



REGULAR MEETING
BOARD OF DIRECTORS
THURSDAY, OCTOBER 24, 2019 – 6:30PM
3 DAIRY LANE, BELMONT CALIFORNIA

AGENDA

1. OPENING

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

2. PUBLIC COMMENT

Members of the public may address the Board on the Consent Agenda or any item of interest within the jurisdiction of the Board but not on its agenda today. In compliance with the Brown Act, the Board cannot discuss or act on items not on the agenda. Please complete a speaker's form and give it to the District Secretary. Each speaker is limited to three (3) minutes.

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

4. ACKNOWLEDGEMENTS/PRESENTATIONS

None

5. CONSENT AGENDA

All matters on the Consent Agenda are to be approved by one motion. If Directors wish to discuss a consent item other than simple clarifying questions, a request for removal may be made. Such items are pulled for separate discussion and action after the Consent Agenda as a whole is acted upon.

- A. Approve Minutes for the Regular Board Meeting on September 26, 2019
- B. Approve Expenditures from September 20, 2019 through October 17, 2019

6. HEARINGS AND APPEALS

None

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

- A. Receive Quarterly Reports on 2016 COP Financing through September 30, 2019:
 - 1. Financial Reconciliation Report; and
 - 2. Capital Project Fund Report

8. REGULAR BUSINESS AGENDA

- A. Receive and Accept the Financial Audit Report for Fiscal Year Ended June 30, 2019, Presented by James Marta, CPA, of James Marta & Company LLP
- B. Review and Approve Request for Proposal for Executive Search Services to Assist with Recruitment for General Manager

9. MANAGER'S AND BOARD REPORTS

- A. General Manager's Report, including Quarterly Water Conservation Activities Report, and supplemented by:
 - 1. Administrative Services Manager's Report
 - 2. Operations Manager's Report
 - 3. District Engineer's Report
- B. Financial Reports
 - 1. Month End September 30, 2019
- C. Director Reports

10. COMMUNICATIONS

11. CLOSED SESSION

- A. Public Employee Performance Evaluation and Associated Negotiations
Government Code §§54957 and 54957.6
Title: General Manager

12. RECONVENE TO OPEN SESSION

13. ADJOURNMENT

This agenda was posted at the Mid-Peninsula Water District's office, 3 Dairy Lane, in Belmont, California, and on its website at www.midpeninsulawater.org.

ACCESSIBLE PUBLIC MEETINGS

Upon request, the Mid-Peninsula Water District will provide written agenda materials in appropriate alternative formats, or disability-related modification or accommodation (including auxiliary aids or services), to enable individuals with disabilities to participate in public meetings. Please contact the District Secretary at (650) 591-8941 to request specific materials and preferred alternative format or auxiliary aid or service at least 48 hours before the meeting.

Next Board Meeting: Wednesday, November 20, at 6:30PM

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

September 26, 2019
Belmont, California

1. **OPENING**

A. **Call to Order:**

The regular meeting of the Mid-Peninsula Water District Board of Directors was called to order by President Vella at 6:31PM.

B. **Establishment of Quorum:**

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

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, District Treasurer Jeff Ira, and District Counsel Julie Sherman.

C. **Pledge of Allegiance** – The Pledge of Allegiance was led by District Engineer Joubin Pakpour.

2. **PUBLIC COMMENTS**

None.

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

General Manager Rudock asked that agenda item 9.A.3, District Engineer's Report, be moved up to agenda item 5.E of the Consent Agenda.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

A. **Brad Burwell, Maintenance Technician – 15 Year Service Anniversary**

General Manager Rudock reported that Mr. Burwell is unable to attend tonight's meeting. She also commented on his role in Operations. Operations Manager Ramirez acknowledged that the District is fortunate to have a local asset and available resource such as Mr. Burwell and wished him well.

President Vella asked staff to communicate the Board's best wishes and congratulations.

B. **Special Districts Week – September 22-28, 2019 (CA Assembly Concurrent Resolution 89)**

General Manager Rudock shared that staff issued a press release promoting the District's 90th anniversary in honor of Special Districts Week.

5. **CONSENT AGENDA**

A. **Approve Minutes for the Regular Board Meeting of July 25, 2019**
(There was no MPWD Board Meeting in August)

Director Schmidt asked that staff edit his comment under item 7B, lines 106-107, to include his intent that it would be useful to point out the value of capital projects to customers; for example completion of the installation of the Hillcrest pressure reducing valve helps to regulate pressure variances delivered from the SFPUC regional water system to our system, which is an invaluable benefit to the public.

B. Approve Expenditures from July 19, 2019 through September 19, 2019

C. Approve Resolution 2019-18 Establishing the Appropriations Limit Applicable to the MPWD during Fiscal Year 2019/2020

D. Approve the ACWA Region 5 Nominating Committee's Recommended Slate for Board Term 2020-2021 and Cast Ballot

Vice President Zucca moved to approve actions A-D, Director Schmidt seconded and it was unanimously approved.

E. District Engineer's Report

District Engineer Pakpour reported on current CIP project challenges, lessons learned, change orders and recent progress payments made. He also shared job pictures taken from Notre Dame, Cliffside and Tahoe site locations.

President Vella asked for clarification on the sewer main curvature challenge on Notre Dame Ave and requested a complications cost breakdown be provided to the Board.

District Engineer Pakpour confirmed that he would provide the Board with a detailed cost analysis next month.

6. HEARINGS AND APPEALS

None.

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

None.

8. REGULAR BUSINESS AGENDA

A. Receive Progress Report on MPWD 2019-2020 Strategic Plan

General Manager Rudock gave a summary report on Strategic Elements #1-5 through August 31, 2019.

Director Schmidt commented that he would like staff to add the shallow aquifers on private property research request for outdoor non-potable irrigation use discussed at the planning meeting held on February 28, 2019 to the 17-18 Strategic Plan, Element #2 – Resource Management.

B. Review and Approve Request for Proposal for Real Estate Marketing and Brokerage Services to Sell Surplus Real Property located at 1513-1515 Folger Drive in Belmont, CA

General Manager Rudock asked that the Board review the draft RFP presented and provide comments and feedback.

Director Warden recommended that staff approach the City of Belmont and inquire about the processes and procedures they have adopted with respect to the sale of their property. He also suggested that staff file an announcement ad in the local paper.

Vice President Zucca inquired about the rights of the District to reject proposals. An open Board discussion followed. Board direction was given that District Counsel should remove the protest procedures clause.

Vice President Zucca moved to approve and Director Warden seconded and it was unanimously approved.

C. Consider Resolution 2019-19 Approving Revised Employee Safety and Loss Prevention Incentive Program

General Manager Rudock shared Employee Safety and Loss Prevention Incentive Program change recommendations.

Director Warden commented that he is in favor of the proposed enhancement to the program and inquired about Standard Operating Procedures (SOPs) and how they could be used to enhance the program. General Manager Rudock responded that management does currently use SOPs as a program element and teaching tool.

Director Warden moved to approve, Director Wheeler seconded and it was unanimously approved.

D. Receive BAWSCA Update

President Vella reported on a number of SFPUC's 10-year Water Systems Improvement projects, Art Jensen's re-appointment as Special Counsel to the CEO/GM, the Tuolumne River Trust's special report on bay/delta plans, and that negotiations with the CEO/General Manager continue.

Operations Manager Ramirez also shared discussion on the Tier 2 drought response implementation program (DRIP) and that the managers' suggested BAWSCA staff recommends to the Board that it continue as is and that it be reviewed next year. He also provided a Water Supply Assessments update from this month's Water Management Representative's meeting attended.

9. MANAGER AND BOARD REPORTS

A. General Manager's Report

General Manager Rudock informed the Board that going forward the monthly water conservation report would transfer to the Operations Manager and that Public Service Ethics Education Certification tracking will now be administered by the Administrative Service Manager. She also reported on the Board Finance Committee schedule progress, JPIA Health Benefits Open Enrollment dates, recent Sonitrol Security changes, General Manager Recruitment, and that Sexual Harassment Prevention training would be scheduled before year end.

1. Supplemented by Administrative Services Manager's Report

Administrative Services Manager Pina explained that the drop in the Wells Fargo Checking account was due to the District's monthly routine SFPUC water purchase. She also provided an update on the miscellaneous fee revenues collected in 2019 to date.

151
152 **2. Supplemented by Operations Manager's Report**

153 Operations Manager Ramirez reported on a number of highlights from his monthly
154 staff report.
155

156 Director Wheeler asked why not all meters have the black box component on top of
157 the meter lids. Operations Manager Ramirez explained that a traffic-rated fiberglass
158 lid is also being used and it allows for transmission of meter signal through the lid.
159 The concrete lids do not transmit the meter signal and require the black transponder
160 units to be installed on the top of the concrete lids.
161

162 Director Schmidt suggested that staff consider a celebration in honor of the
163 completion of the District's AMI Meter Install Program.
164

165 **B. Financial Reports**

166 **1. Month Ended July 31, 2019**

167 **2. Month End August 31, 2019**

168 Administrative Services Manager Pina reported on FY19-20 revenues, expenditures
169 and target YTD % of budget totals. General Manager Rudock added that revenues
170 are higher this month due to increased customer summer use.
171

172 **3. Development Revenues Compared to MPWD CIP and Water Conservation**
173 **Program Expenditures through Fiscal Year End June 30, 2019**

174 General Manager Rudock reported that staff made some minor changes to the
175 annual report provided for both clarification and transparency purposes. She also
176 reminded them that while this is not required reporting, it is helpful in providing an
177 overview.
178

179 Director Warden commented on the water capacity charges and demand offset fees
180 and an open Board discussion followed on report formatting, the original study
181 conducted in 2015 and the development of a data analysis model.
182

183 **4. General Manager's Annual Report for Fiscal Year Ended June 30, 2019**

184 General Manager Rudock reviewed the power point summary she distributed on
185 District financials, capital programs and LAIF reserves. She also reported that there
186 is no pending litigation and invited the Board to attend the upcoming Free Landscape
187 Education Workshop on Intro to Plant Selection that the District will be hosting
188 Tuesday, October 29, 2019 from 6-8PM.
189

190 Director Schmidt asked about capital expenditure total variances on page 105 of the
191 General Managers report. Administrative Services Manager Pina provided an
192 explanation and General Manager Rudock reminded the Board that the examples
193 provided are in correlation and relate to fiscal budget year 2018/2019.
194

195 Administrative Services Manager Pina also shared that the District's FY 2018/2019
196 annual financial audit has concluded and that she had finished writing the
197 Management Discussions and Analysis (MDA) report today.
198

199 **C. Director Reports**

200 Director Warden advised that he had met with the City of Belmont parks and recreation
201 staff to discuss the current state of the happy hydrants program. A discussion followed

on a recent student correspondence letter received, public interest, the number of hydrants within our system, retired inventory, and the future of the program.

President Vella asked Director Warden if the Joint Powers Fire Authority had been a part of his talks with the City of Belmont. He also wanted to know if potential artists would have to provide credentials proving their abilities or be vested in some way prior to painting District property.

District Operations Manager Ramirez also asked the Board for further clarification with respect to retired hydrants.

The Happy Hydrant Committee was given Board direction to coordinate another meeting with the City of Belmont Parks and Recreation Department to address the comments, concerns and inquiries.

Vice President Zucca reported on a PG&E Public Safety Shut-Off Workshop he recently attended and asked about District back-up procedures in the event of a power outage. Operations Manager Ramirez shared that a draft is in the works. An open Board discussion followed and direction was given that staff put something in place to present in FY 20-21.

Director Wheeler provided an update on the ACWA Region 5 Board meeting he recently attended.

President Vella reported that he was interviewed last week by the District's annual audit firm, James Marta and Company, LLP.

10. COMMUNICATIONS

General Manager Rudock discussed the County of San Mateo's Census 2020 marketing collaboration request with the Board and they agreed that a joint communications public outreach effort would be an effective way to help notify and educate the public on the importance of the upcoming Census Questionnaire.

Director Warden shared with the Board the Happy Hydrant student correspondence letter discussed prior under Agenda Item 9.C., Director Reports. President Vella confirmed that he would provide staff with a response to address the student correspondence.

11. ADJOURNMENT

The meeting was adjourned at 8:56PM.

DISTRICT SECRETARY

APPROVED:

BOARD PRESIDENT

Accounts Payable

Checks by Date - Summary by Check Date

User: candyp
Printed: 10/17/2019 10:44 AM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
1114	STOLOSKI	STOLOSKI & GONZALEZ, Inc.	09/26/2019	775,101.20
35200	AAARENT	AAA RENTALS	09/26/2019	166.42
35201	ATT60197	AT&T 60197	09/26/2019	1,281.06
35202	BAAQMD	BAY AREA AIR QUALITY MGMT DIST.	09/26/2019	360.00
35203	CINTS	CINTAS CORPORATION	09/26/2019	500.44
35204	CITYBELM	CITY OF BELMONT	09/26/2019	307.00
35205	COMCAST	COMCAST	09/26/2019	616.12
35206	COMCASTB	COMCAST BUSINESS	09/26/2019	630.38
35207	DFS	DOCUMENT FULFILLMENT SERVICES	09/26/2019	345.15
35208	GRANITE	GRANITE ROCK, INC.	09/26/2019	248.69
35209	HOMEDPC	HOME DEPOT	09/26/2019	194.10
35210	INTERGAS	Interstate Gas Services, Inc.	09/26/2019	1,400.00
35211	INTRTRAF	INTERSTATE TRAFFIC CONTROL INC	09/26/2019	917.70
35212	LYNGSOMA	LYNGSO GARDEN MATERIAL INC	09/26/2019	32.50
35213	NATLMETR	NATIONAL METER & AUTOMATION	09/26/2019	1,617.67
35214	OCCHECEN	OCCUPATIONAL HEALTH CENTERS O	09/26/2019	352.00
35215	OFFICEDE	OFFICE DEPOT, INC.	09/26/2019	195.15
35216	PACOFFIC	PACIFIC OFFICE AUTOMATION	09/26/2019	204.30
35217	PENBLDG	PENINSULA BUILDING MATERIALS	09/26/2019	909.83
35218	PG&E	PG&E CFM/PPC DEPT	09/26/2019	7,495.75
35219	PIT71896	PITNEY BOWES 371896	09/26/2019	328.14
35220	RMORGAN	RAY MORGAN COMPANY	09/26/2019	3,463.53
35221	RANDB	ROBERTS & BRUNE CO. INC.	09/26/2019	53,280.37
35222	RUDOCK	TAMMY RUDOCK	09/26/2019	50.00
35223	STATEPLU	STATE PLUMBING AND HEATING SUP	09/26/2019	24.47
100487	WATERTAL	WATERTALENT	09/26/2019	6,840.00
Total for 9/26/2019:				856,861.97
100481	CALPERS	CALPERS	09/27/2019	3,946.91
100482	ICMACONT	ICMA contributions	09/27/2019	2,033.62
100483	HEALTHEQ	Health Equity	09/27/2019	100.00
100484	ADPPAYRL	adp	09/27/2019	15,678.81
100485	ADPPAYRL	adp	09/27/2019	6,278.21
Total for 9/27/2019:				28,037.55
1115	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	09/30/2019	13,358.63
100488	CALPERS	CALPERS	09/30/2019	7,547.34
100489	HEALTHEQ	Health Equity	09/30/2019	596.67
100490	ICMACONT	ICMA contributions	09/30/2019	499.64
100491	ADPPAYRL	adp	09/30/2019	30,706.15
100492	ADPPAYRL	adp	09/30/2019	13,009.26
100510	WFBUSCAR	WELLS FARGO -GM	09/30/2019	1,398.38
100511	WFBUSRR	WELLS FARGO-OM	09/30/2019	1,832.42
Total for 9/30/2019:				68,948.49

Check No	Vendor No	Vendor Name	Check Date	Check Amount
35224	A-IRENTA	A-1 TRUCK & EQUIPMENT RENTAL	10/03/2019	259.94
35225	DFS	DOCUMENT FULFILLMENT SERVICES	10/03/2019	191.17
35226	GSFLOWM	GOLDEN STATE FLOW MEASUREMENT	10/03/2019	1,558.45
35227	GRANITE	GRANITE ROCK, INC.	10/03/2019	545.71
35228	JAMESMAR	JAMES MARTA & COMPANY	10/03/2019	12,000.00
35229	MHN	MHN	10/03/2019	45.54
35230	OFFICEDE	OFFICE DEPOT, INC.	10/03/2019	103.93
35231	PG&E	PG&E CFM/PPC DEPT	10/03/2019	14,300.20
35232	PRECISE	PRECISE, INC.	10/03/2019	1,225.80
35233	VANGUARD	VANGUARD CLEANING SYSTEMS, INC.	10/03/2019	385.00
35234	VERIZON	VERIZON WIRELESS	10/03/2019	840.80
100507	SFWATER	SAN FRANCISCO WATER DEPT	10/03/2019	610,823.80
100508	ACCELA	ACCELA, INC. #774375	10/03/2019	3,297.00
100509	WATERTAL	WATERTALENT	10/03/2019	3,800.00
Total for 10/3/2019:				649,377.34
35235	A-IRENTA	A-1 TRUCK & EQUIPMENT RENTAL	10/10/2019	134.99
35236	ACWADUES	ACWA DUES	10/10/2019	42,540.30
35237	ACWA5661	ACWA JPIA	10/10/2019	76,254.93
35238	AIRGAS	AIRGAS, LLC	10/10/2019	158.05
35239	ATT60197	AT&T 60197	10/10/2019	84.33
35240	BAWSCA	BAY AREA WATER SUPPLY & CONSER	10/10/2019	18,332.00
35241	BPLANDSC	BAY POINTE LANDSCAPE	10/10/2019	1,625.00
35242	BFIOFCAL	BFI of CALIFORNIA INC. - OX MTN. LA	10/10/2019	1,882.23
35243	CGUHLNB	C G UHLENBERG LLP	10/10/2019	1,900.00
35244	GSFLOWM	GOLDEN STATE FLOW MEASUREMENT	10/10/2019	4,917.27
35245	HOMEDPC	HOME DEPOT	10/10/2019	278.47
35246	INTRTRAF	INTERSTATE TRAFFIC CONTROL INC	10/10/2019	330.26
35247	KOFFASSO	KOFF & ASSOCIATES INC	10/10/2019	2,412.00
35248	LINCOLNL	LINCOLN LIFE	10/10/2019	100.00
35249	MATCOTLS	MATCO TOOLS	10/10/2019	646.40
35250	OFFICEDE	OFFICE DEPOT, INC.	10/10/2019	136.18
35251	PACOFFIC	PACIFIC OFFICE AUTOMATION	10/10/2019	120.39
35252	PG&E	PG&E CFM/PPC DEPT	10/10/2019	3,403.96
35253	RECOLOGY	RECOLOGY SAN MATEO	10/10/2019	674.88
35254	RANDB	ROBERTS & BRUNE CO. INC.	10/10/2019	1,673.26
35255	SMENVIRN	SAN MATEO CO. ENVIRO. HEALTH	10/10/2019	3,716.00
35256	SMELECTR	SAN MATEO ELECTRIC SUPPLY	10/10/2019	12.08
35257	STEPFORD	STEPFORD BUSINESS, INC.	10/10/2019	2,360.00
35258	STEVCRKQ	STEVENS CREEK QUARRY, INC.	10/10/2019	134.72
35259	TAPMASTR	TAP MASTER, INC	10/10/2019	1,249.00
35260	TMOBILE	T-MOBILE	10/10/2019	10.17
35261	VALLEYOL	VALLEY OIL COMPANY	10/10/2019	1,450.08
35262	COASTWES	COAST WEST FIRE	10/10/2019	53.75
35263	CONTROLF	CONTROL FIRE INC.	10/10/2019	107.50
35264	GARCIAVE	VERONIQUE GARCIA	10/10/2019	53.75
35265	GEHRELS	GEHRELS CUSTOM HOMES	10/10/2019	53.75
35266	HADJIANB	BEHZAD HADJIAN	10/10/2019	53.75
35267	INTINTOL	ANTHONY INTINTOLI	10/10/2019	53.75
35268	KIMPETER	PETER KIM	10/10/2019	53.75
35269	OKADA	RON	10/10/2019	31.85
35270	SHENBIN	BIN SHEN	10/10/2019	53.75
35271	SIMMONSR	RICK SIMMONS	10/10/2019	53.75
35272	THORPEDE	THORPE DESIGN, INC.	10/10/2019	161.25
100512	ACCELA	ACCELA, INC. #774375	10/10/2019	3,307.00

Check No	Vendor No	Vendor Name	Check Date	Check Amount
100513	DAVIDSON	JOHN T. DAVIDSON OR DBA JRocket77	10/10/2019	4,167.21
100514	HANSONBR	HANSON, BRIDGETT	10/10/2019	2,250.00
100515	LIFTOFFD	LIFTOFF DIGITAL	10/10/2019	685.00
100516	PAKPOUR	PAKPOUR CONSULTING GROUP, INC	10/10/2019	2,522.63
100517	WATERTAL	WATERTALENT	10/10/2019	7,600.00
Total for 10/10/2019:				187,799.39
100518	CALPERS	CALPERS	10/11/2019	3,946.91
100519	ICMACONT	ICMA contributions	10/11/2019	2,748.62
100520	ADPPAYRL	adp	10/11/2019	15,299.22
100521	ADPPAYRL	adp	10/11/2019	6,040.09
Total for 10/11/2019:				28,034.84
100522	CALPERS	CALPERS	10/15/2019	8,364.56
100523	HEALTHQ	Health Equity	10/15/2019	752.72
100524	ICMACONT	ICMA contributions	10/15/2019	499.64
100525	ADPPAYRL	adp	10/15/2019	34,693.38
100526	ADPPAYRL	adp	10/15/2019	14,574.78
Total for 10/15/2019:				58,885.08
35273	ATT60197	AT&T 60197	10/17/2019	82.77
35274	BAIRDTRK	BAIRD TRUCKING INC.	10/17/2019	3,080.00
35275	BNYSANFR	BNY TRUST COMPANY, N.A.	10/17/2019	11,341.37
35276	CINTS	CINTAS CORPORATION	10/17/2019	672.67
35277	CSDA	CSDA	10/17/2019	7,615.00
35278	DMVEPNPR	DMV EPN PROGRAM H265	10/17/2019	20.00
35279	GLOBALSU	GLOBAL SUN LANDSCAPE	10/17/2019	280.50
35280	GRANITE	GRANITE ROCK, INC.	10/17/2019	1,049.72
35281	HOMEDPC	HOME DEPOT	10/17/2019	42.79
35282	PACOFFIC	PACIFIC OFFICE AUTOMATION	10/17/2019	533.62
35283	SMENVIRN	SAN MATEO CO. ENVIRO. HEALTH	10/17/2019	341.50
35284	STANDINS	STANDARD INSURANCE COMPANY	10/17/2019	1,195.32
35285	STEPFORD	STEPFORD BUSINESS, INC.	10/17/2019	367.37
35286	STEVCRKQ	STEVENS CREEK QUARRY, INC.	10/17/2019	134.47
35287	VALLEYOL	VALLEY OIL COMPANY	10/17/2019	1,284.38
Total for 10/17/2019:				28,041.48
Report Total (121 checks):				1,905,986.14



AGENDA ITEM NO. 7.A.

DATE: October 24, 2019
TO: Board of Directors
FROM: Tammy Rudock, General Manager
Candy Pina, Administrative Services Manager
Rene Ramirez, Operations Manager

SUBJECT: RECEIVE QUARTERLY REPORTS ON 2016 COP FINANCING THROUGH SEPTEMBER 30, 2019:
1. FINANCIAL RECONCILIATION REPORT
2. CAPITAL PROJECT FUND REPORT

RECOMMENDATION

Receive Quarterly Reports on 2016 COP Financing through September 30, 2019:

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

FISCAL IMPACT

MPWD 2016 COP CIP - RECONCILIATION @ 09/30/19		
Date	Activity	COP Funds
12/21/2016	Net Proceeds as of 12/21/16 to COP CIP	\$ 19,143,020.82
3/20/2017	Transfer to Project Funds	\$ 42,875.50
9/30/2019	Project Costs	\$ (6,521,711.03)
9/30/2019	Total Dividends Earned	\$ 627,361.07
9/30/2019	Balance	\$ 13,291,546.36

DISCUSSION

Staff's 2016 COP Quarterly Reconciliation Report is attached. Trustee bank statements were reconciled and the project fund balance at September 30, 2019, was \$13,291,546.36.

