing in said policy shall operate to increase the Insurer's liability as set forth in the policy beyond the amount or amounts shown or to which the Insurer would have been liable if only one interest had been named as an insured.

Prior to commencement of work hereunder, CONSULTANT shall deliver to DISTRICT a Certificate of Insurance which shall indicate compliance with the insurance requirements of this paragraph and shall stipulate that 30 days advance written notice of cancellation, shall be given to DISTRICT.

C. Professional Liability Insurance: CONSULTANT shall also maintain Professional Liability Insurance covering CONSULTANT's performance under this Agreement with a limit of liability of One Million Dollars (\$1,000,000) per claim and in annual aggregate. Such Insurance shall be renewed annually. Prior to commencing work under this Agreement, CONSULTANT shall furnish to DISTRICT a Certificate of Insurance, or certified copy of the Insurance policy if requested, indicating compliance with requirements of this paragraph. Such certificate or policy shall further stipulate that 30 days advance written notice of cancellation, shall be given to DISTRICT.

### 13. TERMINATION

DISTRICT shall have the right to terminate this Agreement upon thirty (30) days written notice to the CONSULTANT. Upon receipt of such notice, the CONSULTANT shall not commit itself to any further expenditure of time or resources.

If the Agreement is terminated for any reason other than breach of a material term by CONSULTANT, the DISTRICT shall pay to CONSULTANT all sums actually due and owing from DISTRICT for all services performed and all expenses incurred up to the day written notice of termination is given, plus any costs reasonably and necessarily incurred by CONSULTANT to effect such suspension or termination.

If CONSULTANT breaches a material term of this Agreement and fails to remedy the breach within ten (10) days after the DISTRICT notifies the CONSULTANT of the breach, the Agreement may be terminated immediately and the DISTRICT shall in such event not thereafter pay or allow to the CONSULTANT any compensation for any labor, supplies or materials furnished under this Agreement; and the DISTRICT may proceed to complete this Agreement by other means, and the CONSULTANT shall be liable to the DISTRICT for all loss or damage which it may suffer on account of the CONSULTANT's breach of this Agreement.

#### 14. NOTICES

All communications relating to the day to day activities of the project shall be exchanged between the DISTRICT'S General Manager, or his designee, and the CONSULTANT's Project Manager.

All other notices and communications deemed by either party to be necessary or desirable to be given to the other party, except for confidential reports described in Section 6 of this Agreement, may be given by personal delivery to the representative of the parties or by mailing the same postage prepaid, addressed as follows:

If to the DISTRICT:	Mid-Peninsula Water District 3 Dairy Lane P.O. Box 129 Belmont, CA 94002 ATTENTION: Tammy Rudock, General Manager
---------------------	---

If to the CONSULTANT:	RDN, Inc. 140 East Carrillo Street Santa Barbara, CA 93101 ATTENTION: Ichiko Kido
-----------------------	--

The address to which mailings may be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

#### 15. EQUAL EMPLOYMENT OPPORTUNITY

In connection with the performance of this Agreement the CONSULTANT shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, gender identity, disability or national origin. The CONSULTANT shall take affirmative actions to insure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT further agrees to include a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

#### 16. RECORDS

During the term of this Agreement, CONSULTANT shall permit representatives of the DISTRICT to have access to, examine and make copies, at the DISTRICT's expense, of its books, records and documents relating to this Agreement at all reasonable times.

#### 17. DISTRICT WARRANTIES

The DISTRICT makes no warranties, representations or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.



#### 18. RELEASE OF INFORMATION

CONSULTANT shall not release any reports, information or promotional materials prepared in connection with this Agreement without the approval of the DISTRICT's General Manager.

#### 19. USE OF SUBCONTRACTORS

CONSULTANT shall not subcontract any services to be performed by it under this Agreement without the prior written approval of the DISTRICT, except for service firms engaged in drawing, reproduction, typing and printing. CONSULTANT shall be solely responsible for reimbursing any subcontractors and the DISTRICT shall have no obligation to them.

#### 20. ASSIGNMENT

CONSULTANT shall not assign any of the rights nor transfer any of its obligations under this Agreement without the prior written consent of the DISTRICT.

#### 21. ATTORNEY'S COSTS

If any legal proceeding should be instituted by either of the parties hereto to enforce the terms of this Agreement or to determine the rights of the parties thereunder, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable attorney's fees.

#### 22. APPLICABLE LAW

This Agreement, its interpretation and all work performed thereunder, shall be governed by the laws of the State of California.

#### 23. BINDING ON SUCCESSORS

All of the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives. CONSULTANT shall not assign this Agreement without the prior express written approval of the DISTRICT.

#### 24. WAIVER

Any waiver of any breach or covenant of this Agreement must be in a writing executed by a duly authorized representative of the party waiving the breach. A waiver by any of the parties of a breach or covenant of this Agreement shall not be construed to be a waiver of any succeeding breach or any other covenant unless specifically and explicitly stated in such waiver.

25. ENTIRE AGREEMENT; MODIFICATION. This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes any prior understanding or agreement, oral or written, with respect to such subject matter. It may not be amended or modified, except by a written amendment executed by authorized representatives by both parties. In no event will the Agreement be amended or modified by oral understandings reached by the parties or by the conduct of the parties.

## 26. COMPLIANCE WITH LAWS AND REGULATIONS

During the progress of the work, CONSULTANT shall fully adhere to all applicable State and Federal laws and county, municipal or DISTRICT ordinances and regulations which in any manner affect those engaged or employed in the work, or the materials and equipment used in the work, or which in any way affect the conduct of the work. CONSULTANT, and any subcontractors performing any work under this Agreement, shall hold such licenses as may be required by the State of California for the performance of the work specified in this Agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

DISTRICT:

**MID-PENINSULA WATER DISTRICT**

By: \_\_\_\_\_

Name: Tammy A. Rudock

Title: General Manager

CONSULTANT:

**RDN, INC.**

By: \_\_\_\_\_

Name: Robert D. Niehaus

Title: Managing Director

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

\*NOTE: This Agreement must be executed by two corporate officers, consisting of: (1) the President, Vice President or Chair of the Board, and (2) the Secretary, Assistant Secretary, Chief Financial Officer, Assistant Chief Financial Officer, or by any person authorized by the corporation to execute written contracts.



# Mid-Peninsula Water District

Proposal for Water Capacity Charge Study

Robert D. Niehaus, Inc. | June 3, 2020  
Ichiko Kido 805-618-2968 | [Ichiko@rdniehaus.com](mailto:Ichiko@rdniehaus.com)  
140 East Carrillo Street, Santa Barbara, CA 93101

## STUDY APPROACH & SCHEDULE

### Project Understanding

Mid-Peninsula Water District currently serves a population of approximately 27,000 through 7,900 service connections in the City of Belmont and adjacent portion of the City of San Carlos as well as unincorporated communities in San Mateo County. The District purchases all of its water from San Francisco Public Utilities Commission (SFPUC). MPWD Urban Water Management Plan (UWMP) 2015 projected the serving population will grow at an annual average rate of 0.45 percent per year between FY 2020 and FY 2035. Demands for potable and raw water were projected to increase from 1,196 million gallons (MG) to 1,231 MG between 2020 and 2035. The District owns and operates water distribution system including nine pressure zones, 11 water tanks, 20 water regulating valves, 790 fire hydrants and 94 miles of water mains.

Bartle Wells Associates (BWA) used a buy-in method in the District's 2015 study, where the charges were computed based on the value of the existing system's capacity. RDN will first evaluate if the buy-in method is still an applicable method to develop the District's capacity charge today. RDN will then review and evaluate all other methodologies used in the 2015 study, and make appropriate recommendations to update or modify the current structure. We will then evaluate the current charges and recommend modifications or new charges in order to meet the District's objectives. The key objectives of the study include:

- Ensure compliance with state regulations regarding water capacity fees and demand offset charges, and evaluate their impacts;
- Update the current capacity charges or recommend new charges for new water connections based on increased capacity required to serve new development;
- Evaluate and recommend a new water demand offset charge structure or update the current charges to mitigate the impacts of increased water demand due to new development on water supply and reliability;
- Explore a charge to recover costs for existing SFPUC water supply infrastructure that will benefit new development; and
- Provide an analysis of recommended capacity charges and demand offset charges and compare them with other local water agencies in the San Francisco Regional Water System.

RDN understands the importance of ensuring fees equitably recover costs for new and expanded development and are in line with state legislation, such as Assembly Bill 1600. We will help the District ensure that "growth pays for growth" by allocating the cost of new facilities and the cost of unused capacity in existing facilities to new development while allocating the cost of repairing and refurbishing facilities to the current customers.

After reviewing the previous capacity charge study and the District's recent financial documents, we identified opportunities to improve or expand upon the previous methodology to better help the District achieve these goals. These opportunities are outlined here and are explored in detail in our project approach:

- The District issued a Certificate of Participation (COP) in December 2016 – should a portion or all of the remaining principal balance be subtracted from the total asset values? In computing a capacity charge, debt principal payments used to fund capital improvement and expansion projects should be subtracted

from the asset calculation as new customers will partake in payments through monthly rates after they start using the service.

- In the previous study, the Replacement Cost New (RCN) method was used to estimate the value of system assets - should depreciation be recognized since these assets are not new and are not being purchased today? Replacement Cost New Less Depreciation (RCNLD) is a commonly used method to compute the value of system assets under the buy-in method, in which the original cost is escalated to current-day dollars and accumulated depreciation is subtracted. The computed value reflects the remaining depreciable life of the facility.
- Previously, the total facility asset value was divided by the volume equal to SFPUC's daily supply assurance to compute the unit cost of the capacity charge. Should the unit cost be calculated using the actual capacity of individual facilities? Some of the District's facilities may be built to accommodate larger demand than the supply assurance currently given by SFPUC.
- In the previous study, the single family residential customers' capacity charge was calculated by taking the unit cost of the capacity charge, multiplied it by their average water consumption – should maximum day consumption be used to compute the charge instead of the average day consumption? Peaking demand may be a more appropriate multiplier when computing such fees.
- Preliminary demand forecasts were computed for the purpose of this proposal using the same methodology BWA used in the 2015 capacity charge study. The results indicate that the District may have sufficient water supply even with restrictions under Stage 1 through Stage 3. Should the District reevaluate the Demand offset charges? With District staff's approval, RDN will evaluate if development of a new type of capacity charge is more defensible and better suited to the District's current needs.
- A capacity charge to recover costs for the SFPUC water supply infrastructure was not assessed in the previous study – should the District consider implementing the capacity charge for existing SFPUC's supply infrastructure? Careful assessment on the SFPUC supply infrastructure will be needed to determine its admissibility.

## Task 1. Project Management/Meetings

Our management approach is based on transparency and collaboration throughout project execution. Our goal is to set the industry benchmark for excellence in capacity charge setting services we provide to our clients. Our project director, Dr. Robert Niehaus, and project manager, Ichiko Kido, will ensure that all analyses, models, and recommendations are compliant with the current regulatory requirements. We will work with District staff on an ongoing basis with scheduled meetings to ensure project milestones are accomplished on schedule. We will also produce interim reports to ensure the District is informed through each step of the study process.

Prior to the Kick-off meeting with District staff, RDN will submit a detailed data request list to the District. The Kickoff meeting will serve as a forum where District staff and the RDN team will meet to discuss project objectives, approach, work plan, schedule, and priorities. We will build consensus on the project schedule, as well as methods of communication throughout the project. Weekly or biweekly progress meetings with District staff will be held via teleconference using an online meeting platform (i.e. GoToMeeting). RDN plans to attend five additional meetings, which include the Board meetings and Finance Committee meetings. Given the current public health situation, we have provided options to conduct these meetings either in person or via teleconference.

*Table 1. Summary of Task 1*

Task 1 Project Management and Meetings (June 2020 to July 2021) Total Cost: \$6,270	
<b>Methodology</b>	<ul style="list-style-type: none"> <li>• Utilize PMI Project Management Body of Knowledge (PMBOK)</li> <li>• Detailed Data Request and Data Reconciliation</li> <li>• Kick-off Meeting to Finalize Objective, Approach, Workplan, Schedule, and Priorities</li> <li>• Weekly Update Meetings and Board and Finance Committee Meetings</li> </ul>
<b>Scheduling</b>	36 Hours
<b>Personnel</b>	Niehaus/Kido/Helleseter/Kallerud
<b>Cost</b>	\$6,270

## Task 2. Current Capacity Fee Regulations

RDN will evaluate the District's current capacity charges and demand offset charges for their compliance with state legislation and regulations. Pursuant to Government Code § 66000-66025, Assembly Bill 1600 (AB 1600) or the "Mitigation Fee Act" provides public agencies the authority to collect charges to finance and recover capital costs for facilities and costs of supply that are proportional to the benefit of the customer. RDN will review the current capacity charges and demand offset charges by examining if the charges are reasonably related to the cost of the service provided by the District. RDN will ensure that the cost used to compute capacity charges is a proportional share of the cost of facilities needed to serve that development. RDN will advise, if it is not already the current practice, that the District keep the revenues from the capacity charges separate from general/operating fund to avoid mixing capacity fees with the District's operating budgets.

RDN will ensure that the recommended capacity charges will meet all regulatory requirements through our due-diligence to review relevant case law for judicial decisions.



*Table 2. Summary of Task 2*

Task 2 Current Capacity Fee Regulations (June to August) Total Cost: \$2,510	
<b>Methodology</b>	<ul style="list-style-type: none"> <li>• Evaluate Current Charges for AB 1600 Compliance</li> <li>• Examine Charges for Relation to Cost of Future Services</li> <li>• Ensure Compliance with Appropriate Case Law and Judicial Decisions</li> </ul>
<b>Scheduling</b>	16 Hours
<b>Personnel</b>	Niehaus/Kido/Kallerud
<b>Cost</b>	\$2,510

### Task 3. Water Capacity Charge

There are three methods generally used for calculating capacity charges in California:

- 1) Buy-in method – the existing system has sufficient capacity to serve new development for a defined planning period
- 2) Incremental cost method – the existing system has no capacity to serve new development and new or incremental facilities are needed to serve new development for the planning period
- 3) Combined approach – the existing facility has some capacity available but new or incremental capacity will need to be constructed to serve new development at some point during the planning period

RDN will review if the buy-in method, which was used in the District’s previous study, is the best methodology given the District’s current financial situation and goals of if another method may be more appropriate. Whichever method is used, the basic formula for calculating capacity charges is:

$$\text{Capacity Charge} = \frac{\text{System Asset Value (Task 3.1)}}{\text{System Capacity (Task 3.2)}} \times \text{New Customer Capacity Demands (Task 3.3)}$$

The following sub-tasks describe the computation methods of each component in this formula.

#### Task 3.1 Valuation of System Assets

The current capacity charges were established using the Replacement Cost New (RCN) method to estimate the value of system assets. The original cost was escalated to current-day dollars, which provides an estimate of the current-day cost of replacing the existing facilities. While this method is endorsed by the American Water Works Association (AWWA), another AWWA replacement cost method, Replacement Cost New Less Depreciation (RCNLD), recognizes that the assets are not new and are not being purchased today by taking the accumulated depreciation and subtracting it from the replacement cost. The computed value reflects the remaining depreciable life of the facility. As such, the RCNLD method may further ensure the equitable cost distribution between the existing and new customers.

Working with District staff, RDN will evaluate the current method and may recommend the RCNLD method to calculate the value of current system assets, if deemed appropriate.

The District issued COP in December 2016 to finance certain improvements to the District’s municipal water system.<sup>1</sup> According to the District’s FY 2018-2019 financial documents, the remaining principal balance in FY 2021 is \$17,550,000. RDN will identify if the debt was issued to finance a growth or expansion-related project. If so, a debt credit should be made to offset the value of system assets. The principal portion of payments are typically subtracted from the asset calculation to avoid double charging the cost through both the capacity charges and user rates. Grants and other contributions used to develop capacity-related facilities should be subtracted from the value of system assets. RDN will investigate if other adjustments are needed to determine system asset value.

### Task 3.2 Evaluation of System Capacity

RDN will calculate the capacity demand value of each individual facility, if feasible, to better reflect the actual facility capacity. In the previous study, the volume of the SFPUC daily supply assurance was used as a measure to reflect the District’s system capacity. Each of the system’s facilities use different design criteria. Therefore, capacity requirements vary depending on their functions. Some facilities may be built to accommodate larger demand than the source of supply assurance currently given by SFPUC. Furthermore, the supply assurance can change during the planning period depending on the weather, state restrictions, and other factors which influence the volume of supply SFPUC could allocate. RDN will work with District staff to determine if using the capacity demand value of each facility is a more effective way of determining system capacity.

### Task 3.3 Assessment of New Customer Capacity Demand

RDN will assess new customer demand by using maximum day demand (MDD) or peaking hourly demand (PHD) of the specific class of customers. The peaking demand customers could potentially impose on the system may better fulfill the purpose of the capacity charges since the system facilities were constructed to meet such demand. An alternative method is to calculate single family residential customers’ capacity charges by taking the unit cost of the capacity charge, multiplied by average water consumption, as was done in previous assessments.

*Table 3. Summary of Task 3*

Task 3			
Water Capacity Charge (June 2020 to February 2021) Total Cost: \$7,410			
	Task 3.1	Task 3.2	Task 3.3
Description	Valuation of System Asset Value	Evaluation of System Capacity	Assessment of New Customer Capacity Demand
Methodology	<ul style="list-style-type: none"> <li>Assess RCN Method</li> <li>Assess RCNLD Method</li> <li>Present Recommendations</li> </ul>	<ul style="list-style-type: none"> <li>Calculate Capacity Demand</li> <li>Assess Supply Assurance</li> <li>Evaluate Individual Demand</li> </ul>	<ul style="list-style-type: none"> <li>Assess New Customer Demand</li> <li>Evaluate Peaking</li> <li>Present Recommendations</li> </ul>
Scheduling	19 hours	17 Hours	17 Hours
Personnel	Niehaus/Kido/Kallerud	Niehaus/Kido/Kallerud	Niehaus/Kido/Kallerud
Cost	\$2,440	\$2,660	\$2,310

<sup>1</sup> Mid-Peninsula Water District Financial Statements with Independent Auditor’s Report For the Fiscal Years ended June 30 2019 and 2018

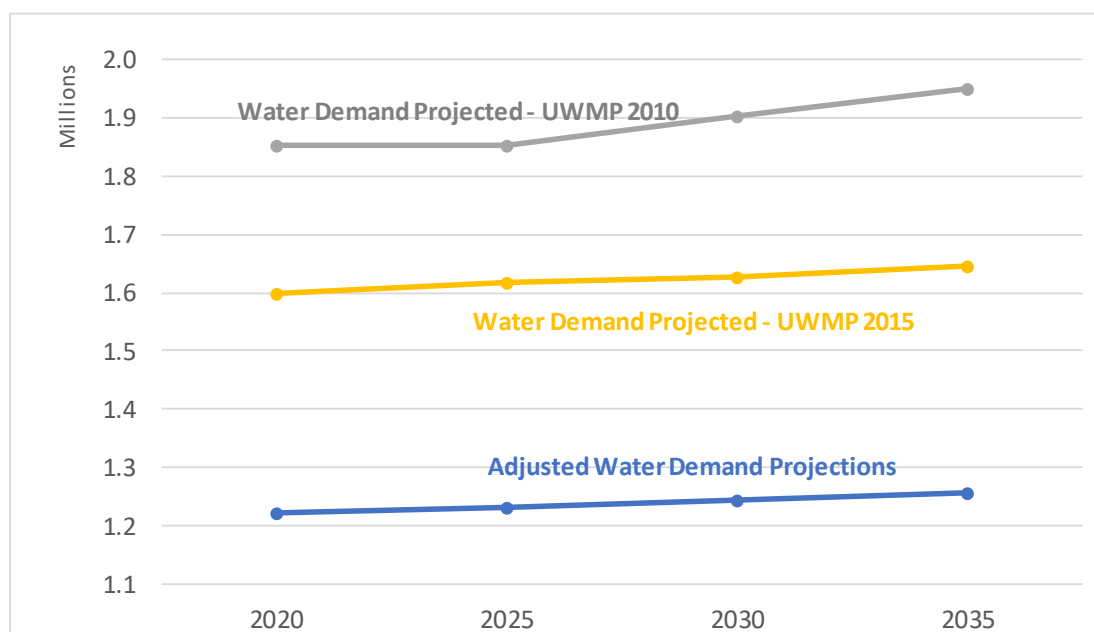


## Task 4. Water Demand Offset Charge

As part of the previous assessment to establish the Water Demand Offset Charge, future demand was forecasted by taking the actual SFPUC purchases for FY 2013 and adjusting them to account for the projected increase in the 2010 UWMP. The landscape of the water industry has changed significantly in the last ten years and the changes were reflected in the 2015 UWMP.

