



REGULAR MEETING
BOARD OF DIRECTORS
THURSDAY, MARCH 28, 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 February 28, 2019
- B. Approve Expenditures from February 22, 2019 through March 21, 2019

6. HEARINGS AND APPEALS

None

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

None

8. REGULAR BUSINESS AGENDA

- A. Consider Approving Roster of Director Assignments/Committees for 2019-2020, including Standing Finance Committee
- B. Consider Resolution 2019-06 Approving Updated MPWD Rules of the Board
- C. Consider Resolution 2019-07 Approving MPWD Policy for Public Records Act Requests

- D. Consider Resolution 2019-08 Approving Updated MPWD Personnel Manual
- E. Discuss Preliminary Revenue Requirements for FY 2019/2020 and Proposed Water Rate Adjustments
- F. Review Preliminary DRAFT Operating & Capital Budgets for FY 2019/2020
- G. Receive BAWSCA Update
- H. Receive San Mateo County Chapter CSDA Update

9. MANAGER’S AND BOARD REPORTS

- A. General Manager’s Report, supplemented by:
 - 1. Administrative Services Manager’s Report
 - 2. Operations Manager’s Report
 - 3. District Engineer’s Report
- B. Financial Reports
 - 1. Receive Financial Reports for Month Ended February 28, 2019
 - 2. Presentation by District Treasurer of Proposed Monthly Financial Reports
- 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: Thursday, April 25, 2019, at 6:30PM

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

February 28, 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 6:30PM.

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, District Engineer Joubin Pakpour, District Treasurer Jeff Ira and District Counsel Julie Sherman.

District Secretary/Administrative Services Manager Candy Pina was absent, and General Manager Rudock served as District Secretary for the meeting.

C. **Pledge of Allegiance** – The Pledge of Allegiance was led by attending audience staff members.

2. **PUBLIC COMMENTS**

None.

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

District Counsel inquired about the closed session agenda item and whether it would be postponed and President Vella confirmed that item 11 would remain on tonight's agenda.

4. **ACKNOWLEDGEMENTS/PRESENTATIONS**

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

General Manager Rudock introduced Mr. Anderson and commended him for his 20-years of service and Operations Manager Ramirez spoke on behalf of Mr. Anderson's dedication, community effort and the work load he carries.

President Vella presented Mr. Anderson with a service award.

Mr. Anderson addressed the Board and expressed his gratitude for all the positive changes and improvements staff has witnessed since he last stood before the Board and the support of management.

President Vella thanked and congratulated Mr. Anderson.

51 **B. Misty Malczon, Administrative Specialist/Billing Lead – 15th Service Anniversary**
52 **(January 26, 2019)**

53 General Manager Rudock introduced Ms. Malczon, commended her for her 15-years of
54 service and highlighted many accomplishments, especially related to the MPWD’s billing
55 and customer services, during her tenure.
56

57 President Vella presented Ms. Malczon with a service award and thanked her for
58 service. Vice President Zucca shared a story about one of his first customer service
59 interactions with Ms. Malczon and the fact that she was familiar with the location he was
60 describing even before he finished reporting a possible leak.
61

62 **C. Brent Chester, Operations Supervisor – AWWA CA-NV Backflow Prevention**
63 **Assembly Proctor**

64 General Manager Rudock introduced Mr. Chester and congratulated him for reaching
65 this highest level of a backflow and cross connection specialist. She further shared that
66 this achievement was a personal goal of his and Operations Manager Ramirez
67 commented on the wealth of knowledge Mr. Chester brings to the District.
68

69 Mr. Chester explained the education requirements and his role as a proctor and thanked
70 management and the Board for the opportunity to serve in this capacity.
71

72 **5. CONSENT AGENDA**

73 **A. Approve Minutes (as amended) for the Regular Board Meeting of January 24, 2019**

74 Director Schmidt brought to staff’s attention a couple of needed corrections and inquired
75 about the expenditure to the City of Belmont included in the January 16, 2019 through
76 February 21, 2019 Expenditures Report.
77

78 Staff responded that the corrections will be made and General Manager Rudock replied
79 that the City of Belmont expenditure was for the pay-go portion of the coordinated joint
80 project between the MPWD and Belmont.
81

82 **B. Approve Expenditures from January 16, 2019 through February 21, 2019**
83

84 **C. Approve Resolution 2019-04 (as amended) Establishing Surplus Items List 19-01**
85 **and Declaring Four (4) Items in District Inventory as Surplus and Authorizing Staff**
86 **to Sell the Items via GovDeals.com**

87 Staff discovered an error in the numbering of the Board resolution for this item
88 (duplicated) and subsequently corrected it to be Resolution 2019-06.
89

90 **D. Ratify Two (2) Professional Services Agreements Approved by the General**
91 **Manager for Temporary Staffing Services in FY 2018/2019 each Totaling an**
92 **Amount in Excess of the \$25,000 Signature Authority per MPWD Procurement**
93 **Policy:**

- 94 **1. Office Team for one (1) Administrative staff member estimated not to exceed**
95 **\$45,000 total; and**
96 **2. WaterTALENT for Two (2) Water System Operators estimated not to exceed**
97 **\$150,000 total**
98

99 Director Warden moved to approve the consent agenda. Vice President Zucca
100 seconded and it was unanimously approved.
101

- 102 6. **HEARINGS AND APPEALS**
103 None.
104
- 105 7. **MPWD FY 2016-2021 CAPITAL IMPROVEMENT PROGRAM AND 2016 COP**
106 **(CERTIFICATES OF PARTICIPATION) FINANCING**
107 **A. Consider Resolution 2019-01 Authorizing the Sixth Amendment to the Master**
108 **Professional Services Contract with Pakpour Consulting Group, Inc. referenced as**
109 **Contract No. 02-1621-CP in the amount of \$45,000 for Additional Engineering**
110 **Services related to the Hillcrest Pressure Regulating Station**
111 Operations Manager Ramirez reminded the Board why this item was tabled last month
112 and reviewed briefly some time and material description highlights from the additional
113 report Pakpour Consulting Group, Inc. delivered to staff on January 30, 2019.
114
115 District Engineer Pakpour commented on the request for additional information.
116
117 The Board thanked staff for providing supplemental documentation and Director Wheeler
118 moved to approve Resolution 2019-01 Authorizing the Sixth Amendment to the Master
119 Professional Services Contract with Pakpour Consulting Group, Inc. Director Warden
120 seconded and it was unanimously approved.
121
- 122 8. **REGULAR BUSINESS AGENDA**
123 **A. Consider Approving the Two-Year MPWD Strategic Plan for 2019-2020 including**
124 **Mission Statement, Vision Statement, Strategic Goals and Director Assignments**
125 General Manager Rudock replied to a couple of comments about edits for the chart-pad
126 notes.
127
128 President Vella complimented Julie Brown on her facilitation of the planning session and
129 requested that staff add himself and Director Wheeler to the San Mateo County Chapter
130 California Special Districts Association (CSDA) assignment in addition to the General
131 Manager.
132
133 General Manager Rudock reviewed strategic plan elements and objectives.
134
135 Director Schmidt expressed interest in customer service response time rates. Staff and
136 the Board discussed known metrics. General Manager Rudock advised she would
137 consult with staff and report back her findings on the subject to the Board.
138
139 Director Schmidt moved to approve the two-year MPWD Strategic Plan for 2019-2020
140 including Mission Statement, Vision Statement, Strategic Goals and Director
141 Assignments. Director Wheeler seconded and it was unanimously approved.
142
- 143 **B. Receive Mid-Year Review of MPWD FY 2018-2019 Operating and Capital Budgets**
144 **and Consider Resolution 2019-05 Approving the Amended Budgets**
145 A brief review of the highlights from the proposed mid-year budget changes was
146 presented by the General Manager.
147
148 Director Warden requested that going forward he would like the Financial Audit Review
149 Committee to meet in advance of the Board's consideration of the mid-year budget
150 approval.
151

152 Vice President Zucca moved to approve Resolution 2019-05 Approving the Amended
153 MPWD FY 2018-2019 Operating and Capital Budgets. Director Warden seconded and it
154 was unanimously approved.
155

156 **C. Consider Discuss Scheduling a Financial Planning Workshop in April**

157 General Manager Rudock made the suggestion and offered dates for consideration.
158 The Board discussed and settled on the date of April 11, 2019.
159

160 Director Warden inquired with District Counsel about ad-hoc committees and Brown Act
161 compliance.
162

163 Vice President Zucca suggested that staff amend the Financial Audit Committee title on
164 the Director's Assignments list to include the word Review.
165

166 **9. MANAGER AND BOARD REPORTS**

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

168 General Manager Rudock gave a progress report on the MPWD's Transparency
169 Certificate of Excellence and reported that next month staff and District Counsel will
170 present a couple of remaining policy documents for the Board's consideration in order to
171 meet the transparency basic requirements. She provided a summary report and
172 presentation of the SFPUC Annual Wholesale Customer Meeting.
173

174 Director Schmidt inquired about the Ethics Training blank next to his name on page 86 of
175 the Board packet. General Manager Rudock advised that the line indicated he had yet
176 to fulfill the requirement and District Counsel recommended that the training be
177 completed as soon as possible.
178

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

180 General Manager Rudock commented on the LAIF balance and PARS OPEB
181 funding.
182

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

184 Operations Manager Ramirez reported on staff's new real-time AMI reporting method
185 and January 2019 USA numbers and main break totals.
186

187 Director Wheeler asked about the AMI meter install sequence and Operations
188 Manager Ramirez explained the procedure.
189

190 **3. Supplemented by District Engineer's Report**

191 District Engineer Pakpour reported on the Stolaski & Gonzalez Inc. pre-construction
192 meeting for the Hillcrest Pressure Regulating Station capital project and two of the
193 CIP engineering design projects in queue.
194

195 **B. Financial Reports**

196 **Receive Financial Reports for Month Ended January 31, 2019**

197 General Manager Rudock reported on the status of revenues and expenditures. She
198 also reported that staff would be meeting shortly with District Treasurer Ira to discuss
199 financial reports formatting.
200
201
202

203 **C. Director Reports**
204 Director Warden suggested staff consider a bill insert to address water quality (e.g.,
205 taste and odor) customer concerns.
206

207 President Vella commented on the Harbor Industrial Association's Caltrain update and
208 the LAFCO Special District alternate member election results.
209

210 **10. COMMUNICATIONS**

211 General Manager Rudock inquired about the date for the Annual Employee Appreciation
212 Dinner on May 3rd, and Board members were available. She also reported that the annual
213 disclosure report required for the 2016 COP financing was timely filed by the MPWD's
214 agent, Dan Bergmann with IGService.
215

216 The Board convened to Closed Session at 8:30PM to discuss one item.
217

218 **11. CLOSED SESSION**

219 A. PUBLIC EMPLOYEE PERFORMANCE EVALUATION
220 AND ASSOCIATED NEGOTIATIONS
221 Government Code §§54957 and 54957.6
222 Title: General Manager
223

224 **12. RECONVENE TO OPEN SESSION**

225 The Board reconvened to the open session at 9:17PM. District Counsel reported that no
226 reportable action had been taken.
227

228 **13. ADJOURNMENT**

229 The meeting was adjourned at 9:18PM.
230
231
232

DISTRICT SECRETARY

233
234
235 APPROVED:

236
237
238 _____
239 BOARD PRESIDENT

Accounts Payable

Checks by Date - Summary by Check Date

User: candyp
 Printed: 3/20/2019 4:14 PM



Check No	Vendor No	Vendor Name	Check Date	Check Amount
100154	ACHRETN	ACH Returns	02/22/2019	91.02
100156	ACHRETN	ACH Returns	02/22/2019	799.18
Total for 2/22/2019:				890.20
100157	DEPOSITE	DEPOSITED ITEM RETN UNPAID	02/26/2019	28.86
Total for 2/26/2019:				28.86
100135	CALPERS	CALPERS	02/28/2019	7,866.32
100136	HEALTHEQ	Health Equity	02/28/2019	1,280.00
100137	ICMACONT	ICMA contributions	02/28/2019	699.64
100138	ADPPAYRL	adp	02/28/2019	32,130.29
100139	ADPPAYRL	adp	02/28/2019	12,600.04
100141	CALPERS	CALPERS	02/28/2019	3,335.32
100142	ICMACONT	ICMA contributions	02/28/2019	1,742.70
100143	HEALTHEQ	Health Equity	02/28/2019	200.00
100144	ADPPAYRL	adp	02/28/2019	13,033.24
100145	ADPPAYRL	adp	02/28/2019	5,901.87
100158	CALPERS	CALPERS	02/28/2019	227.74
Total for 2/28/2019:				79,017.16
34509	DBAACCU	ACCUTITE	03/05/2019	350.00
34510	ACWA5661	ACWA JPIA	03/05/2019	41,678.42
34511	AIRGAS	AIRGAS, LLC	03/05/2019	410.25
34512	ANDERSNM	MICHAEL ANDERSON	03/05/2019	55.00
34513	ATT60197	AT&T 60197	03/05/2019	1,341.02
34514	CGUHLENB	C G UHLENBERG LLP	03/05/2019	1,600.00
34515	CARQUEST	CARQUEST AUTO PARTS	03/05/2019	145.48
34516	COMCAST	COMCAST	03/05/2019	590.32
34517	COMCASTB	COMCAST BUSINESS	03/05/2019	628.97
34518	COUNTYCC	COUNTY OF SAN MATEO	03/05/2019	8,284.00
34519	DITWITWT	DITCH WITCH WEST	03/05/2019	153.49
34520	GSFLOWM	GOLDEN STATE FLOW MEASUREMEN	03/05/2019	176,120.92
34521	GRANITE	GRANITE ROCK, INC.	03/05/2019	740.44
34522	HMBPAVIN	HALF MOON BAY GRADING & PAVINC	03/05/2019	6,556.61
34523	ANNHEARN	ANNE HEARN	03/05/2019	100.00
34524	HOMEDPC	HOME DEPOT	03/05/2019	876.48
34525	HUBERCAR	CAROL HUBER	03/05/2019	100.00
34526	INDORAIR	INDOOR AIR DESIGN, INC.	03/05/2019	175.00
34527	INTERGAS	Interstate Gas Services, Inc.	03/05/2019	1,600.00
34528	LINCOLNL	LINCOLN LIFE	03/05/2019	200.00
34529	STELOUIE	STEPHANIE LOUIE	03/05/2019	100.00
34530	MATCOTLS	MATCO TOOLS	03/05/2019	610.67
34531	MHN	MHN	03/05/2019	45.54
34532	NAPAAUTO	NAPA AUTO PARTS	03/05/2019	48.58