Attachments: 2016 COP Quarterly Reconciliation Report through September 30, 2019
2016 COP Quarterly Project Fund Report through September 30, 2019

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

UNANIMOUS_____ VELLA_____ ZUCCA_____ WARDEN_____ SCHMIDT_____ WHEELER_____

MPWD 2016 COP CIP - RECONCILIATION @ 09/30/19

Date	Activity	COP Funds
12/21/2016	Net Proceeds as of 12/21/16 to COP CIP	\$ 19,143,020.82
3/20/2017	Transfer to Project Funds	\$ 42,875.50
9/30/2019	Project Costs	\$ (6,521,711.03)
9/30/2019	Total Dividends Earned	\$ 627,361.07
9/30/2019	Balance	\$ 13,291,546.36

COST OF ISSUANCE

Date	Activity	Closing Costs
12/21/2016	Deposit from Net Proceeds	\$ 251,000.00
12/21/2016	Total Issuance Costs	\$ (208,124.50)
3/20/2017	Transfer to Project Funds	\$ (42,875.50)
	Total	\$ -

COP Project Costs YTD

Date	Activity	Project Costs
9/30/2019	Karen/Folger/Mezes/South/Arthur Water Main Replacement (WMR)	\$ 2,464,193.28
9/30/2019	Hillcrest Pressure Regulating Station	\$ 852,056.44
9/30/2019	Dekoven Tank Replacement	\$ 107,447.82
9/30/2019	Old County Road WMR	\$ 255,853.74
9/30/2019	El Camino Real/Malcolm Ave WMR	\$ 315,481.31
9/30/2019	Notre Dame/Tahoe/Cliffside	\$ 1,137,475.70
9/30/2019	SR 101 Crossing at PAMF Hospital	\$ 382,974.95
9/30/2019	Francis, Academy, Davey (w/Belmont)	\$ 1,006,227.79
	Total	\$ 6,521,711.03

Dividends Earned

Date	Activity	Interest Earned
12/31/2017	Dividends Earned (Jan - Dec 2017)	\$ 120,105.34
12/31/2018	Dividends Earned (Jan - Dec 2018)	\$ 264,043.09
3/31/2019	Dividends Earned (Jan - Jun 2019)	\$ 168,513.97
4/30/2019	Dividends Earned (Jul 2019)	\$ 25,948.47
5/31/2019	Dividends Earned (Aug 2019)	\$ 25,075.09
6/30/2019	Dividends Earned (Sep 2019)	\$ 23,675.11
	Total	\$ 627,361.07

Updated 09/30/19

MPWD SCHEDULE OF INSTALLMENT PAYMENTS				
Date Due	Activity	Principal	Interest	Total
5/15/2017	Payment made		\$ 330,133.34	\$ 330,133.34
11/15/2017	Payment made	\$ 315,000.00	\$ 371,400.00	\$ 686,400.00
5/15/2018	Payment made		\$ 365,100.00	\$ 365,100.00
11/15/2018	Payment made	\$ 345,000.00	\$ 365,100.00	\$ 710,100.00
5/15/2019	<i>Payment to be made</i>		\$ 358,200.00	\$ 358,200.00
11/15/2019	<i>Payment to be made</i>	\$ 360,000.00	\$ 358,200.00	\$ 718,200.00
5/15/2020	<i>Payment to be made</i>		\$ 351,000.00	\$ 351,000.00
11/15/2020	<i>Payment to be made</i>	\$ 375,000.00	\$ 351,000.00	\$ 726,000.00
5/15/2021	<i>Payment to be made</i>		\$ 343,500.00	\$ 343,500.00
11/15/2021	<i>Payment to be made</i>	\$ 385,000.00	\$ 343,500.00	\$ 728,500.00
5/15/2022	<i>Payment to be made</i>		\$ 335,800.00	\$ 335,800.00
11/15/2022	<i>Payment to be made</i>	\$ 405,000.00	\$ 335,800.00	\$ 740,800.00
5/15/2023	<i>Payment to be made</i>		\$ 327,700.00	\$ 327,700.00
2024-2028	<i>Payment to be made</i>	\$ 2,270,000.00	\$ 3,057,000.00	\$ 5,327,000.00
2029-2033	<i>Payment to be made</i>	\$ 2,760,000.00	\$ 2,555,600.00	\$ 5,315,600.00
2034-2038	<i>Payment to be made</i>	\$ 3,360,000.00	\$ 1,945,600.00	\$ 5,305,600.00
2039-2043	<i>Payment to be made</i>	\$ 4,090,000.00	\$ 1,203,000.00	\$ 5,293,000.00
2044-2047	<i>Payment to be made</i>	\$ 3,905,000.00	\$ 320,100.00	\$ 4,225,100.00
	Balance	\$ 18,570,000.00	\$ 13,617,733.34	\$ 32,187,733.34

Updated 09/30/19

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October 18, 2019

Tammy Rudock
General Manager
Mid-Peninsula Water District

Email: trudock@midpeninsulawater.org

Re: Certificate of Participation (COP) Spending Report as of September 30, 2019

Dear Ms. Rudock:

The following are highlights from tracking of quarterly and overall COP spending as of September 30, 2019.

Total COP funds spent are \$6,533,052.42. This is 33.0% percent of the beginning funds amount plus accumulated dividends, which total \$19,813,257.41. (Table 1)

Quarterly COP spending was \$1,254,173.37. Of this total, engineering payments were \$91,329.89, and construction payments were \$1,162,843.48. Construction payments were for the Hillcrest Pressure Regulating Station and the Notre Dame/Tahoe/Cliffside Project. Quarterly spending reconciles exactly to the project detail and to the Bank of New York monthly statements. (Tables 1, 2, and 3)

Quarterly Pay-Go spending was \$67,175. The total amount of Pay-Go funds to date for the projects listed is \$1,148,236. (Table 3 and Chart)

Cost Projections. There are no updates to Cost Projections for this reporting period. Note that seven of the original projects have not yet had updated estimated engineering costs. These are indicated by "N.U." in Table 3. In the Chart, future projections are removed until anticipated project costs and timing can be updated. The simplified chart now only shows expenditures to date.

Sincerely,



Dan Bergmann
Principal



Table 1				
Bank of New York MPWD Account 361685				
Quarter Ending	Dividends	Expenditures		Ending Project Fund Balance
		Monthly	Quarterly	
Beginning Balance				\$19,143,020.82
Mar-17 ¹	\$42,875.50	-		\$19,185,896.32
Mar-17	12,640.32	-		19,198,536.64
Jun-17	26,269.49	(268,386.44)	(268,386.44)	18,956,419.69
Jul-17	11,186.97	(37,411.30)		18,930,195.36
Aug-17	13,178.04	(76,232.49)		18,867,140.91
Sep-17	13,889.47	(30,529.45)	(144,173.24)	18,850,500.93
Oct-17	13,740.78	(31,325.20)		18,832,916.51
Nov-17	14,584.55	(269,821.99)		18,577,679.07
Dec-17	14,615.74	(370,309.75)	(671,456.94)	18,221,985.06
Jan-18	16,315.52	(315,748.56)		17,922,552.02
Feb-18	17,717.32	(221,300.77)		17,718,968.57
Mar-18	17,140.20	(280,719.75)	(817,769.08)	17,455,389.02
Apr-18	20,666.32	(437,470.39)		17,038,584.95
May-18	21,315.01	(418,903.86)		16,640,996.10
Jun-18	22,792.33	(122,821.81)	(979,196.06)	16,540,966.62
Jul-18	22,571.92	(346,653.05)		16,216,885.49
Aug-18	24,003.89	(56,018.89)		16,184,870.49
Sep-18	24,700.72	(181,427.83)	(584,099.77)	16,028,143.38
Oct-18	24,735.82	(640,048.84)		15,412,830.36
Nov-18	26,088.52	(77,634.29)		15,361,284.59
Dec-18	25,995.52	-	(717,683.13)	15,387,280.11
Jan-19	28,006.89	(90,278.13)		15,325,008.87
Feb-19	29,282.07	(283,598.44)		15,070,692.50
Mar-19	26,381.68	(290,062.32)	(663,938.89)	14,807,011.86
Apr-19	29,011.69	(76,189.41)		14,759,834.14
May-19	27,609.00	(267,710.56)		14,519,732.58
Jun-19	28,222.64	(88,275.53)	(432,175.50)	14,459,679.69
Jul-19	25,948.47	(260,660.87)		14,224,967.29
Aug-19	25,075.09	(137,358.30)		14,112,684.08
Sep-19	23,675.11	(856,154.20)	(1,254,173.37)	13,280,204.99
Totals	\$670,236.59	(\$6,533,052.42)	(\$6,533,052.42)	\$13,280,204.99
Beginning Funds plus	\$19,813,257.41			
Total Dividends				
Percent Spent	33.0%			
Note 1. Transfer to Project Funds				



Table 2											
MPWD Projects: Through Sept 30, 2019			Requisitions								
Project	#		44	45	46	47	48	Subtotals	Construction	Engineering	
Karen Road Improvements	15-73		-	-	-	-	-	-	-	-	
Folger Drive Improvements	15-65		-	-	-	-	-	-	-	-	
Mezes Avenue Improvements	15-14		-	-	-	-	-	-	-	-	
South Road Abandonment	15-44		-	-	-	-	-	-	-	-	
Arthur Avenue Improvements	15-22		-	-	-	-	-	-	-	-	
Dekoven Tanks Replacement	15-89		-	3,570.00	3,388.38	133.88	-	7,092.26	-	7,092.26	
Hillcrest Pressure Regulating Station	15-87		244,782.70	5,355.00	121,635.23	61,982.37	-	433,755.30	387,742.28	46,013.02	
Old County Road Improvements	15-75		-	635.25	-	-	-	635.25	-	635.25	
El Camino Real Improvements	15-76		-	695.17	1,542.00	635.25	-	2,872.42	-	2,872.42	
Notre Dame Avenue Loop Closure	15-10		-	-	-	-	-	-	-	-	
Notre Dame Abandonment / Fire Hydrant	15-49		-	3,337.17	6,535.57	10,980.47	484,935.12	505,788.33	484,935.12	20,853.21	
Tahoe Drive Area Improvements	15-28		-	1,395.05	2,732.08	4,590.20	202,718.77	211,436.10	202,718.77	8,717.33	
Cliffside Court Improvements	15-38		-	601.78	1,178.54	1,980.08	87,447.31	91,207.71	87,447.31	3,760.40	
N. Rd Cross Country / Davey Glen Rd Impr.	15-43		-	-	-	-	-	-	-	-	
Zone 5 Fire Hydrant Upgrades	15-06		-	-	-	-	-	-	-	-	
Civic Lane Improvements	15-78		-	-	-	-	-	-	-	-	
Dekoven Tank Utilization Project	15-09		-	-	-	-	-	-	-	-	
Belmont Canyon Road Improvements	15-29		-	-	-	-	-	-	-	-	
North Road Improvements	15-42		-	-	-	-	-	-	-	-	
SR 101 Crossing at PAMF Hospital	15-72		-	288.75	346.50	750.75	-	1,386.00	-	1,386.00	
Williams Ave, Ridge Rd, Hillman Ave Impr.	15-16		-	-	-	-	-	-	-	-	
Monte Cresta Dr / Alhambra Drive Impr.	15-17		-	-	-	-	-	-	-	-	
Francis, Academy, Davey (w/Belmont)											
TOTALS			244,782.70	15,878.17	137,358.30	81,053.00	775,101.20	1,254,173.37	1,162,843.48	91,329.89	
TOTALS								1,254,173.37			
TOTALS GROUPED TO RECONCILE WITH BNY			260,660.87		137,358.30	856,154.20		1,254,173.37		1,254,173.37	



Table 3

MPWD Projects: Through Sept 30, 2019		Cost Projections				Spent			Completion
Project	#	Original ¹	Inflation ²	Updated ³	Status ⁴	COP	Pay-Go	Total	
Karen Road Improvements	15-73	\$425,000	\$455,600	\$666,295	Final	(\$606,746)	(\$59,549)	(\$666,295)	Sep-18
Folger Drive Improvements	15-65	420,000	449,376	585,586	Final	(\$525,953)	(59,633)	(585,586)	Sep-18
Mezes Avenue Improvements	15-14	175,000	187,240	258,524	Final	(242,756)	(15,768)	(258,524)	Sep-18
South Road Abandonment	15-44	415,000	443,968	403,838	Final	(401,160)	(2,678)	(403,838)	Sep-18
Arthur Avenue Improvements	15-22	475,000	509,680	700,936	Final	(687,580)	(13,356)	(700,936)	Sep-18
Francis, Academy, Davey (w/Belmont)	15-43	680,000	727,328	1,839,264	Final	(1,006,227)	(872,008)	(1,878,235)	Mar-19
Hillcrest Pressure Regulating Station	15-87	345,000	369,888	1,004,544	Bid	(876,756)	(1,266)	(878,022)	Jun-19
Notre Dame Abandonment / Hydrants	15-49	n/a	173,120	100,000	Eng	(556,000)	(2,788)	(558,789)	Dec-19
Notre Dame Avenue Loop Closure	15-10	910,000	1,009,891	1,600,000	Eng	(147,400)	(8,185)	(155,585)	Dec-19
Tahoe Drive Area Improvements	15-28	510,000	563,692	640,000	Eng	(294,045)	(4,587)	(298,632)	Dec-19
Cliffside Court Improvements	15-38	220,000	258,998	130,000	Eng	(126,843)	(1,979)	(128,822)	Dec-19
Zone 5 Fire Hydrant Upgrades	15-06	150,000	168,730	175,000	Eng				Dec-19
Civic Lane Improvements	15-78	800,000	887,405	887,405	N.U.				Jun-20
Dekoven Tank Utilization Project	15-09	1,035,000	1,185,325	1,185,325	N.U.	(9,926)	12,487	2,561	Jun-20
Dekoven Tanks Replacement	15-89	3,500,000	4,009,576	4,009,576	N.U.	(97,522)	(49,604)	(147,126)	Jun-20
Old County Road Improvements	15-75	3,400,000	3,892,590	4,300,000	Eng	(255,854)	(10,615)	(266,469)	Jun-20
Belmont Canyon Road Improvements	15-29	420,000	480,300	480,300	N.U.				Jun-20
North Road Improvements	15-42	220,000	258,998	258,998	N.U.				Jun-21
El Camino Real Improvements	15-76	2,100,000	2,489,975	2,735,000	Eng	(315,481)	(58,466)	(373,948)	Jun-21
SR 101 Crossing at PAMF Hospital	15-72	1,670,000	2,033,486	3,475,000	Eng	(382,802)	(240)	(383,042)	Jun-22
Williams Ave, Ridge Rd, Hillman Ave Impr.	15-16	1,100,000	1,352,053	1,352,053	N.U.				Jun-22
Monte Cresta Dr / Alhambra Drive Impr.	15-17	1,075,000	1,313,786	1,313,786	N.U.				Jun-22
TOTALS		\$20,045,000	\$23,221,005	\$28,101,430		(\$6,533,052)	(\$1,148,236)	(\$7,681,288)	

COP Beginning Fund Total \$19,143,021

Notes:

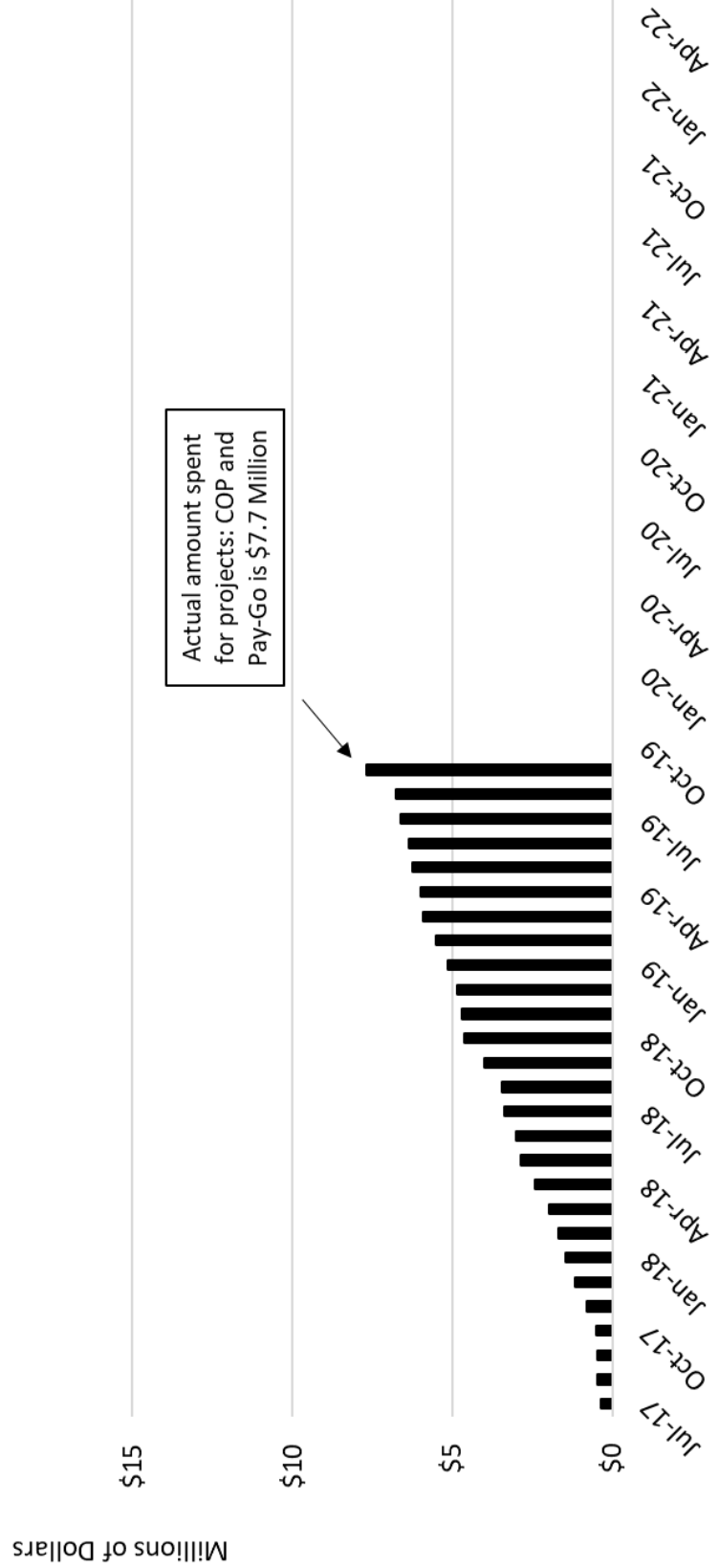
1) Resolution No. 2016-06, May 26, 2016
 2) Adjusted by four percent annual construction cost inflation factor at June 22, 2017 Board Meeting
 3) Adjustment detail is shown within each project tab
 4) "Eng" - Updated Engineer's Estimate; "Bid" - Contractor's Bid Price; "Final" - Final Project Cost; "N.U." - Not Updated

Dividend Totals \$670,237
 COP Remaining Balance \$13,280,206



Capital Improvement Program Actual Spending

As of September 30, 2019





AGENDA ITEM NO. 8.A.

DATE: October 24, 2019
TO: Board of Directors
FROM: Candy Pina, Administrative Services Manager

SUBJECT: RECEIVE AND ACCEPT THE FINANCIAL AUDIT REPORT FOR FISCAL YEAR ENDED JUNE 30, 2019, PRESENTED BY JAMES MARTA, CPA, OF JAMES MARTA & COMPANY LLP

RECOMMENDATION

Receive and accept the financial audit report for the fiscal year ended June 30, 2019, presented by James Marta, CPA, of James Marta & Company LLP.

FISCAL IMPACT

\$16,000 paid to date to James Marta & Company LLP. (\$19,425 is the total contracted amount for the FY 2018/2019.)

DISCUSSION

Attached are the financial audit reports for Fiscal Year Ended June 30, 2019 and related documents, which will be presented by James Marta, CPA, of James Marta & Company LLP.

An audit exit conference was facilitated by David Becker on October 10, 2019 with the Board's Finance Committee and staff.

Attachments: MPWD Financial Audit Report for Year Ended June 30, 2019
MPWD Management Letter
MPWD Board Communication

BOARD ACTION: APPROVED:____ DENIED:____ POSTPONED:____ STAFF DIRECTION:____
UNANIMOUS____ VELLA____ ZUCCA____ WARDEN____ SCHMIDT____ WHEELER____



**MID-PENINSULA WATER DISTRICT
FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEARS ENDED
JUNE 30, 2019 AND 2018**

**JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS**

**701 HOWE AVENUE, E3
SACRAMENTO, CA**

**(916) 993-9494
(916) 993-9489 FAX
WWW.JPMCPCOM**

MID-PENINSULA WATER DISTRICT

BOARD OF DIRECTORS

JUNE 30, 2019

<u>Name</u>	<u>Office</u>	<u>Term Expires November</u>
Louis Vella	President	2020
Matthew Zucca	Vice President	2020
Dave Warden	Director	2022
Brian Schmidt	Director	2022
Kirk Wheeler	Director	2022

ADMINISTRATION

Tammy Rudock
General Manager

MID-PENINSULA WATER DISTRICT

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James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Mid-Peninsula Water District
Belmont, California

Report on the Financial Statements

We have audited the accompanying Statement of Net Position of Mid-Peninsula Water District (the District) as of June 30, 2019 and 2018 and the related Statements of Revenues, Expenses and Changes in Net Position and Cash Flows for the years then ended and the related notes to the financial statement.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of the basic financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State Controller's *Minimum Audit Requirements for California Special District*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the basic financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Mid-Peninsula Water District as of June 30, 2019 and 2018, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Other Matters

Required Supplemental Information

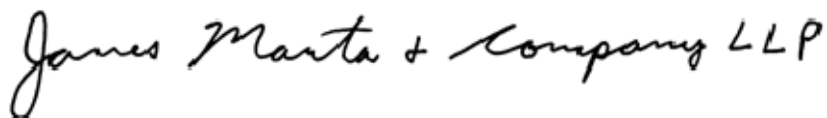
Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of Pension Contributions, Schedule of Changes in the Net OPEB Liability and Related Ratios and Schedule of OPEB Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board (GASB) who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted principally of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Change in Accounting Principle

Mid-Peninsula Water District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, which required a restatement of net position as of July 1, 2017. The effects of this restatement are described in Note 11 to the basic financial statements.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2019 on our consideration of Mid-Peninsula Water District's internal control over financial reporting and our tests of its compliance with provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Mid-Peninsula Water District's internal control over financial reporting and compliance.



James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 11, 2019

MANAGEMENT'S DISCUSSION AND ANALYSIS

MID-PENINSULA WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

This section of the Mid-Peninsula Water District's ("District") annual financial report presents a discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2019. It should be reviewed in conjunction with the District's basic financial statements for the fiscal year ended June 30, 2019.

FINANCIAL HIGHLIGHTS

- The District's Net Position increased by \$2,779,893 (13%) during the fiscal year ended June 30, 2019.
- The District's operating revenues increased from the previous year by \$588,433 (5%).
- Non-operating revenues decreased from the previous year by -\$64,809 (-5%).
- Operating expenses increased by \$370,043 (3%).
- Non-Operating expenses decreased by -\$13,684 (<1%).

The "Changes in Net Position" portion of the report details the various factors behind the highlights.

USING THIS ANNUAL REPORT

This annual report consists of two parts: Management's Discussion and Analysis and Financial Statements. The Financial Statements also include notes that explain in more detail some of the information contained in those statements.

Required Financial Statements

District financial statements report financial information about the District using accounting methods similar to those used by private sector companies, which include Generally Accepted Accounting Principles (GAAP). The Statement of Net Position included all District assets and liabilities, and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for computing rate of return, evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All of the fiscal year's revenues and expenses are accounted for in the Statement of Revenues, Expenses, and Changes in Net Position. This statement measures the success of the District's operations over the past year and can be used to determine whether the District has successfully recovered all its costs through its user fees and other charges.

The final required financial statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District cash receipts, cash disbursements and net changes in cash resulting from operating, investing, capital and noncapital financing activities.

MID-PENINSULA WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT

One of the most important questions asked about the District finances is whether or not the District's overall financial position has improved or deteriorated. The Statement of Net Position and the Statement of Revenues and Expenses and Changes in Net Position report information about the District activities in a way that responds to this question. The statement of the District's net position (the difference between assets and liabilities), is one measure of financial health or financial position. Over time, increases or decreases in District net position are one indicator of whether its financial health is improving or deteriorating. Other factors to consider include changes in economic conditions, population growth, and new or changed legislation.

