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

January 24, 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 6:37PM.

B. **Establishment of Quorum:**

PRESENT: Directors Vella, Warden, Schmidt and Wheeler.

Director Zucca was absent.

A quorum was present.

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

District Treasurer Jeff Ira was absent.

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

2. **PUBLIC COMMENTS**

President Vella opened the meeting by recognizing all in attendance for the MPWD's annual calendar contest awards and the importance of water conservation.

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

Staff requested Agenda Items 4.C. and 4.D. employee service anniversary acknowledgements be postponed until next month when employees will be available to attend the meeting.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

A. **Overview of 2019 MPWD Calendar Contest Program and Distribute Calendar to the Board – Tammy Rudock and Jeanette Kalabolas**

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

B. **Present 2019 MPWD Calendar Contest Awards – Louis Vella and Jeanette Kalabolas**

President Vella and Jeanette Kalabolas presented the awards for the 2019 annual MPWD water awareness calendar contest. Along with award certificates, the top three winners received gift certificates. The teachers with the most class participation were also acknowledged and all participating students received a 2019 MPWD calendar.

Contest winners:

Grand Prize Winner: Kaitlyn M., 3rd Grade, Belmont Oaks Academy

Runner-Up Winner: Audrey R., 4th Grade, Nesbit Elementary School

Runner-Up Winner: Mia M., 3rd Grade, Cipriani Elementary School

Award for the class with the most participation – Mrs. Butts and Ms. Stendal, both 3rd Grade teachers at Cipriani Elementary School, that each submitted a total of 25 of the 189 entries for a shared reward.

Nine Honorable Mention entries recognized:

- 1) Graceamparo T., 4th Grade, Nesbit Elementary School
- 2) Ashleigh B., 3rd Grade, Belmont Oaks Academy
- 3) Noah T., 3rd Grade, Cipriani Elementary School
- 4) Mandy Z., 3rd Grade, Belmont Oaks Academy
- 5) Ellyssa W., 3rd Grade, Immaculate Heart of Mary School
- 6) Lauren W., 2nd Grade, San Carlos Charter Learning Center
- 7) Halona N., 3rd Grade, Immaculate Heart of Mary School
- 8) Maximus K., 3rd Grade, Cipriani Elementary School
- 9) Emily M., 5th Grade, Immaculate Heart of Mary School

The Board meeting was recessed at 6:50PM immediately following the awards presentation for a refreshment break and photo opportunities with contest participants and their families.

President Vella reconvened the meeting at 7:02PM.

C. Michael Anderson, Operations Supervisor – 20th Service Anniversary (January 4, 2019)

D. Misty Malczon, Administrative Specialist/Billing Lead – 15th Service Anniversary (January 26, 2019)

Postponed until next month.

5. CONSENT AGENDA

A. Approve Minutes for the Regular Board Meeting of December 20, 2018 and Special Board Meeting on January 10, 2019

Director Schmidt asked staff to address the note on page 3 at lines 121-122 in the December 20, 2018 Regular Board Meeting minutes. Staff responded it was an editing note that should have been deleted.

B. Approve Expenditures from December 14, 2018 through January 15, 2019

Director Warden moved to approve the minutes for the Regular Board Meeting of December 20, 2018 as amended and Special Board Meeting on January 10, 2019, and expenditures from December 14, 2018 through January 15, 2019. Director Schmidt seconded and it was unanimously approved.

6. HEARINGS AND APPEALS

None.

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

- 102 **A. Receive Quarterly Reconciliation Report on 2016 COP Financing through**
103 **December 31, 2018 and Quarterly Project Fund Report through December 31, 2018**
104 General Manager Rudock introduced Dan Bergmann with IGService and Mr. Bergmann
105 presented key highlights from the summary report he provided.

106
107 District Engineer Pakpour commented on engineer cost projection variables.

108
109 General Manager Rudock reported that staff has some concerns about the budget gap
110 between the estimated original COP totals and actual project costs due to construction
111 inflation. An open Board discussion followed. Staff will be bringing back a more
112 comprehensive financial discussion at a future Board meeting.

113
114 Director Schmidt asked staff to clarify the origins of operating capital. General Manager
115 Rudock confirmed operating revenue is separate from COP dollars adding that financed
116 funds only apply to COP projects.