Figure 1 shows the changes in the demand projections between the District's 2010 and 2015 UWMP. For the purpose of this proposal, RDN computed the District's future water demand projections using this same methodology. The District's last rate study update, conducted in 2018<sup>2</sup>, indicated that the actual water consumption from July to January and estimates from February to June for FY 2018 totaled 1,144,562 hcf. After accounting for water loss at 6.2 percent, the total demand was estimated at 1,215,525 hcf for FY 2018. RDN applied the average annual demand increase of 0.19 percent projected in the 2015 UWMP between FY 2020 and FY 2035 to the estimate, and updated the forecasts created in the previous study. The consumption for FY 2020 under this projection is 1,220,209, approximately 633,000 lower than the projected demand in 2010 UWMP, and 379,000 lower than that of the 2015 UWMP.

**Figure 1. UWMP Water Demand Projections 2010 vs. 2015, and Adjusted Projections w/ 2015 Actual Data**



**Note:** Water loss of approximately 6.2 percent was accounted in UWMP 2010 and 2015 projections

**Note:** Adjusted water demand projections were calculated using the same methodology BWA in 2015 Water Capacity Charge Study. Taking the actual/estimate demand for FY 2018, an average rate of demand increase rate 0.19 percent was applied to forecast FY 2020 – FY 2035 demand.

<sup>2</sup> Water Rate Update May 18, 2018, Bartle Wells Associates

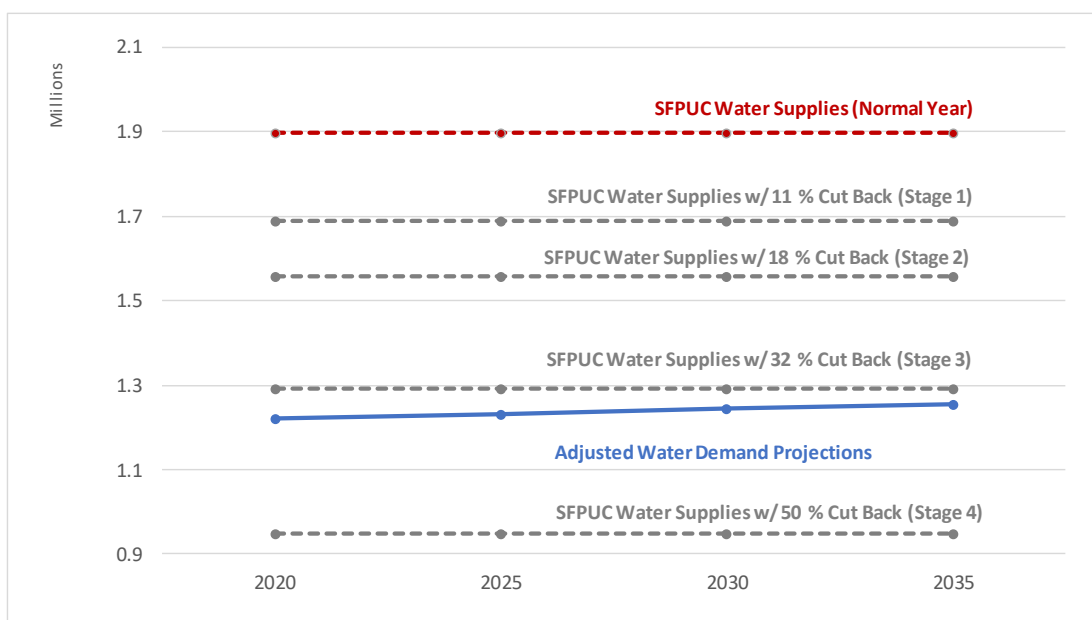
The Water Demand Offset Charge was established under the assumption of water supply shortfall, i.e., SFPUC supply assurance not meeting the projected demand through build-out. Figure 2 presents the District's current water supply allowance and four different stages of potential reduction in the water supply allowance. The trend line for adjusted demand projections indicates that it is most likely the District will have sufficient amount of water under stage 1, 2, and 3 restriction (up to 32 percent of reduction in water supply). However, the District will need additional water supply under stage 4 (up to 50 percent of reduction in water supply) assuming no conservation effort is made during the period. The updated demand projection suggests that the District will have enough water supply unless there is an extreme case of drought condition that could potentially cut back the District's water supply by 33 to 50 percent.

As mentioned in the previous section, the decrease in consumption is due to the landscape changes in the water industry. Recent research suggests that the gallons of water used per capita per day (GPCD) for indoor water use was 69.3 in 1999, and decreased to 58.6 gpcd in 2016. It is expected to be as little as 36.7 gpcd in the coming years with additional potential water savings.<sup>3</sup> This is mainly due to the rapid increase in efficient household fixtures. Furthermore, under the recent state legislation SB 606 and AB 1668, the District will be required to reduce the usage to meet the water budget target determined by the state. Considering these factors, it is crucial to identify if a Water Demand Offset Charge is still applicable and defensible for the District to use as a way to fund future water supply source during the planning period.

As an additional measure, RDN will perform a comprehensive demand projection analysis for an identified planning period, using customers' individual historical usage data and incorporating factors such as weather, demographics, and price elasticity. Using these demand projections, RDN will work closely with the District to determine if the purpose of the charge has altered from funding future water supply source to cost recovery of the rebate program or the construction of a recycled water plant for conservation purposes. If we determine the charge is now intended to promote general conservation efforts or build a recycled water plant to offset potable water use, the costs should be allocated to the existing and new customers equitably since both are beneficiaries of these projects. In either case, we will help the District identify alternative methods to equitably mitigate the financial impact of new and expanded development.

---

<sup>3</sup> Residential End Uses of Water, Version 2 – Water Research Foundation, April 2016

**Figure 2. SFPUC Water Supply and MPWD Demand**

### A capacity charge to recover costs for existing SFPUC water supply infrastructure

Using the buy-in method, we will measure existing SFPUC water supply infrastructure that could provide additional capacity to serve water to new customers. The District may use this charge to offset the cost of purchasing water or other expenses incurred through the process of importing water from SFPUC. The existing customers have been paying for the capacity of SFPUC infrastructure through their rates. The existing customers will benefit from this charge by offsetting the costs associated with water purchases from SFPUC.

**Table 4. Summary of Task 4**

Task 4	
Water Demand Offset Charge (July to November) Total Cost: \$2,380	
Methodology	<ul style="list-style-type: none"> <li>• Create Comprehensive Demand Projection</li> <li>• Assess UWMP Projections</li> <li>• Incorporate Demand Reductions</li> <li>• Recommend Water Demand Offset Charge</li> </ul>
Scheduling	16 Hours
Personnel	Niehaus/Kido/Kallerud
Cost	\$2,380

## Task 5. Fee Survey

We will survey water capacity charges implemented by the water agencies within the San Francisco Regional Water System to compare the current and proposed charges. We will compare the charges by customer class across agencies. The report will include the date of the last updates, the size of the agency, and type of capacity charges. The water agencies to be included in the survey are East Bay Municipal Utility District (EBMUD), Hillsborough, Hayward, Alameda County Water District, Redwood City, Mountain View, Palo Alto, Menlo Park, and Foster City.

*Table 5. Summary of Task 5*

Task 5 Fee Survey (July to November) Total Cost: \$1,230	
<b>Methodology</b>	<ul style="list-style-type: none"> <li>• Produce list of Comparison Agencies</li> <li>• Data Collection</li> <li>• Compare Charges by Customer Class</li> </ul>
<b>Scheduling</b>	10 Hours
<b>Personnel</b>	Kido/Kallerud
<b>Cost</b>	\$1,230

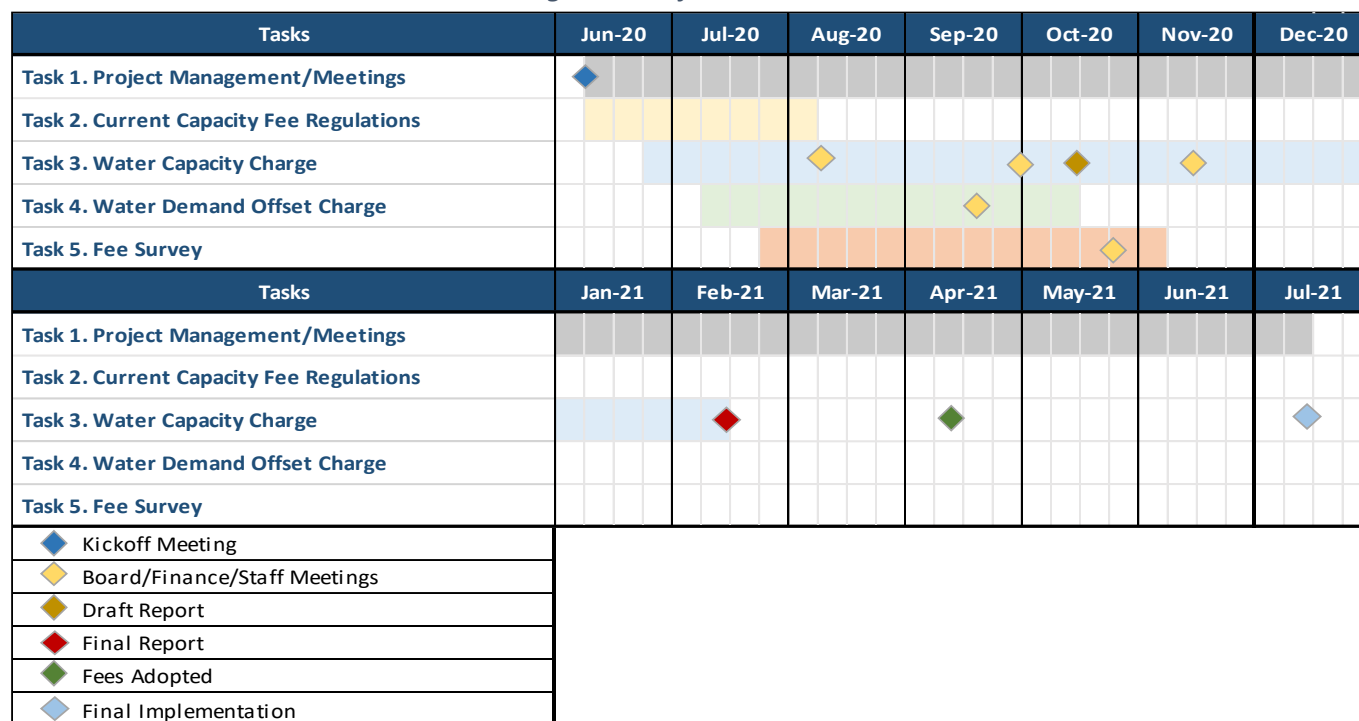
## Deliverables

RDN will ensure that all of the District's objectives are met in the process of making the recommended charges. We will produce interim reports in web-based format for easy access for all parties involved in the study. These reports will ensure that the District is informed of each step throughout the study process. The deliverables include the draft and final reports in Word and PDF formats. The reports will describe our methodology and analytical process according to the Scope of Work. RDN will also provide a model used to compute capacity charges in Excel format. We will provide ten hard copies of final report.

## Schedule

Figure 3 outlines our proposed schedule to deliver a successful Capacity Charge Study. The schedule has been designed to allow for a draft report to be presented at the Board's Finance Committee meeting in November 2020. Input from that meeting will be incorporated and the final report will be completed by February 2021. This will allow the Board of Directors to adopt the new fee structure in April 2021 for implementation on July 1, 2021.

*Figure 3. Project Schedule*



## Project Highlight

### Santa Clarita Valley Water Agency – Facility Capacity Study

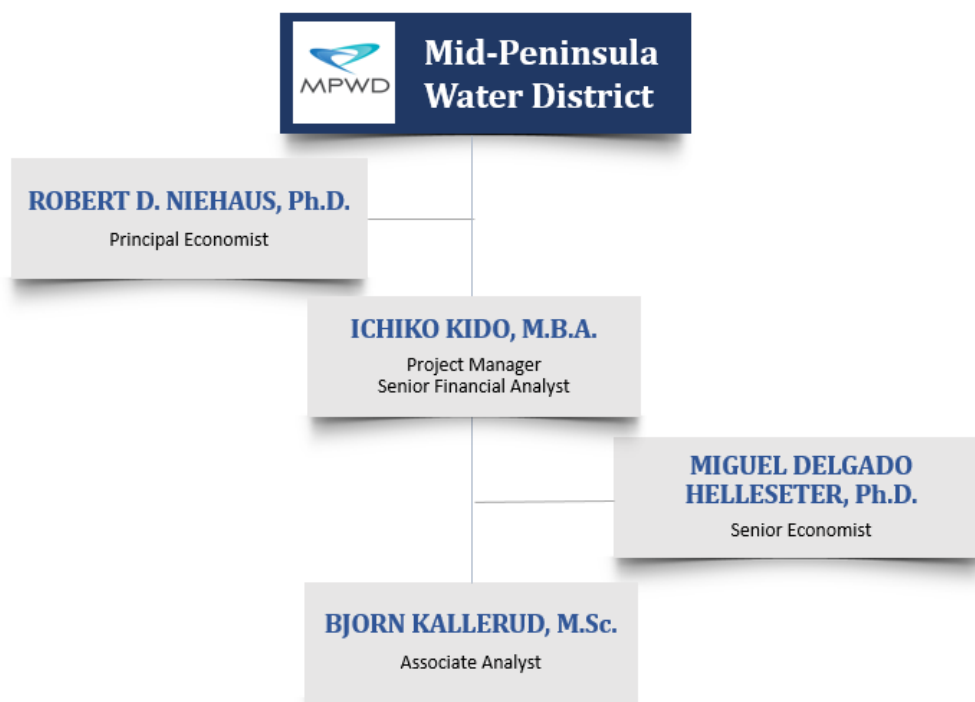


The Santa Clarita Valley Water Agency retained RDN to review and evaluate the capacity charges developed by the agency for their accuracy and equitability for the agency's existing and new customers. The analyses performed for the study included evaluation of the methodology used to project demands and account growth for the planning period, review of capital improvement costs included in the fee calculation, assessment of the Monte Carlo Simulation utilized by the agency staff to gauge the range of potential developments in the community for the next 30 years. RDN produced an administrative report and presented the analyses at several board meetings over the six-month time period. The Facility Capacity Charges were approved by the agency's board of directors in February 2020.

## Personnel

RDN's proposed project team is led by its principal economist, Dr. Robert D. Niehaus, and Ichiko Kido, the project manager and primary point of contact. The project organization is highlighted below. Profiles for team members are provided on the following pages, as well as each member's proposed project role. Full resumes are appended to this Proposal. Through our internal due diligence, we affirm that our proposed project team will not change during this engagement and that we have sufficient staff and resources available to meet project deadlines.

*Figure 5. Team RDN Project Organization, Key Personnel*





## ***AGENDA ITEM NO. 5.I.***

DATE: June 25, 2020

TO: Board of Directors

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

**SUBJECT: APPROVE RESOLUTION 2020-17 AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES WITH TOM HOVORKA OF KELLER WILLIAMS PENINSULA ESTATES AND CHERYL VILLANUEVA OF COMPASS FOR REAL ESTATE MARKETING AND BROKERAGE SERVICES TO SELL MPWD SURPLUS REAL PROPERTY LOCATED AT 1513-1515 FOLGER DRIVE IN BELMONT, CA**

### **RECOMMENDATION**

Approve Resolution 2020-17.

### **FISCAL IMPACT**

Depending upon the sales price, the agreed upon commission of 5% will be paid to Tom Hovorka of Keller Williams Peninsula Estates and Cheryl Villanueva of Compass (Team Hovorka/Villanueva) to be split 50/50 between the listing broker and selling broker.

### **BACKGROUND**

On May 24, 2018, the Board approved the surplus of the real property located at 1513-1515 Folger Drive in Belmont, CA.

In mid-October 2019, an RFP (Request for Proposals) was distributed and advertised in the Daily Journal (twice) for real estate marketing and brokerage services. Four (4) submittals were timely received by the MPWD on November 14, 2019.

Staff and District Counsel thoroughly reviewed the proposals and while all were well qualified, staff determined that the proposal submitted from the below individuals was the highest ranked:

- Tom Hovorka & Cheryl Villanueva  
KW Peninsula Estates Compass

### **DISCUSSION**

As requested by the Board of Directors, on February 27, 2020, the top two teams made presentations:

1. Tom Hovorka & Cheryl Villanueva  
KW Peninsula Estates Compass
2. John M. Weatherby, Mark F. Lockenmeyer, & Juan de Leon  
Cornish & Carey Commercial d/b/a Newmark Knight Frank

**Team Hovorka/Villanueva Highlights:**

- Positive experience working directly with the MPWD, twice—in 2018 and 2010—providing market comparisons and valuations and coordinating preliminary title reports for the subject property (and other properties owned by the MPWD); and
- Fee: Reduced commission of 5%--to be split 50/50 between the listing broker and selling broker; and
- Comprehensive and diverse marketing strategy and approach, including “COMING SOON” campaign to attract prospective buyers and “marketing at international sites for interested overseas buyers/investors”; and
- Significantly exceeded the required five (5) years of real estate experience and provided adequate descriptions of their firms, relators/brokers, references, and additional services.

Team Hovorka/Villanueva is recommended because of their long-term local experience in providing real estate marketing and brokerage services, their proposed marketing approach, the reduced cost for their commissions (5% and 50/50 split between the listing and selling brokers), and the MPWD’s positive past experience working with them.

Staff recommends selling the property “AS IS” with no planned renovation.

The attached Professional Services Contract is the MPWD’s template form developed by District Counsel.