Check No	Vendor No	Vendor Name	Check Date	Check Amount
34533	OFFICTEM	OFFICE TEAM	03/05/2019	1,700.00
34534	OREILLYA	OREILLY AUTO PARTS, INC.	03/05/2019	207.23
34535	PACESUPL	PACE SUPPLY CORP	03/05/2019	145.58
34536	PG&E	PG&E CFM/PPC DEPT	03/05/2019	12,564.90
34537	RAMACHEF	MARK RAMACHER	03/05/2019	50.00
34538	RECOLOGY	RECOLOGY SAN MATEO	03/05/2019	1,329.64
34539	RANDB	ROBERTS & BRUNE CO. INC.	03/05/2019	21,981.63
34540	ROYALWHC	ROYAL WHOLESALE ELECTRIC	03/05/2019	67.86
34541	SMELECTR	SAN MATEO ELECTRIC SUPPLY	03/05/2019	388.04
34542	SFPUCWAT	SFPUC WATER QUALITY	03/05/2019	2,680.00
34543	MSORACCC	MICHAEL SORACCO	03/05/2019	100.00
34544	STANDINS	STANDARD INSURANCE COMPANY	03/05/2019	1,150.17
34545	STEPFORD	STEPFORD BUSINESS, INC.	03/05/2019	12,697.26
34546	TAPMASTR	TAP MASTER, INC	03/05/2019	896.00
34547	TOWNEFOR	TOWNE FORD SALES	03/05/2019	89.03
34548	VALLEYOL	VALLEY OIL COMPANY	03/05/2019	3,018.17
34549	VANGUARE	VANGUARD CLEANING SYSTEMS, INC	03/05/2019	385.00
34550	VERIZON	VERIZON WIRELESS	03/05/2019	905.28
100130	pakpour	PAKPOUR CONSULTING GROUP, INC	03/05/2019	2,804.76
100131	SFWATER	SAN FRANCISCO WATER DEPT	03/05/2019	347,902.10
100132	WATERTAL	WATERTALENT	03/05/2019	10,235.00
100133	WFBUSCAR	WELLS FARGO BUSINESS CARD	03/05/2019	2,245.02
100134	WFBUSCAR	WELLS FARGO BUSINESS CARD	03/05/2019	5,792.42
Total for 3/5/2019:				671,846.28
34551	ACWA5661	ACWA JPIA	03/13/2019	236.00
34552	ATT60197	AT&T 60197	03/13/2019	40.88
34553	BARBERCH	CHRISTOPHER BARBER	03/13/2019	5,024.66
34554	BAWSCA	BAY AREA WATER SUPPLY & CONSER	03/13/2019	6,376.50
34555	BPLANDSC	BAY POINTE LANDSCAPE	03/13/2019	10,590.00
34556	BEANMAC	MAC BEAN	03/13/2019	8,633.02
34557	CALCHAME	CALIFORNIA CHAMBER OF COMMER	03/13/2019	399.00
34558	CARQUEST	CARQUEST AUTO PARTS	03/13/2019	115.66
34559	CINTS	CINTAS CORPORATION	03/13/2019	538.26
34560	CITYBELM	CITY OF BELMONT	03/13/2019	3,225.00
34561	COASTCOU	COAST COUNTIES TRUCK & EQUIPMI	03/13/2019	108.74
34562	DAMSTEVE	STEVE DAM	03/13/2019	5,124.85
34563	HANSONBR	HANSON, BRIDGETT	03/13/2019	8,003.00
34564	HOMEDEPC	HOME DEPOT	03/13/2019	251.86
34565	INTRBATT	INTERSTATE BATTERY SYSTEM, INC.	03/13/2019	294.75
34566	KIMBALLM	KIMBALL MIDWEST, INC.	03/13/2019	135.04
34567	MATCOTLS	MATCO TOOLS	03/13/2019	223.64
34568	OFFICEDE	OFFICE DEPOT, INC.	03/13/2019	197.08
34569	PACESUPL	PACE SUPPLY CORP	03/13/2019	162.28
34570	PACOFFIC	PACIFIC OFFICE AUTOMATION	03/13/2019	232.94
34571	PENBLDG	PENINSULA BUILDING MATERIALS	03/13/2019	901.54
34572	PG&E	PG&E CFM/PPC DEPT	03/13/2019	235.96
34573	PRECISE	PRECISE, INC.	03/13/2019	8,729.72
34574	RMORGAN	RAY MORGAN COMPANY	03/13/2019	5,717.42
34575	RANDB	ROBERTS & BRUNE CO. INC.	03/13/2019	24,216.13
34576	STARWELD	STARCO WELDING L.L.C.	03/13/2019	345.00
34577	VALLEYOL	VALLEY OIL COMPANY	03/13/2019	1,715.44
100140	DAVIDSON	JOHN T. DAVIDSON OR DBA JRocket77	03/13/2019	3,969.96
Total for 3/13/2019:				95,744.33

Check No	Vendor No	Vendor Name	Check Date	Check Amount
34578	ATT60197	AT&T 60197	03/20/2019	81.87
34579	BENNETT	BENNETT MARINE UTILITY, LLC.	03/20/2019	6,140.00
34580	CINTS	CINTAS CORPORATION	03/20/2019	538.26
34581	CTYBLMTP	CITY OF BELMONT PUBLIC WORKS	03/20/2019	119,394.42
34582	COMCAST	COMCAST	03/20/2019	590.32
34583	GSFLOWM	GOLDEN STATE FLOW MEASUREMEN	03/20/2019	28.57
34584	GRANITE	GRANITE ROCK, INC.	03/20/2019	481.19
34585	JIMWALTE	JIM WATERS CONSTRUCTION, INC.	03/20/2019	9,951.40
34586	KALABOLA	JEANETTE KALABOLAS	03/20/2019	132.90
34587	KIMBALLM	KIMBALL MIDWEST, INC.	03/20/2019	116.01
34588	LINCOLNL	LINCOLN LIFE	03/20/2019	200.00
34589	M&MBACK	M&M BACKFLOW & METER MAINTEN	03/20/2019	18,829.61
34590	NGUYENHC	HOANG NGUYEN	03/20/2019	2,891.75
34591	OREILLYA	OREILLY AUTO PARTS, INC.	03/20/2019	35.87
34592	PG&E	PG&E CFM/PPC DEPT	03/20/2019	2,933.37
34593	PINA	CANDY PINA	03/20/2019	80.00
34594	RECOLOGY	RECOLOGY SAN MATEO	03/20/2019	674.86
34595	RANDB	ROBERTS & BRUNE CO. INC.	03/20/2019	2,561.50
34596	SANDIEAR	SANDIE ARNOTT	03/20/2019	3,444.95
34597	SCOTSMAN	WILLIAMS SCOTSMAN	03/20/2019	537.91
34598	SIMPSONM	MILES SIMPSON	03/20/2019	2,503.37
34599	TAPMASTR	TAP MASTER, INC	03/20/2019	725.00
34600	PARSPRSP	U.S. Bank PARS ACCOUNT #6746050100	03/20/2019	400,000.00
34601	DIGSAFE	USA NORTH 811	03/20/2019	1,686.33
34602	VALLEYOL	VALLEY OIL COMPANY	03/20/2019	195.00
34603	WATERTAL	WATERTALENT	03/20/2019	18,400.00
Total for 3/20/2019:				593,154.46
Report Total (115 checks):				1,440,681.29



AGENDA ITEM NO. 8.A.

DATE: March 28, 2019
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: REVIEW REVISED DRAFT AND CONSIDER APPROVING ROSTER OF DIRECTOR ASSIGNMENTS/COMMITTEES FOR 2019-2020, INCLUDING STANDING FINANCE COMMITTEE

RECOMMENDATION

Approve revised roster of Director Assignments/Committees for 2019-2020, including Standing Finance Committee, and clarify for staff the Board's direction of financial activities that should be reviewed at the Finance Committee level.

FISCAL IMPACT

None.

BACKGROUND

Last month the Board approved the MPWD 2019-2020 Strategic Plan, including its roster of Director Assignments. Subsequently on the same agenda, during the Board's discussion on the mid-year budget review for FY 2018/2019, Director Warden inquired about a potential transition of the Financial Audit Review ad hoc committee to a standing Finance Committee. District Counsel Sherman replied that there would be Brown Act compliance requirements, including the standing committee meetings would be open to the public.

According to the CSDA Brown Act Compliance Manual for Special Districts (2016):

Standing committees of a legislative body, irrespective of their composition, which have either: (1) a continuing subject matter jurisdiction; or (2) a meeting schedule fixed by charter, ordinance, resolution, or formal action of a legislative body. Even if it comprises less than a quorum of the governing body, a standing committee is subject to the Brown Act. For example, if a governing body creates long-term committees on budget and finance or on public safety, those are standing committees subject to the Brown Act. Further, according to the California Attorney General, function over form controls. For example, a statement by the legislative body that the advisory committee "shall not exercise continuing subject matter jurisdiction" or the fact that the committee does not have a fixed meeting schedule is not determinative. "Formal action" by a legislative body includes authorization given to the agency's executive officer to appoint an advisory committee pursuant to agency-adopted policy.

DISCUSSION

In the past staff worked with the Financial Audit Review Committee on an ad hoc basis, including an annual exit conference with the financial auditor and staff before the presentation to

the Board of Directors. Last year, staff met with the committee at least one other time (besides the audit exit conference) regarding specific questions around Management’s recommendation for employee position equity adjustments to salary ranges based on the MPWD Total Compensation Study by Koff & Associates. These were “one-and-done” ad hoc committee meetings.

At last month’s meeting, since the Board had already approved the roster of Director Assignments for 2019-2020 when the idea for a standing Finance Committee came up, staff felt it prudent for the Board to formally consider a revised roster. Further, staff would like to get clarification from the Board of Directors about which financial activities would be delegated to the standing Finance Committee for “continuing subject matter jurisdiction” so that it can alter its processes and scheduling in order to be prepared for such meetings (e.g., Operations & Capital Budgets, including mid-year budget review, 2016 COP CIP Financing quarterly reporting, monthly financial reports for Board meetings, annual financial audit exit conference, monthly Board review of financial transactions).

Finally, staff would like direction from the Board as to whether it wants formal minutes to be produced as a result of the standing Finance Committee meetings.

Attachment: Revised MPWD Roster of Director Assignments/Committees for 2019-2020

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



February ~~March~~ 28, 2019

DIRECTOR ASSIGNMENTS/COMMITTEES

ASSIGNMENT	2019-2020
ASSOCIATION OF CALIFORNIA WATER AGENCIES (ACWA)/REGION 5	All
ACWA/JOINT POWERS INSURANCE AUTHORITY (JPIA)	Kirk Wheeler Dave Warden
BAY AREA WATER SUPPLY & CONSERVATION AGENCY (BAWSCA)	Louis Vella
SAN MATEO CHAPTER -CALIFORNIA SPECIAL DISTRICTS ASSOCIATION (CSDA)	<u>Louis Vella</u> <u>Kirk Wheeler</u> <i>Tammy Rudock, General Manager</i>
GENERAL MANAGER PERFORMANCE EVALUATION	Louis Vella Matt Zucca
HARBOR INDUSTRIAL ASSOCIATION (HIA)	Louis Vella Kirk Wheeler
FINANCIAL AUDIT REVIEW COMMITTEE	Dave Warden Brian Schmidt
BELMONT "HAPPY HYDRANT" PRESERVATION <u>AD HOC</u> COMMITTEE	Dave Warden
BELMONT CHAMBER OF COMMERCE	All

<u>STANDING COMMITTEE</u>	<u>2019-2010</u>
<u>FINANCE COMMITTEE</u>	<u>Dave Warden</u> <u>Brian Schmidt</u> <u>Jeff Ira, CPA, District Treasurer</u>



AGENDA ITEM NO. 8.B.

DATE: March 28, 2019
TO: Board of Directors
FROM: Tammy Rudock, General Manager
Julie Sherman, District Counsel

**SUBJECT: REVIEW REVISED DRAFT AND CONSIDER RESOLUTION 2019-06
APPROVING UPDATED MPWD RULES OF THE BOARD**

RECOMMENDATION

Adopt Resolution 2019-06 approving the updated MPWD Rules of the Board.

FISCAL IMPACT

District Counsel and staff time.

DISCUSSION

As discussed last month, staff has been working on the CSDA (California Special Districts Association) Special District Leadership Foundation's compliance checklist for the District Transparency Certificate of Excellence. There are twelve (12) basic requirements—Board policies and financial policies, nineteen (19) website requirements, two (2) Outreach/Best Practices requirements, and two (2) Community Transparency Review requirements.

Attached is a revised version of the MPWD's Rules of the Board (adopted last year on June 28, 2018) that has incorporated enhanced and added policy elements in order to meet compliance with a couple of outstanding requirements:

1. Enhanced Section 2.1 regarding the Ralph M. Brown Act; and
2. Added Ethical Guidelines in Sections 8.3 through 8.6 for the required Code of Ethics/Values/Norms or Board Conduct.

The next item on the agenda will be the Board's consideration of an added MPWD policy for Public Records Act requests, which is the final outstanding basic requirement for the MPWD.