Condensed Statement of Net Position

	June 30, 2019	June 30, 2018	Amount Increase (Decrease)	Percent Increase (Decrease)	June 30, 2017
Current and Other Assets	\$ 5,765,142	\$ 8,391,384	\$ (2,626,242)	-31%	\$ 6,647,328
Restricted cash with fiscal agent	14,459,680	16,540,967	(2,081,287)	-13%	18,956,420
Capital Assets, Net	24,395,038	20,657,271	3,737,767	18%	18,037,446
Total Assets	44,619,860	45,589,622	(969,762)	-2%	43,641,194
Deferred Outflows of Resources	2,226,591	1,210,080	1,016,511	84%	803,133
Current and Other Liabilities	1,496,903	2,665,025	(1,168,122)	-44%	2,064,658
Long-Term Liabilities	20,040,903	24,277,414	(4,236,511)	-17%	20,069,136
Total Liabilities	21,537,806	26,942,439	(5,404,633)	-20%	22,133,794
Deferred Inflows of Resources	965,839	959,375	6,464	1%	1,229,359
Net Investment in Capital Assets	20,284,718	20,657,271	(372,553)	-2%	18,037,446
Unrestricted Net Position	4,058,088	905,642	3,152,446	348%	3,043,728
Total Net Position	\$ 24,342,806	\$ 21,562,913	\$ 2,779,893	13%	\$ 21,081,174

The District's net position at fiscal year end June 30, 2019 increased \$2,779,893 (13%) when compared to fiscal year end June 30, 2018. Factors contributing to this increase are mainly due to water main replacement capital projects totaling an increase of \$4,584,478 (238%); AMI meter change-out capital project totaling an increase of \$1,044,177 (42%); and new service and upgraded meter installation projects totaling an increase of \$293,024 (49%).

MID-PENINSULA WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

Changes in Net Position

Changes in the District's net position between fiscal year end June 30, 2019, and fiscal year end June 30, 2018, can be determined by reviewing the following condensed Statement of Revenue, Expenses, and Changes in Net Position.

Condensed Statement of Revenues, Expenses, and Changes in Net Position

	June 30, 2019	June 30, 2018	Amount Increase (Decrease)	Percent Increase (Decrease)	June 30, 2017
Operating Revenue	\$ 13,442,130	\$ 12,853,697	\$ 588,433	5%	\$ 11,453,911
Non-Operating Revenue	1,271,275	1,336,084	(64,809)	-5%	759,041
Total Revenues	14,713,405	14,189,781	523,624	4%	12,212,952
Operating Expenses	11,242,644	10,872,601	370,043	3%	10,584,529
Non-Operating Expenses	690,868	704,552	(13,684)	0%	695,952
Total Expenses	11,933,512	11,577,153	356,359	3%	11,280,481
Change in Net Position	2,779,893	2,612,628	167,265	6%	932,471
Net Position, Beginning	21,562,913	18,950,285 *	2,612,628	14%	20,148,703
Net Position, Ending	\$ 24,342,806	\$ 21,562,913	\$ 2,779,893	13%	\$ 21,081,174

* The net position beginning July 1, 2017 was restated as a result of the implementation of GASB Statement No. 75.
See note 11 to the financial statements.

The District's Operating Revenues increased by \$588,433 (5%) due to various factors: The addition of Credit Card/Late/48-Hour Notice/Shut off/After Hours fees were added to MPWD's fee schedule effective 1/1/19 totaling an increase of \$77,715 (100%); Fixed System Charges increased by \$218,284 (8%); Water System Capacity Charges increased by \$362,559 (128%) due to FY 2018/2019 water rate increases effective 07/01/19; and Water Demand Offset Charges increased by \$10,550 (31%) due to increased development in Belmont.

The District's Non-Operating Revenues decreased by -\$64,809 (-5%) due to various factors: Contributed Capital decreased by -\$267,907 (-47%); LAIF and COP Funds Interest Revenue increased by \$167,530 (62%).

Operating Expenses increased by \$370,043 (3%) due to various factors: Salaries and Benefits increased by \$263,914 (11%) due to salary equity adjustments and merit increases; Utilities increased by \$52,709 (21%); Professional Services increased by \$105,950 (25%); Administration & Other increased by \$150,031 (27%); Depreciation increased by \$63,351 (7%); and Maintenance & Rehabilitation decreased by -\$272,129 (-40%).

MID-PENINSULA WATER DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2019

2016 COP CIP DEBT ISSUANCE

In December 2016, the District issued COP's in the amount of \$18,570,000 to finance certain improvements to the District's municipal water system. Principal is due annually in December and interest is payable on June 1 and December 1. The certificates have an interest rate of 4% and mature on December 1, 2046 (reference Trust Agreement dated December 1, 2016). The Certificates of Participation were issued at a premium of \$938,447, which is being amortized over the life of the debt and is recorded as deferred inflows on the statement of net position.

The annual payments required to amortize the Certificates of Participation outstanding as of June 30, 2019, are as follows, which includes a reference to interest payments made based on the Official Statement Schedule (OSS):

Year Ended			
June 30:	Principal	Interest	Total
2020	\$ 360,000	\$ 709,200	\$ 1,069,200
2021	375,000	694,500	1,069,500
2022	385,000	679,300	1,064,300
2023	405,000	663,500	1,068,500
2024	420,000	647,000	1,067,000
2025-2029	2,360,000	2,964,400	5,324,400
2030-2034	2,870,000	2,443,000	5,313,000
2035-2039	3,495,000	1,808,500	5,303,500
2040-2044	4,255,000	1,036,100	5,291,100
2045-2047	2,985,000	182,300	3,167,300
Total	\$ 17,910,000	\$ 11,827,800	\$ 29,737,800

BUDGETARY HIGHLIGHTS

In its commitment to fiscal responsibility, the District timely adopted an annual budget for Fiscal Year 2018/2019 that projected revenues and expenditures for operations and capital improvements.

MID-PENINSULA WATER DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2019

CAPITAL ASSETS

During the fiscal year ended June 30, 2019, the District had \$24,395,038 (net of accumulated depreciation) invested in capital assets. The following table is presented below to illustrate changes from the prior year:

	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>June 30, 2017</u>
Land	\$ 1,045,264	\$ 1,045,264	\$ -	0%	\$ 1,045,264
Construction in Progress	2,347,432	3,865,728	(1,518,296)	-39%	1,476,675
Utility Plant in Service	47,145,817	41,163,223	5,982,594	15%	40,244,250
Vehicles	1,711,727	1,505,117	206,610	14%	1,685,412
Computer System	426,531	421,288	5,243	1%	253,886
Capital Asset at Cost	52,676,771	48,000,620	4,676,151	10%	44,705,487
Less Accumulated Depreciation	(28,281,733)	(27,343,349)	938,384	3%	(26,668,041)
Capital Assets, Net	<u>\$ 24,395,038</u>	<u>\$ 20,657,271</u>	<u>\$ 3,737,767</u>	18%	<u>\$ 18,037,446</u>

RATES AND OTHER ECONOMIC FACTORS

The District is governed in part by provisions of the State Water Resources Control Board that require rate-based revenues must cover the costs of Operations, Maintenance and Repairs (OM&R) and capital improvement projects. The District is not subject to general economic conditions such as increases or reductions in property tax values or other types of revenues, such as sales taxes, that vary with economic conditions. Accordingly, the District sets its rates to its users to cover the costs of OM&R, capital improvement projects, plus any increments for known or anticipated changes in program costs.

REQUESTS FOR FINANCIAL INFORMATION

This financial report is designed to provide our customers and creditors with a general overview of District finances, and demonstrate District fiscal accountability for the money it receives. If you have any questions about this report, or need additional financial information, please contact:

Tammy Rudock, General Manager
Mid-Peninsula Water District
3 Dairy Lane
Belmont, CA 94002
(650) 591-8941

BASIC FINANCIAL STATEMENTS

MID-PENINSULA WATER DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2019 AND 2018

	<u>2019</u>	<u>2018</u>
<u>ASSETS</u>		
Current Assets		
Cash and cash equivalents (Note 2)	\$ 4,357,722	\$ 6,917,634
Accounts receivables	1,206,156	1,256,812
Prepaid expenses and other assets	<u>201,264</u>	<u>216,938</u>
Total Current Assets	5,765,142	8,391,384
Restricted cash with fiscal agent (Note 2)	14,459,680	16,540,967
Capital assets, net (Note 3)	<u>24,395,038</u>	<u>20,657,271</u>
TOTAL ASSETS	<u>44,619,860</u>	<u>45,589,622</u>
Deferred Outflows of Resources:		
OPEB related (Note 7)	12,382	391,509
Pension related (Note 5)	<u>2,214,209</u>	<u>818,571</u>
Total Deferred Outflows	<u>2,226,591</u>	<u>1,210,080</u>
<u>LIABILITIES</u>		
Current Liabilities		
Accounts payable	422,846	904,420
Accrued expenses	714,057	1,415,605
Current portion of long-term debt (Note 4)	<u>360,000</u>	<u>345,000</u>
Total Current Liabilities	<u>1,496,903</u>	<u>2,665,025</u>
Long-Term Liabilities		
Certificates of Participation (Note 4)	17,550,000	17,910,000
Net pension liability (Note 5)	1,503,970	1,588,940
Net OPEB liability (Note 7)	668,889	1,825,778
Compensated absences	<u>318,044</u>	<u>287,671</u>
TOTAL LIABILITIES	<u>21,537,806</u>	<u>24,277,414</u>
Deferred Inflows of Resources:		
Pension related (Note 5)	70,382	70,457
OPEB related (Note 7)	37,820	-
Original issue premium	<u>857,637</u>	<u>888,918</u>
Total Deferred Inflows	<u>965,839</u>	<u>959,375</u>
<u>NET POSITION</u>		
Net investment in capital assets	20,284,718	18,037,446
Unrestricted	<u>4,058,088</u>	<u>3,525,467</u>
TOTAL NET POSITION	<u>\$ 24,342,806</u>	<u>\$ 21,562,913</u>

The accompanying notes are an integral part of these financial statements.

MID-PENINSULA WATER DISTRICT

**STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION**

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
OPERATING REVENUES		
Water service charges	\$ 13,170,928	\$ 12,630,636
Other revenue	271,202	223,061
Total Operating Revenues	<u>13,442,130</u>	<u>12,853,697</u>
OPERATING EXPENSES		
Salaries and benefits	2,722,423	2,371,885
Maintenance and rehabilitation	412,829	684,956
Purchased water	5,581,289	5,579,589
Utilities	304,832	252,124
Professional services	522,511	416,562
Administrative and other	760,376	692,452
Depreciation	938,384	875,033
Total Operating Expenses	<u>11,242,644</u>	<u>10,872,601</u>
OPERATING INCOME (LOSS)	2,199,486	1,981,096
NON-OPERATING REVENUES (EXPENSES)		
Rent	152,926	151,714
Property taxes	380,509	327,313
Amortization of COP premium	31,282	31,282
Debt service interest	(722,150)	(735,834)
Interest income	438,076	289,386
Capital contributions	299,764	567,671
Total Non-Operating Revenues (Expenses)	<u>580,407</u>	<u>631,532</u>
CHANGE IN NET POSITION	<u>2,779,893</u>	<u>2,612,628</u>
NET POSITION, BEGINNING OF YEAR		
As originally reported	21,562,913	21,081,174
Prior period restatement	<u>-</u>	<u>(2,130,889)</u>
NET POSITION, BEGINNING OF YEAR, restated	<u>21,562,913</u>	<u>18,950,285</u>
NET POSITION, END OF YEAR	<u>\$ 24,342,806</u>	<u>\$ 21,562,913</u>

MID-PENINSULA WATER DISTRICT**STATEMENT OF CASH FLOWS****FOR THE FISCAL YEARS ENDED
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Cash Flows From Operating Activities		
Reciepts from customers and users	\$ 13,221,584	\$ 12,596,040
Other operating revenue	271,202	223,061
Payments to suppliers	(8,749,285)	(7,040,972)
Payments related to employees	(4,912,674)	(3,260,170)
Net Cash Flows Provided (Used) by Operating Activities	<u>(169,173)</u>	<u>2,517,959</u>
Cash Flows From Non-Capital Financing Activities		
Rent received	152,926	151,714
Property taxes received	380,509	327,313
Net Cash Flows Provided (Used) by Non-Capital Financing Activities	<u>533,435</u>	<u>479,027</u>
Cash Flows From Capital and Related Financing Activities		
Acquisition of capital assets	(4,676,151)	(3,494,858)
Cash received for completed projects	299,764	567,671
Restricted cash deposited with fiscal agent	2,081,287	2,415,453
Principal paid on COP bonds	(345,000)	(315,000)
Interest paid on COP bonds	(722,150)	(735,834)
Net Cash Flows Provided (Used) by Capital & Related Activities	<u>(3,362,250)</u>	<u>(1,562,568)</u>
Cash Flows From Investing Activities		
Interest income	438,076	289,386
Net Cash Flows Provided (Used) by Investing Activities	<u>438,076</u>	<u>289,386</u>
Net Increase (Decrease) in Cash	(2,559,912)	1,723,804
Beginning Cash and Equivalents	<u>6,917,634</u>	<u>5,193,830</u>
Ending Cash, Cash Equivalents and Restricted Cash	<u>\$ 4,357,722</u>	<u>\$ 6,917,634</u>

The accompanying notes are an integral part of these financial statements.

MID-PENINSULA WATER DISTRICT

STATEMENT OF CASH FLOWS

**FOR THE FISCAL YEARS ENDED
JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
Reconciliation of Operating Income (loss) to Net Cash Provided (used) by Operating Activities		
Cash Flows from Operating Activities:		
Operating Income (Loss)	\$ 2,199,486	\$ 1,981,096
Adjustments to Reconcile Operating Income (loss) to Net Cash Provided (used) by Operations:		
Depreciation	938,384	875,033
(Increase) Decrease in:		
Accounts receivable	50,656	(34,596)
Prepaid expenses and other assets	15,674	14,344
Deferred outflows	(1,016,511)	(406,947)
Increase (Decrease) in:		
Accounts payable	(481,574)	667,484
Accrued benefits	30,373	(69,990)
Net OPEB liability	(1,156,889)	(373,609)
Customer deposits	(701,548)	(97,117)
Net pension liability	(84,970)	200,963
Deferred inflows	37,746	(238,702)
	<hr/>	<hr/>
Net Cash Provided (used) by Operating Activities	<u>\$ (169,173)</u>	<u>\$ 2,517,959</u>

MID-PENINSULA WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

Mid-Peninsula Water District (the District) is a separate political subdivision of the State of California. The District was established on July 2, 1929 as the Belmont County Water District and changed its name effective July 1, 2000. The District maintains and operates a system of storage tanks and water mains. It purchases water from the San Francisco Public Utilities Commission for distribution to its customers through this system.

The District's Board of Directors formed a non-profit public benefit corporation known as the Public Property Financing Corporation of California (Financing Authority). The District and the Financing Authority have a financial and operational relationship which meets the reporting entity definition criteria of Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, for inclusion of the Financing Authority as a blended component unit of the District. Therefore, the financial activities of Financing Authority have been included in the financial statements of the District.

The following are those aspects of the relationship between the District and Financing Authority which satisfy Codification of Governmental Accounting and Financial Reporting Standards, Section 2100:

Manifestations of Oversight

The Financing Authority's Board of Directors is the District's Board of Directors.

The Financing Authority has no employees. The District's general manager functions as an agent of the Financing Authority. The individuals did not receive additional compensation for work performed in this capacity.

The District exercises significant influence over operations of the Financing Authority as it is anticipated that the District will be the sole lessee of all facilities owned by the Financing Authority.

Accounting for Fiscal Matters

All major financing arrangements, contracts, and other transactions of the Financing Authority must have the consent of the District.

Any deficits incurred by the Financing Authority will be reflected in the lease payments of the District. Any surpluses of the Financing Authority revert to the District at the end of the lease period.

It is anticipated that the District's lease payments will be the sole revenue source of the Financing Authority.

MID-PENINSULA WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

A. REPORTING ENTITY (CONTINUED)

Scope of Public Service and Financial Presentation

The Financing Authority was created for the sole purpose of financially assisting the District.

The Financing Authority is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State. The Financing Authority was formed to provide financing assistance to the District for construction and improvement to the District's municipal water system. Upon completion, the District intends to purchase all improvements from the Financing Authority. When the Financing Authority's Certificates of Participation have been paid, title to all Financing Authority property will pass to the District for no additional consideration.

The Financing Authority's financial activity is presented in the financial statements of the District. Certificates of Participation issued by the Financing Authority are included in the long-term liabilities.

B. BASIS OF ACCOUNTING

The District is accounted for as an enterprise fund and its financial statements are prepared using the economic resources measurement focus and the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded when liabilities are incurred, regardless of the timing of related cash flows.

Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District include water service charges. Operating expenses of the District include employee costs, water purchases, maintenance, utilities, and other administrative costs. All revenues and expenses not meeting this definition are reported as non-operating revenue and expense.

C. CASH AND CASH EQUIVALENTS

The District considers cash on hand, cash in banks and the Local Agency Investment Fund to be cash and cash equivalents.

D. ACCOUNTS RECEIVABLE

The District extends credit to customers in the normal course of operations. The District has not experienced any significant bad debt losses, and elects to write off the bad debt as it is identified.

MID-PENINSULA WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

E. RESTRICTED CASH

In December 2016, the Mid-Peninsula Water District issued certificates of participation in the amount of \$18,570,000. All proceeds are held by a fiscal agent and cash is restricted for certain improvements to the District's municipal water system.

F. UNEARNED REVENUE

Contractors developing projects, which include construction of facilities to bring water from District mains into the project, deposit a construction advance with the District for an amount estimated to cover the District's costs related to the project. The District accounts for expenditures as construction in progress until the completion of the project, the final inspection and approval of the District, and then it is capitalized as part of capital assets. Revenues are recognized as the project progresses. At the completion of the project, any excess funds are returned to the contractor.

G. COMPENSATED ABSENCES

The District has a paid time off (PTO) policy in effect. It is the District's policy to permit employees to accumulate earned but unused vacation, sick leave and compensated time off. The District pays all earned PTO upon termination. All accumulated PTO is recorded as an expense and a liability at the time the benefit is earned.

H. CAPITAL ASSETS

Capital assets are recorded at cost, or if contributed, at estimated value at time of acquisition. Depreciation is recognized on buildings, furniture, fixtures, equipment and subsurface lines by the straight-line method over their estimated useful lives. Estimated useful lives are as follows:

Utility plant	10 - 50 years
Vehicles	5 years
Machinery and equipment	7 years
Computer system	5 years

District policy is to capitalize all assets, which cost \$5,000 or more, and to charge to current operations all additions under that cost limit. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are also expensed in the current period.

I. REVENUES

Customer water meters are read on a monthly basis. Bills are rendered and income is recognized in the period in which meters are read. The District does not accrue income for water distributed but not yet billed at the end of the year. California state law requires water districts to report capacity charges collected and spent separately from operating revenue and expense and any fees unspent at year-end are shown in a separate equity fund.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

J. PROPERTY TAXES

The District's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting. The County Assessor is responsible for assessment of all taxable real property within San Mateo County. Reassessment is on a three-year schedule established by the Assessor. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each unit its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year generally on March 1st and August 30th. The first installment is an estimated bill, and is approximately one-half of the prior year's tax bill. The second installment is based on the current levy, assessment, equalization, and certificate to limit levy, if any and any changes from the prior year will be reflected in the second installment bill. Taxes must be levied by the last Tuesday in December for the following collection year. The levy becomes an enforceable lien against the property as of January 1st of the levy year.

K. INCOME TAXES

The District is a governmental entity and as such its income is exempt from taxation under Section 115(1) of the Internal Revenue Code and Section 23701d of the California and Taxation Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

L. PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Mid-Peninsula Water District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

M. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

For purposes of measuring the District's net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan and additions to/deductions from the District Plan's fiduciary net position have been determined on the same basis as they are reported by the District's OPEB plan. For this purpose, the District's plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

MID-PENINSULA WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

N. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

O. USE OF ESTIMATES

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

2. CASH AND INVESTMENTS

Cash and cash equivalents as of June 30, 2019 and 2018 consisted of the following:

	<u>2019</u>	<u>2018</u>
Petty cash	\$ 400	\$ 400
Cash drawer	200	200
Sweep account	290,389	1,717
Cash in bank	144,837	368,245
Local Agency Investment Fund	<u>3,921,896</u>	<u>6,547,072</u>
Total Cash and Cash Equivalents	<u>\$ 4,357,722</u>	<u>\$ 6,917,634</u>

The carrying amount of the District's cash is covered by federal depository insurance up to \$250,000. Should deposits exceed the insured limits, the balance is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

2. CASH AND INVESTMENTS (Continued)

Local Agency Investment Fund

The District is a voluntary participant in Local Agency Investment Fund (LAIF), which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's Office pools these funds with those of other governmental agencies in the State and invests the cash. The fair value of the District's investment in this pool, which approximates cost, is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Funds are accessible and transferable to the master account with twenty-four hour notice. The Pooled Money Investment Board has established policies, goals, and objectives to make certain that their goal of safety, liquidity, and yield are not jeopardized. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset backed securities, and floating rate securities issued by Federal Agencies, government-sponsored enterprises and corporations. The monies held in the LAIF are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization. LAIF is administered by the State Treasurer and audited annually by the Pooled Money Investment Board and the State Controller's Office. Copies of this audit may be obtained from the State Treasurer's Office: 915 Capitol Mall, Sacramento, California 95814.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The monies held in the LAIF investment pool are not subject to categorization by risk category. It is also not rated as to credit risk by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Restricted Cash With Fiscal Agent

At June 30, 2019 and 2018, funds totaling \$14,459,680 and \$16,540,967, respectively, were held by The Bank of New York Mellon Trust Company, N.A. in various accounts related to the Certificates of Participation issued in December 2016 for the purpose of funding certain improvements to the District's municipal water system.

MID-PENINSULA WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Capital assets not subject to depreciation				
Land	\$ 1,045,264	\$ -	\$ -	\$ 1,045,264
Construction in progress	3,865,728	4,298,334	5,816,630	2,347,432
Total capital assets not subject to depreciation	4,910,992	4,298,334	5,816,630	3,392,696
Capital assets being depreciated				
Utility plant in service	41,163,223	5,982,594	-	47,145,817
Vehicles	1,505,117	206,610	-	1,711,727
Computer and telephone systems	421,288	5,243	-	426,531
Total capital assets being depreciated	43,089,628	6,194,447	-	49,284,075
Less accumulated depreciation for:				
Utility plant in service	(25,660,180)	(816,439)	-	(26,476,619)
Vehicles	(1,425,272)	(60,115)	-	(1,485,387)
Computer and telephone systems	(257,897)	(61,830)	-	(319,727)
Total accumulated depreciation	(27,343,349)	(938,384)	-	(28,281,733)
Total capital assets, net of depreciation	\$ 20,657,271	\$ 9,554,397	\$ 5,816,630	\$ 24,395,038

Depreciation for the year's ended June 30, 2019 and 2018 was \$938,384 and \$875,033, respectively.

4. LONG-TERM LIABILITIES

Summary of Long-Term Liabilities

	Balance July 1, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
Net OPEB Liability	\$ 1,825,778	\$ -	\$ 1,156,889	\$ 668,889	\$ -
Net Pension Liability	1,588,940	-	84,970	1,503,970	-
Compensated Absences	287,671	30,373	-	318,044	-
Certificates of Participation	18,255,000	-	345,000	17,910,000	360,000
	\$ 21,957,389	\$ 30,373	\$ 1,586,859	\$ 20,400,903	\$ 360,000

Certificates of Participation

In December 2016, the Mid-Peninsula Water District issued certificates of participation in the amount of \$18,570,000 to finance certain improvements to the District's municipal water system. Principal is due annually in December and interest is payable on June 1 and December 1. The certificates have an interest rate of 4% and mature on December 1, 2046. The Certificates of Participation were issued at a premium of \$938,447, which is being amortized over the life of the debt and is recorded as deferred inflows on the statement of net position.