Attachments:     Resolution 2020-17  
                          Contract for Professional Services

---

BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ ZUCCA\_\_\_\_ SCHMIDT\_\_\_\_ WHEELER\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_



## RESOLUTION NO. 2020-17

### AUTHORIZING A CONTRACT FOR PROFESSIONAL SERVICES WITH TOM HOVORKA OF KELLER WILLIAMS PENINSULA ESTATES AND CHERYL VILLANUEVA OF COMPASS FOR REAL ESTATE MARKETING AND BROKERAGE SERVICES TO SELL MPWD SURPLUS PROPERTY LOCATED AT 1513-1515 FOLGER DRIVE IN BELMONT, CA

\* \* \*

#### MID-PENINSULA WATER DISTRICT

**WHEREAS**, the Mid-Peninsula Water District (District) owns certain real property located at 1513-1515 Folger Drive in Belmont; and

**WHEREAS**, by Resolution No. 2018-14 adopted May 24, 2018, the District declared the 1513-1515 Folger Drive property to be “surplus property” within the meaning of California Government Code Section 54220 et seq. (Surplus Lands Act); and

**WHEREAS**, the District has followed all procedures required pursuant to the Surplus Lands Act; and

**WHEREAS**, in mid-October 2019, an RFP (Request for Proposals) was distributed and advertised in the Daily Journal (twice) for real estate marketing and brokerage services to sell the property located at 1513-1515 Folger Drive. Four (4) submittals were timely received by the MPWD on November 14, 2019; and

**WHEREAS**, the submittals were thoroughly reviewed by staff and District Counsel and determined that the highest ranked proposal was submitted by Tom Hovorka of Keller Williams Peninsula Estates and Cheryl Villanueva of Compass; and

**WHEREAS**, the top two (2) ranked realtor teams—Tom Hovorka of Keller Williams Peninsula Estates and Cheryl Villanueva of Compass, and John Weatherby and Juan de Leon of Cornish & Carey Commercial d/b/a Newmark Knight Frank—made presentations to the Board on February 27, 2020; and

**WHEREAS**, staff recommended that a contract for professional services be awarded to Tom Hovorka of Keller Williams Peninsula Estates and Cheryl Villanueva of Compass for real estate marketing and brokerage services to sell the surplus property located at 1513-1515 Folger Drive for a total all-inclusive sum not-to-exceed fee of 5% of the gross sales price of the property, to be split 50/50 between listing broker and buyer's broker.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Mid-Peninsula Water District hereby authorizes a contract for professional services, in a form approved by legal counsel, with Tom Hovorka of Keller Williams Peninsula Estates and Cheryl Villanueva of Compass for real estate marketing and brokerage services to sell the property located at 1513-1515 Folger Drive in Belmont, CA, and authorizes the General Manager to execute it on behalf of the District, with the understanding that the sale of the property is subject to formal Board approval.

**REGULARLY PASSED AND ADOPTED** this 25<sup>th</sup> day of June 2020.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

\_\_\_\_\_  
PRESIDENT

ATTEST:

\_\_\_\_\_  
SECRETARY OF THE BOARD

## CONTRACT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made as of the 25<sup>th</sup> day of June 2020, by and between the MID-PENINSULA WATER DISTRICT ("DISTRICT") and TOM HOVORKA OF KELLER WILLIAMS PENINSULA ESTATES AND CHERYL VILLANUEVA OF COMPASS ("CONSULTANT").

WHEREAS, the DISTRICT desires to obtain professional real estate brokerage services and has issued a Request for Proposals dated October 15, 2019, a copy of which is attached and incorporated as Exhibit A; and

WHEREAS, the CONSULTANT desires to furnish such services and has submitted a Proposal dated November 14, 2019, a copy of which is attached and incorporated as Exhibit B.

NOW, THEREFORE, the parties agree as follows:

1. RENDITION OF SERVICES. The CONSULTANT agrees to provide professional services to the DISTRICT in accordance with the terms and conditions of this Agreement ("Services"). In the performance of its Services, CONSULTANT represents that it has and will exercise that degree of professional care, skill, efficiency and judgment ordinarily employed by consultants providing similar services. CONSULTANT further represents and warrants that it holds currently in effect all licenses, registrations, and certifications in good standing that may be required under applicable law or regulations to perform these services and agrees to retain such licenses, registrations, and certifications in active status throughout the duration of this engagement.
2. SCOPE OF SERVICES. The scope of the CONSULTANT's Services shall consist of the services set forth in Exhibit A. CONSULTANT understands and agrees that the sale of the real property is subject to the approval by the MPWD Board of Directors.
3. TERM. This Agreement will commence upon its Effective Date and shall continue until the services set forth in Section 2 are successfully completed, as determined by the DISTRICT.

The term of this Agreement will commence as of the date of contract award and will expire when the work is complete. The CONSULTANT shall furnish the DISTRICT with all the materials, equipment and services called for under this Agreement, and perform all other work, if any, described in the Contract Specifications.

It is understood that the term of the Agreement is subject to the DISTRICT's right to terminate the Agreement in accordance with Section 13 of this Agreement.

4. COMPENSATION. The CONSULTANT agrees to perform all of the services included in Section 2 for a total all inclusive sum not-to-exceed fee of 5% of the gross sales price of the property (1513-1515 Folger Drive, Belmont, CA) to be split 50/50 between listing broker and buyer's broker, in accordance with Exhibits A and B. The total all inclusive sum shall include all labor, materials, taxes, profit, overhead, insurance, subcontractor/subconsultant costs and all other costs and expenses incurred by the CONSULTANT.

5. MANNER OF PAYMENT. CONSULTANT shall submit a single invoice to DISTRICT upon closing of escrow for the real property sale. DISTRICT shall render payment within thirty (30) days of receipt of approved invoices.

All invoices should be sent to: Mid-Peninsula Water District  
3 Dairy Lane  
Post Office Box 129  
Belmont, CA 94002  
Attn: General Manager

6. CONSULTANT'S KEY PERSONNEL. It is understood and agreed by the parties that at all times during the term of this Agreement that brokers, Tom Hovorka and Cheryl Villanueva shall serve as the primary CONSULTANTS to undertake, render and oversee all of the services under this Agreement.

7. DISTRICT REPRESENTATIVE. Except when approval or other action is required to be given or taken by the Board of Directors of the DISTRICT, the General Manager of the DISTRICT, or such person or persons as he shall designate in writing from time to time, shall represent and act for the DISTRICT.

8. CONSULTANT'S STATUS. Neither the CONSULTANT nor any party contracting with the CONSULTANT shall be deemed to be an agent or employee of the DISTRICT. The CONSULTANT is and shall be an independent contractor, and the legal relationship of any person performing services for the CONSULTANT's shall be one solely between said parties.

9. OWNERSHIP OF WORK. All reports, designs, drawings, plans, specifications, schedules, and other materials prepared, or in the process of being prepared, for the Services to be performed by CONSULTANT shall be and are the property of the DISTRICT. The DISTRICT shall be entitled to access to and copies of these materials during the progress of the work. Any property of the DISTRICT in the hands of the CONSULTANT or in the hands of any subcontractor upon completion or termination of the work shall be immediately delivered to the DISTRICT. If any property of the DISTRICT is lost, damaged or destroyed before final delivery to the DISTRICT, the CONSULTANT shall replace it at its own expense and the CONSULTANT hereby assumes all risks of loss, damage or destruction of or to such materials. The CONSULTANT may retain a copy of all material produced under this agreement for its use in its general business activities.

10. CHANGES. The DISTRICT may, at any time, by written order, make changes within the scope of work and Services described in this Agreement. If such changes cause an increase in the budgeted cost of or the time required for performance of the agreed upon work, an equitable adjustment as mutually agreed shall be made in the limit on compensation as set forth in Section 4 or in the time of required performance as set forth in Section 3, or both. In the event that CONSULTANT encounters any unanticipated conditions or contingencies that may affect the scope of work or Services and result in an adjustment in the amount of compensation specified herein, CONSULTANT shall so advise the DISTRICT immediately upon notice of such condition or contingency. The written notice shall explain the circumstances giving rise to the unforeseen condition or contingency and shall set forth the proposed adjustment in compensation. Such notice shall be given the DISTRICT prior to the time that CONSULTANT performs work or services related to the proposed adjustment in compensation. Any and all pertinent changes shall be expressed in a written supplement to this Agreement prior to implementation of such changes.

11. RESPONSIBILITY; INDEMNIFICATION. CONSULTANT shall indemnify, keep and save harmless the DISTRICT, and the DISTRICT members, officers, agents and employees against any and all suits, claims or actions arising out of any injury to persons or property that may occur, or that may be alleged to have occurred, arising from the performance of this Agreement by the CONSULTANT caused by an act or omission of the CONSULTANT or its employees, subcontractors or agents. CONSULTANT further agrees to defend any and all such actions, suits or claims and pay all charges of attorneys and all other incurred costs and expenses. If any judgment be rendered against the DISTRICT or any of the other individuals enumerated above in any such action, CONSULTANT shall, at its expense, satisfy and discharge the same. This indemnification shall survive termination of this Agreement.

12. INSURANCE.

A. Workers' Compensation. If CONSULTANT employs any person to perform work in connection with this Agreement, CONSULTANT shall procure and maintain at all times during the performance of such work, Workers' Compensation Insurance in conformance with the laws of the State of California and Federal laws when applicable. Employers' Liability Insurance shall not be less than One Million Dollars (\$1,000,000) per accident or disease. Prior to commencement of work under this Agreement by any such employee, CONSULTANT shall deliver to the DISTRICT a Certificate of Insurance which shall stipulate that thirty (30) days advance written notice of cancellation, non-renewal or reduction in limits shall be given to the DISTRICT. Such insurance shall also contain a waiver of subrogation in favor of the Mid Peninsula Water District and its Directors, officers, agents and employees while acting in such capacity, and their successors and assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally.

B. Commercial General and Automobile Liability Insurance. CONSULTANT shall also procure and maintain at all times during the performance of this Agreement Commercial General Liability Insurance covering CONSULTANT and the DISTRICT for liability arising out of the operations and activities of CONSULTANT and any subcontractors. CONSULTANT shall also procure and maintain during the entire term of this Agreement Automobile Liability Insurance which shall include coverage for all vehicles, licensed or unlicensed, on or off the DISTRICT's premises, used by or on behalf of CONSULTANT in the performance of work under this Agreement. The policies shall be subject to a limit for each occurrence of One Million Dollars (\$1,000,000) naming as an additional insured, in connection with CONSULTANT's activities, the DISTRICT, and its Directors, officers, employees and agents. The Insurer(s) shall agree that its policy(ies) is Primary Insurance and that it shall be liable for the full amount of any loss up to and including the total limit of liability without right of contribution from any other insurance covering the DISTRICT.

Inclusion of the DISTRICT as an additional insured shall not in any way affect its rights as respects to any claim, demand, suit or judgment made, brought or recovered against CONSULTANT. The policy shall protect CONSULTANT and the DISTRICT in the same manner as though a separate policy had been issued to each, but nothing in said policy shall operate to increase the Insurer's liability as set forth in the policy beyond the amount or amounts shown or to which the Insurer would have been liable if only one interest had been named as an insured. Such insurance shall also contain a waiver of subrogation in favor of the Mid Peninsula Water District and its Directors, officers, agents and employees while acting in such capacity, and their successors and assignees, as they now, or as they may hereafter be constituted, singly, jointly or severally

Prior to commencement of work hereunder, CONSULTANT shall deliver to the DISTRICT a Certificate of Insurance which shall indicate compliance with the insurance requirements of this paragraph and shall stipulate that thirty (30) days' advance written notice of cancellation, non-renewal or reduction in limits shall be given to the DISTRICT.

C. Professional Liability Insurance. CONSULTANT shall also maintain Professional Liability Insurance covering CONSULTANT's performance under this Agreement with a limit of liability of One Million Dollars (\$1,000,000) for any one claim. This insurance shall be applicable to claims arising out of or related to the performance of this Agreement. Prior to commencing work under this Agreement, CONSULTANT shall furnish to the DISTRICT a Certificate of Insurance, or certified copy of the Insurance policy if requested, indicating compliance with requirements of this paragraph. Such certificate or policy shall further stipulate that 30 days' advance written notice of cancellation, non-renewal or reduction in limits shall be given to the DISTRICT.

D. Deductibles and Retentions. CONSULTANT shall be responsible for payment of any deductible or retention on CONSULTANT's policies without right of contribution from the DISTRICT. Deductible and retention provisions shall not contain any restrictions as to how or by whom the deductible or retention is paid. Any deductible or retention provision limiting payment to the Named Insured is unacceptable.

In the event that the policy of the CONSULTANT or any subcontractor contains a deductible or self-insured retention, and in the event that the DISTRICT seeks coverage under such policy as an additional insured, CONSULTANT shall satisfy such deductible or self-insured retention to the extent of loss covered by such policy for a lawsuit arising from or connected with any alleged act or omission of CONSULTANT, subcontractor, or any of their officers, directors, employees, agents, or suppliers, even if CONSULTANT or subcontractor is not a named defendant in the lawsuit.

13. TERMINATION. The DISTRICT shall have the right to terminate this Agreement at any time by giving written notice to the CONSULTANT. In the event of termination for any reason other than the fault of the CONSULTANT, the CONSULTANT shall be compensated in accordance with the provisions of Sections 4 and 5 for the services performed and expenses incurred to the date of such termination, plus any reasonable costs and expenses which are reasonably and necessarily incurred by CONSULTANT to effect such termination. For termination for default, the DISTRICT shall remit final payment to CONSULTANT in an amount to cover only those services performed and expenses incurred in accordance with the terms and conditions of this Agreement up to the effective date of termination.

14. NOTICES. All communications relating to the day to day activities of the project shall be exchanged between the DISTRICT's General Manager and the CONSULTANT's Tom Hovorka and Cheryl Villanueva.

All other notices and communications deemed by either party to be necessary or desirable to be given to the other party shall be in writing and may be given by personal delivery to a representative of the parties or by mailing the same postage prepaid, addressed as follows:

If to the DISTRICT:	Mid-Peninsula Water District
	3 Dairy Lane
	Belmont, California 94002
	ATTENTION: General Manager

If to the CONSULTANT: \_\_\_\_\_

ATTENTION: \_\_\_\_\_

The address to which mailings may be made may be changed from time to time by notice mailed as described above. Any notice given by mail shall be deemed given on the day after that on which it is deposited in the United States Mail as provided above.

15. EQUAL EMPLOYMENT OPPORTUNITY. In connection with the performance of this Agreement the CONSULTANT shall not discriminate against any employee or applicant for employment because of race, religion, color, sex, gender identity, disability or national origin. The CONSULTANT shall take affirmative actions to insure that applicants are employed, and that employees are treated during their employment, without regard to their race, religion, color, sex, disability or national origin. Such actions shall include, but not be limited to, the following: employment, upgrading, demotion, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. CONSULTANT further agrees to include a similar provision in all subcontracts, except subcontracts for standard commercial supplies or raw materials.

16. MISCELLANEOUS

A. Records. During the term of this Agreement, CONSULTANT shall permit representatives of the DISTRICT to have access to, examine and make copies, at the DISTRICT's expense, of its books, records and documents relating to this Agreement at all reasonable times.

B. District Warranties. The DISTRICT makes no warranties, representations or agreements, either express or implied, beyond such as are explicitly stated in this Agreement.

C. Release of Information. CONSULTANT shall not release any reports, information or promotional materials prepared in connection with this Agreement without the approval of the DISTRICT's General Manager.

D. Use of Subcontractors. CONSULTANT shall not subcontract any Services to be performed by it under this Agreement without the prior written approval of the DISTRICT, except for service firms engaged in drawing, reproduction, typing and printing. CONSULTANT shall be solely responsible for reimbursing any subcontractors and the DISTRICT shall have no obligation to them.

E. No Assignment. CONSULTANT shall not assign any of the rights nor transfer any of its obligations under the Agreement without the prior written consent of the District.

F. Attorney's Fees. If any legal proceeding should be instituted by either of the parties to enforce the terms of this Agreement or to determine the rights of the parties under this Agreement, the prevailing party in said proceeding shall recover, in addition to all court costs, reasonable legal fees.

G. Applicable Law. This Agreement, its interpretation and all work performed thereunder, shall be governed by the laws of the State of California.

H. Binding on Successors. All of the terms, provisions and conditions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors, assigns and legal representatives.

I. Waiver. Any waiver of any breach or covenant of this Agreement must be in a writing executed by a duly authorized representative of the party waiving the breach. A waiver by any of the parties of a breach or covenant of this Agreement shall not be construed to be a waiver of any succeeding breach or any other covenant unless specifically and explicitly stated in such waiver.

J. Entire Agreement; Modification. This Agreement, including any attachments, constitutes the entire Agreement between the parties with respect to the subject matter hereof, and supersedes any prior understanding or agreement, oral or written, with respect to such subject matter. It may not be amended or modified, except by a written amendment executed by authorized representatives by both parties. In no event will the Agreement be amended or modified by oral understandings reached by the parties or by the conduct of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement by their duly authorized officers as of the day and year first above written.

MID-PENINSULA WATER DISTRICT

\_\_\_\_\_ \*

By: \_\_\_\_\_  
President of the Board

By: \_\_\_\_\_

Attest: \_\_\_\_\_  
Secretary for the DISTRICT

Title: \_\_\_\_\_

APPROVED AS TO FORM:

By: \_\_\_\_\_

By: \_\_\_\_\_  
Attorney for the DISTRICT

Title: \_\_\_\_\_

\* If the CONSULTANT is a Corporation, two officers of the corporations consisting of one from each of the following categories must sign the agreement: 1) the President, Vice President or Board Chair and 2) the Secretary, Assistant Secretary, Chief Financial Officer or Assistant Treasurer. If only one officer signs or an individual not specified above, the CONSULTANT will submit satisfactory evidence that the individual is authorized to sign for and bind the corporation.





## **AGENDA ITEM NO. 5.J.**

DATE: June 25, 2020

TO: Board of Directors

FROM: Tammy Rudock, General Manager

**SUBJECT: APPROVE RESOLUTION 2020-18 DESIGNATING THE GENERAL MANAGER AS THE MPWD'S AGENT TO FILE FOR FEMA REIMBURSEMENTS RELATED TO THE COVID-19 PANDEMIC**

### **RECOMMENDATION**

Approve Resolution 2020-18.

### **FISCAL IMPACT**

None.

### **BACKGROUND**

From the Cal OES website:

*On March 22, 2020, the President declared the ongoing Coronavirus Disease 2019 (COVID-19) pandemic of sufficient severity and magnitude to warrant a major declaration for the State of California, pursuant to section 501 (b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121-5207). State, Territorial, Tribal, local government entities and certain private non-profit (PNP) organizations are eligible to apply for Public Assistance.*

*In accordance with section 502 of the Stafford Act, eligible emergency protective measures taken to respond to the COVID-19 emergency at the direction or guidance of public health officials' may be reimbursed under Category B of the Federal Emergency Management Agency's (FEMA) Public Assistance program.*

*The California Governor's Office of Emergency Services (Cal OES) Recovery Section acts as the grantee for FEMA's Public Assistance program and is ready to assist potential applicants with applying for a Public Assistance subgrant and understanding eligibility requirements.*

**Major Declaration Event Number:** FEMA-4482-DR-CA (DR-4482)

**Name:** California Covid-19 Pandemic

**Declared Counties:** All 58 of California's Counties

**Incident Period:** Incident Period: January 20, 2020 and continuing

A FEMA-issued Eligibility Fact Sheet is attached for information.