Attachment: Revised MPWD Rules of the Board
Resolution 2019-06

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

UNANIMOUS_____ VELLA_____ ZUCCA_____ WARDEN_____ SCHMIDT_____ WHEELER_____

RESOLUTION NO. 2019-06

ADOPTING REVISED RULES OF THE BOARD

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District ("District") Rules of the Board were developed by the Board of Directors, General Manager, and District Counsel and adopted by the Board on June 28, 2018 per Resolution 2018-15, which govern the Board of Directors' proceedings pursuant to Section 30530 of the California Water Code; and

WHEREAS, the District is completing its application for the CSDA Special District Leadership Foundation's District Transparency Certificate of Excellence, which required minor edits to the MPWD Rules of the Board in order to be compliance with basic transparency requirements; and

WHEREAS, staff reviewed the draft revised Rules of the Board with the Board President on March 14, 2018, and discussed with the Board of Directors at the March 20, 2019 Board meeting; and

WHEREAS, the General Manager recommends the Board of Directors adopt the revised Rules of the Board, with the understanding that the Rules are not intended, and shall not be construed, to create procedural or substantive rights in any person who is not a member of the Board in the event an action is taken by the Board in a manner that may depart from, or be inconsistent with, the Rules.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that the revised "Rules of the Board" as documented in Exhibit A, attached hereto and incorporated herein, is hereby adopted.

REGULARLY passed and adopted this 28th day of March 2019.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

PRESIDENT, BOARD OF DIRECTORS

ATTEST:

DISTRICT SECRETARY

DRAFT



BOARD OF DIRECTORS RULES OF THE BOARD

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

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

1. OFFICERS OF THE BOARD OF DIRECTORS

- 1.1 The officers of the Board of Directors are the President and Vice President.
- 1.2 The President of the Board of Directors shall serve as presiding officer at all Board meetings. The President shall have the same rights as the other members of the Board with regard to voting, introducing motions, resolutions, and ordinances, and participating in any discussion.
- 1.3 In the absence of the President, the Vice President of the Board of Directors shall serve as presiding officer over the Board meeting. If the President and Vice President are both absent, the remaining members shall select one among themselves to act as presiding officer for the meeting.
- 1.4 The President and Vice President of the Board shall be elected annually at the first regular meeting in December and the term of office shall commence immediately upon election and continue for one year or until replaced.
- 1.5 The President or their designee shall sign all contracts for the procurement of equipment, supplies, materials or services when the amount to be paid by the District exceeds the spending limits delegated to the General Manager.

DRAFT

- 1.6 The President shall have power to appoint directors to standing and advisory committees of the Board and to designate the chairperson of such committees. With Board approval, the President shall also have power to appoint directors to serve as the representative of the District to all other groups and organizations, except in cases of appointments that the law requires be made by action of the full Board.
- 1.7 The President shall have such other powers and duties as shall be designated by the Board.

2. MEETINGS

- 2.1 All regular and special meetings shall be open and public as required by the Ralph M. Brown Act ("Brown Act"). Regular meeting agendas must be posted a minimum of 72 hours in advance of the meeting. Special meeting agendas must be posted a minimum of 24 hours in advance of the meeting. Agendas will be posted: in the lobby of the MPWD offices, 3 Dairy Lane, in Belmont, California; outside of the MPWD office building; and on the District's website.
- 2.2 Regular meetings of the Board of Directors shall commence at 6:30PM on the fourth Thursday of each calendar month at the MPWD offices, 3 Dairy Lane, in Belmont, California unless otherwise directed by the Board of Directors.
- ~~2.3~~ Members of the Board of Directors shall attend all regular and special meetings of the Board unless there is good cause for their absence.
- ~~2.42.3~~
- ~~2.52.4~~ A majority of the total membership of the Board shall constitute a quorum for the transaction of MPWD business. A majority of the total membership of the Board is sufficient to do business; however, motions must be passed unanimously if only three Board members are in attendance. When there is no quorum for a regular meeting, the President, Vice President, or any Board Member shall adjourn such meeting, or, if no Board Member is present, the District General Manager shall adjourn the meeting.
- ~~2.62.5~~ A roll call vote shall be taken upon votes on ordinances and resolutions (unless such resolutions are on the consent agenda) and any other matters that may be requested by a majority of the Board members, and shall be entered in the minutes of the Board showing those Board Members voting aye, voting no and those abstaining or absent. Unless a Board Member states that they are not voting because of a conflict of interest and steps down from the dais prior to the discussion of the item,

DRAFT

his or her silence shall be recorded as an abstention and a vote of abstention shall be recorded as an abstention.

3. AGENDAS

- 3.1 The General Manager, in consultation with the Board President and Vice President, shall prepare an agenda for each regular and special meeting of the Board of Directors. Any Board Member may contact the General Manager and request an item to be placed on the regular meeting agenda no later than 4:30PM two (2) weeks prior to the meeting date. The General Manager shall establish an MPWD policy to guide staff in the preparation of meeting agendas.
- 3.2 Public comments on agenda items should be held until the appropriate item is called. Public comment shall be directed to the President of the Board and limited to three (3) minutes unless extended or shortened at the President's discretion. Board members may briefly respond to public comments, however, a discussion should not occur.
- 3.3 Those items on the MPWD agenda, which are considered to be of a routine and non-controversial nature, are placed on the CONSENT AGENDA. These items shall be approved, adopted, and accepted by one motion of the Board of Directors. For example, approval Minutes, approval of Expenditures, minor budgetary items, status reports, contracts for budgeted items, and routine MPWD operations.
 - A. Board Members may request that any item listed under CONSENT AGENDA be removed from the CONSENT AGENDA, and the Board will then take action separately on that item. Members of the public will be given an opportunity to comment on the CONSENT AGENDA; however, only a member of the Board of Directors can remove an item from the CONSENT AGENDA. Items, which are removed ("pulled") by a Board Member for discussion, will typically be heard after other CONSENT AGENDA items are approved unless the President orders an earlier or later time.
 - B. A Board Member may ask questions on any item on the CONSENT AGENDA. When a Board Member has a minor question for clarification concerning a CONSENT AGENDA item, which will not involve extended discussion, the item may be discussed for clarification and the questions will be addressed along with the rest of the CONSENT AGENDA. Board Members are encouraged to seek clarifications prior to the meeting, if possible.
 - C. When a Board Member wishes to pull a CONSENT ITEM simply to register a dissenting or abstaining vote, the Board Member shall inform

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the presiding officer that they wish to register a dissenting or abstaining vote without discussion. These items will be handled along with the rest of the CONSENT AGENDA, and the District Administrative Services Manager or Secretary (hereinafter referred to as "Secretary") will register a "NO" or "ABSTAIN" vote in the minutes.

4. PREPARATION OF MINUTES AND MAINTENANCE OF RECORDINGS

- 4.1 The Secretary shall arrange for minutes of each Board meeting to be prepared. Such minutes need not include the text of ordinances and resolutions adopted, which shall be recorded in separate volumes by the Secretary. Such minutes are intended to be a summary of discussion and Board action, and shall not be a verbatim transcript of the meeting. Minutes shall reflect roll call votes on all motions approving ordinances and resolutions and the dissenting votes of any director(s) on other motions.
- 4.2 Written materials delivered to the Board at the meeting that were not contained in the Board agenda packet for review by the Board prior to the meeting shall not be included in the meeting minutes.
- 4.3 The Secretary shall attempt to record the names and general place of residence of persons (if voluntarily provided) addressing the Board, the title of the subject matter to which their remarks related, and whether they spoke in support or opposition to such matter.
- 4.4 Whenever the Board acts in a quasi-judicial proceeding, such as in assessment matters, the Secretary shall compile a summary of the testimony of the witnesses.
- 4.5 Any electronic media of an MPWD meeting made for whatever purpose at the direction of the MPWD shall be subject to inspection pursuant to the California Public Records Act. MPWD tape and film records may be erased ninety (90) days after the taping or recording, or as provided in MPWD's record retention policy, which policy shall control.

5. COMMITTEES

- 5.1. Standing Committees. The Board may create standing committees that have continuing jurisdiction over a particular subject matter, or a set meeting schedule.
- 5.2. Ad Hoc Committees. The President on his or her own initiative, may create ad hoc committees to undertake special assignments on behalf of the Board. An ad hoc committee shall exist until its special assignments are completed or it is disbanded by the President of the Board.

6. AUTHORITY OF BOARD MEMBERS

- 6.1 The Board of Directors is the body that directs and authorizes policies for the MPWD. Board Members have no individual authority, and ~~s~~ individuals; Board Members shall not commit the MPWD to any policy, act, or expenditure. Routine matters concerning the operational aspects of the MPWD are to be referred to the General Manager.
- 6.2 Board Members are responsible for monitoring the MPWD's progress in attaining the Board's goals and objectives, while pursuing the Board's mission.
- 6.3 The offices of District General Manager, District Counsel, District Engineer and District Treasurer shall be appointed by the Board of Directors and those appointed individuals shall serve until removed or replaced.

7. BOARD MEMBER COMMUNICATIONS

- 7.1 Board Members, by making a request to the General Manager or Secretary, shall have access to information relative to the operations of the MPWD, including but not limited to statistical information, information serving as the basis for certain actions of staff, justification for staff recommendations, etc.
- 7.2 In handling complaints from customers within the MPWD, or other members of the public, Board Members are encouraged to listen carefully to the concerns, but the complaint should be referred to the General Manager for processing and the MPWD's response, if any.
- 7.3 When approached by MPWD personnel concerning specific MPWD policy, Board Members should encourage such personnel to direct their inquiries to the General Manager. The chain of command should be followed for personnel matters.
- 7.4 Board Members and the General Manager should develop a working relationship that fosters open communication and discussion about current issues, concerns, and MPWD projects.
- 7.5 When responding to constituent requests or concerns, Board Members should respond in a positive manner and route their questions to the General Manager, or in his/her absence, to the Secretary.

8. CONFLICT OF INTEREST AND ETHICAL GUIDELINES

8.1 The Board shall adopt a Conflict of Interest Code, which will designate the officials and employees required to file disclosure of economic interest statements on an annual basis.

8.2 State conflict of interest rules, the purpose of which is to ensure all public agency actions are taken in the public's interest, apply to the Board. These laws include, but are not limited to, the Political Reform Act and Government Code section 1090 et. seq. Board members are encouraged to consult with District General Counsel for advice regarding such laws.

8.3 It is the policy of the District that Board members and District employees will maintain the highest standard of personal honesty and fairness in carrying out their duties.

8.4 Board members, in the performance of their official duties and responsibilities, will not discriminate against any person on the basis of race, religion, color, creed, age, marital status, national origin, ancestry, gender, sexual orientation, medical condition or disability. A Board member will not grant any special consideration, treatment or advantage to any person or group beyond that which is available to every other person or group in similar circumstances.

8.5 Except as specifically authorized, a Board member will not use or permit the use of District owned property for personal benefit or profit. A Board member shall not ask or require a District employee to perform services for the personal benefit or profit of a Board member or employee. Notwithstanding the foregoing, Board members are not prohibited from hiring District employees to perform services on said employees' own time outside of their District work hours. Each Board member must protect and properly use any District asset within his or her control, including information recorded on paper or in electronic form. Board members will safeguard District property, equipment, moneys and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

8.6 Board Members are prohibited from soliciting political funds or contributions from District employees. The foregoing does not prohibit voluntary employee contributions. A Board member will not accept, solicit or direct a political contribution from vendors or consultants that have a material financial interest in a contract or other matter while that contract or other matter is pending before the District. A Director will not use the District's seal, trademark, stationery or other indicia of the District's identity, or facsimile thereof, in any solicitation for political contributions contrary to state or federal law. A Board member will not include false or

[misleading information in a candidate's statement for a general District election filed pursuant to Section 13307 of the Election Code.](#)

9. CORRESPONDENCE DISTRIBUTION POLICY

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

- A. All letters approved by the Board of Directors.
- B. All letters and other documents received by the MPWD that are of an MPWD-wide concern as determined by MPWD staff.
The MPWD General Manager shall establish a policy for receiving, processing, and distribution of MPWD correspondence.

10. EVALUATIONS

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

11. AMENDMENTS

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



AGENDA ITEM NO. 8.C.

DATE: March 28, 2019
TO: Board of Directors
FROM: Tammy Rudock, General Manager
Julie Sherman, District Counsel

**SUBJECT: REVIEW DRAFT AND CONSIDER RESOLUTION 2019-07 APPROVING
MPWD POLICY FOR PUBLIC RECORDS ACT REQUESTS**

RECOMMENDATION

Adopt Resolution 2019-07 approving the MPWD Policy for Public Records Act Requests.

FISCAL IMPACT

District Counsel and staff time.

DISCUSSION

As reported last month (and in the previous agenda item), staff has been working on the CSDA (California Special Districts Association) Special District Leadership Foundation's compliance checklist for the District Transparency Certificate of Excellence. While the MPWD has met most of the certification requirements, it lacked a formal policy for handling Public Records Act requests.

Attached for the Board's consideration is the proposed MPWD Policy for Public Records Act requests, which is the final outstanding basic requirement for the MPWD. Staff reviewed it with President Vella on March 14, 2019 and incorporated his input.

Attachment: MPWD Policy for Public Records Act Requests
Resolution 2019-07

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

UNANIMOUS_____ VELLA_____ ZUCCA_____ WARDEN_____ SCHMIDT_____ WHEELER_____

RESOLUTION NO. 2019-07

ADOPTING A POLICY FOR PUBLIC RECORDS ACT REQUESTS

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Mid-Peninsula Water District ("District") General Manager and District Counsel have developed a proposed Policy for Public Records Act Requests, which will govern as the District's policy concerning accessibility and processing of District public records; and

WHEREAS, staff and the Board of Directors discussed the proposed policy at the March 21, 2019 Board meeting; and

WHEREAS, the General Manager recommends the Board of Directors adopt the proposed Policy for Public Records Act Requests.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that the Policy for Public Records Act Requests as documented in Exhibit A, attached hereto and incorporated herein, is hereby adopted.

REGULARLY passed and adopted this 28th day of March 2019.

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

PRESIDENT, BOARD OF DIRECTORS

ATTEST:

DISTRICT SECRETARY

PUBLIC RECORD REQUEST POLICY

PURPOSE:

To establish the Mid-Peninsula Water District ("District") policy concerning accessibility and processing of District public records.

DEFINITIONS:

Section 6253 of the Government Code provides that every person has a right to inspect any public record except those specifically exempted by law.

The term "Public Record" includes any writing containing information relating to the conduct of the District business prepared, owned, used, or retained by the District.

The term "writing" means handwriting, typewriting, printing, photo-stating, photographing, electronic mail, facsimile, and every other means of recording upon any form of communication or representation, including letters, works, pictures, sounds, or symbols, or combination thereof, and any record thereby created, regardless of the manner in which the record has been stored.