4. LONG-TERM LIABILITIES (CONTINUED)

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

The annual payments required to amortize the Certificates of Participation outstanding as of June 30, 2019, are as follows:

Year Ended June 30,	Principal	Interest	Total
2020	\$ 360,000	\$ 709,200	\$ 1,069,200
2021	375,000	694,500	1,069,500
2022	385,000	679,300	1,064,300
2023	405,000	663,500	1,068,500
2024	420,000	647,000	1,067,000
2025-2029	2,360,000	2,964,400	5,324,400
2030-2034	2,870,000	2,443,000	5,313,000
2035-2039	3,495,000	1,808,500	5,303,500
2040-2044	4,255,000	1,036,100	5,291,100
2044-2047	2,985,000	182,300	3,167,300
	<u>\$ 17,910,000</u>	<u>\$ 11,827,800</u>	<u>\$ 29,737,800</u>

5. EMPLOYEE RETIREMENT PLAN

A. Plan Description

All qualified regular employees are eligible to participate in the Mid-Peninsula Water District's cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and Mid-Peninsula Water District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the plan are applied as specified by the Public Employees' Retirement Law.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

A. Plan Description (Continued)

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 55	52 - 67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.000%
Required employer contribution rates	8.892%	6.842%

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. Mid-Peninsula Water District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the years ended June 30, 2019 and 2018, the contributions recognized as part of pension expense for the Plan were \$1,866,231 and \$248,731, respectively.

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2019 and 2018, the Mid-Peninsula Water District reported net pension liabilities for its proportionate share of the net pension liability of \$1,503,970 and \$1,588,940, respectively.

Mid-Peninsula Water District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. Mid-Peninsula Water District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2018 was as follows:

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Proportion - June 30, 2018	0.03991%
Proportion - June 30, 2017	0.04031%
Change - Increase (Decrease)	-0.00040%

For the year ended June 30, 2019 and 2018, the District recognized pension expense of \$385,549 and \$182,580, respectively. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

June 30, 2019

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 1,866,231	
Difference between projected and actual experience	57,705	\$ (19,636)
Changes in assumptions	171,457	(42,021)
Difference between employer's contributions and proportionate share of contributions.	56,625	
Change in employer's proportion	54,756	(8,725)
Net differences between projected and actual earnings on plan investments	7,435	
Total	<u>\$ 2,214,209</u>	<u>\$ (70,382)</u>

\$1,866,231 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30</u>	
2020	\$ 200,735
2021	128,241
2022	(37,853)
2023	(13,527)
2024	-
Thereafter	-

MID-PENINSULA WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

June 30, 2018

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 248,731	
Difference between projected and actual experience	2,178	\$ (31,200)
Difference in actual vs. projected contributions	66,930	
Change in proportion	169,414	(18,653)
Changes in assumptions	270,208	(20,604)
Net differences between projected and actual earnings on plan investments	61,110	
Total	<u>\$ 818,571</u>	<u>\$ (70,457)</u>

\$248,731 reported as deferred outflows of resources related to contributions subsequent to the measurement date are recognized as a reduction of the net pension liability in the current year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ending June 30</u>	
2019	\$ 205,086
2020	201,945
2021	128,635
2022	(36,282)
2023	-
Thereafter	-

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Actuarial Assumptions – The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	Varies by Entry Age and Service
Mortality	Derived using CalERS' Membership Data for all Funds
Post-retirement benefit increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

The mortality table used was developed based on CalPERS-specific data. The table includes 20 years of mortality improvement using Society of Actuaries Scale BB. For more details on this table, please refer to the April 2014 CalPERS Experience Study and Review of Actuarial Assumptions report based on CalPERS demographic data from 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability was 7.15% and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of a discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover test was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	Current Strategic Allocation (a)	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.48%	4.93%
Liquidity	1.0%	0.00%	-0.92%

(a) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.00% used for this period

(c) An expected inflation of 2.92% used for this period

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	\$ 2,467,507	\$ 1,503,970	\$ 708,587

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plan

The District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

6. DEFERRED COMPENSATION PLAN

The District has established a deferred compensation plan in accordance with Internal Revenue Code Section 457, whereby employees may elect to defer portions of their compensation in a self-directed investment plan for retirement. Plan assets are invested in each individual's name with a deferred compensation plan provider. Distributions are made upon the participant's termination, retirement, death or total disability, and in a manner in accordance with the election made by the participant. All employees are eligible for plan participation. The District offers two plans, one with Lincoln Life and the other with ICMA-RC.

The District believes it has no liability for losses under the plan but does have the duty of due care that would be required of an ordinary prudent investor. The District has formally established a trust in accordance with Internal Revenue Code Section 457(g) to provide protection from the claims of the employer's general creditors. Accordingly deferred compensation assets placed in the trust are not reflected in these financial statements.

7. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

A. Plan Description

The District provides a single-employer defined benefit postemployment health care plan (the Plan) for all employees who terminate or retire from the District after achieving age 50 with at least 20 years of service. For employees hired before June 28, 2008, District-paid benefits are available to eligible beneficiaries. The General Manager position qualifies for postemployment healthcare benefits after 7 ½ years of service with the District per the employment agreement.

B. Funding Policy

The District has an agreement with the Public Agency Retirement Services (PARS) to be the Trust Administrator to the PARS Public Agencies OPEB Trust Plan. The amount to be contributed to the trust is determined annually by the board of directors.

C. Benefits Provided

Depending on the employee's placement within the tiered system, the District's plan provides healthcare benefits for retirees and their dependents, or retirees only. Benefits are provided through a third-party insurer and the full cost of the benefits is covered by the plan.

MID-PENINSULA WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

D. Employees Covered by Benefit Terms

At June 30, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	4
Inactive employees entitles to but not yet receiving benefit payments	-
Active employees	18
	<u>22</u>

E. Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date.

Actuarial assumptions. The total OPEB liability in the June 30, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Salary Increases	3.00%
Investment rate of return	5.5%, net of OPEB plan investment expense
Healthcare cost trend rate	Healthcare costs were assumed to increase according to the following schedule:

FYB	Medical/Rx	Dental/Vision
2017	6.0%	4.0%
2018+	5.0%	4.0%

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Actuarial assumptions used in the July 1, 2017 valuation were based on a review of plan experience during the period July 1, 2015 to June 30, 2017.

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. To achieve the goal set by the investment policy, plan assets will be managed to earn, on a long-term basis, a rate of return equal to or more than the target rate of return of 5.5 percent.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

F. Discount Rate

The discount rate used to measure the total OPEB liability was 5.5 percent. GASB 75 requires a discount rate that reflects the following:

- The long-term expected rate of return on OPEB plan investments – to the extent that the OPEB plan's fiduciary net position (if any) is projected to be enough to make projected benefit payments and assets are expected to be invested using a strategy to achieve that return;
- A yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher – to the extent that the conditions in (a) are not met.

To determine a resulting single (blended) rate, the amount of the plan's projected fiduciary net position (if any) and the amount of projected benefit payments is compared in each period of projected benefit payments. The discount rate used to measure the District's Total OPEB liability is based on these requirements and the following information:

Reporting Date	Measurement Date	Long-Term Expected Return	Municipal Bond 20-Year High Grade Rate Index	Discount Rate
July 1, 2017	July 1, 2017	5.50%	3.13%	5.50%
June 30, 2018	June 30, 2018	5.50%	3.62%	5.50%

G. Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(a) - (b)
Balances at June 30, 2018	\$ 3,175,377	\$ 1,349,599	\$ 1,825,778
Changes for the year:			
Service cost	103,576	-	103,576
Interest	170,863	-	170,863
Differences between expected and actual experience	-	-	-
Contributions - employer	-	1,264,440	(1,264,440)
Net investment income	-	171,926	(171,926)
Benefit payments	(139,440)	(139,440)	-
Administrative expense	-	(5,038)	5,038
Net changes	134,999	1,291,888	(1,156,889)
Balances at June 30, 2019	\$ 3,310,376	\$ 2,641,487	\$ 668,889

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

H. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.5 percent) or 1-percentage-point higher (6.5 percent) than the current discount rate:

	1% Decrease (4.5%)	Discount Rate (5.5%)	1% Increase (6.5%)
Net OPEB liability (asset)	\$ 1,251,806	\$ 668,889	\$ 1,380,081

I. Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (5 percent decreasing to 4 percent) or 1-percentage-point higher (7 percent decreasing to 6 percent) than the current healthcare cost trend rates:

	1% Decrease (5% decreasing to 4%)	Healthcare Cost Trend Rates (6% decreasing to 5%)	1% Increase (7% decreasing to 6%)
Net OPEB liability (asset)	\$ 109,843	\$ 668,889	\$ 1,385,331

J. OPEB plan fiduciary net position

Detailed information about the OPEB plan's fiduciary net position is available in the separate PARS financial report issued and presented annually to the board of directors.

K. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of (\$335,926). At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual return on OPEB plan investments	12,382	(37,820)
Total	<u>\$ 12,382</u>	<u>\$ (37,820)</u>

MID-PENINSULA WATER DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2019 AND 2018

K. OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year ended June 30</u>	<u>Total Deferred Outflows/(Inflows) of Resources</u>
2020	\$ (5,328)
2021	(5,328)
2022	(5,327)
2023	(9,455)
2024	-
Thereafter	-
Total	<u>\$ (25,438)</u>

L. Payable to the OPEB Plan

At June 30, 2019, the District had no outstanding amount of contributions payable to the plan.

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

8. JOINTLY GOVERNED ORGANIZATIONS

The District is a member of two jointly governed organizations. The District is a member of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA JPIA) which provides employee benefits coverage for medical, dental, vision, life and disability. The District is also a member of Bay Area Water Supply & Conservation Agency (BAWSCA) which purchases water on a wholesale basis from the San Francisco regional water system for its members.

ACWA JPIA and BAWSCA are governed by a Board consisting of representatives from member agencies. The Board controls the operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution or assessment commensurate with the level of coverage and services requested and shares surpluses and deficits proportionate to their participation in the joint powers authority. Full financial statements are available separately from ACWA JPIA and BAWSCA. Condensed information for ACWA JPIA and BAWSCA for the years ended September 30, 2018 and June 30, 2018, respectively, is as follows:

	ACWA JPIA September 30, 2018	BAWSCA June 30, 2018
Total Assets	\$ 188,344,217	\$ 339,537,472
Total Deferred Outflows	1,098,315	484,170
Total Liabilities	100,820,701	325,303,583
Total Deferred Inflows	2,156,227	20,313
Total Net Position	86,465,604	14,697,746
Total Revenues	176,339,229	31,257,075
Total Expenses	165,196,299	29,495,253
Change in Net Position	11,142,930	1,761,822

MID-PENINSULA WATER DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

JUNE 30, 2019 AND 2018

9. COMMITMENTS

Purchase commitment

The District entered into an agreement with the City and County of San Francisco to purchase water to be delivered to the District's customers. This is a 25 year agreement that was effective July 1, 2009 and ends on June 30, 2034. The cost of purchasing water through this agreement represented approximately 50% and 51% of the District's operating costs for the years ended June 30, 2019 and 2018, respectively.

10. LEASE REVENUES

The District contracted with five different companies to lease land for communication towers on District-owned properties. The agreements are for multiple years and require monthly payments based on the contracted amounts. Lease revenues for the years ended June 30, 2019 and 2018 totaled \$152,926 and \$151,714, respectively. A schedule of future lease revenues was not available as of the date of these financial statements.

11. PRIOR PERIOD RESTATEMENT

In fiscal year 2017-18, the District implemented Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement established standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources and expenses related to the District's other postemployment benefit plan described in Note 7. This change in accounting principle required a prior period adjustment which decreased the beginning net position as of July 1, 2017, by \$2,130,889.

12. SUBSEQUENT EVENTS

District management has evaluated its June 30, 2019 financial statements for subsequent events through October 11, 2019, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

REQUIRED SUPPLEMENTARY INFORMATION

MID-PENINSULA WATER DISTRICT

SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY

JUNE 30, 2019

	Fiscal Year⁽¹⁾				
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Proportion of the net pension liability	0.04525%	0.04059%	0.03995%	0.04031%	0.03991%
Proportionate share of the net pension liability	\$ 1,118,234	\$ 1,113,540	\$ 1,387,977	\$ 1,588,940	\$ 1,503,970
Covered-employee payroll (2)	\$ 1,178,386	\$ 1,457,920	\$ 1,565,051	\$ 1,628,722	\$ 1,677,384
Proportionate share of the net pension liability as percentage of covered-employee payroll	94.90%	76.38%	88.69%	97.56%	89.66%
Plans fiduciary net position as a percentage of the total pension liability	77.06%	79.89%	75.41%	75.41%	77.69%
Proportionate share of aggregate employer contributions (3)	\$ 101,596	\$ 107,544	\$ 133,318	\$ 153,703	\$ 170,970

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Covered-employee payroll represented above is based on pensionable earnings provided by the employer.

(3) The plan's proportionate share of aggregate contributions may not match the actual contributions made by the employer during the measurement period. The plan's proportionate share of aggregate contributions is based on the plan's proportion of fiduciary net position shown on line 5 of the table above as well as any additional side fund (or unfunded liability) contributions made by the employer during the measurement period.

MID-PENINSULA WATER DISTRICT
SCHEDULE OF PENSION CONTRIBUTIONS
JUNE 30, 2019

	Fiscal Year⁽¹⁾				
	2013-14	2014-15	2015-16	2016-17	2017-18
Actuarially Determined Contribution (2)	\$ 186,823	\$ 189,429	\$ 213,992	\$ 244,660	\$ 266,231
Contributions in relation to the actuarially determined contributions (2)	(186,823)	(203,461)	(204,748)	(248,731)	(1,866,231)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (14,032)</u>	<u>\$ 9,244</u>	<u>\$ (4,071)</u>	<u>\$ (1,600,000)</u>
Covered-employee payroll (3,4)	\$ 1,178,386	\$ 1,457,920	\$ 1,565,051	\$ 1,628,722	\$ 1,677,384
Contributions as a percentage of covered-employee payroll (3)	15.85%	12.99%	13.67%	15.02%	15.87%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable.

(2) Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side fund or their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions. CalPERS has determined that employer obligations referred to as "side funds" do not conform to the circumstances described in paragraph 120 of GASB 68, therefore are not considered separately financed specific liabilities.

(3) Covered-employee payroll represented above is based on pensionable earnings provided by the employer.

(4) Payroll from prior year was assumed to increase by the 3.00 percent payroll growth assumption.

MID-PENINSULA WATER DISTRICT

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS

JUNE 30, 2019

	<u>2018</u>	<u>2019</u>
Total OPEB liability		
Service cost	\$ 100,557	\$ 103,576
Interest	162,026	170,863
Changes of benefit terms	-	-
Differences between expected and actual experience	-	-
Changes of assumptions	-	-
Benefit payments	<u>(65,392)</u>	<u>(139,440)</u>
Net change in total OPEB liability	197,191	134,999
Total OPEB liability - beginning	<u>2,978,186</u>	<u>3,175,377</u>
Total OPEB liability - ending (a)	\$ 3,175,377	\$ 3,310,376
Plan fiduciary net position		
Contributions - employer	\$ 599,502	\$ 1,264,440
Net investment income	39,388	171,926
Benefit payments	(65,392)	(139,440)
Administrative expense	<u>(2,698)</u>	<u>(5,038)</u>
Net change in plan fiduciary net position	570,800	1,291,888
Plan fiduciary net position - beginning	<u>778,799</u>	<u>1,349,599</u>
Plan fiduciary net position - ending (b)	<u>\$ 1,349,599</u>	<u>\$ 2,641,487</u>
District's net OPEB liability - ending (a) - (b)	<u>\$ 1,825,778</u>	<u>\$ 668,889</u>
Plan fiduciary net position as a percentage of the total OPEB liability	43%	80%
Covered-employee payroll	\$ 1,695,877	\$ 1,677,384
District's net OPEB liability as a percentage of covered-employee payroll	108%	40%

MID-PENINSULA WATER DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
JUNE 30, 2019

	<u>2018</u>	<u>2019</u>
Actuarially determined contribution	\$ 207,743	\$ 192,554
Contributions in relation to the actuarially required contribution	<u>\$ 599,502</u>	<u>\$ 1,264,440</u>
Contribution deficiency (excess)	<u><u>\$ (391,759)</u></u>	<u><u>\$ (1,071,886)</u></u>
Covered-employee payroll	\$ 1,695,877	\$ 1,677,384
Contributions as a percentage of covered-employee payroll	12.25%	11.48%

MID-PENINSULA WATER DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2019

1. PURPOSE OF SCHEDULES

A - Schedule of District's Proportionate Share of the Net Pension Liability

Changes of Assumptions

In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent.

Fiscal year 2015 was the first year of implementation, therefore only five years are shown.

B - Schedule of Pension Contributions

If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements, the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

C - Schedule of the Changes in the Net OPEB Liability and Related Ratios

Benefit changes. There were no benefit changes during the year.

Change of assumptions. There was a change in the actuarial cost method from projected unit credit to entry age, level percent of pay, as required by GASB 75.

Fiscal year 2018 was the first year of implementation, therefore only two years are shown.

D - Schedule of OPEB Contributions

Valuation date: July 1, 2017

Actuarially determined contribution rates are calculated as of June 30, 2018.

Fiscal year 2018 was the first year of implementation, therefore only two years are shown.

MID-PENINSULA WATER DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2019

1. PURPOSE OF SCHEDULES (CONTINUED)

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age
Amortization method	Level percent of pay
Amortization period	30 years
Asset valuation method	Fair value
Healthcare cost trend rates	6.0% for 2017 and 5.0% thereafter
Salary increases	3.00 percent
Investment rate of return	5.5 percent, net of OPEB plan investment expense
Retirement age	Retirement ages are based on the following table:

Age	Percent Retiring
50	2.0%
51	3.0%
52	4.0%
53	5.0%
54	6.0%
55	8.0%
56	10.0%
57	12.0%
58	14.0%
59	16.0%
60	18.0%
61	20.0%
62	21.0%
63	22.0%
64	24.0%
65	100.0%

Mortality	Pre-retirement - RP-2014 Employee Mortality, without projection Post-retirement - RP-2014 Healthy Annuitant Mortality, without projection
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OTHER INDEPENDENT AUDITOR’S REPORT



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Independent Auditor's Report

Board of Directors
Mid-Peninsula Water District
Belmont, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Mid-Peninsula Water District (the "District"), as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 11, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency or a combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

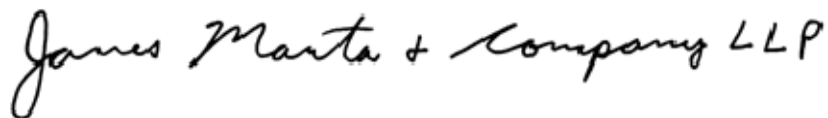
Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 11, 2019

MID-PENINSULA WATER DISTRICT
SCHEDULE OF FINDINGS AND RECOMMENDATIONS
JUNE 30, 2019

<u>Findings and Recommendation</u>	<u>Current Status</u>	<u>Explanation If Not Implemented</u>
2018-01 Audit Adjustments – Significant Deficiency The principal and interest payments and accruals on the certificates of participation should be reconciled annually to the debt service schedule provided at the time of issuance. This would ensure that all payments and accruals are properly accounted for. Invoices received after year end should be reviewed for the date of services and be recorded in the appropriate fiscal year.	Implemented	



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

October 11, 2019

To the Board of Directors
Mid-Peninsula Water District
Belmont, California

We have audited the financial statements of Mid-Peninsula Water District as of and for the years ended June 30, 2019 and 2018 and have issued our report thereon dated October 11, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated December 7, 2016, our responsibility, as described by professional standards, is to form and express an opinions about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of Mid-Peninsula Water District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided management recommendations noted during our audit in a separate letter to you dated October 11, 2019.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm has complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by Mid-Peninsula Water District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during the fiscal year ended June 30, 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are the net OPEB liability, the net pension liability and related deferred inflows and outflows.

Management's estimate of the net OPEB liability, the net pension liability and related deferred inflows and outflows are based on actuarial studies performed by independent third parties. We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements are those related to the net pension liability.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. We did not identify any uncorrected misstatements as a result of our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The attached (See attachment B) schedule of audit adjustments were identified as a result of our audit procedures were brought to the attention of, and corrected by, management.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to Mid-Peninsula Water District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated October 11, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

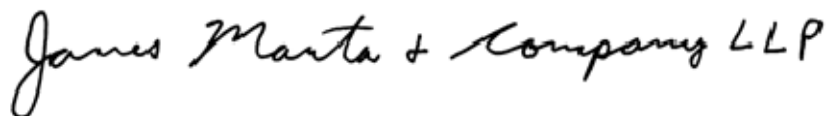
Other Significant Matters, Findings, or Issues

In the normal course of our professional association with Mid-Peninsula Water District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the entity, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as Mid-Peninsula Water District's auditors.

New Accounting Standards

See Attachment A

This report is intended solely for the information and use of the Board of Directors and management of Mid-Peninsula Water District and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
October 11, 2019

Attachment A – New and Upcoming Changes in Accounting Standards

GASB Statement No. 84, Fiduciary Activities

Effective for the fiscal year ending June 30, 2020

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 87, Leases

Effective for the fiscal year ending June 30, 2021

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Attachment B

Adjusting Journal Entries

Adjusting Journal Entries JE # 1

To adjust equity for LAIF interest not booked correctly in prior year.

4102	Interest Revenue - LAIF	3,430	
3900	Unappropriated Fund Balance		3,430
Total		3,430	3,430

Adjusting Journal Entries JE # 2

To adjust Net OPEB liability per actuary.

1891	Deferred Outflows - OPEB	12,382	
2072	Net Opeb Obligation	406,889	
2999	Deferred Inflows		37,820
6053	Opeb Expense		381,451
Total		419,271	419,271

Adjusting Journal Entries JE # 3

To adjust NPL and related deferred inflows and outflows per updated calculation.

1890	Deferred Outflows	1,004,130	
2071	Deferred Inflows	75	
6045	Calpers Retirement - Er 2%@55	510,825	
2996	Net Pension Liability		1,515,030
Total		1,515,030	1,515,030

Reclassifying Journal Entries

Reclassifying Journal Entries JE # 4

To agree depreciation expense in the GL to the capital asset and depreciation schedule.

9010	Depreciation And Amortization	1,198	
6902	Claims		1,198
Total		1,198	1,198

MANAGEMENT REPRESENTATION LETTER

October 11, 2019

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and Statement of Cash Flows of Mid-Peninsula Water District as of June 30, 2019 and 2018 and for the years then ended, and the related notes to the financial statements, for the purpose of expressing an opinion on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Mid-Peninsula Water District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 11, 2019:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated December 7, 2016, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We acknowledge that we are responsible for distributing the issued report as well as the communication with governance letter and internal control letter to all governing board members.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

BOARD OF DIRECTORS

LOUIS J. VELLA
President

MATTHEW P. ZUCCA
Vice-President

DAVE WARDEN
Director

BRIAN SCHMIDT
Director

KIRK R. WHEELER
Director

OFFICERS

TAMMY RUDDOCK
General Manager

CANDY PIÑA
District Secretary

RENE RAMIREZ
Operations Manager

JULIE SHERMAN
District Counsel

JOUBIN PAKPOUR
District Engineer

JEFF IRA
Treasurer



- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.⁹
- We have reviewed and approved the adjusting and reclassifying journal entries reflected in the audit statements and Attachment A.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All inter-fund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
 - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
 - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
 - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:

- Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
- Additional information that you have requested from us for the purpose of the audit; and
- Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We have disclosed to you all known actual or possible litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- Mid-Peninsula Water District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Mid-Peninsula Water District is contingently liable.
- We have disclosed to you all non-exchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For non-exchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62

- Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Mid-Peninsula Water District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

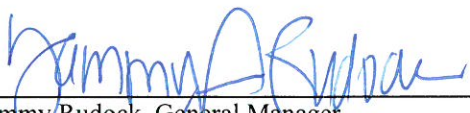
Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

- a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with GASB Statement No. 68 and 75.
- b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with GASB standards.
- c. The methods of measurement or presentation have not changed from those used in the prior period.
- d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances:

Use of a Specialist

We agree with the findings of specialists in evaluating the net OPEB and net pension liability and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.