### **DISCUSSION**

District Counsel provided a memo dated April 29, 2020, regarding "Accessing FEMA Emergency Assistance" wherein the following was among the information shared:

*FEMA funds are available for "emergency protective measures" that eliminate or lessen immediate threats (i) to life, public health or safety; or (ii) of significant additional damage to improved public or private property through measures which are cost effective. The work must be required as a result of the declared incident; located within an area where there is an emergency; and the legal responsibility of an eligible applicant. In other words, assistance is available for additional measures taken as a result of the emergency over and above normal operations, rather than costs of normal operations for services that are emergency related. Lost revenue due to an emergency is not eligible for reimbursement.*

*Adequately documenting expenses for emergency protective measures is important to preserving an agency's ability to obtain FEMA funds. Applicants are responsible for providing documentation to demonstrate its claimed costs are directly tied to the performance of eligible work (i.e., not normal operations), consistent with the applicant's internal policies, regulations, and procedures, and reasonable to accomplish the work properly and efficiently. Reimbursed costs are subject to audit, which may occur several years after the emergency. If recipients are unable to substantiate their expenses, FEMA may seek to claw back funds previously distributed.*

*There are several steps that agencies can take to ensure that they are able to verify their expenses qualify for reimbursement.*

- Labor
  - Document the time, place, employee, and description of the tasks performed relating to the emergency
- Materials
  - Quantify the agency's existing stock and unit costs, and track what materials the agency used to respond to the emergency
- Procurements
  - Issue separate purchase orders using COVID codes when using preexisting contracts, and require that vendors provide details on invoices and change orders

*Agencies must follow their standard procurement procedures when procuring goods and services using FEMA funds. Additionally, FEMA funds are subject to the standard rules applicable to federally funded procurements. Deviation from these procedures is permissible in some cases, though agencies should carefully document the reasons for these deviations. FEMA may refuse disallow reimbursement for expenses where the agency did not follow the proper procurement procedures.*

Staff attended a virtual FEMA Applicant Briefing training session about applying for FEMA assistance utilizing the Grants Portal and two-hour streamlined application process.

At this time, staff has identified less than \$5,000 in potential eligible expenses, including legal costs, GoToMeeting set-up expenses, masks for staff, website messaging, and staff time for attending the FEMA Applicant Briefing training session and for completing the application for assistance. Unless costs were to exceed \$10,000, staff would recommend to the Board that it would not be worth staff time in requesting FEMA assistance because we have other priorities.

Attachments: Resolution 2020-18  
FEMA Eligibility Fact Sheet

---

BOARD ACTION: APPROVED:\_\_\_\_\_ DENIED:\_\_\_\_\_ POSTPONED:\_\_\_\_\_ STAFF DIRECTION:\_\_\_\_\_

UNANIMOUS\_\_\_\_\_ ZUCCA\_\_\_\_\_ SCHMIDT\_\_\_\_\_ WHEELER\_\_\_\_\_ WARDEN\_\_\_\_\_ VELLA\_\_\_\_\_

RESOLUTION 2020-18  
MID-PENINSULA WATER DISTRICT

**DESIGNATION OF APPLICANT'S AGENT RESOLUTION  
FOR NON-STATE AGENCIES**

BE IT RESOLVED BY THE \_\_\_\_\_ OF THE \_\_\_\_\_  
(Governing Body) (Name of Applicant)

THAT \_\_\_\_\_, OR  
(Title of Authorized Agent)

\_\_\_\_\_, OR  
(Title of Authorized Agent)

\_\_\_\_\_  
(Title of Authorized Agent)

is hereby authorized to execute for and on behalf of the \_\_\_\_\_, a public entity  
(Name of Applicant)  
established under the laws of the State of California, this application and to file it with the California Governor's Office of Emergency Services for the purpose of obtaining certain federal financial assistance under Public Law 93-288 as amended by the Robert T. Stafford Disaster Relief and Emergency Assistance Act of 1988, and/or state financial assistance under the California Disaster Assistance Act.

THAT the \_\_\_\_\_, a public entity established under the laws of the State of California,  
(Name of Applicant)  
hereby authorizes its agent(s) to provide to the Governor's Office of Emergency Services for all matters pertaining to such state disaster assistance the assurances and agreements required.

**Please check the appropriate box below:**

- ☐ This is a universal resolution and is effective for all open and future disasters up to three (3) years following the date of approval below.  
☐ This is a disaster specific resolution and is effective for only disaster number(s) \_\_\_\_\_

Passed and approved this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_

\_\_\_\_\_  
(Name and Title of Governing Body Representative)

\_\_\_\_\_  
(Name and Title of Governing Body Representative)

\_\_\_\_\_  
(Name and Title of Governing Body Representative)

**CERTIFICATION**

I, \_\_\_\_\_, duly appointed and \_\_\_\_\_ of  
(Name) (Title)

\_\_\_\_\_, do hereby certify that the above is a true and correct copy of a  
(Name of Applicant)

Resolution passed and approved by the \_\_\_\_\_ of the \_\_\_\_\_  
(Governing Body) (Name of Applicant)

on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Title)

# CALIFORNIA COVID-19 (DR-4482)

## FEMA Eligibility Fact Sheet

In accordance with section 502 of the [Robert T. Stafford Disaster Relief and Emergency Assistance Act](#), eligible emergency protective measures taken to respond to the COVID-19 emergency at the direction or guidance of public health officials may be reimbursed under Category B of FEMA's Public Assistance Program.

### Eligible Applicants

- State Agencies
- Local Governments (e.g., Cities, Towns, Counties, etc.)
- Special Districts (e.g., School Districts, Sanitation Districts, Community Services Districts, etc.)
- Federally Recognized Indian Tribal Governments
- Private non-profit organizations which own or operate a private nonprofit facility as defined in [44 CFR, section 206.221\(e\)](#)

For-profit organizations are not eligible.

### Eligible Assistance

Under the COVID-19 Emergency Declaration, FEMA may provide assistance for emergency protective measures including, but not limited to, the following\*:

- Management, control and reduction of immediate threats to public health and safety:
  - Emergency Operation Center costs
  - Training specific to the declared event
  - Disinfection of eligible public facilities
  - Technical assistance to state, tribal, territorial or local governments on emergency management and control of immediate threats to public health and safety
- Emergency medical care:
  - Non-deferrable medical treatment of infected persons in a shelter or temporary medical facility
  - Related medical facility services and supplies
  - Temporary medical facilities and/or enhanced medical/hospital capacity (for treatment when existing facilities are reasonably forecasted to become overloaded in the near term and cannot

**FEMA Eligibility Fact Sheet**

- accommodate the patient load or to quarantine potentially infected persons)
  - Use of specialized medical equipment
  - Medical waste disposal
  - Emergency medical transport
- Medical sheltering (e.g. when existing facilities are reasonably forecasted to become overloaded in the near future and cannot accommodate needs)
  - All sheltering must be conducted in accordance with standards and/or guidance approved by HHS/CDC and must be implemented in a manner that incorporates social distancing measures
  - Non-congregate medical sheltering is subject to prior approval by FEMA and is limited to that which is reasonable and necessary to address the public health needs of the event, is pursuant to the direction of appropriate public health officials and does not extend beyond the duration of the Public Health Emergency
- Household pet sheltering and containment actions related to household pets in accordance with CDC guidelines
- Purchase and distribution of food, water, ice, medicine, and other consumable supplies, to include personal protective equipment and hazardous material suits
- Movement of supplies and persons
- Security and law enforcement
- Communications of general health and safety information to the public
- Search and rescue to locate and recover members of the population requiring assistance
- Reimbursement for state, tribe, territory and/or local government force account overtime costs

\*If not funded by the Health and Human Services (HHS), Center for Disease Control (CDC), or other federal agency. While some activities listed may be eligible for funding through HHS/CDC, final reimbursement determinations will be coordinated by HHS and FEMA. **FEMA will not duplicate any assistance provided by HHS/CDC.**

Further information about eligible emergency protective measures can be found in the **[Public Assistance Program and Policy Guide \(FP 104-009-2 /April 2018\)](#)**

For more information, visit the following federal government websites:

- **[Coronavirus \(COVID-19\) \(CDC\)](#)**
- **[Centers for Medicare & Medicaid Services](#)**

If you have any questions, please send an email with your contact information to **[DisasterRecovery@caloes.ca.gov](mailto:DisasterRecovery@caloes.ca.gov)**.



## ***AGENDA ITEM NO. 7.A.***

DATE: June 25, 2020  
 TO: Board of Directors  
 FROM: Tammy Rudock, General Manager

**SUBJECT: CONSIDER RESOLUTION 2020-19 APPROVING THE INTENTION TO CHANGE FROM AT-LARGE TO ZONE-BASED ELECTIONS FOR ELECTION OF MEMBERS OF THE BOARD OF DIRECTORS COMMENCING IN NOVEMBER OF 2022**

### **RECOMMENDATION**

Approve Resolution 2020-19.

### **FISCAL IMPACT**

There will be legal and demographer consultant expenses, estimated to be approximately \$40,000 total.

### **BACKGROUND**

The California Voting Rights Act (CVRA) prohibits any political subdivision from using an at-large method of election that “impairs the ability of a protected class to elect candidates of its choice or influence the outcome of an election, as a result of the dilution or the abridgement of the rights of voters are members of the protected class...” (Elec. Code, § 14027.) An at-large voting system violates this standard when “racially polarized voting” (“RPV”) exists. (Id., § 14028(a).)

### **DISCUSSION**

Attached is Resolution 2020-19 for the Board’s consideration and discussion. Across the state of California many, cities, counties, and special districts (including most in the Bay Area) have been “forced” to change their elections from at-large to zone- or precinct-based elections as a result of being threatened by litigation. By no means does Resolution 2020-19 suggest that RPV exists within the MPWD service territory.

The MPWD has the opportunity to be proactive and transition to zone-based elections beginning in November 2022.

Attachments: Resolution 2020-19

BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ ZUCCA\_\_\_\_ SCHMIDT\_\_\_\_ WHEELER\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_

**RESOLUTION NO. 2020-09**

**APPROVING THE INTENTION TO CHANGE FROM AT-LARGE TO  
ZONE-BASED ELECTIONS FOR ELECTION OF MEMBERS OF THE  
BOARD OF DIRECTORS COMMENCING IN NOVEMBER OF 2022**

\* \* \*

**MID-PENINSULA WATER DISTRICT**

**WHEREAS**, the Mid-Peninsula Water District is a Water District duly organized and operating pursuant to the County Water District Law, California Water Code sections 30000 to 33901 et seq.; and

**WHEREAS**, the California Legislature in the County Water District Law provided for the formation, governance, and operation of County Water Districts, and the Mid-Peninsula Water District was established in 1929 with boundaries including the City of Belmont, portions of the City of San Carlos, and portions of unincorporated San Mateo County; and

**WHEREAS**, under the District's enabling legislation (Cal. Water Code sections 30000 to 33901), the Board of Directors (Board) of the Mid-Peninsula Water District (District) provides for the development and provision to its customers of a sufficient quantity of high quality water in the most cost-effective, reliable, and environmentally sensitive manner; and

**WHEREAS**, the Board seeks to manage the District in a manner to maximize efficiency and to ensure delivery of quality services to residents of the district it serves; and

**WHEREAS**, the Board currently is comprised of five (5) directors who serve four-(4) year staggered terms and are elected in even-numbered years pursuant to Cal. Water Code sections 30500 and 30501, and Cal. Elections Code section 10505; and

**WHEREAS**, the District's enabling legislation (Cal. Water sections 30292 et seq.) mandated that the directors be elected at large; and

**WHEREAS**, the Board desires to be as responsive a body as possible to the needs of the water district it serves; and

**WHEREAS**, voter participation in the election process for Board members is of the utmost importance, and the Board desires to encourage the fullest voter participation in elections of Board members; and

**WHEREAS**, the Board desires that its members represent the interests and wishes of all residents within the jurisdiction of the District, and that the community have confidence that the Board continues to represent the interests and wishes of the District; and

**WHEREAS**, while the Board has no information as to whether polarized voting exists in the District, the Board has elected to forego the process of obtaining demographic data to make that determination, and instead desires to change the electoral system for election to the District Board to a zone-based system from the current at-large system to ensure the fairest and most-inclusive electoral system; and

**WHEREAS**, it is the District's intention to establish five (5) zones which: are in compliance with one person, one vote requirements; are intended to ensure the opportunity of the District's minority groups with respect to their effective exercise of the electoral franchise; and, include consideration of topography, geography, cohesiveness, contiguity, integrity and compactness of territory, non-disturbance to existing precincts for purposes of implementation, as well as maintaining vital communities of interest; and

**WHEREAS**, in moving to zone elections, the District's Board desires to engage the community in the dialogue as to how the zones should be drawn and in what order they should elect new directors; and

**WHEREAS**, the Board intends to authorize legal counsel to retain a demographer to assist the District in drawing maps for zone-elections; and

**WHEREAS**, the District will hold several duly-noticed hearings throughout the District to hear from the community on questions of zone boundaries and the order of zone elections; and

**WHEREAS**, those in the District's service area, this County, the State of California, these United States, and the world now face a pandemic that has disrupted the public health, commerce, and lives of all people; and

**WHEREAS**, in March 12, 2020 and March 17, 2020 Emergency Orders, the Governor specifically recognized the impracticality of engaging in activities requiring public participation by allowing public entities to hold public meetings telephonically thereby relaxing some provisions of the Brown Act, and by suspending deadlines for those entities already engaged in the process of converting their systems for electing board or council members from at-large systems to district or zone-based systems; and

**WHEREAS**, the District must provide its information to the San Mateo County Department of Elections for the November 2020 election before June 1, 2020; and



**WHEREAS**, there is insufficient time for the District to meet the Department of Elections deadline given the need to schedule at least five (5) public hearings and the ongoing pandemic; and

**WHEREAS**, the United States is currently conducting a nationwide census, the results of which reportedly will be sent to states by July 31, 2021, although this deadline may be delayed by as a result of the ongoing pandemic; and

**WHEREAS**, in order to incorporate the census results into the decisions regarding establishment of zones and order of elections, the District intends to have its directors elected from the new zones beginning in November 2022; and

**WHEREAS**, three (3) Director positions are set to be on the ballot in November of 2022, and the remaining two (2) in November of 2024.

**NOW, THEREFORE, BE IT RESOLVED AS FOLLOWS:**

1. The Board hereby resolves and announces its intent to change the system of election of its Board of Directors from at-large to a zone-based system;
2. The District will hold at least two (2) public hearings in accordance with Cal. Elections Code section 10010 to discuss and seek public input on the proposed boundaries of the zones or in the zone-based system;
3. The District will utilize the services of a demographer to assist it in the drawing of zones for the new proposed zone-based system;
4. It is the District's intention to establish five (5) zones which: are in compliance with one person, one vote requirements; are intended to ensure the opportunity of the District's minority groups to exercise effectively the electoral franchise; and, include consideration of topography, geography, cohesiveness, contiguity, integrity and compactness of territory, non-disturbance to existing precincts for purposes of implementation, as well as maintaining vital communities of interest;
5. The District will draw one or more draft maps and publish at least the first draft map in accordance with Cal. Elections Code section 10010 before consideration at its first public hearing at which maps are considered;
6. Any revised draft map to be considered at a subsequent public hearing will be published in accordance with Cal. Elections Code section 10010 before the subsequent public hearing;
7. In any event, maps will be considered at a minimum of three (3) public hearings;
8. It is the District's intent to have its directors elected from the new zones beginning in November 2022;
9. In determining the final sequence of zone or district elections – that is, which three (3) zones will be on the ballot in 2022 and which two (2) zones will be on the ballot in 2024, the District shall give special consideration to the purposes of the California Voting Rights Act – Cal. Elections Code section 14025 et seq.;

10. The District intends to determine and set the new zones for election of members of its Board and set the final sequence of elections from those zones, as soon as practicable, but in time such that the first three (3) zones can elect Directors in November of 2022;
11. The date of the commencement of the public hearing process necessarily depends on the timing of the availability of the results of the U.S. census, but the District's intention is to commence said process as soon as the census data becomes available;
12. The District will complete its process ninety (90) days after it commences its process; and
13. The Board directs the General Manager to take all necessary steps to facilitate the implementation of zone boundaries for election of Directors to the District.

**REGULARLY PASSED AND ADOPTED** this 25th day of June 2020.

**AYES:**

**NOES:**

**ABSTENTIONS:**

**ABSENCES:**

---

PRESIDENT

ATTEST:

---

BOARD SECRETARY



### ***AGENDA ITEM NO. 7.B.***

DATE: June 25, 2020  
 TO: Board of Directors  
 FROM: Tammy Rudock, General Manager

**SUBJECT: CONSIDER RESOLUTION 2020-20 CALLING FOR AN ELECTION TO BE HELD ON NOVEMBER 3, 2020, FOR THE ELECTION OF TWO (2) MEMBERS OF THE GOVERNING BOARD OF DIRECTORS, AND APPROVING THE SAN MATEO COUNTY CANDIDATE POLICY FORM FOR SPECIAL DISTRICTS**

#### **RECOMMENDATION**

Approve Resolution 2020-20.

#### **FISCAL IMPACT**

\$24,000 is budgeted for the November 3, 2020 MPWD election.

#### **DISCUSSION**

Attached are the following documents from Mark Church, Chief Elections Officer & Assessor-County Clerk-Recorder, for the November 3, 2020 Presidential General Election:

1. Letter from March Church received on June 5, 2020;
2. Administrative Contact & Incumbent List Form Form;
3. San Mateo County Candidate Policy Form; and
4. Service Agreement for MPWD.

The completed forms need to be returned no later than July 1, 2020

For the last two (2) MPWD elections (November 6, 2018 and November 3, 2015), the Board determined that the candidate's statement would be limited to 400 words and the candidate would pay for the candidate statement. Staff followed that direction for the November 3, 2020 election.

The attached Resolution 2020-20 is also required by the San Mateo County Elections Office. District Counsel reviewed the service agreement.

Attachments: Resolution 2020-20  
 Mark Church letter (undated) but received on June 5, 2020  
 Administrative Contact & Incumbent List Form  
 San Mateo County Candidate Policy Form  
 Service Agreement for MPWD

BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ ZUCCA\_\_\_\_ SCHMIDT\_\_\_\_ WHEELER\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_

**RESOLUTION NO. 2020-20**

**CALLING FOR AN ELECTION TO BE HELD ON NOVEMBER 3, 2020  
FOR THE ELECTION OF TWO MEMBERS OF THE  
MID-PENINSULA WATER DISTRICT GOVERNING BOARD**

\* \* \*

**MID-PENINSULA WATER DISTRICT**

The Governing Board of the Mid-Peninsula Water District hereby resolves as follows:

**WHEREAS**, an election is hereby called to be held in and for the Mid-Peninsula Water District on November 3, 2020 to elect two members of the Governing Board for a full term of four years each; and

**WHEREAS**, pursuant to Elections Code 10002, the Governing Board of the Mid-Peninsula Water District hereby requests the Board of Supervisors of the County of San Mateo to make available the services of the San Mateo County Chief Elections Officer & Assessor – County Clerk – Recorder (the “Chief Elections Officer”) as the County Elections Official for the purpose of rendering services in the conduct of the election to be held on November 3, 2020; and

**WHEREAS**, the election to be held on November 3, 2020 will be conducted at-large; and

**WHEREAS**, each governing board member shall reside in the jurisdiction and shall be elected by the registered voters of the entire jurisdiction; and

**WHEREAS**, pursuant to Elections Code 10509, not less than 125 days prior to the date of the election, the jurisdiction secretary shall deliver a notice to the Chief Elections Officer. The notice shall bear the secretary's signature and the district seal and shall also contain both of the following:

- (a) The elective offices of the jurisdiction to be filled at the next general district election, specifying which offices, if any, are for the balance of an unexpired term; and
- (b) Whether the jurisdiction or the candidate is to pay for the publication of a candidate statement; and

**WHEREAS**, pursuant to Elections Code 10522, not less than 125 days prior to the date of the election, the Mid-Peninsula Water District shall deliver to the Chief Elections Officer a map showing the boundaries of the jurisdiction and the boundaries of the divisions of the jurisdiction, if any, within the County and a statement indicating in which divisions a member of the Governing Board is to be elected and whether any elective officer is to be elected at large at the next general district election; and

**WHEREAS**, the General Manager of the Mid-Peninsula Water District hereby is authorized and directed to enter an Elections Service Agreement with the Chief Elections Officer regarding the election to be held on November 3, 2020 to outline the detailed services to be provided by both the Mid-Peninsula Water District and the Chief Elections Officer; and

**WHEREAS**, the Chief Elections Officer shall send an itemized invoice to the Mid-Peninsula Water District for all services provided pursuant to the Elections Service Agreement after the election is conducted and all related costs are determined. The Mid-Peninsula Water District agrees to submit payment on the full amount of the invoice to the County of San Mateo within forty-five (45) days of the date of the invoice.