POLICY:

Records of the District are open to inspection at all times during normal office hours at the District's offices, 3 Dairy Lane, in Belmont, California.

PROCEDURE:

1. All requests to view or photocopy District records other than typical billing and account information shall be forwarded to the District's Administrative Services Manager for processing.
2. When a member of the public requests the inspection of a public records, or requests a copy of a public records, and to the extent such records are not exempt from disclosure, the District's Administrative Services Manager will to the extent reasonable, assist the individual in identifying records that are responsive, describe the information technology in which the records exists, and provide suggestions for overcoming any practical basis for denying the access to the record.
3. To the extent identifiable public records exist in electronic format and access to which is not otherwise restricted by law, and to the extent the information is not exempt from disclosure, the information will be made available to the public in

such format, but only if the production will not jeopardize or compromise the security or integrity of the original record or of any proprietary software in which it is maintained. The person requesting the information shall bear the cost of producing the record, including the cost to construct the record, and the cost of programming and computer service to produce the record when the District is requested to produce a copy of an electronic record that is produced only at otherwise regularly scheduled intervals or the request requires data compilation, extraction, or programming to produce.

4. District staff shall provide a "Request for Public Record Form" ("Request") to each individual who requests the inspection or photocopying of District records and shall reasonably assist the individual in completing the form, if so requested.
5. Upon receipt of a completed Request, the District will, when appropriate and within the applicable time period dictated by law:
 - a. Indicate the place within which the inspection must be made and the time limitation, if any, for the return of the documents.
 - b. Supervise and assist the requestor in reviewing the records.
 - c. Provide links to the records if such records are available on the District's website.
 - d. Provide copies upon request and after payment of the appropriate fees.
6. The District may extend the response period as provided by law because of the need:
 - a. To search for and collect the requested records from field facilities or other establishments separate from the office processing the request.
 - b. To search for, collect, and appropriately examine a voluminous amount of separate and distinct records demanded in a single request.
 - c. To consult with another agency having substantial interest in the request, or among two or more components of the local agency with substantial interest in the request.
 - d. In the case of electronic records, to compile data, write programming language or a computer program, or to construct a computer report to extract the data.

FEES:

A request for a copy of an identifiable public records, for information produced from such a record, or for a certified copy of such a records, must be accompanied by payment of the appropriate fee as determined by District staff based on the cost to the District. Any fee established may be modified from time to time by District staff to reflect actual chargeable costs, and any fee schedule, if developed, shall be made available by the District's Administrative Services Manager.

Where the State Legislature has established a statutory fee for any given records, the statutory fee shall be charged.

RECORDS NOT OPEN FOR INSPECTION:

The following is a representative, but not exhaustive, list of records that are not open for public inspection:

1. Preliminary drafts, notes, or interagency or intra-agency memoranda, which are not retained by the District in the ordinary course of business.
2. Memoranda, correspondence, and writings submitted to the District or its Board of Directors by the District's legal counsel pursuant to the attorney-client privilege, and any other documents that would fall within the attorney-client privilege and/or the attorney work product protection.
3. Records pertaining to pending litigation to which the District is a party, or to claims made pursuant to Division 3.6 (commencing with Section 810) of Title 1 of the Government Code³, until such litigation or claim has been finally adjudicated or otherwise settled.
4. Confidential, closed session minute book.
5. Personnel, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of personal privacy.
6. Records pertaining to a utility customer, except to an agent or authorized family member of the customer in questions, governmental or law enforcement agencies when appropriate, or unless disclosure is specifically required by law.
7. Geological and geophysical data, plant production data, and similar information, related to utility systems development, or market or crop reports, which are obtained confidence from another person.
8. Test questions, scoring keys, and other examination data used to administer

a licensing examination, examination for employment, or academic examination.

9. The contents of real estate appraisal or engineering or feasibility estimates and evaluations made for or by the District relative to the acquisition of property, or to prospective public supply and construction contracts, until all of the property has been acquired or all of the contract agreement obtained.
10. Records the disclosure of which are exempted or prohibited pursuant to provisions of federal or state law, including, but not limited to, provision of the Evidence Code related to privilege.
11. Records constituting "trade secrets", which may include, but is not limited to any formula, plan, pattern, process, tool mechanism, compound, procedure, production data, or compilation of information which is not patented, which is known only to certain individuals within a commercial concern who are using it to fabricate, procedure, or compound an article of trade or a service having commercial value and which gives its user an opportunity to obtain a business advantage over competitors who do not know or use it.
12. Records in which the public interest served by not making the record public clearly outweighs the public interest served by disclosure, where an applicable exemption under the Public Records Act exists, or where the production of such documents would be contrary to law.

REQUEST FOR PUBLIC RECORDS

Upon receipt of a request for Mid-Peninsula Water District (District) records, the District shall determine within ten (10) days if responsive records are available and notify the requestor of such determination (Government Code Section 6250 et seq.).

A fee will be charged for any reproduction of a record based on actual District cost.

REQUESTOR:

Name: _____

Address: _____

City: _____ Zip Code: _____

Email Address: _____

Telephone No.: _____ Date of Request: _____

DESCRIBE THE SPECIFIC PUBLIC RECORDS REQUESTED:

FOR OFFICIAL USE ONLY

Date of Request: _____ Date Due: _____

Date Requester Notified: _____ No. of Copies: _____

Copy Fee: _____ Total Charges: _____



AGENDA ITEM NO. 8.D.

DATE: March 28, 2019
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: CONSIDER RESOLUTION 2019-08 AUTHORIZING 2019 REVISIONS TO MPWD PERSONNEL MANUAL

RECOMMENDATION

Approve Resolution 2019-08 authorizing 2019 revisions to the MPWD Personnel Manual.

FISCAL IMPACT

There will be nominal printing costs to replace the impacted pages for the hard copies of the manual that were distributed among employees and Directors.

BACKGROUND

The MPWD Personnel Manual was last reviewed and revised by the Board on October 26, 2017 (via Resolution 2017-19).

Last year during labor negotiations, several Personnel Manual provisions were approved for revision as a result of bargaining (reference MPWD Employee Letter Agreement dated September 25, 2018).

One of the 2019-2020 MPWD Strategic Plan goals (Priority No. 4-1/19) was to review the manual for any updates, revisions, or additions/deletions.

DISCUSSION

Staff reviewed the MPWD Personnel Manual and proposed the edits outlined in the attachment. We met and conferred with the MPWD Employee Association and discussed the suggested revisions and get their input, and they were satisfied with them. Finally, staff requested that District Counsel review the MPWD’s Policy Against Unlawful Harassment, Discrimination and Retaliation and minor wordsmithing was suggested.

For reference, staff attached the nine (9) impacted pages from the MPWD Personnel Manual to compare the existing provisions with the proposed revisions.

Attachments: Proposed 2019 Revisions – MPWD Personnel Manual
Resolution 2019-08
Nine (9) pages from the MPWD Personnel Manual impacted by proposed revisions

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

UNANIMOUS_____ VELLA_____ ZUCCA_____ WARDEN_____ SCHMIDT_____ WHEELER_____

RESOLUTION NO. 2019-08

**APPROVING AND ADOPTING THE REVISED PERSONNEL MANUAL
FOR THE MID-PENINSULA WATER DISTRICT,
EFFECTIVE MARCH 28, 2019**

* * *

MID-PENINSULA WATER DISTRICT

WHEREAS, the Board of Directors of the Mid-Peninsula Water District (MPWD) adopted a new Personnel Manual on September 26, 2016, which stated the terms and conditions of employment with the District; and

WHEREAS, the Board of Directors approved revisions to the MPWD Personnel Manual on October 26, 2017; and

WHEREAS, the MPWD 2019-2020 Strategic Plan included a priority objective to review the MPWD Personnel Manual and consider any updates, corrections, additions, or deletions; and

WHEREAS, the General Manager met and conferred with the MPWD Employees Association about the proposed 2019 revisions to the Personnel Manual and encouraged input, and they were satisfied with the changes; and

WHEREAS, the General Manager presented the proposed 2019 revisions to the Personnel Manual to the Board of Directors at its March 28, 2019, regular meeting.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Mid-Peninsula Water District that the 2019 revisions to the Personnel Manual created by the General Manager in collaboration with the MPWD Employees Association, and District

Counsel, and presented to the Board on March 28, 2019, are hereby approved and adopted, and effective March 28, 2019.

Regularly passed and adopted this 28th day of March 2019 by the following vote:

AYES:

NOES:

ABSTENTIONS:

ABSENCES:

PRESIDENT, BOARD OF DIRECTORS

ATTEST:

DISTRICT SECRETARY

PROPOSED 2019 REVISIONS – MPWD PERSONNEL MANUAL

1. Cover Page and Spine Cover
Change Date: Revised March 28, 2019
2. Page 5 - **MPWD Personnel Manual History**
Add: Revision adopted March 28, 2019 (Resolution 2019-08).
3. Page 13 – **Section 5.02 – Call Back**
Replace first sentence with the following: Call back hours for non-exempt employees include time between 4:30PM and 6:30AM.

Replace the second paragraph with the following: If a non-exempt employee is called back during the thirty (30) minutes before and sixty (60) minutes after the regular working day, they will be compensated at regular overtime, or one and one-half (1.5) times the employee's regular rate of pay.

4. Page 34 – **Section 7.05(I) – Sick Leave / Receiving Sick Leave after Applying for Disability Benefits**
Retitle this sub-section as follows: Sick Leave Benefits May Not Be Used if Receiving Disability Benefits.

Delete the last two sentences from this section because they are not applicable. Integration of accrued sick leave benefits has never been permitted with the MPWD's short-term and long-term disability programs.

Therefore, Section 7.05(I) will be revised to read as follows:

- I. **Sick Leave Benefits Many Not Be Used if Receiving Disability Benefits.** An employee that applies for short-term or long-term disability benefits may continue to use their sick leave until the employee begins receiving disability benefits under the disability program. The employee must agree in writing to notify the MPWD immediately when they first receive disability benefits.
5. Page 44 – **Section 8.04(A) Employee Complaint Procedure**
Steps 2 and 3 in their entirety will be eliminated from the procedure (Board review).

Section 8.04(A) will be revised to read as follows:

- A. **Procedure.** Any regular full-time employee that contests an adverse employment action may initiate the complaint procedure. A complaint must be in writing, addressed to the General Manager, and submitted within ten (10) working days of the event giving rise to the complaint. The complaint shall be reviewed by the General Manager who will make a

written determination within ten (10) working days after receiving it. The determination of the General Manager shall be final.

6. Page 55 – **Section 8.24(B) Driving on the Job / Driving Record Review Criteria**
The sub-section will be labeled correctly as “B”.

In the opening paragraph of the sub-section, the “General Manager” will replace the “Administrative Services Manager” as the one that will review the employee’s Driver Record Report to determine into which category the results will fall.

In Section 8.24(B)(2) and Section 8.24(B)(3) the words “As determined by the General Manager, up to...” will precede Class II’s “12-Month Driving Probation” and Class III’s “120-Day Suspension of MPWD Driving Privileges”.

7. Page 57 – **Section 8.27 California Public Records Act Request**

Revised to read as follows: The MPWD strives to comply with all applicable laws and provide the public with information as requested. Therefore, the MPWD’s goal is to respond promptly to any public records request in accordance with its Policy for Public Records Act Requests. Any employee receiving a request from the public for documents is to forward that request to the Administrative Services Manager and General Manager immediately. Employees are not to respond to public records requests independently.

8. Page 52 – **Section 8.21 – Policy Against Unlawful Harassment, Discrimination and Retaliation**, and
Page 62 – **Attachment A – Policy Against Unlawful Harassment, Discrimination and Retaliation**

Replace the second sentence in both Section 8.21 and Attachment A with the following:

MPWD policy prohibits sexual harassment (including harassment based on pregnancy, childbirth, breastfeeding, or related medical conditions), as well as harassment based on such factors as race, color, religion (including religious dress and religious grooming), gender (including gender expression and gender identity), transgender identity and transitioning, sex stereotyping, genetic information, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, military or veteran status, political affiliation, and family care or medical leave status.



MID-PENINSULA
WATER DISTRICT

Personnel Manual

OCTOBER 26, 2017

SECTION 1 **PURPOSE**

The Mid-Peninsula Water District (“MPWD”) is governed by the provisions of the California Water Code (“Water Code”) Section 30000 *et seq.* (and following) sections. Under the Water Code, the MPWD General Manager has authority to employ and discharge an employee at any time, with or without cause.

The language used in this *Personnel Manual* is not intended, nor is it to be construed, to constitute a contract between the MPWD and any employee or the public. The MPWD may add, modify, or delete any provision contained in this manual, including those concerning employee benefits, at any time with or without notice.

This manual replaces and supersedes all personnel manuals, revisions, and amendments previously adopted by the MPWD.

MPWD Personnel Manual History:

- Revision adopted October 26, 2017 (Resolution 2017-19)
- New manual adopted September 22, 2016 (Resolution 2016-18)
- Revision adopted October 22, 2009 (Resolution 2009-09)
- Revision adopted June 26, 2008 (Minute Order)
- Revision adopted May 23, 2002 (Resolution 2002-11)
- Revision adopted April 25, 1996 (Minute Order)

SECTION 5

3. An employee must use accrued compensatory time off by the end of the fiscal year in which it was earned. If accrued compensatory time off is not used by the end of the fiscal year, the employee will be paid for the earned compensatory time off at the overtime rate in effect at the time paid.
4. If compensation is paid to an employee for accrued compensating time off, the compensation shall be paid at the regular rate earned by the employee at the time paid.
5. An employee that has accrued compensating time off and requested use of that compensating time off shall be permitted to use the time within a reasonable period after making the request, if the use of the compensating times does not unduly disrupt the MPWD's operations.
6. Upon termination of employment with the MPWD, the employee shall be paid for accrued and unused compensation time at the final rate of pay earned by the employee.

5.02 Call Back

Call back hours for non-exempt employees include time between 5:00PM through 7:30AM. Non-exempt employees recalled to work between these hours will be compensated minimum of two (2) hours overtime at the rate of one and one-half (1.5) times the employee's regular rate of pay. Call-back overtime pay will begin from the time the employee receives the call and will end when the employee returns to the destination from which they were recalled.