 Tammy Rudock, General Manager



 Candy Pina, Administrative Services Manager



James Marta & Company LLP

Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

MANAGEMENT LETTER

Mid-Peninsula Water District
Belmont, California

We have recently completed the audit of the financial statements of Mid-Peninsula Water District and have issued our report thereon dated October 11, 2019. In planning and performing our audit of your financial statements for the year ended June 30, 2019, we applied generally accepted auditing standards (GAAS) as we considered your internal control over financial reporting as a basis for designing our auditing procedures. We did this for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of your internal controls.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. Although our audit was not designed to provide assurance on the internal control structure and its operation, we noted certain matters in Attachment A that we are submitting for your consideration for the improvement of the Mid-Peninsula Water District accounting and financial reporting functions. We will be pleased to discuss these comments in further detail at your convenience, perform any additional study of these matters, or assist you in implementing the recommendations. We will review the status of these comments during our next audit engagement. This letter does not affect our report dated October 11, 2019 on the financial statements of the Mid-Peninsula Water District.

We believe that the implementation of these recommendations will provide Mid-Peninsula Water District with a stronger system of internal accounting control while also making its operations more efficient. We will be happy to discuss the details of these recommendations with you and assist in any way possible with their implementation.

This report is intended solely for the information and use of the Board of Directors, management, and others within the administration and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
October 11, 2019

Current Year Recommendations

No matters were identified.

Status of Prior Year Recommendations**2018-02 Vacation Approval****Observation:**

There is currently no formal process for approving the vacation time taken by the general manager.

Recommendations:

The general manager's vacation should be approved by the board so it is documented that they are aware when she will be absent from work.

Corrective Action Plan:

The general manager will provide the appropriate documentation to the board.

Status:

Implemented

2013-01 Policies and Procedures**Observation:**

The District does not currently have a policies and procedures manual. The only way to determine which policies are in place for the District, someone would have to go back through all the resolutions adopted by the Board of Directors since the formation of the District. The District does, however, have a personnel manual.

Recommendations:

The District should create and update a policies and procedures manual and specifically address the financial and administrative policies of the organization. It may be too time-consuming to go back through all the resolutions adopted by the Board and may be more efficient to adopt new policies that would replace any existing policies. The manual should be organized into sections so that policies pertaining to specific areas may be easily located. The following are critical policies that should be developed in the near term, while other policies may be added later:

1. Inventory control policies and procedures.
2. Accounts receivable recognition, bad debt allowance and write-off policies and procedures.
3. Bank reconciliation preparation and review policies and procedures.
4. Board member duties and responsibilities.
5. Budgeting.
6. Travel and reimbursement policies and procedures

The District does have the following policies, however we feel it would be prudent to review and update these policies to ensure they address all key areas:

1. Purchasing policies to include required authorization, check signing, bid procedures and credit cards.
2. Conflict of interest policy to include current staffing and board members.
3. Investment policy, which should be reviewed and approved annually by the board.
4. Capitalization policies and procedures to include the methodology and lives for each category of capital assets.
5. Records security and retention that includes and references all records and documents of the District.

Corrective Action Plan:

Management agrees with the recommend policy development, including policy updates. A few of the policy recommendations will be included within the internal control policy manual presently under development with the MPWD's consultant, Experis, Inc. This recommendation should be completed by February 28, 2014.

Status:

Management has developed an internal control policies and procedures manual to address, however a board approved policies and procedures manual is still in process.

2013-10 Land Lease Revenues

Observation:

The District currently has nine land lease agreements with various companies. Some of the leases go back many years and the contract files do not all reflect the current terms of the agreement. In addition, there is no process for invoicing or proper tracking for the collection of these revenues.

Recommendations:

Management should provide a summary of capital asset activity to the Board either monthly or quarterly.

The summary should include the beginning balance, additions, deletions and ending balance for each major category of assets similar to the capital asset schedule included in the footnotes of the annual audit report.

Corrective Action Plan:

Management should create a schedule of these leases showing the lessee, expiration date, monthly payment amount and a reference to the actual contract. The contract files should have the most recent signed contract and a schedule of contract terms at the front of the file. The leases should be invoiced monthly using the QuickBooks accounting software to ensure proper tracking and prompt collection of these revenues.

Status:

In process.



AGENDA ITEM NO. 8.B.

DATE: October 24, 2019
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: REVIEW AND APPROVE REQUEST FOR PROPOSAL FOR EXECUTIVE SEARCH SERVICES TO ASSIST WITH RECRUITMENT FOR GENERAL MANAGER

RECOMMENDATION

Approve Request for Proposal (RFP) for executive search services.

FISCAL IMPACT

None, other than professional services of District Counsel (estimated at less than \$2,500).

DISCUSSION

Staff and District Counsel prepared the attached DRAFT RFP for executive search services for the GM recruitment for review and discussion with the Board. A template form agreement is also attached.

Attachment: RFP for Executive Search Services to Assist with Recruitment for General Manager

BOARD ACTION: APPROVED:____ DENIED:____ POSTPONED:____ STAFF DIRECTION:____
UNANIMOUS____ VELLA____ ZUCCA____ WARDEN____ SCHMIDT____ WHEELER____



Mid-Peninsula Water District
3 Dairy Lane
Belmont, CA 94002
(650) 591-8941

REQUEST FOR PROPOSAL (RFP) FOR EXECUTIVE SEARCH SERVICES TO ASSIST WITH RECRUITMENT FOR GENERAL MANAGER

The Board of Directors for the Mid-Peninsula Water District (MPWD) is embarking upon a recruitment process for a new General Manager (as a result of the retirement of its existing General Manager next year on August 1, 2020). The MPWD is inviting experienced consulting firms to submit proposals to assist them with this recruitment on behalf of the MPWD. The scope of services, in general, will consist of:

1. Development of recruitment materials for the position of General Manager;
2. Outreach on a nation-wide basis to the public and private sector for qualified candidates;
3. Background investigation and preliminary screening of applicants based upon criteria to be developed in consultation with the MPWD Board of Directors;
4. Periodic meetings and progress reports to the MPWD Board of Directors; and
5. Assistance to the MPWD and Board of Directors as required during the interview and evaluation process.

A six (6)-month period to complete the recruitment process is anticipated.

To assist in the development of responsive proposals, information concerning the MPWD's operations can be found here: <https://www.midpeninsulawater.org/about>

The General Manager's position description was updated in 2018 and is contained within the MPWD's Compensation Plan (pages 22-25): https://storage.googleapis.com/midpeninsulawater-org/uploads/MPWD_CompensationPlan_092718.pdf

The MPWD website at www.midpeninsulawater.org has other information related to the organization and the General Manager's employment agreement and salary schedule, and the Organization/Meet the Staff and Organization/Human Resources tabs.

Consultants shall bear all costs associated with the proposal process.

Six (6) hard copies and one (1) electronic copy on a USB drive of the proposal should be submitted to:

**Mid-Peninsula Water District
Attention: General Manager**

3 Dairy Lane
Belmont, CA 94002

by 12:00PM (Pacific Time) on Friday, December 6, 2019, clearly marked on the outside ***“Proposal – Executive Search Services for GM”***.

All questions should be transmitted in writing to the MPWD General Manager, Tammy Rudock, at tammyr@midpeninsulawater.org.

RFP SCHEDULE

Request for Proposal Issued.....	November 4, 2019
Deadline for Submitting RFP Questions.....	By 12:00PM on November 20, 2019
Deadline for MPWD’s Response to RFP Questions.....	By 4:00PM on November 25, 2019
Due Date for Proposals to MPWD.....	By 12:00PM on December 6, 2019

A. SCOPE OF SERVICES

The scope of services, in general, will consist of:

- Development of recruitment and selection materials for the position of GM, including refinement of the candidate profile for the position;
- Outreach on a nationwide basis to the public and private sector for qualified candidates;
- Background investigation and preliminary screening of applicants based upon criteria to be developed in consultation with MPWD, the MPWD Board of Directors, and any MPWD Board committee;
- Periodic meetings and progress reports to the and any MPWD Board committee and the full Board of Directors; and
- Assistance to and any MPWD Board committee and Board of Directors as required during the interview, evaluation and selection process.

Proposers 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. INSURANCE REQUIREMENTS

Proposers are directed to Section 12 of the Sample Professional Services Agreement.

C. PROPOSAL CONTENT AND GENERAL REQUIREMENTS

1. Firm Profile and Description

Provide a description of your firm and your qualifications in the area of executive recruitment. Include firm name, address, telephone, years in business, type of organization (individual, partnership or corporation), location of firm's main office or main California office and a brief description of resources and numbers of individuals in the office providing executive recruitment services.

2. Firm and Key Personnel Experience

- Briefly describe the firm's experience with recruiting for CEO/GM positions in both the public and private sectors.
- Provide a list of examples of successful recruitments, including recruitments for public agencies similar in complexity to MPWD. Examples should focus on the recruitment of individuals whose leadership duties closely correlate to those being sought by MPWD (refer to summary of General Manager's position description contained within the MPWD's Compensation Plan (pages 22-25): https://storage.googleapis.com/midpeninsulawater-org/uploads/MPWD_CompensationPlan_092718.pdf).
- Provide the name and brief background of the firms' designated contact, engagement manager (if different), and names of other key team members who will be the primary service providers. Include only those persons who are actually expected to work on the engagement.
- Provide resumes for each participating team member.

3. Approach to Scope of Services

- Provide a proposed approach to this recruitment, including a description of the resources that will be dedicated to these services, recruiting database that will be used, and a work plan. Provide a proposed timeline for providing a preliminary list of viable candidates and interview dates for same.
- Note that the current GM will leave on August 1, 2020 and the new individual should be in place by that time.

4. References

Provide a list of three client references (including public agencies, if any), preferably individuals who have worked directly with the proposed primary contact(s). Indicate name and title of the individual, name of organization, email and phone number.

5. Fees

Propose a fee proposal for this engagement. To the extent hourly fees are proposed, please include an estimate of the total maximum fee as a not-to-exceed amount for the desired services.

Also please indicate what expenses your firm would bill in addition to the professional fees that support the not-to-exceed amount.

Finally, describe procedures and costs, if any, for assisting MPWD in the event the chosen candidate does not reach a one-year employment anniversary.

6. Additional Information.

Please indicate any other information that you feel would be helpful to MPWD in selecting a firm.

D. EVALUATION AND AWARD PROCESS

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; accept the proposal it considers most favorable to MPWD's interest, and waive minor irregularities;
3. Negotiate with any of the 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.

E. SELECTION CRITERIA

1. Qualifications and Experience of Firm and Key Personnel.
2. Approach to Scope of Services.
3. Fee for Services.

Proposers shall furnish MPWD such additional information as MPWD may reasonably require.

F. 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 Proposer 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. A telephone request is not acceptable.

G. EVALUATION AND AWARD

Contract award, if made, will be made to the Proposer that submits the proposal considered most advantageous to MPWD based on the criteria set forth above. Proposers shall bear all costs incurred in the preparation of the Proposal and participation in the Proposal process.

H. 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 Proposers will have an opportunity to review the terms and conditions that will be included in the final contractual agreement. If a Proposer 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 Proposer will, by making a proposal, be deemed to have accepted the form of Agreement.

I. 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 Proposer shall be available to the public.

If the Proposer believes any communication contains trade secrets or other proprietary information that the Proposer believes would cause substantial injury to the Proposer's competitive position if disclosed, the Proposer shall request that MPWD withhold from disclosure the proprietary or other confidential information by marking each page containing such information as confidential. The Proposer may not designate its entire proposal or bid as confidential. Additionally, Proposer may not designate its cost proposal or any required bid forms or certifications as confidential.

If Proposer requests that MPWD withhold from disclosure information identified as confidential, and MPWD complies with the Proposer's request, Proposer 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 Proposer information), and pay any and all costs and expenses related to the withholding of Proposer information. Proposer 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 Proposer information.

If Proposer 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.

J. CONFLICT OF INTEREST

Proposer 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. Proposer shall promptly disclose any actual or potential conflict of interest to MPWD as soon as Proposer becomes aware of such conflict. Proposer 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, Proposer may be required to publicly disclose financial interests under MPWD's Conflict of Interest Code. Proposer 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.

CONTRACT FOR PROFESSIONAL SERVICES

THIS AGREEMENT is made as of the ____ day of _____, 2019, by and between the MID-PENINSULA WATER DISTRICT ("DISTRICT") and _____ ("CONSULTANT").

WHEREAS, the DISTRICT desires to obtain professional executive recruitment services and has issued a Request for Proposals dated _____, 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 _____, 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, as supplemented by Exhibit B except when inconsistent with Exhibit A.

3. TERM. The term of this Agreement shall commence upon the effective date of the Agreement and shall terminate on successful completion of the Scope of Service, unless terminated sooner pursuant to 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 _____ (\$_____), 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 monthly invoices, detailing the services performed during the billing period, the personnel performing these services and their applicable hourly rate of compensation, which shall conform to the rates specified in the compensation schedule set forth in Exhibit B. 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

6. CONSULTANT'S KEY PERSONNEL. It is understood and agreed by the parties that at all times during the term of this Agreement that _____ 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 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 _____.

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
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If to the CONSULTANT:	_____
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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.



TO: Board of Directors

FROM: Tammy A. Rudock
General Manager

DATE: October 24, 2019

MANAGER'S REPORT

FOLLOW-UP FROM 09/26/19 REGULAR BOARD MEETING

- Electronically casted the MPWD ballot for the ACWA Region 5 Nominating Committee's Recommended Slate for the Board Term 2020-2021; and
- The RFP for Real Estate Marketing and Brokerage Services for Surplus Real Property located at 1513-1515 Folger Drive in Belmont, CA, was posted on the MPWD website at: <https://www.midpeninsulawater.org/bid> and published in the San Mateo Daily Journal on 10/17/19 and 10/24/19.

REMINDERS:

- *The Water Conservation Summary has moved to the Operations Manager's monthly report and will be maintained by him.*
- *The Public Service Ethics Education (AB 1234) section has moved to the Administrative Services Manager's monthly report and will be maintained by her.*
- *Required bi-annual AB 1825 Harassment Prevention training by January 1, 2020 expanded for all employees (SB 1343) and for elected officials (AB 1661). Information was transmitted about registering for live ACWA JPIA webinar in December or online study, both options at NO COST to the MPWD.*

BOARD FINANCE COMMITTEE

Staff has identified the following tentative schedule for tasks to coordinate in the coming months with the Board's Finance Committee:

January 2020

- COP CIP funding gap proposal;
- Mid-Year budget review for FY 2019/2020; and
- Water rate study and financial plan update for 2020 Proposition 218 5-year rate plan.

February 2020

- Revenue requirements for FY 2020/2021 Operating and Capital Budgets.

March/April 2020

- FY 2020/2021 Operating and Capital Budget review; and
- PARS Section 115 combined trust management plan [OPEB—Other Post-Employment Benefits and PRSP—Pension Rate Stabilization Program].

3-MONTH “LOOK AHEAD” FOR BOARD MEETINGS

3rd WEDNESDAY – NOVEMBER 20, 2019

- Consider Residential Water Service Termination Policy (for adoption by February 1, 2020, in compliance with SB 998).
- Consider proposals received in response to MPWD’s RFP for Real Estate Marketing and Brokerage Services to sell surplus real property located at 1513-1515 Folger Drive in Belmont, CA.
- Consider/Approve annual Board meeting schedule.
- Schedule January 2020 strategic planning review session (Special Board meeting).
- Closed Session: General Manager annual performance evaluation.

3rd THURSDAY – DECEMBER 19, 2019

- Election of officers (followed by reception).
- Receive annual PARS OPEB trust account performance review and confirm investment strategy.
- Consider/Approve Residential Water Service Termination Policy (for adoption by February 1, 2020, in compliance with SB 998).
- Consider proposals received in response to MPWD’s RFP for Executive Search Services to Assist with Recruitment for General Manager.
- Receive BAWSCA report (carry over from November).
- Complete General Manager performance evaluation.
- Closed Session: General Manager appointment.

JANUARY 2020 - TBD

- MPWD 2019-2020 Strategic Plan Review – Special Board Meeting

JANUARY 23, 2020

- Annual water awareness calendar presentations.
- Receive 2016 COP CIP debt financing quarterly reports (through December 31, 2019).
- Approve Residential Water Service Termination Policy (for adoption by February 1, 2020, in compliance with SB 998).
- Receive BAWSCA report.

UPCOMING MEETINGS/EVENTS

BAWSCA Water Management Meeting (Foster City): November 7, 2019

HIA Meeting (Belmont): November 7, 2019

ACWA JPIA Fall Conference & Exhibition (San Diego): December 2-6, 2019

ACWA JPIA 2020 Spring Conference & Exhibition (Monterey): May 4-8, 2020



TO: Board of Directors

FROM: Candy Pina

DATE: September 26, 2019

ADMINISTRATIVE SERVICES MANAGER'S REPORT

FINANCIAL REPORTING:

Schedule of Cash and Investments:

SCHEDULE OF CASH AND INVESTMENTS		
CASH ACCOUNT	BALANCE 9/30/2019	BALANCE @10/17/19
PETTY CASH	\$400	\$400
CASH DRAWER	\$200	\$200
WELLS FARGO CHECKING	\$352,401	\$212,634
LAIF	\$5,047,535	\$4,747,535
BNY INSTALLMENT ACCOUNT	\$592,175	\$692,175
TOTAL	\$5,992,712	\$5,652,944

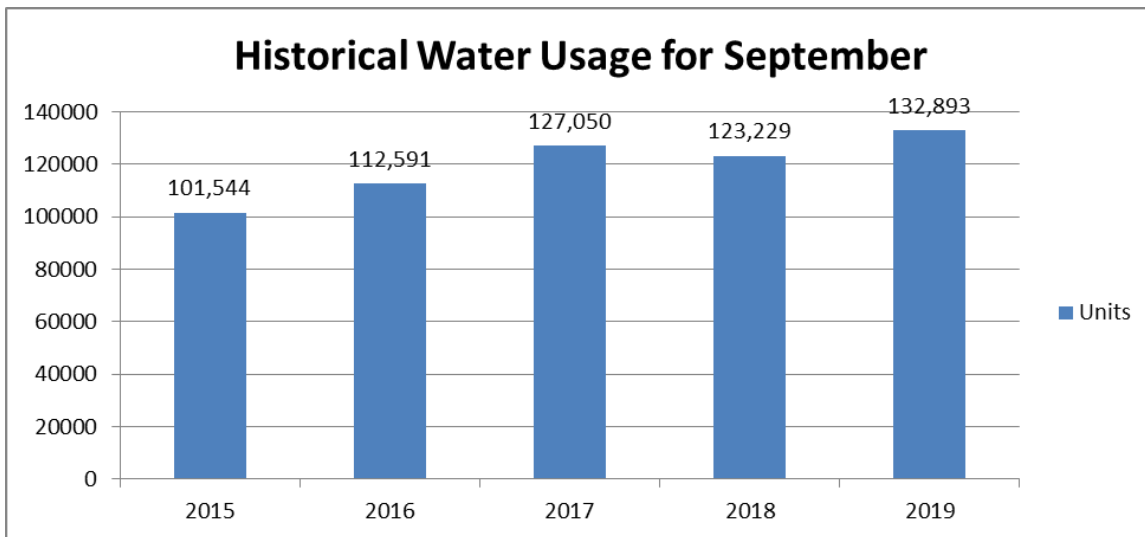
PARS OPEB Trust Program & PRSP - September 30, 2019

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	\$ -	\$ 36,652.68	\$ 2,716.82	\$ -	\$ 4,372,736.09	\$ 664.46	
2014-2020	\$ 368,264.01	\$ 3,606,311.67	\$ 392,556.80	\$ 16,586.95	\$ 22,190.56	\$ 4,372,736.09	\$ 15,064.46	
PARS OPEB	\$ 2,641,486.79	\$ -	\$ 22,314.36	\$ 1,654.01	\$ -	\$ 2,662,147.14	\$ -	
PARS PENSION	\$ 1,697,313.44	\$ -	\$ 14,338.32	\$ 1,062.81	\$ -	\$ 1,710,588.95	\$ -	

INVESTMENT RETURN						
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	0.72%	1.57%	2.51%	3.46%	3.04%	
2019-2020	0.28%	2.14%	5.61%	2.86%	2.39%	
	0.22%	1.41%	3.91%	4.16%	2.63%	

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
TOTAL	385,396	3,463,628	770,719	4,234,347	4,088



MISC FEE REVENUES UPDATE:

From 01/01/19 – 09/30/19, MPWD was charged \$114,042 in credit card fees, recovering about 39% of the credit card costs. Total miscellaneous fees collected since January 2019 were \$125,978.

MISCELLANEOUS FEE REVENUES COLLECTED - 2019							CREDIT CARD EXP	
Month	Credit Card Fees	Late Fees	48-Hour Notice Fees	Shut Off Fees	After Hour Fees	Total Fees	Credit Card (CC) Expenses	% CC Recovery
JAN	6,576	-	-	-	-	6,576	9,041	73%
FEB	5,427	-	-	-	-	5,427	11,961	45%
MAR	5,960	7,140	8,270	2,250	300	23,920	15,546	38%
APR	5,090	3,410	3,170	260	-	11,930	12,638	40%
MAY	3,869	5,150	6,650	1,050	600	17,319	11,460	34%
JUN	3,175	4,200	3,590	975	600	12,540	14,764	22%
JUL	4,242	12,407	8,430	825	500	26,404	12,923	33%
AUG	3,723	(430)	5,375	1,575	300	10,543	10,184	37%
SEP	6,429	3,940	775	75	100	11,319	15,525	41%
TOTAL	44,491	35,817	36,260	7,010	2,400	125,978	114,042	39%

CONFERENCES, TRAINING, & MEETINGS:

- 1) Jeanette Kalabolas/Misty Malczon/Ron Okada/Laura Ravella/Candy Pina: 10/01/19 – Focus Group with Koff & Associates regarding Employee Evaluation Forms
- 2) Jeanette Kalabolas/Candy Pina: 10/02/19 – Meeting with Sheila Mozayeny regarding office space design
- 3) Misty Malczon/Ron Okada/Laura Ravella/Candy Pina: 10/02/19 – Meeting to discuss reorganization and job duty changes
- 4) Misty Malczon: 10/03/19 – Springbrook webinar – Bluefin Statements
- 5) Misty Malczon: 10/08/19 – Springbrook webinar – Civic Pay upcoming events
- 6) Candy Pina: 10/10/19 – Finance Committee Meeting with David Becker from James Marta & Company regarding audit and miscellaneous other financial topics
- 7) Jeanette Kalabolas: 10/16/19 – SFPUC Wholesale Customer Meeting
- 8) Candy Pina: 10/17/19 – Meeting with Vincent Xi from C. G. Uhlenburg to review financials
- 9) Jeanette Kalabolas/Laura Ravella: 10/25/19 – San Carlos Charter Learning Center Field Trip @ MPWD's Corporate Offices
- 10) Jeanette Kalabolas: 10/29/19 – Landscape Education Class – “Intro to Plant Selection”
- 11) Candy Pina: 10/30/19 – Meeting with Michael and Andrew from OpenGov software opportunities

TEAM BUILDING ACTIVITIES

We continue to celebrate birthdays.



TO: Board of Directors

FROM: Rene A. Ramirez, Operations Manager

DATE: October 24, 2019

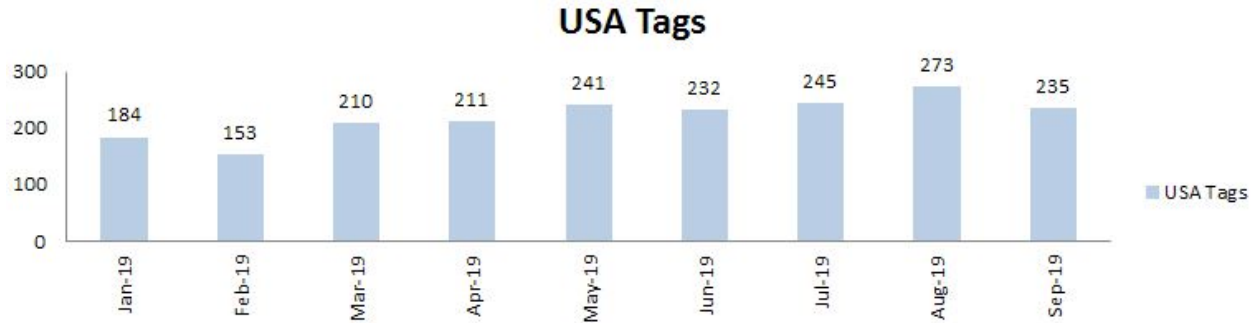
OPERATIONS REPORT – September

Projects:

- Spent eight (8) work days during month installing 500 feet of new Zone 2 water main under Malcolm Avenue, capital project 15-74. The remainder of this project will be completed in October and entails pressure testing, disinfecting, lab samples, several tie-ins and paving. Project started now because City is reconstructing Ruth Avenue, which crosses Malcolm Avenue, and we did not want to disturb a newly paved street. After internal review, staff decided to undertake this construction project, which will be completed in October;
- Started to dismantle the old water meters removed to separate materials for their recycling value. Will provide more detailed information in October's report.
- Staff has been working back and forth with our consultant, HydroScience Engineers, Inc. and Caltrans on the El Camino Real capital project. We are seeking an exception to a Caltrans standard for a pressure pipeline in their right-of-way, i.e. we do not want our water distribution line housed within another pipe (sleeve) and covered in low strength concrete slurry. While there is precedent for our exception, Caltrans is very particular in the documentation and justification;
- Staff spent some time working with the City and a developer on some sewer rehabilitation improvements under Shoreway Road;
- Held progress meetings with current District capital project contractor, Stoloski and Gonzalez; and
- Constructed 2 service upgrades in September to: 1920 Alden Street and 2110 Pullman Avenue, and a brand new hot tap of the water main for 4 new services around 1320 Talbryn.

