

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31
32
33
34
35
36
37
38
39
40
41
42
43
44
45
46
47
48
49

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

April 26, 2018
Belmont, California

1. **OPENING**

A. **Call to Order:**

The regular meeting of the Mid-Peninsula Water District Board of Directors was called to order by Vice-President Vella at 6:32PM.

B. **Establishment of Quorum:**

PRESENT: Directors Warden, Vella, Stuebing and Linvill.

Director Zucca was absent.

A quorum was present.

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

District Treasurer Jeff Ira was absent.

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

2. **PUBLIC COMMENTS**

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

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

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

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

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

None.

5. **CONSENT AGENDA**

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

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

50 Vice President Vella moved to approve the minutes for the Regular Board Meeting on
51 April 26, 2018 and expenditures from March 15, 2018 through April 13, 2018. President
52 Warden seconded, and it was unanimously approved.
53

54 **6. HEARINGS AND APPEALS**

55 None.
56

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

59 General Manager Rudock reported that Dan Bergmann was unable to attend this evening's
60 Board meeting and presented highlights from the 2016 COP Quarterly Reconciliation and
61 Project Fund Reports through March 31, 2018.
62

63 Director Linvill commented on the professional quality of the report's final format.
64

65 **8. REGULAR BUSINESS AGENDA**

66 **A. Discuss Operational Revenue Requirements and Water Rate Update for Fiscal**
67 **Year FY 2018/2019 and Consider Ordinance No. 117 Amending Attachment "A" to**
68 **the MPWD Water Service Ordinance regarding Rates and Charges effective July 1,**
69 **2018**

70 General Manager Rudock reported on fiscal impacts and key findings from the Bartle
71 Wells Associates' March 2018 Water Rate Update.
72

73 Director Stuebing asked if staff would be using the same rates notification postcard
74 method as years prior. Staff confirmed that the same notification process would be
75 followed, which process complies with applicable law.
76

77 The Board and staff discussed at length various options for meeting the MPWD's
78 revenue requirements, including the SFPUC and other local water supplier's rate
79 projections, "Conservation as California's New Way of Life" campaign operational
80 requirements, and past-future District demand and consumption patterns.
81

82 Vice President Vella moved to approve Ordinance No. 117 Amending Attachment "A" to
83 the MPWD Water Service Ordinance, regarding Rates and Charges effective July 1,
84 2018. Director Stuebing seconded and it was unanimously approved.
85

86 **B. Review and Discuss DRAFT Operating and Capital Budgets for Fiscal Year**
87 **2018/2019**

88 General Manager Rudock distributed page 45 of the Board packet to the Board due to a
89 printing error. She presented highlights of proposed budgetary items, including
90 projected inflationary impacts, new development in Belmont, AMI meter change-out
91 program, and potential new hires within the organization.
92

93 President Warden inquired as to why staff is not reporting an increase to salaries when
94 they are considering staffing up. General Manager Rudock explained that savings from
95 using cash reserves for pre-funding the Other Post-Employment Benefits Plan (OPEB)
96 and the establishment of the new Pension Rate Stabilization Program (PRSP) provided
97 operational cost savings to absorb the expenses associated with new hires. Staff stated
98 it would verify and confirm the preliminary figures next month.
99

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

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

106
107 President Warden asked that staff provide additional detail with respect to the new
108 personnel costs and their effects on the budget over the course of the next 3-years.
109 General Manager Rudock confirmed that staff would include that financial analysis when
110 the item was brought back next month for further discussion.

111
112 **D. Consider San Mateo County Local Agency Formation Commission (LAFCo) Call**
113 **for Nominations for Regular Special District Member**

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

118
119 **E. Receive BAWSCA Report from Vice President Louis Vella**
120 Postponed to next month.

121
122 **9. MANAGER AND BOARD REPORTS**

123 **A. General Manager’s Report**

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

128
129 President Warden advised that the Board’s Financial Committee will schedule a date to
130 meet and confer on the staff-proposed DRAFT MPWD Rules of the Board, before next
131 month’s Board meeting.

132
133 **1. Supplemented by Administrative Services Manager’s Report**

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

138
139 **2. Supplemented by Operations Manager’s Report**

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

144
145 Vice President Vella asked why estimated water loss under system repairs is
146 classified as unknown for several of the Main Breaks on the Operations report.
147 Operations Manager Ramirez explained that staff was still compiling that data and
148 once available that information will be provided to the Board.

149

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

155
156 **3. Supplemented by District Engineer's Report**

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

163
164 **B. Financial Reports**

165 **Receive Financial Reports for Month Ended March 31, 2018**

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

168
169 **C. Director Reports**

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

173
174 Director Stuebing reported that he would be attending the San Mateo County California
175 Special Districts Association (CSDA) Meeting and the Association of California Water
176 Agencies (ACWA) Joint Powers Insurance Authority (JPIA) Spring Conference next
177 month.

178
179 **10. COMMUNICATIONS**

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

186
187 The Board adjourned into Closed Session at 8:20PM to discuss three matters.

188
189 **11. CLOSED SESSION**

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

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

193
194 **B. Conference with Real Property Negotiators pursuant to Government Code
195 § 54956.8**

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

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

201 Negotiating Parties: Owners
202 Under Negotiation: Price

203
204 C. Conference with Legal Counsel – Existing Litigation
205 Pursuant to Government Code § 54956.9 Subdivision (b)
206 *Thomas Felactu, et ux. v. Mid-Peninsula Water District, et. al.*
207 San Mateo County Case No. 18CIV01226

208
209 The Board came out of closed session at 9:18PM. District Counsel reported that no
210 reportable action had been taken.

211
212 **12. ADJOURNMENT**

213 The meeting was adjourned at 9:19PM.

214
215 
216 _____
217 DISTRICT SECRETARY

218
219 APPROVED:

220 
221 _____
222 BOARD PRESIDENT
223