117
118 Director Wheeler inquired about the CIP strategic elements discussed during the Special
119 Meeting held January 10, 2019. General Manager Rudock shared that staff will revisit
120 during the mid-year budget review next month.

- 121
122 **B. Consider Resolution 2019-01 Authorizing the Sixth Amendment to the Master**
123 **Professional Services Contract with Pakpour Consulting Group, Inc. referenced as**
124 **Contract No. 02-1621-CP in the amount of \$45,000 for Additional Engineering**
125 **Services related to the Hillcrest Pressure Regulating Station**

126 Operation Manager Ramirez reported on the Hillcrest Pressure Reducing Station
127 Project, SFPUC pressure fluctuation challenges and discussions the District has had
128 with the City of Redwood City about the project.

129
130 District Engineer Pakpour reported on the lack of a formal property easement for the
131 District's infrastructure and the complexity of construction when dealing with the deeper
132 and larger diameter pipe and its specific material. He further explained the extensive
133 conversations, meetings, and related research that was unanticipated during pre-design
134 and development of the design engineering costs.

135
136 An open discussion followed and Board direction was to table this item until next month
137 to allow Pakpour Consulting Group, Inc., an opportunity to provide the details for the
138 added time spent on the project in relation to the proposed contract amendment.

- 139
140 **C. Consider Resolution 2019-02 Authorizing Award of a Contract to Stoloski &**
141 **Gonzalez, Inc. for Construction of the Hillcrest Pressure Regulating Station in the**
142 **amount of \$649,620 and Provide a 20% Project Contingency in the amount of**
143 **\$129,924 for a Total Project Budget of \$779,544**

144 Operations Manager Ramirez and District Engineer Pakpour reported on the bid process
145 and the recommendation before the Board. Director Wheeler commented on the 20%
146 contingency and District Engineer Pakpour responded that given the nature of the
147 project that amount of contingency seemed appropriate.

148
149 Director Wheeler moved to approve Resolution 2019-02 Authorizing Award of a Contract
150 to Stoloski & Gonzalez, Inc. for Construction of the Hillcrest Pressure Regulating Station.
151 Director Warden seconded and it was unanimously approved.

153 8. **REGULAR BUSINESS AGENDA**

154 A. **Consider Resolution 2019-03 Approving 2018 Amendments to the Water Supply**
155 **Agreement between the City and County of San Francisco and Wholesale**
156 **Customers in Alameda County, San Mateo County and Santa Clara County**

157 General Manager Rudock reported on the proposed seven (7) Water Supply Agreement
158 amendments and related background information. She explained staff's reasoning for
159 extracting the proposed language in the resolution regarding negotiations for the
160 minimum purchase requirements of BAWSCA member agencies Alameda County Water
161 District, City of Milpitas, City of Mountain View, and City of Sunnyvale. The subject
162 matter of those negotiations were not part of the authority scope granted by the MPWD
163 to BAWSCA for negotiating the Water Supply Agreement amendments with the SFPUC.
164

165 General Manager Rudock further recommended extraction of the first four (4) provisions
166 in the resolution (page 47 of the agenda packet) dealing with the WSIP Alameda Creek
167 Recapture Project, because they, too, were not part of the negotiations authority scope
168 granted by the MPWD to BAWSCA.
169

170 An open Board discussion followed. The Board agreed with staff on the extracted
171 provisions within the proposed resolution regarding the minimum purchase requirements
172 and the WSIP Alameda Creek Recapture Project.
173

174 Director Schmidt moved to approve Resolution 2019-03 as amended Authorizing 2018
175 Amendments to the Water Supply Agreement between the City and County of San
176 Francisco and Wholesale Customers in Alameda County, San Mateo County and Santa
177 Clara County. Director Warden seconded and it was unanimously approved.
178

179 B. **Receive Status Report on Surplus Items Sold and Not Sold during Calendar Year**
180 **2018 and Consider Approval of Destruction-Disposal of Items Not Sold and Valued**
181 **at Approximately \$300 Total**

182 Operations Manager Ramirez delivered his report on District surplus items sold and not
183 sold during calendar year 2018.
184

185 President Vella commented on public disclosure with respect to the items sold and how
186 the bidding process was handled
187