Maintenance:

- Responded to and completed 235 USA (underground service alerts) requests in September.



- Made a repair to the water main at 1610 Notre Dame. This was a leak on the 4-inch cast iron main to be eventually abandoned with the capital project currently underway, but at the time the leak repair was needed to keep customers in service;
- Replaced a dual-service line for 2314 and 2318 Hastings Avenue;
- Collected a requisite 44 water samples in September for bacteriological testing – all samples were absent of any coliform bacteria contamination;
- Continue to routinely monitor water system dead-ends continued for disinfectant residual; and
- Monitored for signs of nitrification within our tanks, sample stations and dead ends continues as a part of regular water quality monitoring.

System Repairs:

Date	Location	Event	Material	Installation Date	Estimated Water Loss (Gals.)
9/5	1610 Notre Dame	Main Break	CIP	1954	<5000
9/23	2318 Hastings	Service Leak	Poly	1976	<8,000

Development:

Staff is currently working with developers on 48 development projects:

Mixed Use Commercial/Multi-Family Residential:

- o 576-600 El Camino Real – 36 meters installed inside the building at a manifold. Awaiting punch list items prior to sign off;
- o 1325 Old County Rd. – Disconnected all metered and non-metered (fire service) connections to the parcels involved, with the exception of a single 5/8-inch service at 1304 Elmer St.;
- o 800 Belmont Ave. – Currently reviewing plans;
- o 815 Old County Rd. – Currently reviewing plans;
- o 1300 El Camino Real - Currently reviewing plans, letter of intent provided;
- o 803-815 Belmont Ave. – Contacted by developer regarding existing facilities and available fire flows. Additional information requested on adjacent parking lot parcels; and

- 900 El Camino Real – Letter of intent provided.

Commercial:

- City of Belmont Island Park - Plans through staff approval process;
- Belmont Ave Parcel APNs – (2) awaiting plans;
- 1500 Ralston Ave. – Plans through staff approval process;
- 1400 Alameda de las Pulgas – Plans through staff approval process;
- 1306-1308 Old County Rd. – Submittals approved;
- 300 Industrial - Contacted by developer regarding existing facilities and available fire flows.
- 612-614 Mountain View - Awaiting revised plans;
- 1110 Old County Rd. – Plans through staff approval process; and
- 2710 Ralston Ave. – Plans through staff approval process.

Residential:

- 2828 Monroe - Plans through staff approval process;
- 1803 Miller - Plans through staff approval process;
- 513 Chesterton Ave. Plans through staff approval process;
- 1926 Oak Knoll Dr. – Plans through staff approval process;
- 2723 Monserat – Plans through staff approval process;
- 55 Ralston Ranch Rd. - Plans through staff approval process;
- 796 Miramar Terrace – Plans received for 2 new homes;
- Bishop Road development – received payment for installation at 2 remaining lots;
- Talbryn Dr. parcel – Information provided to developer;
- Ralston parcel - Developer requesting system information;
- 1320 Talbryn Lane development- District tap installed, contractor to begin water system installation under MPWD inspection;
- 665 South - Plans through staff approval process;
- 853 Alameda – Plans through staff approval process;
- 857 Alameda – Plans through staff approval process;
- 10 Notre Dame Place – Awaiting contractor installation schedule;
- 50 Notre Dame Place – Plans through staff approval process;
- 861 Alameda – Currently reviewing plans;
- 1241 Hiller St. - Plans through staff approval process;
- 1465 Sixth Ave - Plans through staff approval process;
- 2723 Wemberly - Plans through staff approval process;
- 539 South Rd. - Plans through staff approval process;
- 3900 Marsten – Plans through staff approval process;
- 1961 Bishop Rd. - Plans through staff approval process;
- 2110 Pullman Ave. – Installation complete, awaiting compliance;
- 2019 Belle Monti – Installation complete, awaiting compliance;
- Monte Cresta Drive Extension – Reviewing plans, developing WSA;
- 507 Sterling View - Plans through staff approval process;
- 3105 Marburger – Awaiting plans;
- 1148 Villa - Plans through staff approval process;

- 2728 Belmont Canyon Rd. - Plans through staff approval process;
- 2033 Mezes – currently reviewing their plans; and
- 524 Cambridge - Plans through staff approval process.

Administration:

- Continue to attend and participate at weekly progress meetings at City Hall with Belmont Public Works staff during construction of their latest sewer system rehabilitation project targeting sewers in backyard easements and cross country runs;
- Had two (2) new employees start their careers in mid-September. They are local area men hired as Maintenance Technicians. They replace an employee that resigned and another that retired;
- Demonstrated the XiO SCADA hardware and software to the Castro Valley Sanitary District;
- Shared new flat-bed/crane service truck with Castro Valley Sanitary District staff that liked our truck concept;
- Staff met with customer regarding the AMI program and their new meter;
- Met with Board Member Warden to catch-up on meeting he had regarding the Happy Hydrant matter;
- Celebrated the 20th Anniversary of District service for Jonathan Anderson;
- Member of the Operations Team attended a 1-day Supervisor class;
- Attended the monthly BAWSCA Manager's meeting in Foster City; and
- Continue to actively manage power use for pumping operations.

Water Conservation:

Recent 2-Month Comparison Summary

2019/2020 MONTH	2019/2020 UNITS	2013 UNITS	PERCENT CHANGE*	CUMULATIVE WATER SAVINGS*	2019/2020 R-GPCD**	2013 R-GPCD
August 2019	136,191	155,787	-12.6%	-13.4%	109.8	122.7
September	124,550	145,551	-14.4%	-13.7%	103.8	118.5

2018/2019 MONTH	2018/2019 UNITS	2013 UNITS	PERCENT CHANGE*	CUMULATIVE WATER SAVINGS*	2018/2019 R-GPCD**	2013 R-GPCD
August 2018	131,791	155,788	-15.4%	-15.5%	106.3	122.7
September	118,992	145,551	-18.2%	-16.4%	99.2	118.5

Staff's quarterly update on water conservation activities is attached.



DATE: October 18, 2019

TO: Rene Ramirez, Operations Manager

FROM: Jeanette Kalabolas, Water Conservation Administrative Specialist

SUBJECT: 2019 THIRD QUARTER WATER CONSERVATION STAFF REPORT

SUBJECT #1: MPWD Donates "Movie in the Park" Raffle Prize

BACKGROUND: Each fall Belmont Parks and Recreation Department brings their mission, "Enhancing the quality of life for the community" to life by offering a series of free Movies in Twin Pines Park

DISCUSSION: For the past 3-years MPWD has met this partnership opportunity by providing raffle prizes for a number of nights over the course of the events 1-month run. The event typically draws 200+ locals to the meadow stage, which allows the perfect opportunity for the District to be visible and support our customers in an alternate manner. Food concessions and raffle drawings are paired with each movie event and this year we donated two 90th Anniversary care packs for raffle the night of September 20, 2019, which included: a conservation bucket, recycled burlap bag, tumbler, cutting board, measuring spoons, watering can, wildflower seed pack, sticky note pad, clip magnet, pot holder, chapstick and mints.

SUBJECT #2: FY 2019-2020 Water Conservation School Programs Flyer

BACKGROUND: Educate local K-5 teachers within on service territory on the availability of FREE youth education resources

DISCUSSION: Staff recently completed a 1-page mailer that will drop next month highlighting District learning opportunities: Water Awareness Calendar Contest, Field-Trips, Water Wise Resources Action Program, Earthcapades Assemblies and Tuolumne River Trust Classroom Presentations. The idea behind the piece is to bring the content on the school education web page to life and remind community educators that year round the District hosts a suite of programs that can be taken advantage of at no cost to Belmont instructors. Attached is a copy of the flyer created for your reference.

SUBJECT #3: MPWD Website Version 4.0 - Emergency Preparedness Page

BACKGROUND: Create an in-house effective communication tool to relay public emergency and disaster awareness information to our customers

DISCUSSION: On the heels of PG&E Public Safety Power Shut-Off (PSPE) that occurred the week of October 7-11, 2019 staff will be working with John Davidson to

build an emergency preparedness web page. Staff took public outreach action during the recent PG&E wildfire risk prevention event by imploring the red ticker alert banner on the home page, however a number of local Agencies have had conversations post incident and it has been brought to our attention that the industry is need of more joint utility resourcing to better serve our customers and help streamline pertinent “keeping safe” information. Current page material considerations are as follows: a power outage fact sheet, access to community resource links, FAQ’s section, emergency supply kit list and a District emergency readiness portfolio. Staff will continue to research subject matter as text development evolves prior to release of the MPWD website version 4.0.

SUBJECT #4: BAWSCA Considers NEW Rachio Regional Smart Controller Rebate Program

BACKGROUND: Smart controller and mobile app platform that focuses on traditional engagement mechanisms to achieve demand reduction and or compliance with watering restrictions

DISCUSSION: Rachio representatives gave a product presentation at the recent BAWSCA Water Resources Committee meeting staff attended September 11, 2019. BAWSCA is exploring ways to spend potential Prop 1, regional IRWM grant funds being sought and feels Rachio and its weather based irrigation Controllers (WBIC) would be a good fit for its 2020 rebate programs re-vamp. Case studies, research, utility partnerships, marketing, consulting abilities and the controller’s features were discussed and member Agencies were encouraged to provide feedback on program specifics, such as qualifications, requirements and amounts. BAWSCA will consider Agency comments and the rebate program if approved would be introduced to members as one of BAWSCA’s core subscription programs starting FY 20-21.

SUBJECT #5: BAWSCA to Offer Qualified Water Efficiency Landscape (QWEL) Education Certification Classes

BACKGROUND: QWEL is an affordable, local training providing landscape professionals with 20 hours of education on principles of proper plant selection for the local climate, irrigation system design and maintenance, and irrigation system programming and operation

DISCUSSION: BAWSCA is considering the addition of this type of course to its FREE landscape education series hosted bi-annually (spring and fall) by member Agencies. Members would be given the option to host a 3-day intensive training, field work included for local landscape contractors interested in obtaining this sort of professional credential. An exam is administered to students post-instruction and graduates are added to the certified experts list on the WaterSense website acknowledging that they are available for hire. This program already exists in NorCal and is currently led by, Solano County Water Agency in partnership with California Water Efficiency Partnership (CaWEP). Classes are offered in either English or Spanish and BAWSCA would simply apply as an add-on to the existing program through an on-boarding adoption process.

SUBJECT #6: SFPUC Adopts the One Water SF Road Map Approach

BACKGROUND: SFPUC’s has spent the past 4-years focusing on identifying, implementing and uniting collaborative water, energy and green system resources that encourage new ways of thinking, create pathways for innovations and build upon

existing vision and framework to address climate change, water shortages, water quality protection and aging infrastructure challenges

DISCUSSION: The One Water SF approach began in 2016 and is an integrated planning and implementation approach to managing finite water resources for long-term resiliency and reliability to meet both community and ecosystem needs and create a more resilient, balanced and reliable future. Phase 1 was implemented in 2016, where guiding principles and initial ideas were established and published. In 2017, phase 2 saw the testing of these various projects and programs and the recording of lessons learned. 2018's journey identified 9 additional initiatives that focused on 3-key areas: internal and external vision expansion, technologies promotion and the right source to the right use implementation. As SFPUC moves from 2019 forward, the goal is to continue to embrace and foster this new wave approach and culture throughout its organization, partnerships and the community it serves. If you are interested in learning more go to <https://sfwater.org/index.aspx?page=1091>

SUBJECT #7: SWRCB California Way of Life Timeline

BACKGROUND: Making Conservation A California Way of Life SB 606 and AB 1668 emphasize efficiency and stretching existing water supplies in our cities and on farms in a most cost-effective way to achieve long term conservation goals

DISCUSSION: There are many components of this legislation. State Water Resources Control Board (SWRCB) initiatives and rulemaking began fall of 2018 with reporting principles set for adoption year-end 2019. Water Loss Public stakeholder meetings are currently underway with regulations set for approval by July 2020. A residential Indoor Standards 55 GPCD Best Practices Study will follow with a delivery report deadline of January 2021 and outdoor standards will be put in place no later than June 2022. Other considerations, such as CII performance measures and Agency landscape methods of calculation parameter exploration is set to begin October 2021 through May 2022 with adoption of these other variances expected June of 2022. Thereafter, on an annual basis state urban retail water Agencies will be required to calculate and report on an objective basis water needs within their service area for efficient indoor residential water use, outdoor residential water use, commercial, industrial and institutional, irrigation with dedicated meters and reasonable amounts of system water loss along with consideration of other unique local uses and "bonus incentive" or credit for any potable water reuse. Informal enforcement of all components will take affect November of 2023 with SWRCB written warnings going into effect November of 2024 and conservation violation notice distribution beginning November of 2025. Starting in 2027 violating a regulation may also result in a fine. Attached for your reference are two SWRCB timeline graphics or for more info visit https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/california_statutes.html

APPROVED:_____ DENIED:_____ NO ACTION:_____ DIRECTION GIVEN:_____

MPWD Offers FREE Education Opportunities

The Mid-Peninsula Water District (MPWD) is involved in outreach to local community schools to promote student awareness of water and resources usage. MPWD believes that protecting and conserving our water resources for future generations start with our community's youth. Therefore, it is one of MPWD's missions to offer water education and available resources at no cost to schools and educators for students within the District's service area.

In addition to its popular, centerpiece "Water Awareness Calendar" annual poster contest for 3rd to 5th graders, MPWD offers a host of School Education programs. See below for more details.

MPWD Field-Trip Opportunity

MPWD offers a FREE Apprentice Program to ALL elementary schools within the community we serve. The curriculum includes: an educational hour where a water conservation video is shown, a scale model of the system explored, and water game played, followed by a second hour of hands-on demonstrations and craft activity. Snacks are optional and sessions are held both spring and fall. If you are an interested parent or teacher contact us today and come discover the possibilities!



Water Wise Resources Action Program

In-classroom water conservation importance and source of supply education program for grade school children. Indoor-Outdoor-Living Wise kits include: teachers guide, classroom curriculum, program support and home water/energy saving devices. Incentive and gift awards are also available to participating teachers and students.

Earthcapades Assembly Program

A water science, conservation, and appreciation show specifically designed for grades K-8. EarthCapades' performers take you on a journey through the cycle of water, where it comes from and how vital it is to conserve, protect, and respect. Educational content and theatrical displays are designed to engage, challenge and inspire students. Reach out today to book your schools one-of-a-kind-act!

Tuolumne River Trust Classroom Presentation Program

"That's the Tuolumne in My Tap!" presentation provides students with a visual tour of the Tuolumne River highlighting the Hetch Hetchy regions wildlife, history and ways to protect and conserve water. The free, one-hour presentation includes a classroom visit with an interactive focus and a hands-on water activity.

Contact me today if you would like to discuss any opportunity for your students and school.

Jeanette Kalabolas *MPWD Administrative Specialist*

Monday-Friday, 8:00 am – 4:30 pm / 650-591-8941 / jeanettek@midpeninsulawater.org

Efficiency Standards **TIMING**

2018



Begin
standard
development

2022



Adopt
standards, PMs,
and method

2023



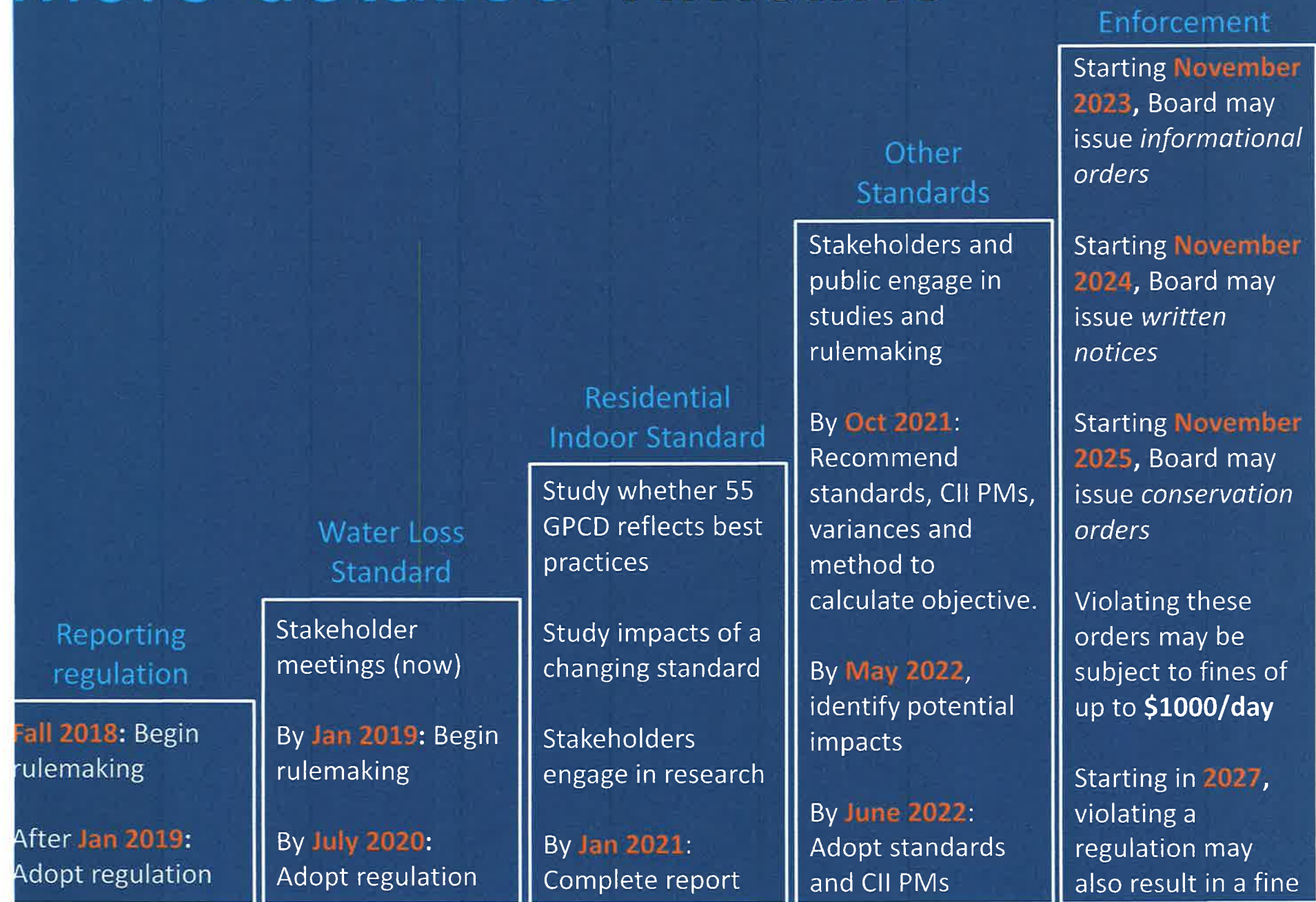
Suppliers
calculate
objectives

2025



Suppliers
reach
objectives

More detailed Timeline



MEMO

Agency: Mid-Peninsula Water District **Date** October 14, 2019
Attn: Board of Directors
Project Name: Notre Dame Ave, Cliffside Ct, Tahoe Dr Area Water Main Project **Project No.** 10012.24
Reference: Project Update and Progress Payment No 2 and Change Orders 1 & 2
From: Joubin Pakpour, P.E. – District Engineer *JP*

Construction Status

Zone 3 Work Update on Notre Dame Ave:

During the month of September and early October, Stoloski & Gonzalez (S&G) worked on the Zone 3 water main on Notre Dame Ave. S&G installed 2,074 linear feet of ductile iron pipe (DIP) from Terrace Dr to Valley View Ave. Approximately 75% of the Zone 3 water main was installed shallow and backfilled with control density fill (CDF) due to the existing utilities and road width.

The new 8" water main was pressure tested successfully on September 12th. The water main was disinfected, flushed, and tested for bacteria per the project specifications. Two samples were taken and both results confirmed the absence of bacteria.

On September 23rd, S&G tied in the new 8" DIP to the existing Zone 3 water main at the intersection of Notre Dame Ave and Terrace Dr. For the shutdown connection, the District used the closest valve located in front of 1737 Terrace Dr. When the District started to open the valve to introduce water into the system, the stem of valve sheared. Fortunately, the new fire hydrant at Sta. 9+75 on Notre Dame Ave was installed next to the existing hydrant which allowed the District to "jump" or connect the two hydrants together to temporarily provide water to more than 30 service connections between 1737 Terrace Ave and Notre Dame Ave. On September 26th, the District authorized S&G to repair the valve on Terrace Ave on time and material (T&M) as part of this project. Please see attached Change Order No. 2.

The final Zone 3 connections on Manzanita Ave, and Valley View Ave were completed on September 20th and October 16th respectively. The Zone 3 Notre Dame Loop Closure is complete and is part of the distribution system eliminating the 2,000 linear feet of dead end main on Terrace Ave and looping the system. The remaining clean-up and roadway restoration are scheduled for the week of October 21st.

Zone 2 Work Update on Notre Dame Ave:

All Zone 2 service connections have been relocated from the existing 6" cast iron pipe (CIP) to the existing 8" (CIP) on Notre Dame Avenue. Abandonment of the existing 6" CIP water main from Folger Dr to Middle Road is complete. The Zone 2 connections at Folger Dr, Notre Dame Pl, and Middle Rd completes the Mid-Notre Dame Abandonment eliminating a 650-LF of redundant aging 6" CIP water main on Notre Dame Ave.

Beginning October 10th, S&G mobilized on Tioga Way to install the 8” DIP water main. Crew will continue to work through the area to Muir Way and Bryce Ct.

As of September 30th, the project reached the 46th day of work out of 180 contractual working days. There are 135 work days remaining for the project. Work is progressing with no major customer related or safety issues.

Change Orders Summary

Enclosed please find attached Change Order No. 1 addressing six items due to unforeseen site conditions per Field Order No. 1, dated August 26th. Also attached is Change Order No. 2 authorizing S&G to repair the broken valve at 1737 Terrace Dr. The total costs for Change Order No 1 and 2 are \$77,676.74 and \$7,052.84 respectively.

Project Schedule and Request for Progress Payment No. 2

As of September 30th, S&G completed 57%, or \$1,164,018.58 of the contractual work. Enclosed please find **Progress Payment No. 2** due to S&G for this period for **\$330,716.45** (value of work less 5% retention). The work performed to date has been satisfactory and payment is recommended.