**BE IT FURTHER RESOLVED** that pursuant to Elections Code 13307, each candidate for the Governing Board to be voted in the election to be held on November 3, 2020 may prepare a candidate statement on the appropriate form provided by the Chief Elections Officer. Such statement shall be limited to four hundred words and be produced at the candidate's expense.

**REGULARLY PASSED AND ADOPTED** this 25th day of June 2020.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

---

PRESIDENT

ATTEST:

---

SECRETARY OF THE BOARD



OFFICE OF  
**ASSESSOR-COUNTY CLERK-  
 RECORDER & ELECTIONS**  
 COUNTY OF SAN MATEO

**MARK CHURCH**  
 CHIEF ELECTIONS OFFICER &  
 ASSESSOR-COUNTY CLERK-RECORDER

Dear General Manager:

I hope this message finds you well in these extraordinary times.

Amidst the challenges imposed by the COVID-19 pandemic, the November 3, 2020 Presidential General Election promises to be the largest election in the history of San Mateo County. As a jurisdiction participating in this historic election, I wish to share with you how we are preparing for its unique challenges, and to advise you of your school district's responsibilities.

A major factor contributing to this election's unprecedented size is the implementation of SB 415, the California Voters Participation Rights Act, which moved governing board elections to even-numbered years. Many of the jurisdictions affected by SB 415 will be holding their first even-year contest in this election, with a total of 64 participating jurisdictions (19 cities, 24 school districts, and 21 special districts). With an estimated 250 candidates running for these offices, and numerous local measures and state propositions, voters can expect to see a long, multiple-page ballot.

Adding to this complexity, the current COVID-19 pandemic will require face coverings and social distancing at all in-person voting locations. We will also be taking additional steps to provide the safest voting environment possible, including dedicated staff responsible for sanitizing voting equipment and entrances, and to prevent facilities from becoming overcrowded. Our voters' health and safety are our top priorities.

With all this in mind, we expect long lines and longer-than-usual voting experiences. However, every voter will also receive a Vote by Mail ballot, providing the opportunity to vote from the comfort and ease of their homes and to vote as early as 29 days before Election Day. We encourage you to share this information with your voters, so your constituents can make the decision that best suits their needs.

There is also information our office needs from you, to ensure your election is conducted properly. State law requires that each special district provide the following information to the Chief Election Officer no later than July 1, 2020 (125 days prior to the election):

- Map showing the jurisdiction's boundaries effective for the election.
- Elective offices to be filled, specifying which offices, if any, are for the balance of an unexpired term and whether the election will be conducted at-large or by district.
- A policy statement determining whether:
  - a candidate's statement will be limited to 200 or 400 words; and
  - the candidate or the jurisdiction will pay for the candidate's statement.

(Elec. Code, §§10522, 10509, 13307.)

A form resolution calling for an election for approval by your board is enclosed for your convenience. Also enclosed are two additional forms, the "Candidate Policy" and "Administrative Contact & Incumbent List."

Completion and return of all three documents, plus the map showing your jurisdiction's boundaries, will fulfill the jurisdiction's obligations for this election. Please mail or deliver them no later than **July 1, 2020** to:

Registration & Elections Division  
Attn: Michelle Yue, Candidate Filing Officer  
40 Tower Road  
San Mateo, CA 94402

In light of the Covid-19 pandemic, please also scan the documents and email a PDF file to our Lead Candidate Services Representative Michelle Yue at [myue@smcacre.org](mailto:myue@smcacre.org).

The Candidate Filing period for the November 3, 2020 Presidential General Election will open on July 13 and close on August 7, 2020. We have developed a Candidate Guide and a Candidate Seminar to help candidates understand their responsibilities and the resources available to them. Candidates may attend one of the two online candidate seminars, which will be held on Wednesday, July 8 at 10:00 a.m. and Thursday, July 23 at 2:00 p.m.

Thank you in advance for your prompt attention to this matter. If you have any questions, please do not hesitate to contact our Candidate Services team (Candidate Filing Officer: Jim Irizarry at 650.363.1808 or [jirizarry@smcacre.org](mailto:jirizarry@smcacre.org), Candidate Filing Supervisor: Michael Lui at 650.312.5238 or [mlui@smcacre.org](mailto:mlui@smcacre.org), and Candidate Filing Lead: Michelle Yue at 650.312.5293 or [myue@smcacre.org](mailto:myue@smcacre.org)).

Sincerely,



Mark Church

Enclosures



OFFICE OF  
**ASSESSOR-COUNTY CLERK-RECORDER & ELECTIONS**  
**REGISTRATION & ELECTIONS DIVISION**  
 COUNTY OF SAN MATEO

**Administrative Contact & Incumbent List Form**  
**for the November 3, 2020**  
**Presidential General Election**

**Official District (Jurisdiction) Name:** MID-PENINSULA WATER DISTRICT

Primary Administrative Contact		
Name <b>TAMMY A RUDOCK</b>	Phone <b>650-591-8941</b>	
E-mail <a href="mailto:tammyr@midpeninsulawater.org">tammyr@midpeninsulawater.org</a>	Fax <b>650-591-4998</b>	
Secondary Administrative Contact		
Name <b>CANDY PINA</b>	Phone <b>650-591-8941</b>	
E-mail <a href="mailto:candyp@midpinensulawater.org">candyp@midpinensulawater.org</a>	Fax <b>650-591-4998</b>	
Complete List of Incumbent Board Members – Also Name Incumbent's Trustee Area/Subdistrict Area if Elected by District – Circle Appointed or Elected		
Name <b>MATTHEW P ZUCCA</b>	Trustee Area/Subdistrict Area	Most Recent Date (Appointed / <b>Elected</b> ) <b>NOVEMBER 2015</b>
Name <b>BRIAN SCHMIDT</b>	Trustee Area/ Subdistrict Area	Most Recent Date (Appointed / <b>Elected</b> ) <b>NOVEMBER 2018</b>
Name <b>KIRK R WHEELER</b>	Trustee Area/ Subdistrict Area	Most Recent Date (Appointed / <b>Elected</b> ) <b>NOVEMBER 2108</b>
Name <b>DAVE WARDEN</b>	Trustee Area/ Subdistrict Area	Most Recent Date (Appointed / <b>Elected</b> ) <b>NOVEMBER 2018</b>
Name <b>LOUIS J VELLA</b>	Trustee Area/ Subdistrict Area	Most Recent Date (Appointed / <b>Elected</b> ) <b>NOVEMBER 2015</b>
Name	Trustee Area/ Subdistrict Area	Most Recent Date (Appointed / Elected)
Name	Trustee Area/ Subdistrict Area	Most Recent Date (Appointed / Elected)
Name	Trustee Area/ Subdistrict Area	Most Recent Date (Appointed / Elected)
Name	Trustee Area/ Subdistrict Area	Most Recent Date (Appointed / Elected)

40 Tower Road, San Mateo, CA 94402

**P** 650.312.5222 **F** 650.312.5348 **email** registrar@smcacre.org **web** www.smcacre.org





OFFICE OF  
**ASSESSOR-COUNTY CLERK-RECORDER & ELECTIONS**  
**REGISTRATION & ELECTIONS DIVISION**  
 COUNTY OF SAN MATEO

**Candidate Policy Form for Special Districts**  
**November 3, 2020**  
**Presidential General Election**

Please complete and return this form by July 1, 2020 (EC §10509, §10522)

**Our District Board adopts the following policies effective for the November 3, 2020 Presidential General Election:**

1	The <i>number of members</i> to be elected to the Governing Board for a <b>4-year term: TWO (2)</b>	
	Names of incumbents currently holding these seats (Indicate Sub District if election is by district)	
	Name Subdistrict <b>MATTHEW P ZUCCA</b>	Name Subdistrict
	Name Subdistrict <b>LOUIS J VELLA</b>	Name Subdistrict
2	The <i>number of members</i> to be elected to the Governing Board for a <b>2-year term</b> (if applicable to fill balance of an unexpired term): <b>NONE</b>	
	Name(s) of incumbent(s) currently holding or who previously held and has vacated this seat(s)	
	Name Subdistrict	Name Subdistrict
	Name Subdistrict	Name Subdistrict
3	Election type	
	<input type="checkbox"/> <b>At-large:</b> Each governing board member shall reside in the jurisdiction and shall be elected by the registered voters of the entire jurisdiction	
	<input type="checkbox"/> <b>By district:</b> Each governing board member shall reside in the sub district area where she or he seeks to represent and shall be elected (choose one): <input type="checkbox"/> By the registered voters of that particular sub district area <input type="checkbox"/> By the registered voters of the entire jurisdiction	
4	The word limit for a candidate statement will be (EC §13307)	
	<input type="checkbox"/> 200-word statement	<input type="checkbox"/> <b>400-word statement</b>
5	The cost of the candidate's statement sent to each voter will be paid by (EC §13307)	
	<input type="checkbox"/> District (Jurisdiction)	<input type="checkbox"/> <b>Candidate</b>

(District Seal)

\_\_\_\_\_  
 Signature of the General Manager or Administrator and Date

\_\_\_\_\_  
 Print Name and Title

\_\_\_\_\_  
 Official District Name (**to be used as ballot heading**)

40 Tower Road, San Mateo, CA 94402

P 650.312.5222 F 650.312.5348 email registrar@smcacre.org web www.smcacre.org

**SERVICE AGREEMENT FOR THE PROVISION OF ELECTION SERVICES  
BETWEEN THE MID-PENINSULA WATER DISTRICT AND  
SAN MATEO COUNTY CHIEF ELECTIONS OFFICER & ASSESSOR - COUNTY CLERK - RECORDER**

This Service Agreement for the Provision of Election Services ("Agreement"), entered into this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the Mid-Peninsula Water District (the "District") and San Mateo County Chief Elections Officer & Assessor – County Clerk – Recorder (the "Chief Elections Officer");

WHEREAS, it is necessary and desirable that the Chief Elections Officer be retained for the purpose of conducting an election, described in more detail below, relating to the District; and

WHEREAS, the Chief Elections Officer has been asked by the District to conduct an election on November 3, 2020 (the "Election").

NOW, THEREFORE, IT IS HEREBY AGREED BY THE PARTIES HERETO AS FOLLOWS:

SERVICES TO BE PERFORMED BY THE DISTRICT:

- 1) Within the time frame set by statute, the District will request the Board of Supervisors, through the Chief Elections Officer, to conduct an election relating to the District on November 3, 2020 and will request the services of the Chief Elections Officer in relation to the Election.
- 2) The District will prepare and deliver to the Chief Elections Officer the ballot pamphlet information containing, as applicable, the ballot measure and tax rate statement by 88 days prior to the Election and/or the offices to be voted on by 125 days prior to the Election.
- 3) The District, if applicable, will review and sign off on the official ballot wording for measures.
- 4) The District will complete any other non-delegable tasks required by law in relation to the Election.
- 5) The District shall maintain records/maps regarding the boundaries of the District and will notify the Chief Elections Officer of any changes/additions to those boundaries by 125 days prior to the Election.

SERVICES TO BE PERFORMED BY CHIEF ELECTIONS OFFICER:

- 1) The Chief Elections Officer will publish the Notice of Election and, if applicable, the Notice to File Arguments For or Against any measure.
- 2) The Chief Elections Officer will select the sample and official ballot printer(s) and translators.
- 3) The Chief Elections Officer will prepare and deliver all election information to the printers and translators.
- 4) The Chief Elections Officer will determine the appropriate translation and transliteration of all pertinent documents.
- 5) The Chief Elections Officer will issue, receive, and process vote by mail ballots.
- 6) The Chief Elections Officer will set up ADA compliant Vote Centers, publish any required notices, and conduct the Election.
- 7) The Chief Elections Officer will provide services for any official recount or election contest, if applicable.
- 8) The Chief Elections Officer will conduct all aspects of the Canvass of Votes Cast. Pursuant to Section 10262 of the Elections Code, the Chief Elections Officer will submit a Certificate of Chief Elections Officer to the District's governing body certifying the results of the Election.

- 9) The Chief Elections Officer will conduct other various and miscellaneous election-related activities directly required to conduct the Election itself. To the extent that the District has obligations under law to perform various duties that relate to the Election beyond those directly involved with conducting the Election, those duties remain the responsibility of the District. If the District wishes to have any such duties performed by the Chief Elections Officer, the parties must mutually agree in advance in writing to have the Chief Elections Officer perform such duties. By way of example only, if the District is required to send certain notices or adopt resolutions relating to the Election, those duties remain duties of the District.

#### TERMS:

This Agreement shall be in effect for the performance of all services incident to the preparation and conduct of the Election to be held on November 3, 2020, including before and after said Election date.

In the event the Chief Elections Officer is unable to perform services required under this Agreement as a result of employer/employee relation conditions, vendor conditions, the unavailability of Federal, State, or County funds, COVID-19-related limitations, and/or other conditions beyond the control of the Chief Elections Officer, the Chief Elections Officer will be relieved of all obligations under this Agreement. The Chief Elections Officer may terminate this Agreement after giving 72 hours written notice, at which time the Chief Elections Officer will be relieved of all obligations under this Agreement.

This Agreement can be terminated by the District upon 30 days written notice.

#### COST FOR SERVICES:

In consideration of the performance of services and supplies provided by the Chief Elections Officer, including 1) any and all costs incurred during a recount or election contest that are not reimbursed by the voter requesting the recount or filing the contest as specified in the Elections Code and 2) any other costs associated with the Election, such as return postage costs and costs for ensuring voter accessibility, the District shall pay to the Chief Elections Officer a sum equal to the full cost of the Election, including all such services, supplies, and other costs.

The Chief Elections Officer shall send an itemized invoice to the District for all services provided pursuant to this Agreement after the Election is conducted and all related costs are determined. Payment on the full amount of the invoice shall be due and the District shall submit payment to the County of San Mateo within forty-five (45) days of the date of the invoice (the "Due Date"). If the amount is not paid in full within this time, interest shall accrue monthly at a rate of 0.25% per month (equivalent to 3% annually) on the unpaid balance starting at the Due Date. Thereafter, invoices will be sent and shall be payable within thirty (30) days of the date of the invoice, with interest being added each month for any unpaid balance.

#### DISTRICT

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_

#### COUNTY

Signature: \_\_\_\_\_ Date: \_\_\_\_\_

Print Name: \_\_\_\_\_

Title: \_\_\_\_\_



## **AGENDA ITEM NO. 7.C.**

DATE: June 25, 2020

TO: Board of Directors

FROM: Tammy Rudock, General Manager

**SUBJECT: DISCUSS DISTRICT TREASURER VACANCY AND INTRODUCE DRAFT REQUEST FOR PROPOSAL FOR DISTRICT TREASURER AND ACCOUNTING SERVICES**

### **RECOMMENDATION**

Discuss vacancy, consider DRAFT RFP, and provide direction to staff.

### **FISCAL IMPACT**

None.

### **DISCUSSION**

Long-time MPWD District Treasurer, Jeff Ira, CPA retired in April. He served the MPWD since 2000. Jeff Ira recommended CPA candidate, Sheldon Chavan. Last month the Board discussed options for making an appointment to fill the vacancy:

1. Interview Sheldon Chavan, CPA, and determine if he should be appointed as District Treasurer.
2. Create a notice for the open District Treasurer position within the MPWD service community and interview candidates.
3. Create and advertise an RFP/RFQ for District Treasurer services and interview candidates.
4. Do not fill the District Treasurer vacancy.

Month-end accounting services are continuing between staff and C.G. Uhlenberg LLP per the contract, until a decision is made by the Board.

Staff prepared the attached DRAFT Request for Proposal (RFP) for District Treasurer and Accounting Services for introduction and consideration by the Board.

Attachment: DRAFT RFP for District Treasurer and Accounting Services

BOARD ACTION: APPROVED:\_\_\_\_\_ DENIED:\_\_\_\_\_ POSTPONED:\_\_\_\_\_ STAFF DIRECTION:\_\_\_\_\_

UNANIMOUS\_\_\_\_\_ ZUCCA\_\_\_\_\_ SCHMIDT\_\_\_\_\_ WHEELER\_\_\_\_\_ WARDEN\_\_\_\_\_ VELLA\_\_\_\_\_



Mid-Peninsula Water District  
3 Dairy Lane  
Belmont, CA 94002  
(650) 591-8941

## REQUEST FOR PROPOSAL (RFP) FOR DISTRICT TREASURER AND ACCOUNTING SERVICES

The Mid-Peninsula Water District (MPWD) seeks the services of a Certified Public Accountant (CPA) or firm to provide District Treasurer and accounting services for the MPWD in Belmont, California. It is the intent of this RFP to have the successful CPA or firm enter into a Contract for Professional Services with the MPWD to supply the services as outlined herein.

Respondents are directed to either submit one (1) electronic copy of their proposal via email to:

**Tammy Rudock, General Manager**  
**Mid-Peninsula Water District**  
[tammyr@midpeninsulwater.org](mailto:tammyr@midpeninsulwater.org)

**by 12:00PM on Friday, August 14, 2020.**

The MPWD Board of Directors reserves the right to reject any and all proposals, or parts of proposals, when it is judged to be in the best interest of the MPWD.

**All questions should be transmitted in writing via email by 12:00PM on Monday, August 3, 2020** to the MPWD General Manager, Tammy Rudock, at [tammyr@midpeninsulawater.org](mailto:tammyr@midpeninsulawater.org).