If a non-exempt employee is called back during the thirty (30) minutes before or after the regular working day, they will be compensated at regular overtime, or one and one-half (1.5) time the employee's regular rate of pay.

A recalled employee required to work in excess of four (4) continuous hours of overtime on an emergency basis will receive a TEN DOLLAR AND NO/100 (\$10.00) meal reimbursement allowance.

5.03 On Call Duty

A. On Call Duty Hours. On call duty hours are defined as all periods when the MPWD office and operations are closed, including week nights, weekends, and holidays. On a rotating basis, fulltime Operations personnel will be assigned rotating on call duty on a weekly basis (7 days) from the beginning of the work day on Monday through the beginning of the work day the following Monday, and must be available to receive MPWD SCADA alarms and Dispatch/Answering Service calls.

1. Weekday duty commences at the end of each work day Monday through Thursday and ends at the beginning of the following work day. Weekend duty commences at the end of the work day on Friday and ends at the beginning of the work day on the following Monday.

SECTION 7

- E. **Payment for Unused Sick Leave.** An employee that separates from the MPWD employment as a result of 1) retirement under the retirement plan designated by the MPWD; 2) disability, which includes termination at the conclusion of the maximum medical leave of absence period; or 3) death, has the option to be paid for unused sick leave credits, up to a maximum of 240 hours at their regular hourly rate at the time of retirement, separation from service on account of disability, or death.

An employee that leaves the MPWD employment as a result of resignation or termination will not receive any payment for unused sick leave credits.

Unused sick leave credits cannot be used to extend the effective date of separation from employment on any basis.

- G. **CalPERS Credit for Unused Sick Leave.** Unused sick leave accumulated at the time of retirement will be converted to credited service at a rate of 0.004 years of service for each day of sick leave. In order to receive this credit, an employee's retirement date must be within four (4) months of the date the employee separated employment with the MPWD. Unused sick leave credits cannot be used to extend the effective date of separation from employment on any basis.
- H. **Employee Responsibility to Account for Use of Sick Leave.** To claim sick leave with pay, an employee must complete the MPWD leave of absence form and submit to their Supervisor for approval.
- I. **Receiving Sick Leave after Applying for Disability Benefits.** An employee that applies for short-term or long-term disability benefits may continue to use his or her sick leave until the employee begins receiving benefits under the disability program. The employee must agree in writing to notify the MPWD immediately when they first receive disability benefits. Accrued sick leave benefits will be used to supplement disability benefits only to the extent necessary to provide a combination of sick leave and disability benefits equal to the employee's straight-time compensation immediately before beginning of the illness or disability. The employee must submit to the Administrative Services Manager a written request to integrate sick leave with disability benefits in this way.

SECTION 8

of the MPWD. Examples of conduct that the MPWD, in its sole discretion, considers to be contrary to its operational needs and which may result in discipline, including termination, are outlined in Section 8.02 hereinabove. The level of discipline to be imposed in any given circumstance depends upon the nature and severity of the misconduct or other deficiency at issue, the employee's overall record, and the MPWD's needs.

8.04 Employee Complaint Procedure

A. **Procedure.** Any regular full-time employee that contests an adverse employment action may initiate the complaint procedure. A complaint must be in writing and submitted within ten (10) days of the event giving rise to the complaint. The following steps comprise the complaint procedure:

Step 1: The complaint shall be reviewed by the General Manager who will make a written determination within ten (10) working days after receiving the complaint.

Step 2: If the employee is not satisfied with the determination of the General Manager, the employee may request review by the MPWD Board of Directors. The request for review must be in writing directed to the MPWD Board President, with a copy to the General Manager. The request for review must be submitted within ten (10) working days of the General Manager's determination, and include all facts pertinent to the complaint.

Step 3: The Board shall review the complaint and make its determination. It may in its discretion decide the complaint on the written record, conduct an investigation, or hold a hearing, or refer the matter to a Board ad hoc committee for investigation or resolution. The determination of the Board shall be final.

B. **Exclusions.** Specifically excluded from the complaint procedure are:

1. Position classification and salary grade assignments;
2. Oral or written reprimands, performance evaluations, or denial of merit increases;
3. Reassignment of duties due to staff reorganizations; and
4. Reductions in work force.

8.05 Staff Reductions

A. **Selection for Layoff.** In the event the MPWD General Manager determines that a reduction in staff is necessary because of operational considerations, lay off shall be by position. Employees within a position affected by lay off shall be considered for retention based upon their seniority, performance, reliability, skill, and abilities to do the work remaining at the MPWD.

SECTION 8

7. If an employee's duties require driving a vehicle, they will use MPWD vehicles. If the employee chooses to use their personal vehicle for travel they must provide proof of insurance.
 - A. **Driver Record Review Criteria.** The following criteria reflect the good risk management procedures used by the MPWD in order to control its auto liability and physical damage exposures. The Administrative Services Manager will review your Driver Record Report to determine which category you will fall into.
 1. Class I — Immediate Attendance in Defensive Driving Program.
 - Two points within 35 months;
 - Any moving violation in a MPWD vehicle;
 - Any accident; or
 - Two **Failure to Appear notices within 36 months.
 2. Class II — 12-Month Driving Probation. Any additional point violations within this probation period will trigger a Class III recommendation.
 - Three to five points within 36 months;
 - Any accident in which the driver was charged with a ***public offense within 36 months, except for DUI, reckless driving, or speed contest violations (see Class III);
 - Any *chargeable accident while on MPWD business;
 - A violation for an expired license; or
 - Four ** Failure to Appear notices within 36 months.
 3. Class III — 120 Day Suspension of JPIA Driving Privileges.
 - Four or more points within 24 months;
 - Six or more points within 36 months;
 - DUI, reckless driving, or speed contest, NOT during MPWD business;
 - Five **Failure to Appear notices within 36 months;
 - Two chargeable accidents within 24 months; or
 - Any citation incurred while license is suspended.
- * *Chargeable Accident – when a driver has received a point violation.*
** *Failure to Appear – California Vehicle Code 40508(a).*
*** *Public Offense – California Vehicle Codes 23100 through 23249.58.*

8.25 Mobile Devices and Cellular Telephone Safety

The use of mobile devices while driving on MPWD business is considered a dangerous distraction. The MPWD prohibits the use of all handheld mobile devices including cell phones, smart phones, tablets, personal organizers, or other devices for work purposes

SECTION 8

Pose a risk of significant damage to MPWD property or equipment; or (c) Substantially interfere with the employee's job performance or the efficient operation of the MPWD's business or equipment. If the use of a prescription drug combined with the duties of the required job creates an unsafe working condition, this fact shall be reported to the employee's supervisor or a manager prior to reporting to work. Employees whose job performance is so restricted may be subject to reassignment, medical examination, or other actions specified by applicable statutes and regulations.

- B. **Reasonable Suspicion Testing.** Employees may be subject to drug and alcohol testing when there is a reasonable suspicion that the employee has violated the rules expressed in this policy. "Reasonable Suspicion" will be based on specific observations such as abnormal coordination, appearance, behavior, and speech or breath odor. It can also include work performance, safety or attendance problems.

8.27 California Public Records Act Request

The MPWD strives to comply with all applicable laws and provide the public with information as requested. Therefore, the MPWD's goal is to respond promptly to any public records request. Any employee receiving a request from the public for documents is to forward that request to the Administrative Services Manager and General Manager immediately. Employees are not to respond to public records requests independently.

8.28 Other Related Policies

- A. **Safety Manual and Emergency Operating Plan.** The MPWD greatly values the safety and health of all employees and is committed to providing a safe and healthful workplace. This is accomplished through the establishment, implementation, and maintenance of an effective Injury & Illness Prevention Program (IIPP). The General Manager is assigned responsibility for implementation and management of the IIPP.

The MPWD Safety Manual and Emergency Operating Plan were adopted in June 1991 and each employee was provided with a copy, including any updates.

- B. **Salary Plan.** The Salary Plan and Job Descriptions covering MPWD employees are maintained in a separate document. Each employee is provided with a copy, including any updates.

SECTION 8

- F. Mini-skirts
- G. Halter/tube/crop tops, including backless tops
- H. Torn, cut, or frayed clothing
- I. Clothing with obscene messages or artwork

8.21 Policy against Unlawful Harassment, Discrimination and Retaliation

The MPWD is committed to providing a work environment free of unlawful harassment and discrimination. MPWD policy prohibits sexual harassment (including harassment based on pregnancy, childbirth, breastfeeding, or related medical conditions), as well as harassment based on such factors as race, color, religion (including religious dress and religious grooming), gender (including gender expression and gender identity), national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, military or veteran status, political affiliation, and family care or medical leave status. In addition, MPWD policy prohibits discrimination and harassment on any other basis protected by federal, state, or local law, ordinance or regulation. The MPWD will not tolerate harassment of employees by managers, supervisors, or co-workers, and will not tolerate harassment by its employees or third parties with whom employees have a business, service, or professional relationship (including but not limited to vendors, clients, or visitors). The MPWD also will attempt to protect employees from harassment by non-employees.

The MPWD has adopted a Policy against Unlawful Harassment, Discrimination and Retaliation. The terms and conditions of this policy, as they may be amended by the MPWD in the future, are attached and incorporated as **Exhibit "A"**.

8.22 Electronic Communications Policy

The MPWD has established this policy in an effort to make certain that employees utilize electronic communication devices and other technology in a legal, ethical, and appropriate manner. Computers, computer files, e-mail, software, and telephones (including cellular telephones) furnished to employees are and remain the property of the MPWD and are intended for business use only.

All messages sent and received, including personal messages, and all data and information stored on the MPWD's electronic mail system, voicemail system, or computer systems are MPWD property regardless of the content. As such, the MPWD reserves the right to access all of its computers, voicemail, and electronic mail systems, at any time, in its sole discretion.

Employees should understand that they have no right of privacy with respect to any messages or information created, collected, or maintained on the MPWD's computers, voicemail, and electronic mail systems, including personal information or messages.

EXHIBIT A

POLICY AGAINST UNLAWFUL HARASSMENT, DISCRIMINATION AND RETALIATION

The MPWD is committed to providing a work environment free of unlawful harassment and discrimination. MPWD policy prohibits sexual harassment (including harassment based on pregnancy, childbirth, breastfeeding, or related medical conditions), as well as harassment based on such factors as race, color, religion (including religious dress and religious grooming), gender (including gender identity and gender expression), genetic information, national origin, ancestry, age, physical disability, mental disability, medical condition, marital status, sexual orientation, military or veteran status, political affiliation, and family care or medical leave status. In addition, MPWD policy prohibits discrimination and harassment on any other basis protected by federal, state, or local law, ordinance or regulation. The MPWD will not tolerate harassment of employees by managers, supervisors, or co-workers, and will not tolerate harassment by its employees of third parties with whom employees have a business, service, or professional relationship (including but not limited to vendors, clients, or visitors). The MPWD also will attempt to protect employees from harassment by non-employees.

The conduct prohibited by this policy, whether verbal, physical, or visual, includes any discriminatory employment action and any unwelcome conduct that adversely affects an individual because of his/her protected status. MPWD policy prohibits such conduct in the workplace even if the conduct is not sufficiently severe or pervasive to constitute actionable harassment.

Harassment includes conduct that creates an intimidating, offensive, or hostile working environment or that interferes with work performance. Such conduct constitutes harassment when (1) submission to the conduct is made either an explicit or implicit condition of employment; (2) submission to or rejection of the conduct is used as the basis for an employment decision; or (3) the harassment interferes with an employee's work performance or creates an intimidating, hostile, or offensive work environment.

Harassment can take many forms and includes offensive verbal conduct, offensive visual conduct, and offensive or otherwise unwelcome physical conduct. Such conduct includes, but is not limited to, impeding another's movement or otherwise physically interfering with normal work, patting, pinching, grabbing, assault, slurs, jokes, epithets, gestures, pictures, drawings, or cartoons based upon an employee's sex, race, color, national origin, religion, age, physical disability, mental disability, medical condition, ancestry, marital status, sexual orientation, military or veteran status, political affiliation, or family care or medical leave status.

Sexually harassing conduct includes all of the above, as well as other unwelcome conduct such as requests for sexual favors, unwelcome sexual advances, and conversation containing sexual comments. Sexually harassing conduct can be by a person of either the same or



AGENDA ITEM NO. 8.E.

DATE: March 28, 2019
TO: Board of Directors
FROM: Tammy Rudock, General Manager

SUBJECT: DISCUSS PRELIMINARY REVENUE REQUIREMENTS FOR FISCAL YEAR 2019/2020 AND PROPOSED WATER RATE ADJUSTMENTS

RECOMMENDATION

Discuss preliminary revenue requirements for Fiscal Year 2019/2020 and proposed water rate adjustments.

FISCAL IMPACT

The MPWD's cash flow projections and water rates were updated last year on May 18, 2018, by Bartle Wells Associates (BWA). An annual water revenue requirement and cumulative water rate increase of 4.1% was projected for FY 2019/2020. Water commodity charges would increase by 3.0% for each of the four (4) residential rate tiers and the two (2) commercial rate tiers, and the monthly fixed system charge would increase by 7.7%—from \$26 month to \$28 month for the majority of customers within the MPWD system.

FY 2019/2020 is the final year of the MPWD's 2015 Proposition 218 5-year water rate plan. (The MPWD's 2015 Proposition 218 notice is attached for reference.) The maximum water rate increase (cumulative) approved by the Board for FY 2019/2020 was 6.0%. Last fiscal year (FY 2018/2019) there was a 4.1% increase in MPWD water rates, and the year before (FY 2017/2018) there was a 0.0% increase.

Based on the BWA Water 2018 Water Rate Update (attached), with the Board's adoption of the 4.1% water rate increase effective July 1, 2019, approximately \$277,000 more in water commodity revenues and \$224,000 in fixed system revenues are projected to be collected in FY 2019/2020.