	Current Month	Total	
Original Contract Amount		\$ 1,949,385.00	
Approved Change Orders	\$ 84,729.58	\$ 84,729.58	4%
Final Contract Amount		\$ 2,034,114.58	
Previously Paid		\$ 775,101.20	
Current Request (Less Retention)	\$ 330,716.45	\$ 330,716.45	
Retention	\$ 17,406.13	\$ 58,200.93	
Total Value of Work Completed	\$ 348,122.58	\$ 1,164,018.58	57%
Total Remaining on Contract		\$ 870,096.00	43%

Enclosures:

- Pakpour Consulting Group - Progress Payment No. 2 from September 1, 2019 thru September 30, 2019 (2 pages)
- Pakpour Consulting Group – Breakdown Summary Progress Payment No. 2 (1 page)
- Stoloski & Gonzalez Invoice Progress Payment 793-02 (1 page)
- Change Order Summary Log (1 page)
- Change Order No. 01 and No. 02 (5 pages)
- Photo Updates Period from August 26, 2019 thru September 30, 2019 (4 pages)



Notre Dame Ave, Cliffside Ct, Tahoe Dr Area Water Main Project
Progress Payment No. 02

Pay Period:
 September 1, 2019
 September 30, 2019

Bid Item	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
		Unit	Unit Price	Qty.	Total Price	Qty.	Unit Price	Total Price	Qty.	Unit Price	Total Price	Qty.	Amount Earned	%	Qty.	Amount Earned	%	Qty.	Amount Earned	%
1	8-in Class 350 DIP	LF	\$ 354.00	3,300	\$ 1,168,200.00	0	\$ 354.00	\$ -	3,300	\$ 354.00	\$ 1,168,200.00	313	\$ 110,802.00	9%	2074	\$734,196.00	63%	2387	\$ 844,998.00	72%
2	6-in Class 350 DIP	LF	\$ 351.00	165	\$ 57,915.00	0	\$ 351.00	\$ -	165	\$ 351.00	\$ 57,915.00	41	\$ 14,391.00	25%	0	\$0.00	0%	41	\$ 14,391.00	25%
3	10-in Class 350 DIP (Folger Ave)	LS	\$ 7,900.00	1	\$ 7,900.00	0	\$ 7,900.00	\$ -	1	\$ 7,900.00	\$ 7,900.00	0	\$ -	0%	1	\$7,900.00	100%	1	\$ 7,900.00	100%
4	1-inch Water Service Connections - Cliffside Ct and Notre Dame Ave Z2	EA	\$ 3,500.00	25	\$ 87,500.00	0	\$ 3,500.00	\$ -	25	\$ 3,500.00	\$ 87,500.00	0	\$ -	0%	8	\$28,000.00	32%	8	\$ 28,000.00	32%
5	Water Service Connections Removal - Cliffside Ct	EA	\$ 4,400.00	7	\$ 30,800.00	0	\$ 4,400.00	\$ -	7	\$ 4,400.00	\$ 30,800.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
6	1-inch Water Service Connections - Tahoe Dr Area and Notre Dame Ave Z3	EA	\$ 3,500.00	58	\$ 203,000.00	0	\$ 3,500.00	\$ -	58	\$ 3,500.00	\$ 203,000.00	20	\$ 70,000.00	34%	0	\$0.00	0%	20	\$ 70,000.00	34%
7	1½-inch Water Service Connections - Notre Dame Ave	EA	\$ 4,200.00	1	\$ 4,200.00	0	\$ 4,200.00	\$ -	1	\$ 4,200.00	\$ 4,200.00	0	\$ -	0%	1	\$4,200.00	100%	1	\$ 4,200.00	100%
8	6-inch Gate Valves	EA	\$ 2,000.00	4	\$ 8,000.00	0	\$ 2,000.00	\$ -	4	\$ 2,000.00	\$ 8,000.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
9	8-inch Gate Valves	EA	\$ 2,600.00	26	\$ 67,600.00	0	\$ 2,600.00	\$ -	26	\$ 2,600.00	\$ 67,600.00	7	\$ 18,200.00	27%	9	\$23,400.00	35%	16	\$ 41,600.00	62%
10	10-inch Gate Valves	EA	\$ 3,600.00	1	\$ 3,600.00	0	\$ 3,600.00	\$ -	1	\$ 3,600.00	\$ 3,600.00	0	\$ -	0%	1	\$3,600.00	100%	1	\$ 3,600.00	100%
11	1-inch Air Combination Valve Assembly	EA	\$ 3,300.00	1	\$ 3,300.00	0	\$ 3,300.00	\$ -	1	\$ 3,300.00	\$ 3,300.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
12	2-inch Blow-Off Assembly	EA	\$ 4,300.00	2	\$ 8,600.00	0	\$ 4,300.00	\$ -	2	\$ 4,300.00	\$ 8,600.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
13	4-inch Blow-Off Assembly	EA	\$ 5,800.00	1	\$ 5,800.00	0	\$ 5,800.00	\$ -	1	\$ 5,800.00	\$ 5,800.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
14	6-inch Fire Hydrant Assembly on New Water Main	EA	\$ 12,900.00	3	\$ 38,700.00	0	\$ 12,900.00	\$ -	3	\$ 12,900.00	\$ 38,700.00	2	\$ 25,800.00	67%	0	\$0.00	0%	2	\$ 25,800.00	67%
15	Remove and Replace Existing Fire Hydrant Assembly	EA	\$ 13,500.00	2	\$ 27,000.00	0	\$ 13,500.00	\$ -	2	\$ 13,500.00	\$ 27,000.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
16	6-inch Fire Hydrant Assembly on Existing Water Main	EA	\$ 13,800.00	3	\$ 41,400.00	0	\$ 13,800.00	\$ -	3	\$ 13,800.00	\$ 41,400.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
17	Water Main Abandonment on Tioga Way and Bryce Court	LS	\$ 7,000.00	1	\$ 7,000.00	0	\$ 7,000.00	\$ -	1	\$ 7,000.00	\$ 7,000.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
18	Water Main Abandonment on Muir Way	LS	\$ 26,000.00	1	\$ 26,000.00	0	\$ 26,000.00	\$ -	1	\$ 26,000.00	\$ 26,000.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
19	Water Main Abandonment on Terrace Drive	LS	\$ 7,000.00	1	\$ 7,000.00	0	\$ 7,000.00	\$ -	1	\$ 7,000.00	\$ 7,000.00	1	\$ 7,000.00	100%	0	\$0.00	0%	1	\$ 7,000.00	100%
20	Cross Country Water Main Abandonment on Valley View Avenue	LS	\$ 7,000.00	1	\$ 7,000.00	0	\$ 7,000.00	\$ -	1	\$ 7,000.00	\$ 7,000.00	1	\$ 7,000.00	100%	0	\$0.00	0%	1	\$ 7,000.00	100%
21	Water Main Abandonment on Notre Dame Avenue - Zone 2	LS	\$ 9,000.00	1	\$ 9,000.00	0	\$ 9,000.00	\$ -	1	\$ 9,000.00	\$ 9,000.00	0	\$ -	0%	1	\$9,000.00	100%	1	\$ 9,000.00	100%
22	Water Main Abandonment on Notre Dame Avenue - Zone 3	LS	\$ 9,000.00	1	\$ 9,000.00	0	\$ 9,000.00	\$ -	1	\$ 9,000.00	\$ 9,000.00	1	\$ 9,000.00	100%	0	\$0.00	0%	1	\$ 9,000.00	100%
23	Asphalt Concrete (AC) Pavement Repairs	SF	\$ 15.00	545	\$ 8,175.00	0	\$ 15.00	\$ -	545	\$ 15.00	\$ 8,175.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%



Notre Dame Ave, Cliffside Ct, Tahoe Dr Area Water Main Project
Progress Payment No. 02

Pay Period:
 September 1, 2019
 September 30, 2019


Bid Item	Description	Original Contract Amount				Change Order			Revised Contract Amount			Earned This Period			Prior Billing			Total to Date		
		Unit	Unit Price	Qty.	Total Price	Qty.	Unit Price	Total Price	Qty.	Unit Price	Total Price	Qty.	Amount Earned	%	Qty.	Amount Earned	%	Qty.	Amount Earned	%
24	Abandon Fire Hydrant/ Wharf Head Assembly - Complete Removal	EA	\$ 1,100.00	4	\$ 4,400.00	0	\$ 1,100.00	\$ -	4	\$ 1,100.00	\$ 4,400.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
25	Abandon Utility Service Boxes /Gate Valve Boxes/ Blow-Off Assemblies	EA	\$ 350.00	15	\$ 5,250.00	0	\$ 350.00	\$ -	15	\$ 350.00	\$ 5,250.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
26	Concrete Driveway Approach Replacement	SF	\$ 19.00	600	\$ 11,400.00	0	\$ 19.00	\$ -	600	\$ 19.00	\$ 11,400.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
27	Concrete Sidewalk Replacement	SF	\$ 15.00	360	\$ 5,400.00	0	\$ 15.00	\$ -	360	\$ 15.00	\$ 5,400.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
28	Concrete Curb and Gutter Replacement	LF	\$ 95.00	105	\$ 9,975.00	0	\$ 95.00	\$ -	105	\$ 95.00	\$ 9,975.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
29	Concrete Driveway	SF	\$ 20.00	180	\$ 3,600.00	0	\$ 20.00	\$ -	180	\$ 20.00	\$ 3,600.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
30	Thermoplastic Center Striping (CSD-A20A-Detail-21) Remove and Replace	LF	\$ 12.00	1,910	\$ 22,920.00	0	\$ 12.00	\$ -	1910	\$ 12.00	\$ 22,920.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
31	Thermoplastic Markings - STOP and Limit Bar	EA	\$ 650.00	7	\$ 4,550.00	0	\$ 650.00	\$ -	7	\$ 650.00	\$ 4,550.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
32	Type II Slurry Seal	SF	\$ 0.40	78,750	\$ 31,500.00	0	\$ 0.40	\$ -	78750	\$ 0.40	\$ 31,500.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
33	Bollards	EA	\$ 450.00	2	\$ 900.00	0	\$ 450.00	\$ -	2	\$ 450.00	\$ 900.00	0	\$ -	0%	0	\$0.00	0%	0	\$ -	0%
34	Street Sweeping	DAY	\$ 600.00	15	\$ 9,000.00	0	\$ 600.00	\$ -	15	\$ 600.00	\$ 9,000.00	2	\$ 1,200.00	13%	3	\$1,800.00	20%	5	\$ 3,000.00	33%
35	Traffic Control Plan and Construction Funding Signs	LS	\$ 3,800.00	1	\$ 3,800.00	0	\$ 3,800.00	\$ -	1	\$ 3,800.00	\$ 3,800.00	0	\$ -	0%	1	\$3,800.00	100%	1	\$ 3,800.00	100%
	CONo 01 - 1) Pothole 2)CDF Backfill 3) Conduits Removal 4) Lateral Repair 5) Removal of Abnd main on Valley View Ave					1	\$ 77,676.74	\$ 77,676.74	1	\$ 77,676.74	\$ 77,676.74	1	\$ 77,676.74	100%	1	\$0.00	0%	2	\$ 77,676.74	100%
	CONo02 - 1) Remove and Replace 6" gate valve on Terrace Dr					1	\$ 7,052.84	\$ 7,052.84	1	\$ 7,052.84	\$ 7,052.84	1	\$ 7,052.84	100%	1	\$0.00	0%	2	\$ 7,052.84	100%
	Contract Amount				\$1,949,385.00			\$84,729.58			\$2,034,114.58									
	Amount Earned												\$348,122.58	17%		\$815,896.00	40%		\$1,164,018.58	57%
	Retention (5%)												(\$17,406.13)						(\$58,200.93)	
	Progress Payment No01																		(\$775,101.20)	
	Amount Due												\$330,716.45						\$330,716.45	
	Amount Remaining on Contract																		\$870,096.00	43%

Prepared By

Joubin Pakpour, P.E. District Engineer


Amount Remaining on Contract	\$870,096.00	43%
Total Retention Being Held	(\$58,200.93)	
Total Pending Change Orders	\$ -	

**Notre Dame Ave, Cliffside Ct, Tahoe Drive Area Water Main Project
Breakdown Summary
Progress Payment No. 02**


Notre Dame Avenue Loop Closure - CIP Project #15-10			
	Current	Total	
Original Contract Amount		\$1,088,860.00	
Approved Change Orders	\$84,729.58	\$84,729.58	8%
Final Contract Amount		\$1,173,589.58	
Previously Paid		\$725,036.20	
Current Request (Less Retention)	\$316,591.85	\$316,591.85	
Retention	\$16,662.73	\$54,822.53	
Total Value of Work Completed	\$333,254.58	\$1,096,450.58	93%
Total Remaining on Contract		\$77,139.00	7%

Cliffside Ct Improvements - CIP Project #15-38			
	Current	Total	
Original Contract Amount		\$228,753.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$228,753.00	
Previously Paid		\$0.00	
Current Request (Less Retention)	\$0.00	\$0.00	
Retention	\$0.00		
Total Value of Work Completed	\$0.00	\$0.00	0%
Total Remaining on Contract		\$228,753.00	100%

Zone 5 - Fire Hydrant Upgrades - CIP Project #15-06			
	Current	Total	
Original Contract Amount		\$57,300.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$57,300.00	
Previously Paid		\$0.00	
Current Request (Less Retention)	\$0.00	\$0.00	
Retention	\$0.00		
Total Value of Work Completed	\$0.00	\$0.00	0%
Total Remaining on Contract		\$57,300.00	100%

Mid- Notre Dame Ave Abandonment CIP Project #15-49			
	Current	Total	
Original Contract Amount		\$87,418.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$87,418.00	
Previously Paid		\$50,065.00	
Current Request (Less Retention)	\$14,124.60	\$14,124.60	
Retention	\$743.40	\$3,378.40	
Total Value of Work Completed	\$14,868.00	\$67,568.00	77%
Total Remaining on Contract		\$19,850.00	23%

Tahoe Dr Area Improvements - CIP Project #15-28			
	Current	Total	
Original Contract Amount		\$487,054.00	
Approved Change Orders	\$0.00	\$0.00	0%
Final Contract Amount		\$487,054.00	
Previously Paid		\$0.00	
Current Request (less Retention)	\$0.00	\$0.00	
Retention	\$0.00		
Total Value of Work Completed	\$0.00	\$0.00	0%
Total Remaining on Contract		\$487,054.00	100%

TOTAL (All) Project Breakdown Summary			
	Current	Total	
Original Contract Amount		\$1,949,385.00	
Approved Change Orders	\$84,729.58	\$84,729.58	4%
Final Contract Amount		\$2,034,114.58	
Previous Value of Work Completed		\$775,101.20	
Current Request (Less Retention)	\$330,716.45	\$330,716.45	
Retention	\$17,406.13	\$58,200.93	
Total Value of Work Completed	\$348,122.58	\$1,164,018.58	57%
Total Remaining on Contract		\$870,096.00	43%

Project: MPWD - Notre Dame Ave, Cliffside Ct, Tahoe Dr Area Water Main Project
 Subcontractor: Stoloski & Gonzalez, Inc.
 Address: 727 Main Street
 Half Moon Bay, CA 94019-1924

Progress Payment: 793-02
 Through Date: 09/26/19
 Billing Date: 09/30/19

Bid Item	Description of Bid Item	Original Contract Amount				Prior Billing		Earned This Period		Total to Date		
		Qty	Unit	Unit Cost	Total Cost	Qty	Previous Amount	Qty	Current Amount	Qty	Total Amount To Date	%
1	8-in Class 350 DIP	3,300	LF	\$ 354.00	\$ 1,168,200.00	2074.00	\$ 734,196.00	313.00	\$ 110,802.00	2,387.00	\$ 844,998.00	72%
2	6-in Class 350 DEP	165	LF	\$ 351.00	\$ 57,915.00		\$ -	41.00	\$ 14,391.00	41.00	\$ 14,391.00	25%
3	10-in Class 350 DIP - Folger Dr	1	LS	\$ 7,900.00	\$ 7,900.00	1.00	\$ 7,900.00		\$ -	1.00	\$ 7,900.00	100%
4	1-in Water Service Connections - Cliffside Ct and Notre Dame Ave (Zone 2)	25	EA	\$ 3,500.00	\$ 87,500.00	8.00	\$ 28,000.00		\$ -	8.00	\$ 28,000.00	32%
5	Water Service Connections Removal - Cliffside Ct	7	EA	\$ 4,400.00	\$ 30,800.00		\$ -		\$ -	0.00	\$ -	0%
6	1-in Water Service Connections - Tahoe Dr and Notre Dame Ave (Zone3)	58	EA	\$ 3,500.00	\$ 203,000.00		\$ -	20.00	\$ 70,000.00	20.00	\$ 70,000.00	34%
7	1½-in Water Service Connections - Notre Dame Ave (Zone 3)	1	EA	\$ 4,200.00	\$ 4,200.00	1.00	\$ 4,200.00		\$ -	1.00	\$ 4,200.00	100%
8	6-in Gate Valves	4	EA	\$ 2,000.00	\$ 8,000.00		\$ -		\$ -	0.00	\$ -	0%
9	8-in Gate Valves	26	EA	\$ 2,600.00	\$ 67,600.00	9.00	\$ 23,400.00	7.00	\$ 18,200.00	16.00	\$ 41,600.00	62%
10	10-in Gate Valves	1	EA	\$ 3,600.00	\$ 3,600.00	1.00	\$ 3,600.00		\$ -	1.00	\$ 3,600.00	100%
11	1-in Air Combination Valve Assembly	1	EA	\$ 3,300.00	\$ 3,300.00		\$ -		\$ -	0.00	\$ -	0%
12	2-in Blow-Off Assembly	2	EA	\$ 4,300.00	\$ 8,600.00		\$ -		\$ -	0.00	\$ -	0%
13	4-in Blow-Off Assembly	1	EA	\$ 5,800.00	\$ 5,800.00		\$ -		\$ -	0.00	\$ -	0%
14	6-in Fire Hydrant Assembly on New Water Main	3	EA	\$ 12,900.00	\$ 38,700.00		\$ -	2.00	\$ 25,800.00	2.00	\$ 25,800.00	67%
15	Remove and Replace Existing Fire Hydrant Assembly	2	EA	\$ 13,500.00	\$ 27,000.00		\$ -		\$ -	0.00	\$ -	0%
16	6-in Fire Hydrant Assembly on Existing Water Main	3	EA	\$ 13,800.00	\$ 41,400.00		\$ -		\$ -	0.00	\$ -	0%
17	Water Main Abandonment on Tioga Wy and Bryce Ct	1	LS	\$ 7,000.00	\$ 7,000.00		\$ -		\$ -	0.00	\$ -	0%
18	Water Main Abandonment on Muir Way	1	LS	\$ 13,000.00	\$ 26,000.00		\$ -		\$ -	0.00	\$ -	0%
19	Water Main Abandonment on Terrace Dr	1	LS	\$ 7,000.00	\$ 7,000.00		\$ -	1.00	\$ 7,000.00	1.00	\$ 7,000.00	100%
20	Cross-Country Water Main Abandonment on Valley View Ave	1	LS	\$ 7,000.00	\$ 7,000.00		\$ -	1.00	\$ 7,000.00	1.00	\$ 7,000.00	100%
21	Water Main Abandonment on Notre Dame Ave (Zone 2)	1	LS	\$ 9,000.00	\$ 9,000.00	1.00	\$ 9,000.00		\$ -	1.00	\$ 9,000.00	100%
22	Water Main Abandonment on Notre Dame Ave (Zone 3)	1	LS	\$ 9,000.00	\$ 9,000.00		\$ -	1.00	\$ 9,000.00	1.00	\$ 9,000.00	100%
23	Asphalt Concrete Pavement Repairs	545	SF	\$ 15.00	\$ 8,175.00		\$ -		\$ -	0.00	\$ -	0%
24	Abandon Ex Fire Hydrant/Wharf Head Assembly - Complete Removal	4	EA	\$ 1,100.00	\$ 4,400.00		\$ -		\$ -	0.00	\$ -	0%
25	Abandon Utility Service Boxes/Gate Valves/and Blow-Off Assemblies	15	EA	\$ 350.00	\$ 5,250.00		\$ -		\$ -	0.00	\$ -	0%
26	Concrete Driveway Approach Replacement	600	SF	\$ 19.00	\$ 11,400.00		\$ -		\$ -	0.00	\$ -	0%
27	Concrete Sidewalk Replacement	360	SF	\$ 15.00	\$ 5,400.00		\$ -		\$ -	0.00	\$ -	0%
28	Concrete Curb and Gutter Replacement	105	LF	\$ 95.00	\$ 9,975.00		\$ -		\$ -	0.00	\$ -	0%
29	Concrete Driveway	180	SF	\$ 20.00	\$ 3,600.00		\$ -		\$ -	0.00	\$ -	0%
30	Traffic Striping (CSD-A20A-Detail 21) Remove and Replace	1,910	LF	\$ 12.00	\$ 22,920.00		\$ -		\$ -	0.00	\$ -	0%
31	Thermoplastic Markings - STOP and Limit Bar Remove and Replace	7	EA	\$ 650.00	\$ 4,550.00		\$ -		\$ -	0.00	\$ -	0%
32	Type II Slurry Seal	78,750	SF	\$ 0.40	\$ 31,500.00		\$ -		\$ -	0.00	\$ -	0%
33	Bollards	2	EA	\$ 450.00	\$ 900.00		\$ -		\$ -	0.00	\$ -	0%
34	Street Sweeping	15	DA	\$ 600.00	\$ 9,000.00	3.00	\$ 1,800.00	2.00	\$ 1,200.00	5.00	\$ 3,000.00	33%
35	Traffic Control Plan (TCP) and Construction Funding Signs	1	LS	\$ 3,800.00	\$ 3,800.00	1.00	\$ 3,800.00		\$ -	1.00	\$ 3,800.00	100%
Contract Amount					\$ 1,949,385.00		\$ 815,896.00		\$ 263,393.00		\$ 1,079,289.00	

CCO#1	Pothole, CDF, Conduits, Lateral Repair, and Removal of main on Valley View Ave	1	LS	\$ 77,676.74	\$ 77,676.74		\$ -	1.00	\$ 77,676.74	1.00	\$ 77,676.74	100%
CCO #2	Remove and Replace 6" gate valve on Terrace Dr	1	LS	\$ 7,052.84	\$ 7,052.84		\$ -	1.00	\$ 7,052.84	1.00	\$ 7,052.84	100%
CCO					\$ -		\$ -		\$ -		\$ -	
Revised Contract Amount					\$ 84,729.58		\$ -		\$ 84,729.58		\$ 84,729.58	

TOTAL TO DATE	\$ 348,122.58	\$ 1,164,018.58
LESS 5% RETENTION	\$ (17,406.13)	\$ (58,200.93)
SUBTOTAL	\$ 330,716.45	\$ 1,105,817.65
LESS PREVIOUS PAYMENTS	\$ -	\$ (775,101.20)
TOTAL DUE THIS PERIOD	\$ 330,716.45	\$ 330,716.45

Mid-Peninsula Water District
Notre Dame Ave, Cliffside Ct, Tahoe Dr Area Water Main Project
Change Order Summary Log



Project Manager: Victor Fung
Job Number: 10012.24

Change Order No.	Report Date	Performed Date	Billing Number	Items	Description	Total Approved Change Order Cost			
						Owner Requested	Unforeseen Site Conditions	PS&E Change Orders	Other / Balancing Change Order
1	8/14/19	7/29/19	1.0	1	T&M Tag - 7/29/2019 - Pothole to Locate Utilities		\$1,789.30		
	8/14/19	8/7/19	2.0		T&M Tag - 8/7/2019 - Pothole to Locate Utilities		\$1,344.15		
	8/14/19	8/8/19	3.0		T&M Tag - 8/8/2019 - Pothole to Locate Utilities		\$9,072.94		
	8/14/19	8/9/19	4.0		T&M Tag - 8/9/2019 - Pothole to Locate Utilities		\$7,806.40		
	9/27/19	8/16/19	5.0		T&M Tag - 8/16/2019 - Pothole to Locate Utilities		\$1,881.19		
	9/30/19	9/5/19	7.0		T&M Tag - 8/16/2019 - Pothole to Locate Utilities		\$5,306.20		
					Subtotal (6 tags)		\$27,200.18		
	9/27/19	9/5/19		2	Control Density Fill at Notre Dame Ave (\$24.54/LF) for 1,582'		\$38,822.28		
				3	Removal and Disposal of 2-2" Conduit (\$2.25/LF) for 967'		\$2,175.75		
				4	Service Adjustment (\$2,800/EA) for 2 services		\$5,600.00		
			6.0	5	1568 Notre Dame Ave 2" PVC Repair		\$1,747.25		
	9/30/19	9/30/19	8.0	6	Remove 8" abandoned water main on Valley View Ave		\$2,131.28		
2	9/30/19	9/6/19	9.0	1	Repair or the 6" broken valve on Terrace Dr	\$7,052.84			

Change Orders Summary:	\$7,052.84	\$77,676.74	\$0.00	\$0.00
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						% Increase/Decrease Over Original Contract Amount (d)/(b)	% of the Total Change Order (d)/(a)
Change Order Total			(d)				
(a)	Change Order 1	\$77,676.74	Total Client Requested Change Orders (MPWD):	\$7,052.84	0.36%	8.32%	
	Change Order 2	\$7,052.84		Total Unforeseen Conditions Change Orders:	\$77,676.74	3.98%	91.68%
				Total PS&E Change Orders:	\$0.00	0.00%	0.00%
				Balancing Change Order:	\$0.00	0.00%	0.00%
	Balancing Change Order	\$0.00	TOTAL PROJECT CHANGE ORDERS (a):	\$84,729.58	4.35%	100.00%	
	Total	\$84,729.58					
			TOTAL ORIGINAL CONTRACT AMOUNT (b):		\$1,949,385.00		
			TOTAL REVISED CONTRACT AMOUNT (c) = (a) + (b):		\$2,034,114.58		

**Mid-Peninsula Water District Water District
Notre Dame Ave, Cliffside Ct, Tahoe Dr Area Water Main Project
Project No. 10012.24**

**Change Order No. 1
Stoloski & Gonzalez, Inc.
October 9, 2019**

Item No. 1 – Investigative Potholes to Confirm the Existing Utilities and Water Main Locations on Notre Dame Ave

On July 31st, Stoloski & Gonzalez (S&G) found the existing storm drain (SD) in the same trench alignment as the proposed water main. The location of the SD was marked at a different location than where it was shown on the plans. The project was designed from actual field markings provided by the City of Belmont and by using the City's sanitary sewer (SS) and SD utility maps.