### **RFP KEY DATES**

Request for Proposal Issued.....	July 1, 2020
Deadline for Submitting RFP Questions.....	By 12:00PM on August 3, 2020
Deadline for MPWD's Response to RFP Questions.....	By 4:00PM on August 7, 2020
Due Date for Proposals to MPWD.....	By 12:00PM on August 14, 2020

### **A. SCOPE OF SERVICES**

The successful CPA or firm shall agree to contract with the MPWD to provide the following:

#### **Monthly:**

- Coordinate with Administrative Services Manager at month-end, when all data entry and reports are ready, and review:
  - A/R summary;
  - A/P summary;
  - Bank reconciliation statements and reports;
  - BNY 2016 COP bank statements and reports;

- LAIF statements and reports;
- PARS statements related to OPEB and PRSP, and related GASB actuarial report; and
- Monthly spreadsheets/work papers, including each account reconciliation.
- Identify and investigate any discrepancies with bank statement balances to bank reconciliation reports;
- Prepare or review journals entered into general ledger system, including sales journal, general journals for depreciation, insurance, retirement expense, notes payable, miscellaneous bank activities, and investment income/expense, payroll journal, and fund balance adjustments.
- Review internally prepared financial statements and offer revisions as needed for compliance with GAAP.
- Identify and investigate any unusual account activities and resolve with staff, and report to General Manager.
- Attend all regular and/or special meetings of the Board of Directors and participate as District Treasurer.

**Quarterly:**

- Provide written summary overview report of accounting activities to General Manager.
- Attend Board Finance Committee meetings and participate as member (as scheduled).

**Annually:**

- Work with MPWD's financial auditor regarding accounting inquiries, as needed.
- Prepare and timely submit State Controller's report for MPWD.
- Prepare special reports as requested by the Board of Directors or General Manager.
- Meet with General Manager regarding overall MPWD financial management.

Respondents may be required to give an oral presentation of their proposal. Additional technical and/or cost information may be requested for clarification purposes, but in no way will change the original proposal submitted.

**B. QUALIFICATIONS**

Respondents to this RFP shall have the following qualifications:

- Must be a licensed CPA and in good standing with the State of California;
- Must have an excellent reputation in the CPA professional community (requests for references may be made);
- Must be knowledgeable in governmental accounting, and GASB and GAAP compliance;
- Must have governmental auditing experience;
- Must have experience preparing and submitting annual State Controller's reports;
- Experience working with California special districts and governing bodies is desirable; and
- Must be knowledgeable in the use of automated financial management systems.

**C. INSURANCE REQUIREMENTS**

Respondents are directed to Section 12 of the Sample Professional Services Agreement.

**D. FEE SCHEDULE**

The proposed fee schedule shall include the following items:

1. Fee for monthly accounting review services;
2. Fee to attend monthly regular and/or special Board meeting and participate as District Treasurer;

3. Fee to attend Board Finance Committee meetings (as scheduled) and participate as a member; and
4. Fee for quarterly summary report to General Manager; and
5. Fee for preparation of annual State Controller's report for the MPWD.

CPA or firm should include schedule of hourly rates for other annual items and additional services as requested.

#### **E. TERM OF CONTRACT**

The contract period for the successful CPA or firm will be from the date of contract award until the terminated sooner in accordance with the Agreement.

Issuance of this RFP and receipt of proposals does not commit the MPWD to award a contract. The MPWD reserves the right to:

1. Revise the RFP Key Dates;
2. Accept or reject any or all proposals received in response to this RFP;
3. Negotiate with any of the CPAs/firms that submitted a response to this RFP; or
4. Cancel all or part of this RFP, and re-issue a new RFP for the subject services.

#### **F. SELECTION CRITERIA**

1. Knowledge of California special districts and working with governing bodies.
2. Governmental accounting experience, qualifications, and references, including automated financial management systems.
3. Fee schedule.
4. Completeness of response to the RFP.
5. Ability of the CPA or firm to meet or exceed the RFP submittal requirements.

Respondents shall furnish MPWD such additional information as MPWD may reasonably require.

#### **G. RFP SUBMITTAL REQUIREMENTS**

Respondents represent that they have thoroughly examined and become familiar with the Scope of Services outlined in this RFP, and are capable of performing quality work to achieve the MPWD objectives.

1. Cover Letter. The cover letter should summarize the major points contained in the proposal, and should be signed by an authorized representative of the firm. The Respondent must acknowledge that their Proposal shall be firm for at least ninety (90) days from the due date for the Proposals.
2. List number of years in business, including previous names of the CPA firm, if any.
3. Describe firm, including size, location, number and nature of the professional staff to be assigned to the MPWD, staff experience and training, including a brief resume for each key person listed.
4. Describe pertinent governmental accounting experience (minimum of five [5] years' proven experience).
5. Describe experience in assisting other local government entities, particularly California special districts, and the services provided.
6. List at least three (3) references, including names and telephone numbers for the contacts.

7. Describe additional services offered.
8. List current litigation, outstanding judgments and liens.
9. Fee schedule.
10. State any other costs the MPWD may anticipate relating to the accounting services to be provided.

#### **H. WITHDRAWAL OF PROPOSAL**

Submission of a proposal shall constitute a firm offer to MPWD for ninety (90) days from the deadline for receipt of proposals. A Respondent may withdraw its proposal any time before the date and time when proposals are due, without prejudice, by submitting a written request for its withdrawal to the MPWD General Manager, Tammy Rudock, at [tammyr@midpeninsulawater.org](mailto:tammyr@midpeninsulawater.org). A telephone request is not acceptable.

#### **I. EVALUATION AND AWARD**

Contract award, if made, will be made to the Respondent that submits the proposal considered most advantageous to MPWD based on the criteria set forth in Section G above. Respondents shall bear all costs incurred in the preparation of the Proposal and participation in the Proposal process.

#### **J. AGREEMENT FOR PROFESSIONAL SERVICES**

The firm selected by MPWD to provide the services outlined in this RFP will be required to execute an Agreement for Professional Services with MPWD. A sample of the general form of this Agreement is attached hereto as Exhibit A so that Respondents will have an opportunity to review the terms and conditions that will be included in the final contractual agreement. If a Respondent desires any additions, deletions or modifications to the form of Agreement, they must submit a request for such additions, deletions or modifications with the proposal. With the exception of any requests for such additions, deletions, and modifications, the Respondent will, by making a proposal, be deemed to have accepted the form of Agreement.

#### **K. CONFIDENTIALITY OF PROPOSALS**

The California Public Records Act (California Government Code Sections 6250 et seq.) mandates public access to government records. Therefore, unless the information is exempt from disclosure by law, the content of any request for explanation, exception or substitution, response to these specifications, protest or any other written communication between MPWD and the Respondent shall be available to the public.

If the Respondent believes any communication contains trade secrets or other proprietary information that the Respondent believes would cause substantial injury to the Respondent's competitive position if disclosed, the Respondent shall request that MPWD withhold from disclosure the proprietary or other confidential information by marking each page containing such information as confidential. The Respondent may not designate its entire proposal or bid as confidential. Additionally, Respondent may not designate its cost proposal or any required bid forms or certifications as confidential.

If Respondent requests that MPWD withhold from disclosure information identified as confidential, and MPWD complies with the Respondent's request, Respondent shall assume all responsibility for any challenges resulting from the non-disclosure, indemnify and hold harmless MPWD from and against all damages (including but not limited to attorneys' fees that may be awarded to the party requesting the Respondent information), and pay any and all costs and expenses related to the withholding of Respondent information. Respondent shall not make a claim, sue or maintain any legal action against



MPWD or its directors, officers, employees or agents in connection with the withholding from disclosure of Respondent information.

If Respondent does not request that MPWD withhold from disclosure information identified as confidential, MPWD shall have no obligation to withhold the information from disclosure and may release the information sought without any liability to MPWD.

**L. CONFLICT OF INTEREST**

Respondent represents and warrants that it presently has no interest and agrees that it will not acquire any interest which would present a conflict of interest under California Government Code §§ 1090 et seq. or §§ 87100 et seq. during the performance of services under this Agreement. Respondent shall promptly disclose any actual or potential conflict of interest to MPWD as soon as Respondent becomes aware of such conflict. Respondent further covenants that it will not knowingly employ any person having such an interest in the performance of this Agreement. Violation of this provision may result in this Agreement being deemed void and unenforceable.

Depending on the nature of the work performed, Respondent may be required to publicly disclose financial interests under MPWD's Conflict of Interest Code. Respondent agrees to promptly submit a Statement of Economic Interest on the form provided by MPWD upon receipt.

No member, officer or employee of MPWD or of any of its member jurisdictions during his/her tenure of office, or for one year thereafter, shall have any interest, direct or indirect, in this contract or the proceeds therefrom.



### ***AGENDA ITEM NO. 7.D.***

DATE: June 25, 2020

TO: Board of Directors

FROM: Tammy Rudock, General Manager

**SUBJECT: RECEIVE REPORT FROM BOARD COMMITTEE AND DISCUSS HAPPY HYDRANTS PROJECT**

#### **RECOMMENDATION**

Receive report and discuss.

#### **FISCAL IMPACT**

None.

#### **DISCUSSION**

Happy Hydrant Committee Chair Dave Warden will report on progress and lead the discussion on this project.

Attachment: Photos of Active Happy Hydrants  
Photos of "Retired" Happy Hydrants

BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ ZUCCA\_\_\_\_ SCHMIDT\_\_\_\_ WHEELER\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_

1622 Ralston Ave



Avon @ Ralston Ave





1888 Ralston / Academy



Corner of Alameda and Ralston





**Corner of Ralston and Coronet**



**Corner of Ralston and Hallmark Drive**





**Ralston Middle School****Ralston Middle School**



Corner of Ralston and Maywood



Ralston and South Rd





Ralston @ Carlmont Village



Ralston @ Twin Pines











## **AGENDA ITEM NO. 7.E.**

DATE: June 25, 2020  
 TO: Board of Directors  
 FROM: Tammy Rudock, General Manager

**SUBJECT: RECEIVE UPDATE FROM GENERAL MANAGER REGARDING ACTIONS TAKEN DURING COVID-19 PANDEMIC**

### **RECOMMENDATION**

Receive report.

**FISCAL IMPACT** – None.

### **BACKGROUND**

Emergencies were declared statewide, locally, and federally because of the recent COVID-19 pandemic:

- On March 4, 2020 by the Governor for California;
- On March 10, 2020 by the San Mateo County Health Officer;
- On March 13, 2020 by the US President; and
- On March 16, 2020, the San Mateo County Health Officer issued an order for individuals to shelter-in-place at their residence unless receiving or providing essential services. It was revised many times always retaining the shelter-in-place order, until June 17<sup>th</sup> when the order rescinded the shelter-in-place and aligned with the state's reopening guidelines.

### **DISCUSSION**

The Board President requested I provide a monthly report on actions taken or decisions made during the declared emergency that were outside of established policy. There have been no others since reporting the following actions to the Board on April 23<sup>rd</sup>:

- On March 18, 2020:
  - Terminations of service for non-payment were suspended through the end of this fiscal year (June 30, 2020) or until further notice after discussion with the Board at a future meeting.
  - All fees related to late payments were suspended through the end of this fiscal year (June 30, 2020) or until further notice after discussion with the Board at a future meeting.
- On April 14, 2020:
  - Credit card and debit card fees were suspended (and refunded for payments made since March 17, 2020) through the end of this fiscal year (June 30, 2020) or until further notice after discussion with the Board at a future meeting.

BOARD ACTION: APPROVED:\_\_\_\_ DENIED:\_\_\_\_ POSTPONED:\_\_\_\_ STAFF DIRECTION:\_\_\_\_

UNANIMOUS\_\_\_\_ ZUCCA\_\_\_\_ SCHMIDT\_\_\_\_ WHEELER\_\_\_\_ WARDEN\_\_\_\_ VELLA\_\_\_\_



TO: Board of Directors

FROM: Tammy A. Rudock  
General Manager

DATE: June 25, 2020

### **MANAGER'S REPORT**

#### **FOLLOW-UP FROM 02/27/2020 REGULAR BOARD MEETING**

- Posted the updated MPWD Strategic Plan and Director Assignments on the website.
- Posted the approved MPWD Mid-Year Budgets for FY 2019/2020 on the website.

*There was no Board meeting in March 2020 due to COVID-19 pandemic.*

#### **FOLLOW-UP FROM 04/23/2020 REGULAR BOARD MEETING**

- Transmitted to San Mateo County Recorder's Office for recordation the Amendment to the Pipeline Easement Agreement and Temporary Construction Easement between the MPWD and Sutter Bay Medical Foundation d/b/a Palo Alto Medical Foundation for Healthcare, Research and Education (San Carlos Center).

#### **FOLLOW-UP FROM 05/28/2020 REGULAR BOARD MEETING**

- Transmitted to San Mateo County Recorder's Office for recordation the Notice of Completion for the Notre Dame Avenue, Cliffside Court, and Tahoe Drive Water Main Replacement and Improvements Project.
- Posted the FY 2020/2021 MPWD Operating & Capital Budgets to the website.
- Posted the Revised Attachment "A" to the MPWD Water Service Ordinance regarding Rates and Charges, to reflect a 0% water rate adjustment effective July 1, 2020.

#### **FY 2020/2021 MPWD CAPITAL BUDGET (REFORMATTED)**

Based upon the suggestion and Board discussion last month, attached is the FY 2020/2021 MPWD Capital Budget, reformatted to include the approved 2016 COP debit financed and revenue-funded projects.

### **3-MONTH "LOOK AHEAD" FOR BOARD MEETINGS**

#### **JULY 23, 2020**

- Consider/Approve living wage adjustment for MPWD Employee Association, per Section 10 of Letter Agreement dated September 25, 2018 (through September 2023).
- Semi-Annual Financial Reconciliation and Capital Project Fund Reports on 2016 COP Financing through June 30, 2020.
- Establish Appropriations Limit applicable to the MPWD during Fiscal Year 2020/2021.
- Review Conflict of Interest code. (District Treasurer only change.)

- Approve RFP for District Treasurer and Accounting Services.
- Award Construction Contracts:
  - Phase 1 of the SR 101 Crossing Capital Project—Water Main Construction at PAMF in San Carlos; and
  - El Camino Real Water Main Replacement Capital Project.
- Award Contract for Professional Services for Construction Management and Inspection Services related to the El Camino Real Water Main Replacement Capital Project.
- Authorize Eighth Amendment to Master Professional Services Contract with Pakpour Consulting Group, Inc., for Engineering Design and Construction Support Services related to Hastings Drive Service Connection Replacements, Hastings Drive Water Main Replacement, and Vine Street Water Main Replacement Capital Projects.
- Authorize Professional Services Contract for Transmission Water Main Assessments.
- Receive FY 2019/2020 Annual Report on MPWD Website, Marketing, and Public Relations/Outreach Activities by John Davidson.
- Consider and Approve MPWD OPEB and PRSB Funding Policy.
- Consider and Approve MPWD Emergency Response Plan.
- Receive Update from General Manager regarding actions taken during COVID-19 pandemic, and consider 90-day extension of General Manager authority approved in Resolution 2020-07 to take necessary actions for continued operations of the MPWD due to the COVID-19 in recognition of the federal, state, and local declared state of emergency.
- Receive BAWSCA report.

**AUGUST 2020 – NO BOARD MEETING SCHEDULED**

**SEPTEMBER 24, 2020**

- Authorize Purchase Sale Agreement between the MPWD and County of San Mateo for the F Street parcel in San Carlos.
- Award Contract for Professional Services for District Treasurer and Accounting Services.
- Receive General's Manager MPWD annual report for fiscal year end.
- Receive progress report on annual strategic plan activities.
- Annual review Catalog of Enterprise Systems.
- Receive annual report on fiscal year reimbursements over \$100 to employees and Board members.
- Receive BAWSCA report.

---

UPCOMING MEETINGS/EVENTS

HIA Meeting (Belmont): CANCELED (until September 3, 2020)

ACWA JPIA 2020 Spring Conference & Exhibition (VIRTUAL): July 27-31, 2020

CSDA Annual Conference (Palm Desert): CANCELED

CSDA Special District Leadership Academy – Governance Conference (South Lake Tahoe): September 27-30, 2020

CSDA Annual Conference (Monterey): August 30 – September 2, 2021



**CAPITAL IMPROVEMENT PROGRAM (CIP)  
FY 2020/2021**

<b>PROJECT NUMBER</b>	<b>PROJECT NAME</b>	<b>PROJECTED COST (2020 ESTIMATE)</b>	<b>2016 COP FUNDED</b>	<b>REVENUE FUNDED</b>
15-76	El Camino Real Water Main Replacement	\$3,520,000	\$3,520,000	
15-89	Dekoven Tanks Replacement	3,850,000	3,850,000	
15-72-A	SR 101 Crossing at PAMF Hospital – Phase 1 (Water Main Construction within easement on PAMF property in San Carlos from Industrial Road to PAMF property line west of SR101)	595,000	595,000	
15-86	Folger Pump Station Demolition	330,000		\$ 330,000
20-05	Transmission Water Main Assessments	220,000		220,000
20-09	Dairy Lane Operations Center Rehabilitation – Phase 1 (Planning, Architectural/Engineering Design, and Construction Support, including Contingencies)	150,000		150,000
20-01 and 15-40	Hastings Drive Service Connection Replacements; and Hastings Drive Water Main Replacement (Planning, Engineering Design, and Construction Support, including Contingencies)	138,000  88,000		138,000 88,000
15-88	Vine Street (Zone 5) Improvements (Planning, Engineering Design, and Construction Support, including Contingencies)	165,000		165,000
N/A	Miscellaneous Capital Outlay/Projects	50,000		50,000
	<b>TOTAL</b>	<b>\$9,106,000</b>	<b>\$7,965,000*</b>	<b>\$1,141,000**</b>

\* COP FUND BALANCE 04/30/20      \$12,030,752

\*\*DEPRECIATION      \$1,080,000  
 TRANSFER FROM OPS      \$-0-  
 TRANSFER FROM CAPITAL RESERVES      \$61,000  
 TOTAL CIP      \$1,141,000



TO: Board of Directors

FROM: Candy Pina

DATE: June 25, 2020

## ADMINISTRATIVE SERVICES MANAGER'S REPORT

### FINANCIAL REPORTING:

#### Schedule of Cash and Investments:

SCHEDULE OF CASH AND INVESTMENTS		
CASH ACCOUNT	BALANCE 5/31/2020	BALANCE @6/17/20
PETTY CASH	\$400	\$400
CASH DRAWER	\$200	\$200
WELLS FARGO CHECKING*	\$194,157	\$217,607
LAIF	\$6,734,977	\$6,734,977
BNY INSTALLMENT ACCOUNT	\$678,396	\$427,396
<b>TOTAL</b>	<b>\$7,608,129</b>	<b>\$7,380,580</b>

#### Water Revenue Report:

WATER REVENUES for FISCAL YEAR 2019/2020					
Month	Total Units	Water Commodity Charges	Fixed System Charges	Total Water Revenues	Misc Rev
JUL	121,093	1,069,535	243,845	1,313,380	1,357
AUG	131,410	1,184,349	262,218	1,446,567	1,364
SEP	132,893	1,209,744	264,656	1,474,400	1,367
OCT	118,671	1,075,887	261,819	1,337,706	1,372
NOV	116,636	1,014,767	261,231	1,275,998	1,330
DEC	86,924	742,321	263,074	1,005,395	1,461
JAN	71,404	610,345	261,351	871,696	1,275
FEB	75,495	642,820	263,201	906,021	1,379
MAR	87,871	749,681	262,780	1,012,461	1,373
APR	85,253	730,741	262,884	993,625	1,372
MAY	100,705	884,146	260,193	1,144,339	1,350
<b>TOTAL</b>	<b>1,128,355</b>	<b>9,914,336</b>	<b>2,867,252</b>	<b>12,781,588</b>	<b>15,000</b>

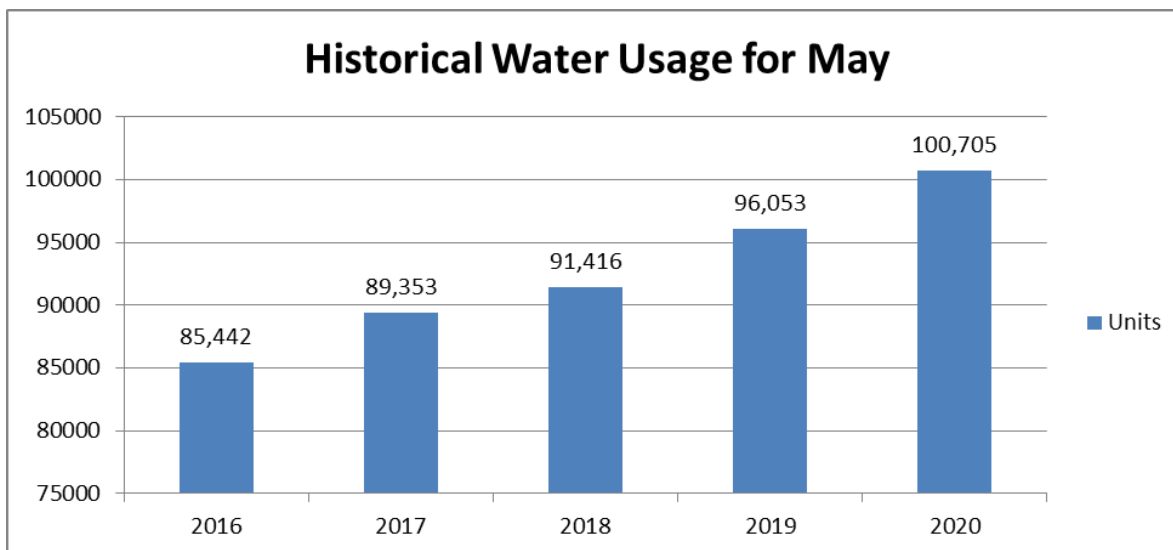
Please note the following: Total Units for each month on this report are calculated when customer meters are read:

Zone 2 meters are read on the 1<sup>st</sup> of each month

Zone 3 meters are read on the 5<sup>th</sup>

Zones 1, 4, 5, 6, 7, 8 and 9 are read on the 15<sup>th</sup>

In the Operations Manager's report, units being reported are based on SFPUC reads, which occurs at 8:00 a.m. on the last day of each month.