The following table shows the breakdown of MPWD water rate revenues for FY 2018/2019 (including estimates for March 1, 2019 through June 30, 2019):

Mid-Peninsula Water District				
Water Rate Revenues 2018/2019				
				3/22/2019 15:10
	Water Use (hcf)	Usage Charges	Fixed Charges	Total Charges
Jul-18	122,334	1,020,243	221,322	1,241,565
Aug-18	122,489	1,064,995	240,529	1,305,524
Sep-18	123,229	1,094,168	240,313	1,334,481
Oct-18	108,426	922,019	240,702	1,162,721
Nov-18	107,945	926,926	239,712	1,166,638
Dec-18	79,231	655,976	240,162	896,138
Jan-19	68,405	545,132	242,370	787,502
Feb-19	69,797	569,182	241,945	811,127
Mar-19	<i>70,000</i>	<i>575,000</i>	<i>241,000</i>	<i>816,000</i>
Apr-19	<i>69,500</i>	<i>550,000</i>	<i>241,000</i>	<i>791,000</i>
May-19	<i>90,000</i>	<i>730,000</i>	<i>241,000</i>	<i>971,000</i>
Jun-19	<i>110,000</i>	<i>960,000</i>	<i>241,000</i>	<i>1,201,000</i>
Total	1,141,356	9,613,641	2,871,055	12,484,696
% of Total		77.0%	23.0%	100.0%
<i>Note: Italicized are estimates.</i>				

Also shown above is the breakdown of the volumetric commodity charges and monthly fixed system charges as a percentage of the MPWD’s total revenues. As the Board may recall from the 2015 water rate study, it was a goal to increase the monthly fixed rate revenues from 20% to 25% over the five years. We will get close to achieving that goal if the Board adopts the rate adjustments effective July 1, 2019.

Finally, the annual average CPI for All Urban Consumers in 2018 was 3.9% per the U.S. Department of Labor, Bureau of Labor Statistics, for the San Francisco-Oakland-Hayward area (compared to 3.2% for 2017). For the first two months of 2019, it was 3.5% (compared to 3.6% for the first two months of 2018). Reference attached CPI table.

BACKGROUND

The projected SFPUC wholesale water rate increase effective July 1, 2019 is 0.0%, meaning that SFPUC’s per unit wholesale water rate will remain \$4.10CCF for FY 2019/2020. This will be confirmed at the SFPUC’s water rate hearing scheduled in May.

As stated above in the fiscal impact section, the MPWD’s cash flow projections and water rates were updated last year on May 18, 2018, by Bartle Wells Associates (BWA), wherein an

annual water revenue requirement and cumulative water rate increase of 4.1% was projected for FY 2019/2020.

Key factors considered during development of last year's (2018) updated multi-year financial plan and cash flow projections:

1. Maintain at least a 1.3 debt service coverage;
2. Caution about relying on one-time development revenues (Capacity Charges and Water Demand Offset Fees);
3. Additional staffing for succession planning added;
4. In the past MPWD spent closer to \$1.5 million per year on capital replacement and capital outlay, meaning, at a minimum, \$500,000 should be budgeted each year together with the \$1,045,000 annual debt service payment, to maintain that objective.
5. Recent Board action to fund the OPEB and pension liabilities from MPWD cash reserves was included as part of the multi-year financial plan and water rate update.
6. The Project Fund for the 2016 COPs was added to the multi-year financial plan.

DISCUSSION

As stated above, the last financial review and water rate update was completed by BWA on May 18, 2018, which projected a 4.1% cumulative water rate adjustment for FY 2019/2020.

Also attached for background information are the following pages from MPWD's Water Financial Plan & Rate Study dated May 26, 2015:

1. Page 24 – MPWD Cash Flow Projections for 10 years;
2. Page 32 – MPWD Water Cost Recovery Allocation;
3. Page 33 – Table 8. Proposed Water Rates; and
4. Page 34 – Table 9. Single Family Residential Bill Impacts.

The overall projected rate increase for FY 2019/2020 would be 4.1%, broken down as follows and reflected in the table on the next page:

- 3.0% adjustment to commodity charges; and
- 7.7% adjustment to monthly fixed system charges.

PROPOSED WATER RATES Effective July 1, 2019

DESCRIPTION OF CHARGES		2018/2019 CURRENT RATES	2019/2020 ADOPTED RATES	2019/2020 PROPOSED RATES
Fixed Monthly Charges <i>Billed based on meter size</i>				
<u>Meter</u>	<u>Meter Ratio</u>			
5/8"	1.00	\$ 26.00	\$ 30.00	\$ 28.00
1"	1.50	39.00	45.00	42.00
1 ½"	2.50	65.00	75.00	70.00
2"	4.00	104.00	120.00	112.00
3"	6.00	156.00	180.00	168.00
4"	10.00	260.00	300.00	280.00
6"	25.00	650.00	750.00	700.00
Water Consumption Charges <i>Billed based on monthly metered water use (\$/hcf)</i>				
<u>Residential Rate Tiers</u>				
Tier 1	0 – 2 hcf	\$ 5.69	\$ 6.25	\$ 5.86
Tier 2	3 – 8 hcf	8.44	9.00	8.69
Tier 3	9 – 20 hcf	10.29	11.00	10.60
Tier 4	Over 20 hcf	12.14	13.00	12.50
<u>Commercial Rate Tiers</u>				
Tier 1	0 – 5 hcf	\$ 7.57	\$ 8.00	\$ 7.80
Tier 2	Over 5 hcf	8.89	9.50	9.16
<i>Note: 1 hcf = One hundred cubic feet or approximately 748 gallons.</i>				

Staff projected 3.0% CPI increases for a few line items in the preliminary FY 2019/2020 Operating Budget (see attached Preliminary Operating Budget Summary for FY 2019/2020 in the next agenda item), and the water rate adjustments would cover the projected increased expenditures and allow for \$343,276 to be transferred to the MPWD Capital Budget, together with the \$970,000 projected Depreciation. Staff is meeting with District Engineer on April 17th to review the MPWD Comprehensive System Analysis (last updated in FY 2016/2017) and prepare an updated plan with recommended capital project priority updates, project additions/deletions, revised project cost estimates, and engineering and construction plan options. That updated information will then be used by staff and the financial planning consulting team to develop a long-term financial plan and forecast model (including water rate projections) for the MPWD, including options for how to fund the 2016 COP CIP gap.

MPWD WATER RATES COMPETITIVENESS

It is the MPWD’s mission to operate the system and serve customers as efficiently and cost-effectively as possible. Three (3) water rate comparison charts among Bay area water suppliers for FY 2019/2020 are in the process of being updated by BWA and will be ready for presentation at the Board meeting:

- Single Family Residential Water Charges – Low Use (3 CCF Monthly);
- Single Family Residential Water Charges – Median Use (6 CCF Monthly); and
- Single Family Residential Water Charges – Average Use (7 CCF Monthly).

Given MPWD’s history of prudent fiscal stewardship and management, and responsible attention to its capital rehabilitation and replacement programming, it is staff’s recommendation that the Board adopt the water rate adjustments in FY 2019/2020 as updated last year and outlined in the 2018 BWA financial plan and water rate update.

CITY OF BELMONT’S PROJECTED SEWER RATE INCREASES

For information last year Belmont’s Proposition 218 process proposed 7.0% annual sewer rate adjustments for FY 2019/2020.

Attachments: MPWD 2015 Proposition 218 Water Rates Notice
 BWA Water Rate Update for the MPWD dated May 18, 2018
 US DOL BLS CPI Table (San Francisco-Oakland-Hayward)
 Four (4) pages from the MPWD Water Financial Plan & Rate Study dated May 26, 2015

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

UNANIMOUS_____ VELLA_____ ZUCCA_____ WARDEN_____ SCHMIDT_____ WHEELER_____



Notice of Public Hearing on Proposed Water Rate Increases

Dear Property Owner or Customer,

Mid-Peninsula Water District (MPWD) is a community-owned and governed public agency that provides water service to Belmont, San Carlos, and surrounding areas in San Mateo County. This notice is being sent to inform you that MPWD is proposing to increase water rates over the next five (5) years and adopt Water Shortage Emergency Rates designed to recover costs of providing service during periods of drought and reduced water sales. MPWD will hold a public hearing on the proposed rates as follows:

Date: Thursday, June 25, 2015
Time: 6:30PM
Place: Mid-Peninsula Water District
3 Dairy Lane
Belmont, CA 94002

MPWD relies primarily on revenues from water service charges to fund its costs of providing water service. As such, water rates must be set at levels adequate to fund the costs of operating and maintaining the water system, pay for wholesale water supplied by the San Francisco Public Utilities Commission (SFPUC), and fund necessary capital investments to keep the water system in good operating condition.

WHY ARE WATER RATE INCREASES NEEDED?

The proposed rate adjustments are needed to pay for increasing costs of water supply purchased from the SFPUC, fund MPWD capital improvement needs, and keep rates aligned with the cost of providing service. Key factors driving the need for water rate increases include:

- **Pay for Wholesale Water Rates Increases** – MPWD relies on imported water from the SFPUC for 100% of its supply. The SFPUC is in the process of completing a \$4.8 billion capital program of seismic upgrades and reliability enhancements to the aging Hetch-Hetchy regional water system. To help fund these capital upgrades, the SFPUC has doubled its wholesale water rates over the past five (5) years and is planning to increase wholesale rates by an additional 61% over the next five (5) years, including a proposed 28% increase effective July 1, 2015.
- **Address MPWD Infrastructure Deficiencies and Replace Aging Water Distribution Pipelines** – Approximately 60% of the MPWD's water pipelines are over 50 years old and approaching the end of their useful lives. Some are undersized for current fire flow requirements. The majority of the water pipeline system lacks seismic restraints. Additional revenues are needed to address existing system deficiencies, improve fire flow and service reliability, and adequately fund a long-term capital improvement program to replace aging and substandard water distribution pipelines with seismically resilient facilities.

WHAT IS THE MPWD DOING TO KEEP COSTS DOWN?

MPWD has implemented a number of cost-cutting measures over the years and remains committed to providing high-quality water service as cost-efficiently as possible. Operating expenses, including personnel costs, have increased very little over the past few years as a result of continued budget reductions, cost-containment, and financial controls. It is the MPWD's policy that operating cost savings are reinvested back into the system through capital infrastructure replacement, rehabilitation, or improvement.

PROPOSED WATER RATES

MPWD is proposing to phase in a series of water rate increases over the next five (5) years as shown in the table below. A larger rate increase is needed the first year (effective July 1, 2015) due to SFPUC’s proposed 28% wholesale water rate increase planned for July 1, 2015. MPWD water service charges include two components: 1) Fixed Monthly Charges based on meter size, plus 2) Water Consumption Charges based on metered water use. Water Consumption Charges for single family residences are billed according to a 4-tiered rate structure based on the MPWD’s cost-of-service analysis, including water cost recovery calculations attributable to each tier, with water first billed in Tier 1 and subsequently billed in higher tiers as water use increases. Water Consumption Charges for all other customers are billed according to a 2-tiered rate structure. Water Consumption Charges are billed per hundred cubic feet (hcf), with 1 hcf equal to approximately 748 gallons of water.

Proposed Water Rates						
Current Rates	Effective on water bills sent on or after:					
	July 1 2015	July 1 2016	July 1 2017	July 1 2018	July 1 2019	
FIXED MONTHLY CHARGES						
<i>Fixed monthly charge based on meter size</i>						
<u>Meter Size</u>						
5/8-inch	\$18.43	\$22.00	\$24.00	\$26.00	\$28.00	\$30.00
1-inch	27.65	33.00	36.00	39.00	42.00	45.00
1 1/2-inch	46.08	55.00	60.00	65.00	70.00	75.00
2-inch	73.73	88.00	96.00	104.00	112.00	120.00
3-inch	110.59	132.00	144.00	156.00	168.00	180.00
4-inch	184.31	220.00	240.00	260.00	280.00	300.00
6-inch	460.79	550.00	600.00	650.00	700.00	750.00
WATER CONSUMPTION CHARGES						
<i>Billed based on monthly metered water use (\$/hcf)*</i>						
Single Family Residential Customers						
<u>Water Usage Billed in Tier</u>						
Tier 1	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf
Tier 2	3 - 10 hcf	3 - 9 hcf	3 - 8 hcf	3 - 8 hcf	3 - 8 hcf	3 - 8 hcf
Tier 3	11 - 25 hcf	10 - 22 hcf	9 - 20 hcf	9 - 20 hcf	9 - 20 hcf	9 - 20 hcf
Tier 4	Over 25 hcf	Over 22 hcf	Over 20 hcf	Over 20 hcf	Over 20 hcf	Over 20 hcf
<u>Water Consumption Charge per Tier</u>						
Tier 1	\$4.20	\$5.00	\$5.30	\$5.60	\$5.90	\$6.25
Tier 2	6.46	7.50	7.90	8.30	8.65	9.00
Tier 3	7.75	9.00	9.50	10.00	10.50	11.00
Tier 4	9.04	10.50	11.10	11.70	12.35	13.00
All Other Customers						
Tier 1	0 - 5 hcf	\$5.81	\$7.00	\$7.25	\$7.50	\$7.75
Tier 2	Over 5 hcf	6.78	8.00	8.35	8.70	9.10

* 1 hcf = one hundred cubic feet or approximately 748 gallons.

Sample Bill Calculation for a Typical Single Family Home

Effective July 1, 2015, the monthly bill for a typical single family home with a standard 5/8-inch water meter using 8 hcf of water per month (approximately 200 gallons per day) would be calculated as follows:

Fixed Monthly Charge	Water Consumption Charges			Total Monthly Bill
<u>5/8" Meter</u>	<u>First 2 hcf x \$5.00</u>	<u>Next 6 hcf x \$7.50</u>	<u>Subtotal</u>	<u>\$22.00 + \$55.00</u>
\$22.00	\$10.00	\$45.00	\$55.00	\$77.00

The proposed rates assume that the SFPUC will increase its wholesale water rates on July 1 each year from the current level of \$2.93 per hcf to \$3.75 per hcf in 2015, \$3.78 per hcf in 2016, \$3.79 per hcf in 2017, \$4.31 per hcf in 2018, and \$4.72 per hcf in 2019. Pursuant to California Government Code 53756, the MPWD is proposing to pass-through any additional increases in SFPUC wholesale water rates above these projected SFPUC rates. Future pass-throughs will be implemented by increasing the MPWD’s proposed Water Consumption Charges by exact amount of the increase in cents per hcf in excess of the assumed SFPUC wholesale rates.