The City re-marked their SD/SS lines on August 1st using a closed-circuit television (CCTV) camera and a scope. The revised SD/SS lines were next to the new water main alignment.

Additional potholes were required to confirm the location of the existing utilities including the Zone 2 and Zone 3 water mains that were found at a different location from the marks. The new water line alignment remained unchanged until the intersection of Notre Dame Ave and Manzanita Ave when the new water main crossed to the opposite side of the street to miss the existing SD/SS lines, gas line, and the two water mains (Zone 2 and Zone 3). The alignment crossed the street again after Middle Rd at the same time the SD/SS crossed the roadway.

S&G uncovered the Zone 2 water main on August 6th under the curb and gutter at North Rd at the fire hydrant while looking for the gas line. The District learned the existing water main is made of asbestos cement (AC) pipe instead of cast iron pipe (CIP) as shown on the District's maps. The material of the water main (AC) may explain why the District could not pick up a signal of the main.

Pothole investigations were performed on Time and Material (T&M) basis as directed by the District Inspector. The District reviewed S&G's total cost for the additional pothole work per Item No 1 of Field Order No. 01 dated August 26, 2019.

An additional investigative pothole was performed on September 5th when the Zone 3 PVC water main could not be located near Valley View Ave. A total of six tags are being accounted for on Notre Dame Ave for investigation potholes.

S&G's *Daily Extra Work Report* (T&M) tags are as follow:

Performed Date	Description	Bill Total
7/29/19	Pothole for existing water main on Notre Dame Ave and Terrace Rd	\$ 1,789.30
8/7/19	Pothole for existing water main location – wrong markings	\$ 1,344.15
8/8/19	Pothole for existing AC water main from North Rd to Valley View Ave	\$ 9,072.94

S&G's *Daily Extra Work Report* (T&M) tags continues:

Performed Date	Description	Bill Total
8/9/19	Pothole for existing AC water main from North Rd to Valley View Ave	\$ 7,806.40
8/16/19	Pothole for existing utility confirmation and water main layout at Valley View Ave	\$ 1,881.19
9/5/19	Pothole for existing Zone 3 Water Main (8" PVC line)	\$ 5,306.20

Total of Daily Extra Work **\$27,200.18**

Total Cost of Item No. 1 - **\$ 27,200.18**

Total Increase of Working Days for Item No. 1 - **5 Days**

Item No. 2 – Control Density Fill (CDF) Backfill for the 8" DIP on Notre Dame Ave

On August 7th, S&G met with the District to discuss revising the depth of the new water main to miss the various utilities on Notre Dame Ave. The pipe manufacturer confirmed an 8" Class 350 DIP capped in CDF with 18" of cover is acceptable.

The Contractor provided a \$24.54 linear foot unit cost for review. The cost includes credits for excavating a shallow trench, disposal fee cost, backfill material (fines and aggregate base), and the temporary paving that would be required by the District's typical trench detail. The additional cost includes the cost of the CDF backfill material, rental of steel plates, and the labor to set up and weld the steel plates in place at the end of each day.

The District reviewed and approved S&G's unit cost on August 10, 2019 per Item No 2 of Field Order No 01 dated August 26, 2019. The total linear foot of CDF backfill is 1,582 feet, verified by the District Inspector.

Total Cost of Item No. 2 - **\$ 38,822.28**

Total Increase of Working Days for Item No. 2 - **3 Days**

Item No. 3 – Removal and Disposal of 2-2" Unmarked Conduits and Abandoned 2" Water Main

On July 31st, S&G found two 2" unmarked conduits along the new water main alignment. On August 1st, the City of Belmont confirmed it did not belong to the City and could be removed to install the new water main. The conduits were found empty. S&G also found an abandoned unmarked 2" water main and service connection along the same alignment. As discussed in the August 7th meeting, the disposal fee of excavated spoils that contains plastic, steel, asphalt material, or concrete, is higher.

The Contractor provided \$2.25 per linear foot unit cost for review. The District reviewed and approved S&G's the unit cost per Item No 3 of Field Order No 01 dated August 26, 2019. The total linear footage of removal of unmarked utilities is 967 feet, verified by the District Inspector.

Total Cost of Item No. 3 - **\$ 2,175.75**

Total Increase of Working Days for Item No. 3 - **1 Days**

Item No. 4 – Zone 2 Service Adjustments for 1504 and 1015 Notre Dame Ave

The shallow trench excavation for Zone 3 water main beginning on Terrance Dr required few services on Zone 2 to be adjusted to go over the new water main and was not part of the original scope of work. These services were potholed as part of the project to determine their depth. The work included excavating the service's corporation connection at the water main to temporary shut the service while adjusting the copper line with compression fittings at the crossing of the new water main.

The District was given the opportunity to adjust the service internally but decided to let S&G adjust the services as part of this project. The District inspector inspected and approved the connections.

The Contractor provided \$2,800.00 per service unit cost for review. The District reviewed and approved S&G's unit cost per Item No. 4 of Field Order No 01 dated August 26, 2019. Only two services required re-adjustments.

Total Cost of Item No. 4 -	\$ 5,600.00
Total Increase of Working Days for Item No. 4 -	1 Day

Item No. 5 – 2" Storm Drain PVC Line Repair at 1568 Notre Dame Ave

An existing unmarked 2" PVC storm drain (SD) lateral was encountered at 1568 Notre Dame Ave. The SD lateral crossed the roadway on Notre Dame Ave towards the SD main. The new water main was to be installed under the lateral but was damaged when the lateral's alignment unexpectedly had a 4-ft vertical offset traversing the width of the trench line. The PVC line had to be repaired using 45° fittings.

The repair was performed on a Time and Material (Force Account) basis with the District inspector on site. The District reviewed and approved S&G's T&M cost.

Total Cost of Item No. 5 -	\$ 1,747.25
Total Increase of Working Days for Item No. 5 -	0.5 Day

Item No. 6 – Valley View Ave Work Removal of Abandoned 6" Water Main

On September 6th, the Contractor found an abandoned, unmarked 6" PVC water main and valve on the same alignment as the new water main on Valley View Ave. S&G had to drain the abandoned water main and remove a 15-ft section of pipe and valve.

The work to remove the 6" abandoned water main and valve was performed on a Time and Material basis directed by the District Inspector. The District reviewed and approved S&G's T&M cost.

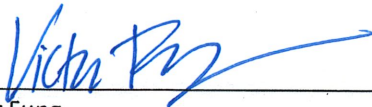
Total Cost of Item No. 6 -	\$ 2,131.28
Total Increase of Working Days for Item No. 6 -	0.5 Day

Total Cost of Change Order No. 1	\$ 77,676.74
Overall Increase of Working Days for Change Order No. 1 -	12 Days

This **Change Order No. 1** fully resolves all cost and time issues related to the work described above, including any indirect affects or the effect of this Change Order on any other work performed by **Stoloski & Gonzalez, Inc.** This Change Order does not modify or supersede any provision of the Contract, unless, and only to the extent, explicitly stated in this Change Order.

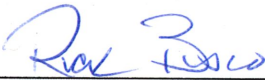
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Prepared by:



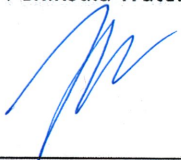
Victor Fung
Project Manager
Pakpour Consulting Group

Reviewed and Approved by:




Rick Bisio
District Inspector
Mid-Peninsula Water District

Reviewed and Approved by:



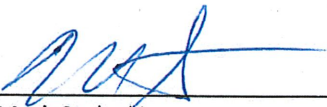
Joubin Pakpour, P.E.
District Engineer
Pakpour Consulting Group

Reviewed and Approved by:



Tammy Rudock
General Manager
Mid-Peninsula Water District

Reviewed and Approved by:



Mark Stoloski
Project Manager
Stoloski & Gonzalez, Inc.

Mid-Peninsula Water District Water District
Notre Dame Ave, Cliffside Ct, Tahoe Dr Area Water Main Project
Project No. 10012.24

Change Order No. 2
Stoloski & Gonzalez, Inc.
October 9, 2019

Item No. 1 – Terrace Dr Gate Valve Repair

On September 23rd a shutdown was scheduled to tie-in the new Zone 3 water main on Notre Dame Ave to Terrace Dr. The closest in-line valve on Terrace Dr is approximately 1,100' from Notre Dame Ave located at in front of 1737 Terrace Dr. When S&G completed the tie-in connection at Terrace Dr and Notre Dame Ave, the District began to open the gate valve to fill the water main when the stem broke from the operating nut.

Fortunately, at Sta 9+75 on Notre Dame Ave, S&G installed a new fire hydrant next to the existing fire hydrant which was then used to feed the water services on Terrace Dr from Notre Dame Ave to the broken valve. Approximately 30 homes would have been affected if it was not for the new hydrant connections.

The gate valve was repaired on September 25th per District's request on Time and Material (T&M). On October 4th, the District reviewed and approved S&G's Daily Extra Work Report dated September 30th.

Total Cost of Item No. 1 -	\$ 7,052.84
Total Increase of Working Days for Item No. 2 -	1 Day

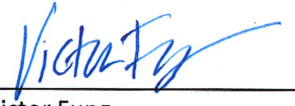
Total Cost of Change Order No. 2	\$ 7,052.84
Overall Increase of Working Days for Change Order No. 2 -	1 Day


Other Terms Remain in Effect

This **Change Order No. 2** fully resolves all cost and time issues related to the work described above, including any indirect affects or the effect of this Change Order on any other work performed by **Stoloski & Gonzalez, Inc.** This Change Order does not modify or supersede any provision of the Contract, unless, and only to the extent, explicitly stated in this Change Order.

Signature Block


Prepared by:


Victor Fung
Project Manager
Pakpour Consulting Group


Rick Bisio
District Inspector
Mid-Peninsula Water District

Reviewed and Approved by:


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

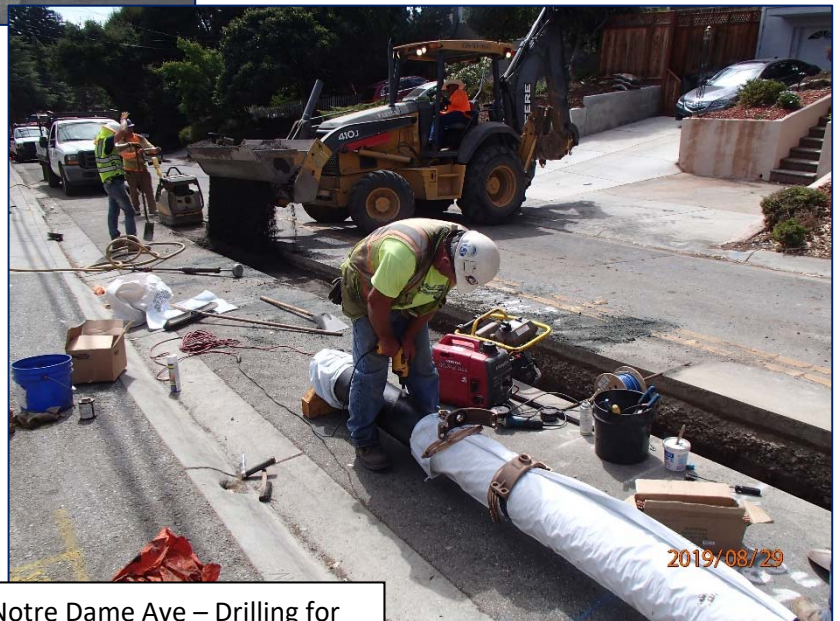

Tammy Rudock
General Manger
Mid-Peninsula Water District


Mark Stoloski
Project Manager
Stoloski & Gonzalez, Inc.

**Notre Dame Ave, Cliffside Ct, Tahoe Dr Area
Water Main Project
Mid-Peninsula Water District, Belmont, CA
August 26, 2019 thru September 30, 2019**



August 28, 2019 – Notre Dame Ave – Typical Water Main Trench Backfill Operation



August 29, 2019 – Notre Dame Ave – Drilling for Service Connection

**Notre Dame Ave, Cliffside Ct, Tahoe Dr Area
Water Main Project
Mid-Peninsula Water District, Belmont, CA
August 26, 2019 thru September 30, 2019**



September 03, 2019 – Notre Dame Ave
Service Connections and Utility Crossings



September 04, 2019 – Valve Assembly for
Notre Dame Ave and Valley View Ave

**Notre Dame Ave, Cliffside Ct, Tahoe Dr Area
Water Main Project
Mid-Peninsula Water District, Belmont, CA
August 26, 2019 thru September 30, 2019**



September 06, 2019 – Found the
Abandoned 6" Water Main on Valley
View Ave



September 25, 2019 – Broken Valve
Repair for Zone 3 Water Main
Terrace Dr

**Notre Dame Ave, Cliffside Ct, Tahoe Dr Area
Water Main Project
Mid-Peninsula Water District, Belmont, CA
August 26, 2019 thru September 30, 2019**



September 25, 2019 – Zone 2 Water Main and Service Connection – Notre Dame Ave and Terrace Dr



**MID-PENINSULA WATER DISTRICT
BUDGET FOR YEAR 2019-2020
SUMMARY**

				Target YTD % 25.2%
DESCRIPTION	APPROVED FY 2019-2020 BUDGET \$	ACTUALS 7/1/2019 9/30/19	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
OPERATING REVENUE				
WATER COMMODITY CHARGES (A)	9,800,000	3,463,628	6,336,372	35.3%
FIXED SYSTEM CHARGES	3,000,000	770,719	2,229,281	25.7%
FIRE SERVICE CHARGES	14,000	4,088	9,912	29.2%
MISC CUSTOMER ACCOUNT FEES (B)	43,000	48,266	(5,266)	112.2%
SERVICE LINE & INSTALLATION CHARGES (C)	10,000	6,005	3,995	60.1%
MISCELLANEOUS OPERATING	25,000	-	25,000	NA
PROPERTY TAX REVENUE	268,000	58,229	209,771	21.7%
TOTAL OPERATING REVENUE	13,160,000	4,350,935	8,809,065	33.1%
WATER SYSTEM CAPACITY CHARGES	100,000	-	100,000	NA
WATER DEMAND OFFSET CHARGES	10,000	-	10,000	NA
MISCELLANEOUS NON-OPERATING (D)	50,000	29,771	20,229	59.5%
INTEREST REVENUE - LAIF	75,000	25,500	49,500	34.0%
INTEREST REVENUE - COP (E)	150,000	76,485	73,515	51.0%
LEASE OF PHYSICAL PROPERTY	175,000	44,695	130,305	25.5%
LANDSCAPE PERMIT REVENUE (F)	1,000	11,200	(10,200)	1120.0%
TOTAL NON-OPERATING REVENUE	561,000	187,651	373,349	33.4%
TOTAL REVENUE	13,721,000	4,538,586	9,182,414	33.1%
OPERATING EXPENDITURES (OP EXP)				
SALARIES & WAGES	2,069,385	380,101	1,689,284	18.4%
PAYROLL TAXES & BENEFITS	1,414,093	183,725	1,230,368	13.0%
PURCHASED WATER	5,654,624	1,793,452	3,861,172	31.7%
OUTREACH & EDUCATION	60,000	10,244	49,756	17.1%
M&R - OPS SYSTEM	387,751	8,467	379,284	2.2%
M&R - FACILITIES & EQUIPMENT	162,625	30,704	131,921	18.9%
MAJOR MAINTENANCE	35,000	-	35,000	NA
OFFICE SUPPLIES & EQUIPMENT	306,377	65,725	240,652	21.5%
MEMBERSHIP & GOV FEES	228,585	62,748	165,837	27.5%
BAD DEBT & CLAIMS	30,000	-	30,000	NA
UTILITIES	326,814	77,204	249,610	23.6%
PROFESSIONAL SERVICES	460,575	145,334	315,241	31.6%
TRAINING/TRAVEL & RECRUITMENT	37,500	6,608	30,892	17.6%
RESTRICTED EARNINGS (E)	225,000	101,985	123,015	45.3%
DEPRECIATION	970,000	255,221	714,780	26.3%
DEBT SERVICE TRUSTEE FEES & EXP	-	306	(306)	N/A
DEBT SERVICE 2016 COPs	1,069,200	171,280	897,920	16.0%
TOTAL OPERATING EXPENSES	13,437,528	3,293,104	10,144,424	24.5%
NET OPERATING SURPLUS/(LOSS)	283,472	1,245,483	(962,011)	439.4%
TRANSFER TO CAPITAL	(283,472)	(1,245,483)	962,011	439.4%
DEBT SERVICE COVERAGE	1.93	9.25		

- A Water revenues are at 35.3% and water purchases are at 31.7%.
- B See discussion on Administrative Services Manager's report.
- C Total of 16 meter upgrades installed.
- D Closed 16 meter upgrade installations and 13 Fire Flow tests.
- E COP interest higher than expected.
- F Recognized 3 Landscape Review Revenue and 2 Plan Check Review Revenue.

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

	30-Sep-19	30-Sep-18	\$ Change	% Change
ASSETS				
CURRENT ASSETS				
Total Checking/Savings	6,018,211.80	21,475,047.36	-15,456,835.56	-71.98%
Total COP Funds	13,291,546.36	0.00	0.00	100.0%
Total Accounts Receivable	1,545,151.16	1,401,928.90	143,222.26	10.22%
Total Other Current Assets	311,340.75	306,392.23	4,948.52	1.62%
TOTAL CURRENT ASSETS	21,166,250.07	23,183,368.49	-2,017,118.42	-8.7%
FIXED ASSETS				
Fixed Assets	51,337,633.12	46,938,751.84	4,398,881.28	9.37%
Accumulated Depreciation	-28,537,772.00	-27,484,642.05	-1,053,129.95	-3.83%
Construction in Progress	2,435,062.78	2,915,041.87	-479,979.09	-16.47%
TOTAL FIXED ASSETS	25,234,923.90	22,369,151.66	2,865,772.24	12.81%
TOTAL OTHER ASSETS	2,226,591.34	1,210,079.34	1,016,512.00	84.0%
TOTAL ASSETS	48,627,765.31	46,762,599.49	1,865,165.82	3.99%
LIABILITIES & EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Total Accounts Payable	691,712.83	568,097.90	123,614.93	21.76%
Total Other Current Liabilities	1,499,815.69	2,291,591.47	-791,775.78	-34.55%
TOTAL CURRENT LIABILITIES	2,191,528.52	2,859,689.37	-668,160.85	-23.37%
LONG TERM LIABILITIES				
Total COP Financing Debt (B)	17,550,000.00	17,910,000.00	-360,000.00	-2.01%
Total COP Premium (B)	849,816.10	881,097.70	-31,281.60	-3.55%
Total Other Long Term Liabilities (B)	2,281,061.00	2,710,175.00	-429,114.00	-15.83%
TOTAL LONG TERM LIABILITIES	20,680,877.10	21,501,272.70	-820,395.60	-3.82%
TOTAL LIABILITIES	22,872,405.62	24,360,962.07	-1,488,556.45	-6.11%
EQUITY				
3000 - Opening Bal Equity	0.00	0.00	0.00	0.0%
3800 - RESERVES	5,047,535.22	5,178,998.77	-131,463.55	-2.54%
3940 - Fund Bal Invest in Util Plant	25,234,923.90	22,369,151.66	2,865,772.24	12.81%
Net Assets (A)	-4,527,099.43	-5,146,513.01	619,413.58	12.04%
TOTAL EQUITY	25,755,359.69	22,401,637.42	3,353,722.27	14.97%
TOTAL LIABILITIES & EQUITY	48,627,765.31	46,762,599.49	1,865,165.82	3.99%

(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-Sep 19	Jul 18-Sep 18	\$ Change	% Change
Ordinary Income/Expense				
Income				
OPERATING REVENUE	4,350,935	3,893,762	457,173	11.74%
INTEREST INCOME	101,985	101,618	367	0.36%
CAPITAL CONTRIBUTION	65,086	5,592	59,495	1,064.02%
OTHER INCOME	85,666	57,400	28,266	49.24%
Total Income	4,603,673	4,058,372	545,301	13.44%
Expense				
PERSONNEL COSTS	563,827	632,211	-68,385	-10.82%
PURCHASED WATER	1,793,452	1,768,693	24,759	1.4%
OUTREACH/EDUCATION	10,244	9,788	457	4.67%
M&4 - OPS SYSTEMS	8,467	58,603	-50,136	-85.55%
FACILITIES & EQUIPMENT	30,704	37,035	-6,331	-17.1%
OFFICE SUPPLIES & EQUIPMENT	65,725	73,901	-8,176	-11.06%
MEMBERSHIP & GOV FEES	62,748	58,125	4,623	7.95%
BAD DEBT & CLAIMS	0	21,625	-21,625	-100.0%
UTILITIES	77,204	81,034	-3,830	-4.73%
PROFESSIONAL SERVICES	145,334	137,746	7,589	5.51%
TRAINING & TRAVEL	6,608	9,614	-3,006	-31.27%
Total Expense	2,764,313	2,888,374	-124,061	-4.3%
Net Ordinary Income	1,839,359	1,169,997	669,362	57.21%
Other Income/Expense				
Other Expense				
DEPRECIATION	255,221	219,694	35,526	16.17%
COP Financing Costs	171,280	174,730	-3,450	-1.97%
Total Other Expense	426,806	394,424	32,382	8.2%
Net Revenue/(Expenses)	1,412,553	775,573	636,980	82.1%

RECONCILIATION TO OPERATING BUDGET

Adjustments to Increase Net Operating Surplus

Interest Income - LAIF & COP Interest	-101,984
Capital Contribution	-65,086
Debt Service Principal Payment	0
Total Adjustments to Increase Net Operating Surplus	-167,070

Net Operating Surplus/(Loss) Transfer to Capital	1,245,483
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**MID-PENINSULA WATER DISTRICT
BUDGET FOR FY 2019-2020
Capital Projects**

DESCRIPTION	APPROVED FY 2019-2020 BUDGET \$	ACTUAL 7/1/2019 9/30/2019	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 25.2%
				Y-T-D % OF BUDGET
CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)				
Miscellaneous Capital Improvements*	-	67,175	(67,175)	N/A
CAPITAL IMPROVEMENTS - WIP TOTAL	-	67,175	(67,175)	N/A
CAPITAL OUTLAY				
Miscellaneous Capital Outlay/Projects	50,000	-	50,000	0.0%
CAPITAL OUTLAY TOTAL	50,000	0	50,000	0.0%
CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL	50,000	67,175	(17,175)	134.3%
DEPRECIATION	970,000	255,221	714,780	26.3%
TRANSFER FROM OPS	283,477	1,245,482	(962,005)	439.4%
TRANSFER (TO)/FROM CAPITAL RESERVES**	(1,203,477)	(1,433,527)	230,050	119.1%
CAPITAL OUTLAY/CAPITAL PROJECTS	(50,000)	(67,175)	17,175	134.3%
NET RESULTS OF CAPITAL	-	0	(0)	N/A

* Mostly El Camino & Notre Dame CIP Pay-Go portion