#### **UPDATE ON CUSTOMER FEES CURRENTLY WAVED**

As previously reported, MPWD has been temporarily waving customer fees which include the \$3 credit card fee, Late Fees, 48 Hour Notice Fees, and the Shut-Off Fees due to the Covid-19 pandemic. Below is a comparison between last fiscal year's 60-day and older accounts receivable outstanding balances versus the current fiscal years' 60-day and older outstanding balances. As you can see, when we temporarily waved the fees, there was a slight increase in unpaid bills for those three categories. Overall, most customers are paying their bills on time; however, there are some who are choosing to wait.

ACCOUNTS RECEIVABLE BALANCES						
	FY 18/19	FY 19/20	FY 18/19	FY 19/20	FY 18/19	FY 19/20
	Balance 60 to 90 in Dollars		Balance 90 to 120 in Dollars		Balance over 120 in Dollars	
Jan FYE 19&20	37,124	23,590	25,221	11,101	48,611	14,942
Feb FYE 19&20	9,212	16,800	33,526	9,397	38,237	14,135
Mar FYE 19&20	15,885	17,019	8,801	9,781	32,756	20,856
Apr FYE 19&20	15,257	19,930	11,086	10,664	17,548	25,351
May FYE 19&20	14,887	24,136	7,625	15,735	24,853	23,652

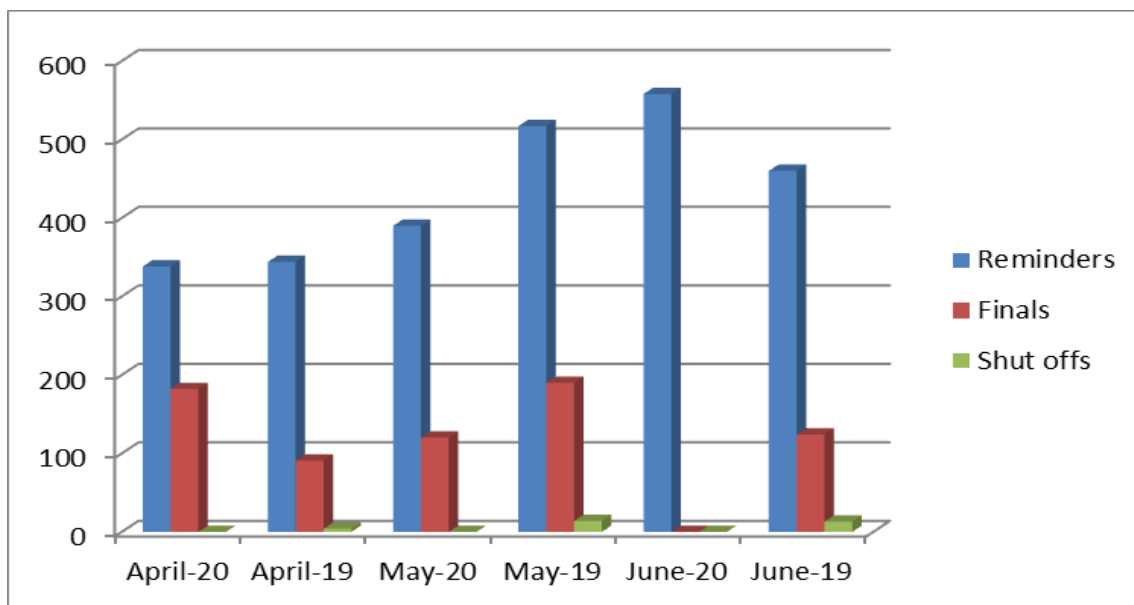
PERCENT OF TOTAL *						
	Balance 60 to 90 in % of AR Total		Balance 90 to 120 in % of AR Total		Balance over 120 in % of Total AR	
Jan FYE 19&20	4.5%	2.4%	3.0%	1.1%	5.9%	1.5%
Feb FYE 19&20	1.0%	1.7%	3.8%	1.0%	4.3%	1.4%
Mar FYE 19&20	2.0%	1.6%	1.1%	0.9%	4.1%	1.9%
Apr FYE 19&20	1.8%	2.7%	1.3%	1.5%	2.1%	3.5%
May FYE 19&20	1.4%	1.9%	0.7%	1.3%	2.3%	1.9%

\*Percent of Total refers to total Accounts Receivable.



Staff has been sending out 30-day reminder notices ONLY. This is to incentivize those who are not paying their bills because they will not be shut off. We would like to include a statement regarding the reestablishment of late fees with their next regular monthly statement. Another reason to encourage people to pay their bills on time is so the burden of paying the full balance is not overwhelming.

The mandate from the state is that we cannot shut off anyone for non-payment at this time, but we can charge fees. So with that in mind, and making sure we are sensitive to those who truly cannot pay, staff would appreciate hearing your ideas on when would be the appropriate time to reinstate fees. Staff is suggesting we reinstate assessing late fees starting August 1, 2020. We want to be sensitive to those customers who are unable to pay due to loss of employment, but at the same time encourage others not affected to pay on time.



This graph above represents the number of customers receiving a delinquent notification. As you can see, in April the number of reminder notices remained even, but the finals increased. In May, both reminders and finals went down from the prior year, and in June, the reminder notices increased compared to the prior year. And we will have the final notice count at the board meeting.

#### **CONFERENCES, TRAINING, & MEETINGS:**

- 1) Misty Malczon: 05/28/20 – Discontinued Water Service during COVID-19 Webinar
- 2) Misty Malczon/Candy Pina: 06/02/20 – Leadership Team Meeting
- 3) Candy Pina: 06/02/20 – Performance Optimization Program Project Check-In with Koll & Associates
- 4) Laura Ravella: 06/03/20 – Handling Confrontational Customers Webinar
- 5) Candy Pina: 06/09/20 – Executive Team meeting
- 6) Ron Okada/Laura Ravella: 06/09/20 – Springbrook Utility Billing Webinar
- 7) Misty Malczon: 06/09/20 – UWMP proposals review

- 8) Misty Malczon/Candy Pina: 06/10/20 – RFP Water Rates Study Proposal Review
- 9) Misty Malczon/Candy Pina: 06/11/20 – RFP Water Capacity Charges Proposal Review
- 10) All staff: 06/11/20 – Virtual Employee Safety Meeting & GM Rap Session
- 11) Candy Pina: 06/12/20 – Meeting with Dan Bergmann regarding Fees Project
- 12) Ron Okada/Laura Ravella: 06/17/20 – Springbrook and SNUG Looking Forward Webinar
- 13) Laura Ravella: 06/18/20 – Assertiveness Skills for Front Desk Professionals Webinar
- 14) Candy Pina: 06/18/20 – Meeting with ADP regarding Employee Evaluation Form Implementation
- 15) Laura Ravella: 06/25/20 – How to Establish Effective Team Communication Webinar

PARS OPEB Trust Program & PRSP - May 2020							
ACCOUNT SUMMARY							
FISCAL YEAR	Beginning Balance	CONTRIBUTIONS	EARNINGS	Expenses (Trustee/Investment Management Fee)	Account Transition*	Ending Balance	Expenses (Administrative Fee)
2014-2015	\$ 368,264.01	\$ 56,925.00	\$ 8,693.45	\$ 965.18	\$ -	\$ 432,917.28	\$ 3,600.00
2015-2016	\$ 432,917.28	\$ 181,575.00	\$ 13,043.87	\$ 1,179.47	\$ -	\$ 626,356.68	\$ 3,600.00
2016-2017	\$ 626,356.68	\$ 108,702.00	\$ 45,569.47	\$ 1,829.05	\$ -	\$ 778,799.10	\$ 3,600.00
2017-2018	\$ 778,799.10	\$ 534,109.67	\$ 39,383.38	\$ 2,693.35	\$ -	\$ 1,349,598.80	\$ 3,600.00
2018-2019	\$ 1,349,598.80	\$ 2,725,000.00	\$ 249,213.95	\$ 7,203.08	\$ 22,190.56	\$ 4,338,800.23	\$ 664.46
2019-2020	\$ 4,338,800.23	\$ -	\$ 75,839.79	\$ 21,213.71	\$ -	\$ 4,393,426.31	\$ 664.46
<b>2014-2020</b>	<b>\$ 368,264.01</b>	<b>\$ 3,606,311.67</b>	<b>\$ 431,743.91</b>	<b>\$ 35,083.84</b>	<b>\$ 22,190.56</b>	<b>\$ 4,393,426.31</b>	<b>\$ 15,064.46</b>
PARS OPEB	\$ 2,641,486.79	\$ -	\$ 46,171.69	\$ 12,915.06	\$ -	\$ 2,674,743.42	\$ -
PARS PENSION	\$ 1,697,313.44	\$ -	\$ 29,668.10	\$ 8,298.65	\$ -	\$ 1,718,682.89	\$ -

\* Transferred funds from original PARS OPEB account into the PARS OPEB Trust Program & PRSP account (additional interested earned transferred).

INVESTMENT RETURN - PARS OPEB					
FISCAL YEAR	1-Month	3-Months	1-Year	3-Years Annualized Return	5-Years Annualized Return
2014-2015**	-0.98%	-0.68%	2.18%	6.09%	0.00%
2015-2016**	0.85%	2.09%	2.11%	4.54%	0.00%
2016-2017**	0.29%	2.33%	6.65%	3.63%	5.39%
2017-2018**	0.17%	1.01%	4.43%	4.38%	4.94%
2018-2019**	3.81%	3.17%	6.79%	5.95%	4.41%
2019-2020***	3.37%	-0.54%	5.63%	4.41%	4.12%

INVESTMENT RETURN - PARS PENSION					
FISCAL YEAR	1-Month	3-Months	1-Year	3-Years Annualized Return	5-Years Annualized Return
2018-2019**	3.81%	3.11%	0.00%	0.00%	0.00%
2019-2020***	3.37%	-0.54%	5.63%	0.00%	0.00%

**\*\* Current Fiscal Year Percentages** reflect the percentages as follows: 1-Month is the percentage for the month being reported on; 3-Month % is the last three months being reported on; 1-year is for the last 12 months being reported on; 3-Years Annualized is for the last 36 months being reported on; and 5-Year Annualized Return is for the last 60 months being reported on. Therefore, if the month being reported on is March 2020, the following would be true:

1 month = March 2020 %

3-months = January – March 2020 %

1 year = April 2019 – March 2020 %

3-year Annualized Return = April 2017 – March 2020

5-year Annualized Return = April 2015 – March 2020

**Prior Fiscal Year Percentages** in this report use the same logic as above except the month of June is being reported upon which is MPWD's fiscal year end.

### **PUBLIC SERVICE ETHICS EDUCATION (AB 1234)**

Everyone is current with their Ethics training. The due dates (in alphabetical order) for certification renewal of Public Service Ethics education, required every two (2) years by AB 1234:

• Joubin Pakpour	November 19, 2020
• Candy Pina	December 13, 2020
• Rene Ramirez	December 7, 2020
• Tammy Rudock	November 29, 2020
• Brian Schmidt	March 18, 2021
• Julie Sherman	February 8, 2021
• Louis Vella	December 4, 2020
• Dave Warden	January 26, 2021
• Kirk Wheeler	January 3, 2021
• Matt Zucca	March 29, 2021

For compliance, training should be completed on or before the due date, and the certificate turned in to the MPWD.

Here is the link to the FPPC free online ethics training:

<http://localethics.fppc.ca.gov/login.aspx>

### **SEXUAL HARASSMENT PREVENTION EDUCATION (AB 1825 FOR MANAGERS, SB 1343 FOR EMPLOYEES, AB 1661 FOR ELECTED OFFICIALS)**

Everyone is current with Harassment Prevention training (required every two years). Due dates (in alphabetical order) for certification renewal of Sexual Harassment Prevention Education:

• Joubin Pakpour	June 14, 2021
• Candy Pina	December 18, 2021
• Rene Ramirez	December 18, 2021
• Tammy Rudock	December 18, 2021
• Brian Schmidt	December 18, 2021
• Julie Sherman	December 13, 2020
• Louis Vella	October 22, 2021
• Dave Warden	December 18, 2021
• Kirk Wheeler	December 17, 2021
• Matt Zucca	March 19, 2021



TO: Board of Directors

FROM: Rene A. Ramirez, Operations Manager

DATE: June 25, 2020

---

## **OPERATIONS REPORT – May**

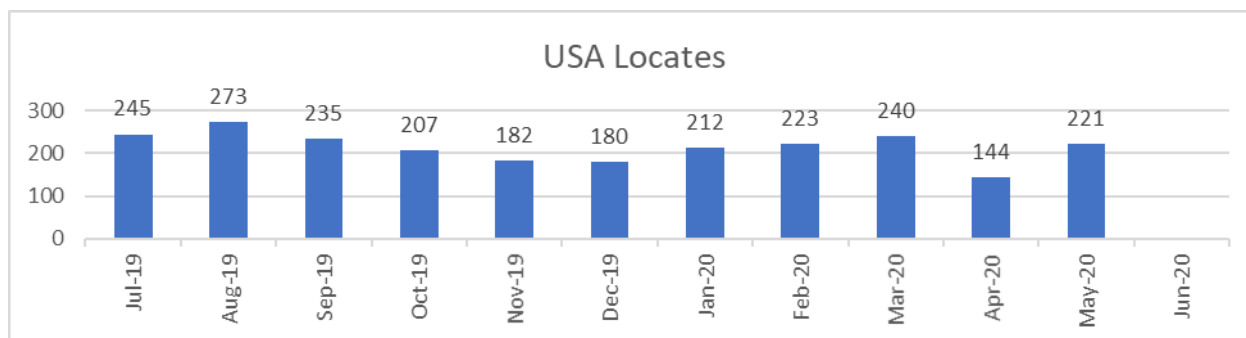
---

### **Projects:**

- Staff installed an irrigation system at Buckland Tank Site;
- Fire service tee and valve was installed at 300 Industrial following contractor's effort to open and close trench;
- An old service at 1320 Talbryn was abandoned;
- A service upgrade for 2116 Lyon Avenue;
- Hand delivered a building flushing flyer to all schools, churches, restaurants and businesses. Intent was to provide a "how-to" flush your plumbing following a long dormant period (resulting from COVID-19 shelter-in-place closures);
- Installing XiO SCADA equipment at the Ralston Regulator station;
- Discussed the cost/benefit of the "F" street capital project that replaces a water line under Caltrain at southern District border off of the ECR;
- Staff met at Dekoven Tank site with cell phone tower managers to discuss their re-location as the replacement Dekoven Tanks are being designed; and
- Participated in a video conference call with the developer and their engineer at 1325 Old County Road a 250-unit multi-family rental complex.

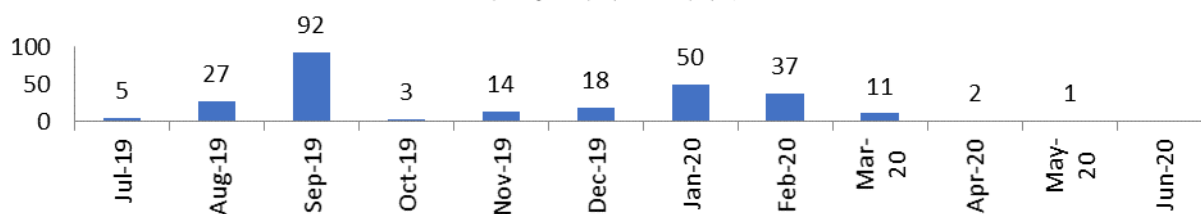
### **Maintenance:**

- Staff performed meter maintenance at all commercial and residential meters in Zone 1;
- Dump truck 789 purchased new in 2003 had to have the fuel pump and injection system replaced;
- Overgrown landscaping at 1510 Folger was cleaned up;
- Disinfected and placed the larger water storage tank at Dekoven (1 million gallons) back into service, and took the smaller 0.72 million gallon out of service for minor repairs and cleaning;
- Responded to and completed 221 USA (underground service alerts) requests in May. Construction activity getting back to a more normal condition.



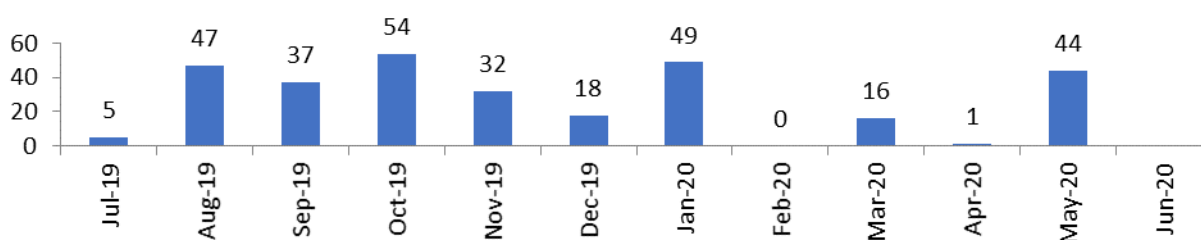
- During the month of May one (1) fire hydrant was serviced. At this point in fiscal year 260 hydrants, or 31%, of system hydrants have received maintenance;

**FY 19/20 Hydrant Maintenance \*260 of 847 -  
31% Serviced**



- During May 44 valves were exercised. At this point in fiscal year 303 system valves, or 11%, have been exercised;

**Valve Maintenance \*303 of 2780 - 11% Exercised**



- Collected a requisite 44 water samples during the month for bacteriological testing from 11 sample station sites. A water sample at sample station 4 in Zone 3 came back positive. Staff followed SWRCB-DDW protocols, which require sampling upstream and downstream of station. No public notification was required because no E. Coli was found in 16 subsequent samples taken over a period of 6 days. During resampling protocols, sample station 4 had positive total coliform results two more times. We rebuilt sample station 4, grabbed samples for retesting, and no more total coliform detected. We believe the sample station age and condition could have been an issue. Staff learned that other water agencies up and down the peninsula also had positive samples for total coliform during May;

- Continued to routinely monitor, less frequently, water system dead-ends continued for disinfectant residual; and
- Monitoring for signs of nitrification within our tanks, sample stations and dead ends continues, as often as possible, as a part of regular water quality monitoring.