For example, if the SFPUC raises its wholesale water rate to \$4.51 per hcf on July 1, 2018, the MPWD would be authorized to increase its Water Consumption Charges by an additional \$0.20 per hcf on or after July 1, 2018. Prior to initiating a pass-through for SFPUC wholesale rates, the MPWD will send notification to all customers at least 30 days prior to implementation.

NEW STATE DROUGHT REGULATIONS AND WATER SHORTAGE EMERGENCY RATES

California is experiencing one of the most serious droughts on record. On April 1, 2015 the Governor issued an Executive Order directing the State Water Resources Control Board (SWRCB) to implement mandatory water conservation regulations to reduce water usage by 25% statewide. To achieve these savings, the SWRCB is expediting emergency regulations to set water conservation targets for communities around the State. Agencies that fail to achieve the required reductions could be subject to penalties of up to \$10,000 per day. Based on the State’s draft proposal, the MPWD would be required to reduce water demand by 20% from demand in calendar year 2013. *Thanks to MPWD customer conservation efforts, the MPWD is already more than half-way toward meeting the State’s proposed 20% cutback target for MPWD.*

In order to help MPWD recover its costs of service and remain financially stable during periods of emergency water shortages and reduced water sales, MPWD is proposing to authorize the implementation of Water Shortage Emergency Rates. These emergency rates would be implemented in response to escalating drought conditions and water supply shortages, or in response to additional State-mandated cutbacks in water use in excess of 20%, and would replace MPWD’s regular Water Consumption Charges. Water Shortage Emergency Rates may be implemented upon declaration of a water shortage emergency pursuant to Water Code Section 350 and/or Water Code Section 31026. Prior to initiating Water Shortage Emergency Rates, MPWD will send notification to all customers at least 30 days prior to implementation.

The proposed Water Shortage Emergency Rates may be implemented by authorization of MPWD’s Board of Directors up to the maximum levels shown on the table below, which correspond with a 50% cutback in water demand from usage in 2013. *No changes are proposed to Single Family Residential Tier 1 for the Water Shortage Emergency Rates.*

Proposed Maximum Water Shortage Emergency Rates					
Maximum rates effective on or after:					
	July 1 2015	July 1 2016	July 1 2017	July 1 2018	July 1 2019
WATER SHORTAGE EMERGENCY RATES (CONSUMPTION CHARGES)					
<i>Billed based on monthly metered water use (\$/hcf)*</i>					
<u>Single Family Residential Rate Tiers</u>					
Tier 1	\$5.00	\$5.30	\$5.60	\$5.90	\$6.25
Tier 2	9.90	10.57	11.15	11.72	12.14
Tier 3	11.88	12.71	13.43	14.23	14.83
Tier 4	13.86	14.85	15.72	16.74	17.53
<u>All Other Rate Tiers</u>					
Tier 1	\$9.24	\$9.70	\$10.07	\$10.50	\$10.79
Tier 2	10.56	11.17	11.69	12.33	12.81

* 1 hcf = one hundred cubic feet or approximately 748 gallons.

Based on same levels of water use per tier as shown in Proposed Water Rates table.

WHAT CAN CUSTOMERS DO TO MINIMIZE THE IMPACT OF RATE INCREASES?

To minimize the impact of the proposed rate increases, customers are encouraged to continue conserving and to further reduce indoor and outdoor water use where possible. As a member of the Bay Area Water Supply and Conservation Agency, the MPWD offers rebates for 1) high-efficiency toilets, 2) high-efficiency washing machines, 3) rain barrels, and 4) transitioning turf lawns to drought tolerant landscaping. For more information on any of these rebate programs or other water conservation opportunities, please visit the MPWD website at www.midpeninsulawater.org or contact the MPWD at (650) 591-8941.

HOW TO SUBMIT A WRITTEN PROTEST

Property owners and customers may file written protests against the proposed rate increases. Pursuant to California law, protests must be submitted in writing and must 1) identify the affected property or properties, such as by address, Assessor's Parcel Number, or customer account number, 2) include the name and signature of the customer or property owner submitting the protest, and 3) indicate opposition to the proposed water rate increases. Protests submitted by e-mail, facsimile or other electronic means will not be accepted. One written protest counted per parcel. The proposed rates cannot be adopted if written protests are received from a majority of affected parcels. Written protests can be mailed to: Mid-Peninsula Water District, Post Office Box 129, Belmont, CA 94002, or can be submitted to the MPWD at its headquarters located at 3 Dairy Lane in Belmont. All written protests must be submitted prior to the close of the Public Hearing on June 25, 2015.



***If Everyone Saves a Little,
We All Save a Lot!***

MID-PENINSULA
WATER DISTRICT

The California drought is hard,
but using water efficiently is easy!
Discover how MPWD can help you:

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- ✓ WATER CONSERVATION KITS
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20 WAYS TO SAVE 20%

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Safe, quality water with friendly, professional service



Water Rate Update

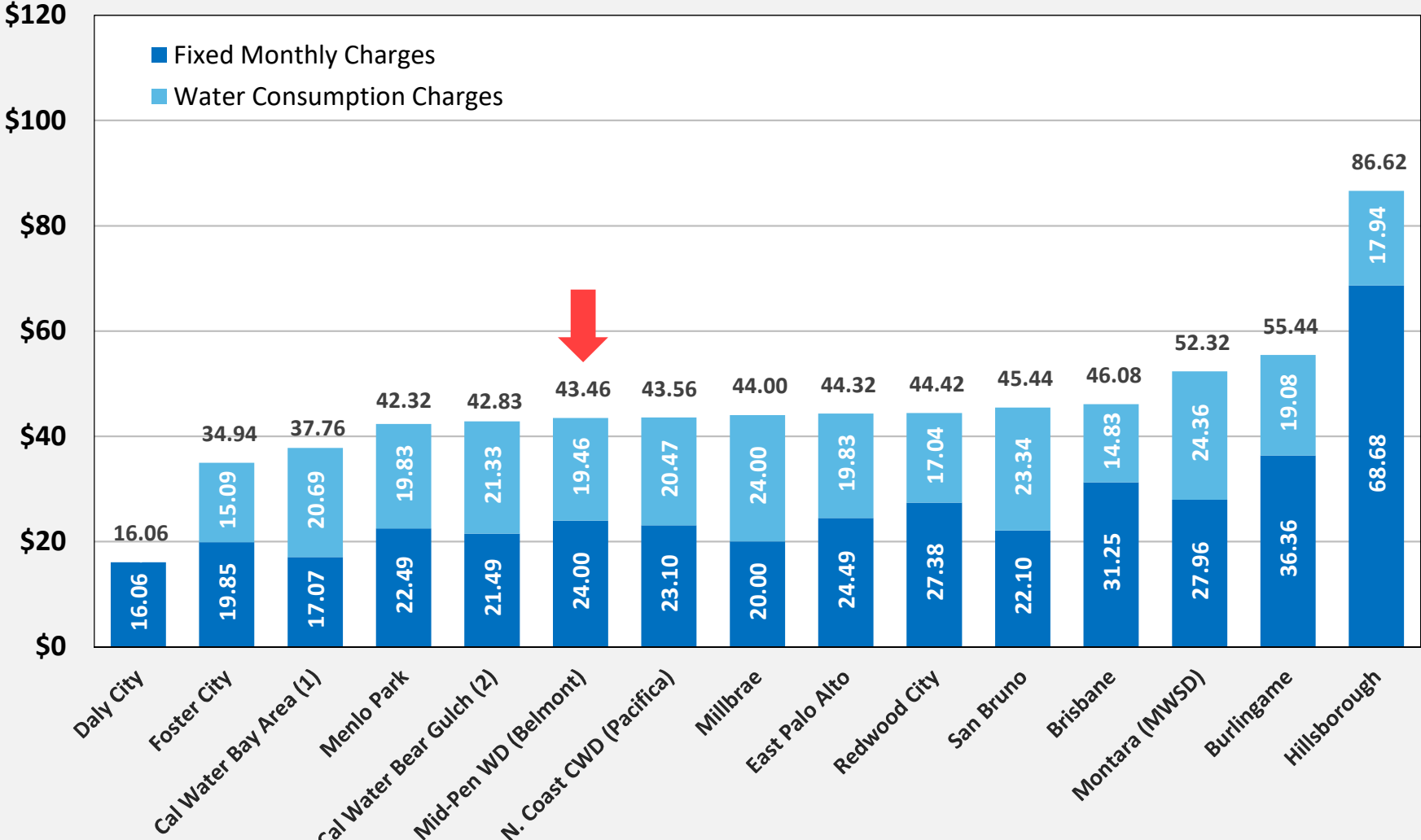
May 18, 2018



BARTLE WELLS ASSOCIATES
INDEPENDENT PUBLIC FINANCE ADVISORS

Single Family Residential Monthly Water Charges 2017/18

Low Use: 3 ccf monthly use (74 gpd)



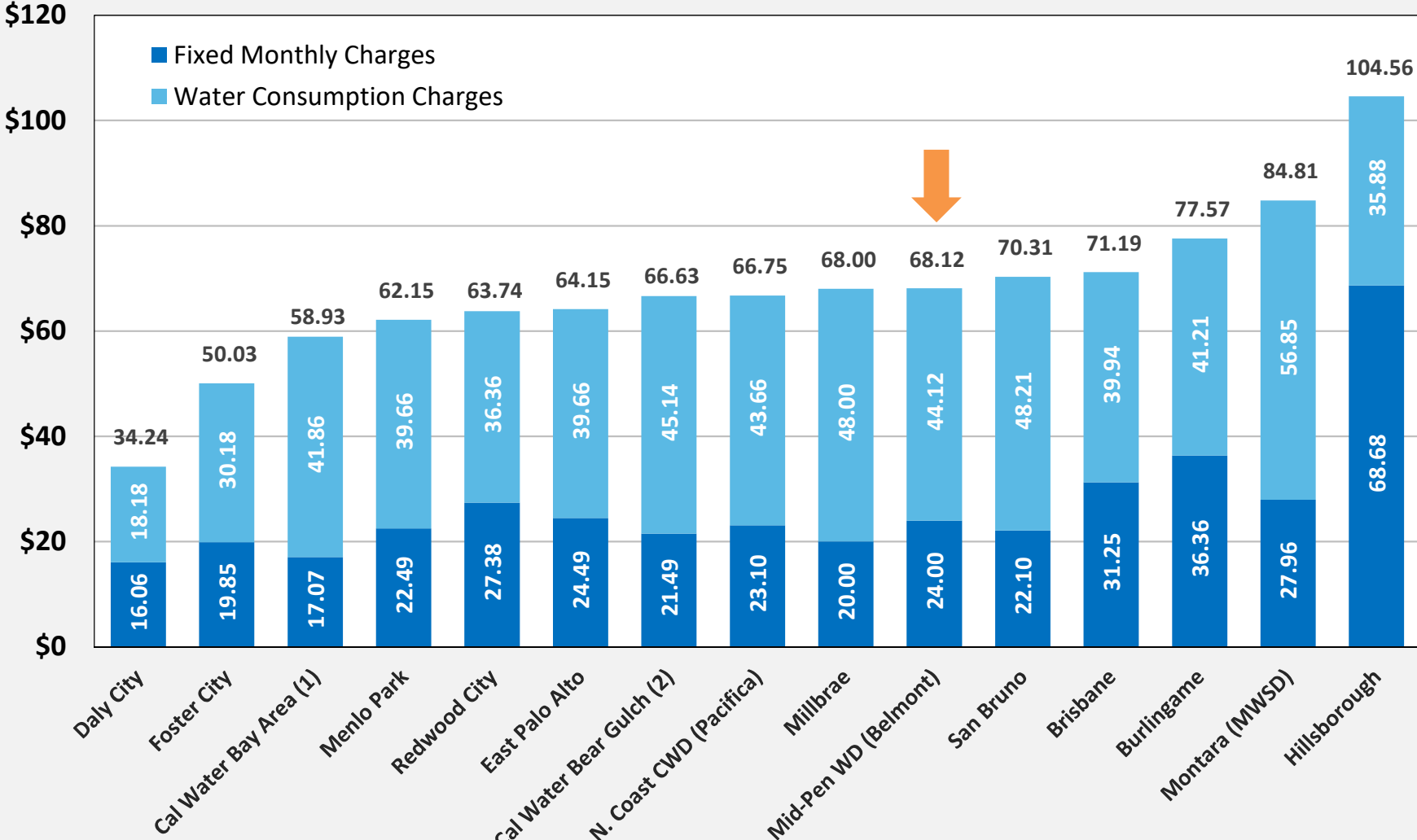
1 Bay Area service areas includes San Carlos, San Mateo, South San Francisco.