188 General Manager Rudock requested Board approval for disposal or destruction of the
189 items not sold that are valued at approximately \$300. Director Warden moved to
190 approve. Director Wheeler seconded and it was unanimously approved.
191

192 C. **Consider Potential Nominations in Response to Three (3) Notices Seeking Local**
193 **Candidates from:**

- 194 1. San Mateo Local Agency Formation Commission (Special District Member
195 Vacancy);

196 No one expressed interest in serving at this time.
197

- 198 2. ACWA Region 5 (Board Member Vacancy); and
199 Director Wheeler expressed an interest in serving on the ACWA Region 5 Board.
200 General Manager Rudock suggested that the Board consider a recommendation
201 letter similar to the one the Board did for Director Zucca last year.
202

Director Warden nominated Director Wheeler as a candidate for the ACWA Region 5 Board and Director Wheeler accepted. Director Warden moved to approve. President Vella seconded and it was unanimously approved.

3. ACWA JPIA Executive Committee (Member Vacancy):
General Manager Rudock reported that in order to serve on the Executive Committee, candidates must represent a District that participates in all four of JPIA's Programs: Liability, Property, Worker's Compensation, and Employee Benefits, as does the MPWD.

An open Board discussion followed and direction was given that staff table the conversation and return this item to the agenda next month for further discussion.

9. MANAGER AND BOARD REPORTS

A. General Manager's Report

General Manager Rudock reported that the MPWD is celebrating its 90th anniversary this year and presented options for the Board's input and vote on a 90-year logos. She also reported on the SFPUC's upcoming annual Wholesale Customer Meeting and Emergency Planning Exercise.

Under the General Manager's report, President Vella reported on BAWSCA's recent decision to issue a uniform report to all member agencies on a monthly basis. He highlighted several items from the recent BAWSCA Board meeting: Water supply is good and customers within the region are still conserving water; the BAWSCA Board adopted FY 2019/2020 bond surcharges for member agencies to make debt service payments on BAWSCA's revenue bonds issued to prepay capital debt owed the SFPUC, resulting in cost savings to BAWSCA member agencies; and an update on the State Water Resources Control Board's proposed Bay-Delta Plan as adopted on December 12, 2018, including requirements for significant rationing within the San Francisco Regional Water System during droughts for unimpaired stream flow on the Tuolumne River, and the SFPUC's efforts toward a watershed-wide Voluntary Settlement Agreement that would include the Tuolumne River. General Manager Rudock reported that the Water Supply Agreement amendments have been a priority and that BAWSCA staff did a good job working diligently with the SFPUC to get them finalized. Staff is working on agency water demand projections to submit to BAWSCA.

1. Supplemented by Administrative Services Manager's Report

General Manager Rudock mentioned a cash reserve surplus of \$1.4 million, which would be discussed next month during the mid-year budget review.

2. Supplemented by Operations Manager's Report

Operations Manager Ramirez gave an AMI meter installation update and General Manager Rudock reported on staff's decision to pursue temporary employees in lieu of permanent hires.

3. Supplemented by District Engineer's Report

District Engineer Pakpour reported that the District's Construction Standards and Specifications has been updated and will be posted on the District website and available for developers and contractors. Mr. Pakpour had a copy for the Board Members to Review.

254 **B. Financial Reports**

255 **Receive Financial Reports for Month Ended December 31, 2018**

256 General Manager Rudock reported that revenues are up, but that winter consumption is
257 typically lower so they should balance out over the next few months and expenses are
258 on target

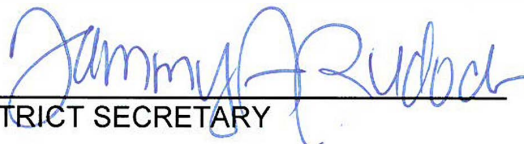
259
260 Director Warden asked that staff provide separate accounting for the new \$3.00 Credit
261 Card Fee effective January 1, 2019. General Manager Rudock replied that all fees
262 would be broken out during the mid-year budget review next month.
263

264 **10. COMMUNICATIONS**

265 President Vella complimented staff and Board members who presented at the January HIA
266 meeting.
267

268 **11. ADJOURNMENT**

269 The meeting was adjourned at 9:16PM.
270

271
272 
273 DISTRICT SECRETARY

274
275 APPROVED:

276 
277 BOARD PRESIDENT
278
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