### **System Repairs:**

Date	Location	Event	Material	Installation Date	Estimated Water Loss (Gals.)
None	To	Report			

### **Development:**

Staff is currently working with developers on 64 development projects:

#### **Mixed Use Commercial/Multi-Family Residential:** 8

- Plans In Review – 8
- Plans Through Staff Approval Process - 0
- Project In Construction - 0

#### **Commercial:** 9

- Plans In Review – 2
- Plans Through Staff Approval Process – 3
- Project In Construction – 4
- 

#### **Residential:** 47

- Plans In Review – 21
- Plans Through Staff Approval Process – 17
- Project In Construction - 9

### **Administration:**

- Keeping abreast, from a distance, of city's sewer rehab project;
- Participating in weekly calls with District Engineer and General Manager;
- Had internal meetings to discuss proposed developments in community;
- Staff participated in virtual Water Quality Meeting put on by SFPUC;
- Participated in a Finance Committee meeting;
- Participating in Agenda Review meetings;
- Participating in Executive Team and Leadership Team meetings; and
- Continue to actively manage power use for pumping operations via SCADA.

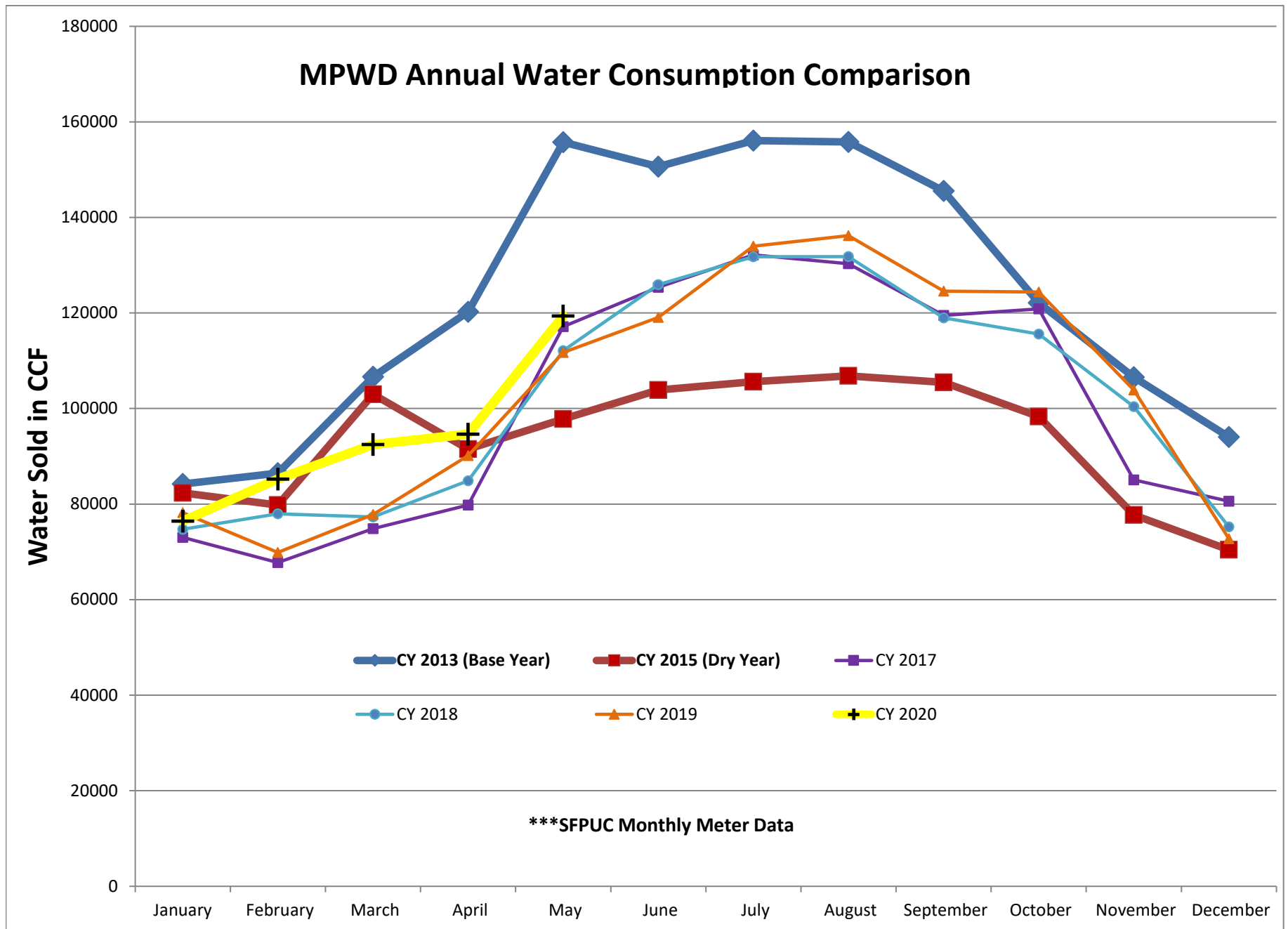
## Water Conservation:

### Recent 2-Month Comparison Summary

<b>2019/2020 MONTH</b>	<b>2019/2020 UNITS</b>	<b>2013 UNITS</b>	<b>PERCENT CHANGE*</b>	<b>CUMULATIVE WATER SAVINGS*</b>	<b>2019/2020 R-GPCD**</b>	<b>2013 R-GPCD</b>
April 2020	94,648	120,265	-21.3%	-11.3%	78.9	87.9
May 2020	119,363	155,736	-23.4%	-12.7%	96.3	122.7

<b>2018/2019 MONTH</b>	<b>2018/2019 UNITS</b>	<b>2013 UNITS</b>	<b>PERCENT CHANGE*</b>	<b>CUMULATIVE WATER SAVINGS*</b>	<b>2018/2019 R-GPCD**</b>	<b>2013 R-GPCD</b>
April 2019	90,155	120,265	-25.0%	-15.9%	75.1	87.9
May 2019	111,745	155,736	-28.2%	-17.0%	90.1	122.7







TO: Board of Directors

FROM: Joubin Pakpour, PE – Pakpour Consulting Group, Inc.  
District Engineer

DATE: June 25, 2020

---

**DISTRICT ENGINEER'S REPORT**

---

***NO WRITTEN REPORT THIS MONTH***

**MID-PENINSULA WATER DISTRICT  
BUDGET FOR YEAR 2019-2020  
SUMMARY**

DESCRIPTION	APPROVED FY 2019-2020 BUDGET \$	ACTUALS 7/1/2019 5/31/2020	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 91.8%
				Y-T-D % OF BUDGET
<b>OPERATING REVENUE</b>				
WATER COMMODITY CHARGES (A)	9,800,000	9,914,336	(114,336)	101.2%
FIXED SYSTEM CHARGES	3,000,000	2,867,252	132,748	95.6%
FIRE SERVICE CHARGES (B)	14,000	15,000	(1,000)	107.1%
MISC CUSTOMER ACCOUNT FEES (B)	43,000	104,639	(61,639)	243.3%
MISCELLANEOUS OPERATING	25,000	-	25,000	NA
PROPERTY TAX REVENUE '(C)	268,000	353,073	(85,073)	131.7%
<b>TOTAL OPERATING REVENUE</b>	<b>13,150,000</b>	<b>13,254,300</b>	<b>(104,300)</b>	100.8%
WATER SYSTEM CAPACITY CHARGES (D)	100,000	338,277	(238,277)	338.3%
WATER DEMAND OFFSET CHARGES (D)	10,000	45,396	(35,396)	454.0%
SERVICE LINE & INSTALLATION CHARGES (D)	10,000	68,835	(58,835)	688.3%
MISCELLANEOUS NON-OPERATING (E)	50,000	65,828	(15,828)	131.7%
INTEREST REVENUE - LAIF (F)	75,000	110,441	(35,441)	147.3%
INTEREST REVENUE - COP (F)	150,000	194,472	(44,472)	129.6%
LEASE OF PHYSICAL PROPERTY (G)	175,000	210,879	(35,879)	120.5%
LANDSCAPE PERMIT REVENUE (H)	1,000	18,320	(17,320)	1832.0%
<b>TOTAL NON-OPERATING REVENUE</b>	<b>571,000</b>	<b>1,052,448</b>	<b>(481,448)</b>	184.3%
<b>TOTAL REVENUE</b>	<b>13,721,000</b>	<b>14,306,748</b>	<b>(585,748)</b>	104.3%
<b>OPERATING EXPENDITURES (OP EXP)</b>				
SALARIES & WAGES	2,069,385	1,701,033	368,352	82.2%
PAYROLL TAXES & BENEFITS	1,414,093	1,040,387	373,706	73.6%
CAPITAL PAYROLL, TAXES & BENEFITS	-	(251,682)	-	0.0%
PURCHASED WATER	5,654,624	5,279,552	375,072	93.4%
OUTREACH & EDUCATION	60,000	33,556	26,444	55.9%
M&R - OPS SYSTEM	387,751	310,968	76,783	80.2%
M&R - FACILITIES & EQUIPMENT	162,625	122,504	40,121	75.3%
MAJOR MAINTENANCE	35,000	-	35,000	NA
OFFICE SUPPLIES & EQUIPMENT	306,377	261,370	45,007	85.3%
MEMBERSHIP & GOV FEES (I)	228,585	242,782	(14,197)	106.2%
BAD DEBT & CLAIMS	30,000	4,723	25,277	15.7%
UTILITIES	326,814	279,673	47,141	85.6%
PROFESSIONAL SERVICES	460,575	459,702	873	99.8%
TRAINING/TRAVEL & RECRUITMENT	37,500	24,805	12,695	66.1%
RESTRICTED EARNINGS (F)	225,000	304,913	(79,913)	135.5%
DEPRECIATION	970,000	960,535	9,465	99.0%
DEBT SERVICE TRUSTEE FEES & EXP	-	1,423	(1,423)	N/A
DEBT SERVICE 2016 COPs (J)	1,069,200	999,425	69,775	93.5%
<b>TOTAL OPERATING EXPENSES</b>	<b>13,437,528</b>	<b>11,775,669</b>	<b>1,661,859</b>	87.6%
<b>NET OPERATING SURPLUS/(LOSS)</b>	<b>283,472</b>	<b>2,531,080</b>	<b>(2,247,608)</b>	892.9%
<b>TRANSFER TO CAPITAL</b>	<b>(283,472)</b>	<b>(2,531,080)</b>	<b>2,247,608</b>	892.9%
<b>DEBT SERVICE COVERAGE</b>	<b>1.93</b>	<b>3.90</b>		

- A Water revenues are at 101.2% and water purchases are at 93.6%.
- B Fire Service Fees have increased due to fire service installations.
- C Second half of property tax revenue starting to come in.
- D Recognized revenue for 3 New services installed.
- E Closed 26 meter upgrade installations and 15 Fire Flow tests.
- F LAIF & COP interest higher than expected.
- G Received payment for City of Belmont's Buckland Tank Lease for prior year.
- H Recognized 4 Landscape Review Revenue and 2 Plan Check Review Revenue.
- I LAFCO from July19-Mar20 totals \$6,533 & SWRCBACC increase in dues from prior year totals \$3,802.
- J Includes Debt Service Principal Payment of \$375,000.

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

	31-May-20	31-May-19	\$ Change	% Change
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Total Checking/Savings	7,631,129.62	19,218,094.82	-11,586,965.20	-60.29%
Total COP Funds	11,990,906.78	0.00	0.00	100.0%
Total Accounts Receivable	1,185,070.74	1,028,403.42	156,667.32	15.23%
Total Other Current Assets	204,296.81	182,425.30	21,871.51	11.99%
<b>TOTAL CURRENT ASSETS</b>	<b>21,011,403.95</b>	<b>20,428,923.54</b>	<b>582,480.41</b>	<b>2.85%</b>
<b>FIXED ASSETS</b>				
Fixed Assets	51,495,977.66	48,194,143.18	3,301,834.48	6.85%
Accumulated Depreciation	-29,242,266.16	-28,120,911.04	-1,121,355.12	-3.99%
Construction in Progress	4,008,063.65	3,884,270.60	123,793.05	3.19%
<b>TOTAL FIXED ASSETS</b>	<b>26,261,775.15</b>	<b>23,957,502.74</b>	<b>2,304,272.41</b>	<b>9.62%</b>
<b>TOTAL OTHER ASSETS</b>	<b>2,226,591.34</b>	<b>1,210,079.34</b>	<b>1,016,512.00</b>	<b>84.0%</b>
<b>TOTAL ASSETS</b>	<b>49,499,770.44</b>	<b>45,596,505.62</b>	<b>3,903,264.82</b>	<b>8.56%</b>
<b>LIABILITIES &amp; EQUITY</b>				
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES</b>				
Total Accounts Payable	142,651.73	96,242.34	46,409.39	48.22%
Total Other Current Liabilities	1,327,047.43	1,662,956.58	-335,909.15	-20.2%
<b>TOTAL CURRENT LIABILITIES</b>	<b>1,469,699.16</b>	<b>1,759,198.92</b>	<b>-289,499.76</b>	<b>-16.46%</b>
<b>LONG TERM LIABILITIES</b>				
Total COP Financing Debt (B)	17,175,000.00	17,550,000.00	-375,000.00	-2.14%
Total COP Premium (B)	828,961.70	860,243.30	-31,281.60	-3.64%
Total Other Long Term Liabilities (B)	2,281,061.00	1,135,175.00	1,145,886.00	100.94%
<b>TOTAL LONG TERM LIABILITIES</b>	<b>20,285,022.70</b>	<b>19,545,418.30</b>	<b>739,604.40</b>	<b>3.78%</b>
<b>TOTAL LIABILITIES</b>	<b>21,754,721.86</b>	<b>21,304,617.22</b>	<b>450,104.64</b>	<b>2.11%</b>
<b>EQUITY</b>				
3000 · Opening Bal Equity	0.00	0.00	0.00	0.0%
<b>3800 · RESERVES</b>	<b>6,734,976.55</b>	<b>3,921,895.67</b>	<b>2,813,080.88</b>	<b>71.73%</b>
3940 · Fund Bal Invest in Util Plant	26,261,775.15	23,957,502.74	2,304,272.41	9.62%
Net Assets (A)	-5,251,703.12	-3,587,510.01	-1,664,193.11	-46.39%
<b>TOTAL EQUITY</b>	<b>27,745,048.58</b>	<b>24,291,888.40</b>	<b>3,453,160.18</b>	<b>14.22%</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>49,499,770.44</b>	<b>45,596,505.62</b>	<b>3,903,264.82</b>	<b>8.56%</b>

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

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

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

	Jul 19-May 20	Jul 18-May 19	\$ Change	% Change
Ordinary Income/Expense				
Income				
OPERATING REVENUE	13,254,300	12,122,650	1,131,651	9.34%
INTEREST INCOME	304,913	417,696	-112,783	-27.0%
CAPITAL CONTRIBUTION	220,113	278,984	-58,871	-21.1%
OTHER INCOME	747,535	637,966	109,568	17.18%
Total Income	14,526,862	13,457,296	1,069,565	7.95%
Expense				
PERSONNEL COSTS	2,489,738	2,349,187	140,552	5.98%
PURCHASED WATER	5,279,552	5,094,101	185,451	3.64%
OUTREACH/EDUCATION	33,556	54,582	-21,025	-38.52%
M&4 - OPS SYSTEMS	310,968	228,078	82,890	36.34%
FACILITIES & EQUIPMENT	122,504	144,849	-22,345	-15.43%
OFFICE SUPPLIES & EQUIPMENT	261,370	296,572	-35,202	-11.87%
MEMBERSHIP & GOV FEES	242,782	225,977	16,805	7.44%
BAD DEBT & CLAIMS	4,723	28,266	-23,543	-83.29%
UTILITIES	279,673	260,468	19,205	7.37%
PROFESSIONAL SERVICES	459,702	558,027	-98,324	-17.62%
TRAINING & TRAVEL	24,805	70,075	-45,270	-64.6%
Total Expense	9,509,373	9,310,182	199,191	2.14%
Net Ordinary Income	5,017,488	4,147,114	870,374	20.99%
Other Income/Expense				
Other Expense				
DEPRECIATION	960,535	854,143	106,392	12.46%
COP Financing Costs	624,425	634,286	-9,860	-1.56%
Total Other Expense	1,586,383	1,488,428	97,955	6.6%
Net Revenue/(Expenses)	3,431,105	2,658,686	772,420	29.1%

**RECONCILIATION TO OPERATING BUDGET**

**Adjustments to Increase Net Operating Surplus**

Interest Income - LAIF & COP Interest	-304,912
Capital Contribution	-220,113
Debt Service Principal Payment	-375,000
<b>Total Adjustments to Increase Net Operating Surplus</b>	<b>-900,026</b>

<b>Net Operating Surplus/(Loss) Transfer to Capital</b>	<b>2,531,080</b>
---	------------------

**MID-PENINSULA WATER DISTRICT  
BUDGET FOR FY 2019-2020  
Capital Projects**

DESCRIPTION	APPROVED FY 2019-2020 BUDGET \$	ACTUAL 7/1/2019 5/31/2020	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 91.8%
				Y-T-D % OF BUDGET
<b>CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)</b>				
Miscellaneous Capital Improvements*	-	115,958	(115,958)	N/A
<b>CAPITAL IMPROVEMENTS - WIP TOTAL</b>	<b>-</b>	<b>115,958</b>	<b>(115,958)</b>	N/A
<b>CAPITAL OUTLAY</b>				
Miscellaneous Capital Outlay/Projects	50,000	-	50,000	0.0%
<b>CAPITAL OUTLAY TOTAL</b>	<b>50,000</b>	<b>0</b>	<b>50,000</b>	0.0%
<b>CAPITAL IMPROVEMENTS &amp; CAPITAL OUTLAY TOTAL</b>	<b>50,000</b>	<b>115,958</b>	<b>(65,958)</b>	231.9%
DEPRECIATION	970,000	960,535	9,465	99.0%
TRANSFER FROM OPS	283,477	2,531,079	(2,247,602)	892.9%
TRANSFER (TO)/FROM CAPITAL RESERVES**	(1,203,477)	(3,375,656)	2,172,179	280.5%
CAPITAL OUTLAY/CAPITAL PROJECTS	(50,000)	(115,958)	65,958	231.9%
<b>NET RESULTS OF CAPITAL</b>	<b>-</b>	<b>(0)</b>	<b>0</b>	N/A