2 Bear Gulch service area includes Atherton, Woodside, and part of Menlo Park.

Rates Effective March 2018

Single Family Residential Monthly Water Charges 2017/18

Median Use: 6 ccf monthly water use (148 gpd)



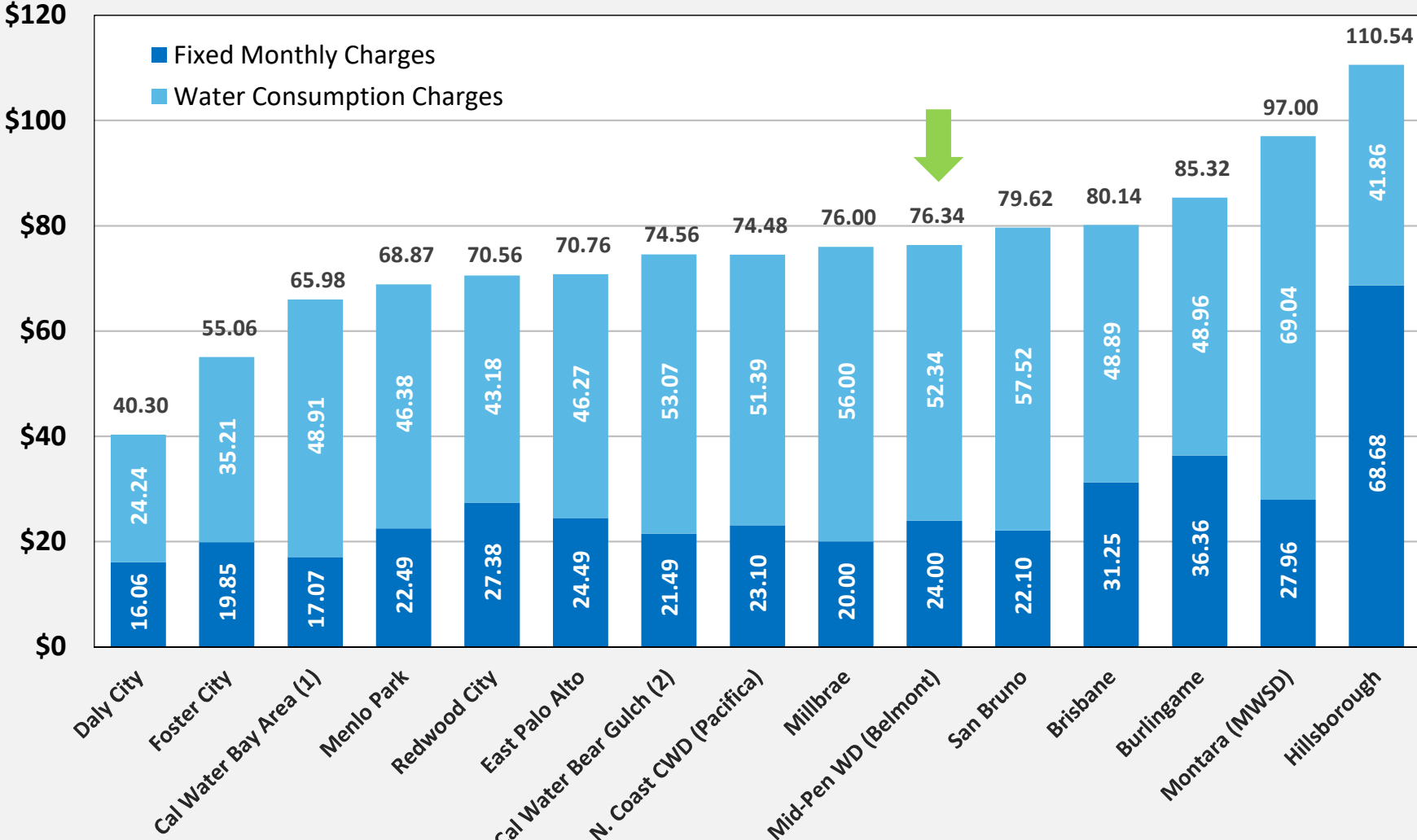
1 Bay Area service areas includes San Carlos, San Mateo, South San Francisco.

2 Bear Gulch service area includes Atherton, Woodside, and part of Menlo Park.

Rates Effective March 2018

Single Family Residential Monthly Water Charges 2017/18

Average Use: 7 ccf of monthly water use (172 gpd)



1 Bay Area service areas includes San Carlos, San Mateo, South San Francisco.

2 Bear Gulch service area includes Atherton, Woodside, and part of Menlo Park.

Rates Effective March 2018

Table 1
 Mid-Peninsula Water District
 Water Sales by Fiscal Year

*Includes estimates for remainder
 of fiscal year 2017/18*

	Water Consumption (hcf)					
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18
July	155,974	156,081	134,669	102,202	111,110	117,761
August	153,190	155,788	128,924	104,096	113,341	124,029
September	145,980	145,551	118,284	101,546	112,591	127,050
October	122,618	122,117	109,652	95,095	101,247	117,970
November	90,723	106,535	86,670	81,298	76,838	100,278
December	80,604	94,062	72,835	67,438	66,486	76,510
January	84,202	102,910	82,360	70,890	67,261	85,964
February	86,478	73,221	79,782	60,940	65,165	65,000
March	106,663	89,152	102,964	65,700	63,193	63,000
April	120,265	96,019	91,491	73,821	69,702	70,000
May	155,736	126,934	97,806	85,446	89,353	89,000
June	150,614	139,729	103,863	108,136	108,136	108,000
Total	1,453,047	1,408,099	1,209,300	1,016,608	1,044,423	1,144,562
% Change		-3.1%	-14.1%	-15.9%	2.7%	9.6%

2017/18 year-to-date water consumption through January 2018 is 15.5% higher than the same period in the prior fiscal year; assuming water use parallels prior year use for the remaining months of the fiscal year, water use will end up about 9.6% higher than 2016/17.

Table 2
Mid-Peninsula Water District
Water Rates

		July 1 2015	July 1 2016		July 1 2017		July 1 2018	July 1 2019
		Adopted & Charged	Adopted	Charged	Adopted	Charged	Adopted	Adopted
Fixed Monthly Charges					<i>No Increase</i>			
<i>Billed based on meter size</i>								
<u>Meter</u>	<u>Meter Ratio</u>							
5/8"	1.00	\$22.00	\$24.00	\$24.00	\$26.00	\$24.00	\$28.00	\$30.00
1"	1.50	33.00	36.00	36.00	39.00	36.00	42.00	45.00
1 1/2"	2.50	55.00	60.00	60.00	65.00	60.00	70.00	75.00
2"	4.00	88.00	96.00	96.00	104.00	96.00	112.00	120.00
3"	6.00	132.00	144.00	144.00	156.00	144.00	168.00	180.00
4"	10.00	220.00	240.00	240.00	260.00	240.00	280.00	300.00
6"	25.00	550.00	600.00	600.00	650.00	600.00	700.00	750.00
Water Consumption Charges					<i>No Increase</i>			
<i>Billed based on monthly metered water use (\$/hcf)*</i>								
<u>Residential Use per Tier</u>								
Tier 1	0 - 2 hcf		0 - 2 hcf		0 - 2 hcf		0 - 2 hcf	0 - 2 hcf
Tier 2	3 - 9 hcf		3 - 8 hcf		3 - 8 hcf		3 - 8 hcf	3 - 8 hcf
Tier 3	10 - 22 hcf		9 - 20 hcf		9 - 20 hcf		9 - 20 hcf	9 - 20 hcf
Tier 4	>22 hcf		>20 hcf		>20 hcf		>20 hcf	>20 hcf
<u>Residential Rate Tiers</u>				With \$0.32 Pass-Through				
Tier 1		\$5.00	\$5.30	\$5.62	\$5.60	\$5.62	\$5.90	\$6.25
Tier 2		7.50	7.90	8.22	8.30	8.22	8.65	9.00
Tier 3		9.00	9.50	9.82	10.00	9.82	10.50	11.00
Tier 4		10.50	11.10	11.42	11.70	11.42	12.35	13.00
<u>Commercial Rate Tiers</u>								
Tier 1	0 - 5 hcf	\$7.00	\$7.25	\$7.57	\$7.50	\$7.57	\$7.75	\$8.00
Tier 2	Over 5 hcf	8.00	8.35	8.67	8.70	8.67	9.10	9.50
* 1 hcf = one hundred cubic feet or approximately 748 gallons.								

Table 3
 Mid-Peninsula Water District
 Estimated Water Rate Revenues 2017/18

	Water Use (hcf)	Usage Charges	Fixed Charges	Total Charges
July	117,761	\$991,425	\$221,480	\$1,212,905
August	124,029	1,058,492	221,539	1,280,031
September	127,050	1,086,960	221,731	1,308,691
October	117,970	969,367	220,229	1,189,596
November	100,278	842,728	221,252	1,063,980
December	76,510	597,628	221,492	819,120
January	85,964	460,723	221,521	682,244
February	65,000	517,000	221,500	738,500
March	63,000	207,000	221,500	428,500
April	70,000	555,000	221,500	776,500
May	89,000	718,000	221,500	939,500
June	108,000	992,000	221,500	1,213,500
Total	1,144,562	8,996,323	2,656,744	11,653,067
<i>% of Total</i>		<i>77.2%</i>	<i>22.8%</i>	<i>100.0%</i>

Table 4
 Mid-Peninsula Water District
 Projected vs. Actual SFPUC Wholesale Water Rates

	July 1 2015	July 1 2016	July 1 2017	July 1 2018
Prior SFPUC Projections (2015 Rate Study)	3.75	3.78	3.79	4.31
Actual or Updated Wholesale Rates	3.75	4.10	4.10	4.10
Difference	-	0.32	0.31	(0.21)

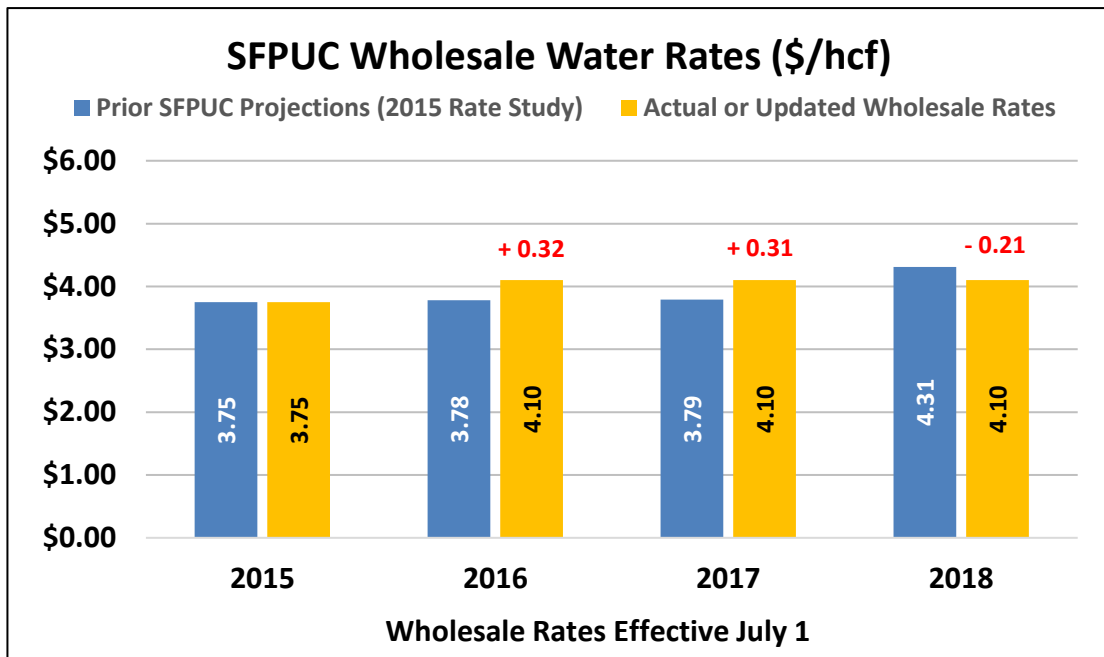


Table 5
 Mid-Peninsula Water District
 Fund Reserves

	Fund Reserves as of June 30				
	2013	2014	2015	2016	2017
Cash & Equivalents	\$3,621,126	\$4,465,380	\$3,582,734	\$4,265,885	\$5,203,740
Plus					
Accounts Receivable	916,448	849,549	679,566	973,931	1,212,306
Prepaid Expenses & Assets	<u>115,278</u>	<u>92,625</u>	<u>135,503</u>	<u>255,814</u>	<u>231,282</u>
Subtotal	1,031,726	942,174	815,069	1,229,745	1,443,588
Less					
Accounts Payable	162,195	422,373	185,507	206,936	236,936
Accrued Expenses/Unearned Revs	<u>131,706</u>	<u>54,431</u>	<u>78,189</u>	<u>711,290</u>	<u>1,512,722</u>
Subtotal	293,901	476,804	263,696	918,226	1,749,658
Adjusted Total	4,358,951	4,930,750	4,134,107	4,577,404	4,897,670
Source: Audited Financial Statements					

Table 6 - MPWD Cash Flow Projections

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

Table 7

Mid-Peninsula Water District
Projected Water Rates

Fixed Charges: Lag Adopted Rate Increases by 1 Year
Usage Charges: Adopted Rates Adjusted by SFPUC Differential

Proposed Water Rates Effective July 1, 2018						
		2017/18 Current Rates	2018/19 Adopted Rates	Decrease from Adopted Rates		2018/19 Proposed Rates
				\$	%	
Fixed Monthly Charges						
<i>Billed based on meter size</i>						
<u>Meter</u>	<u>Meter Ratio</u>					
5/8"	1.00	\$24.00	\$28.00	(\$2.00)	-7.1%	\$26.00
1"	1.50	36.00	42.00	(3.00)	-7.1%	39.00
1 1/2"	2.50	60.00	70.00	(5.00)	-7.1%	65.00
2"	4.00	96.00	112.00	(8.00)	-7.1%	104.00
3"	6.00	144.00	168.00	(12.00)	-7.1%	156.00
4"	10.00	240.00	280.00	(20.00)	-7.1%	260.00
6"	25.00	600.00	700.00	(50.00)	-7.1%	650.00
Water Consumption Charges						
<i>Billed based on monthly metered water use (\$/hcf)</i>						
<u>Residential Rate Tiers</u>				SFPUC Rate Differential*		
Tier 1	0 - 2 hcf	\$5.62	\$5.90	(0.21)	-3.6%	\$5.69
Tier 2	3 - 8 hcf	8.22	8.65	(0.21)	-2.4%	8.44
Tier 3	9 - 20 hcf	9.82	10.50	(0.21)	-2.0%	10.29
Tier 4	Over 20 hcf	11.42	12.35	(0.21)	-1.7%	12.14
<u>Commercial Rate Tiers</u>				maintain current rate		
Tier 1	0 - 5 hcf	\$7.57	\$7.75		0.0%	\$7.57
Tier 2	Over 5 hcf	8.67	9.10	(0.21)	-2.3%	8.89
Note: 1 hcf = one hundred cubic feet or approximately 748 gallons.						

* Accounts for difference between SFPUC's prior projected rate used in the rate study (\$4.31), and SFPUC's latest wholesale rate projection for fiscal year 2018/19 (4.10).

Table 8
Mid-Peninsula Water District
Impact of Proposed Rates on Monthly Water Bills

Impact of Proposed Rates Effective July 1, 2018							
Monthly Use (hcf)	% of Bills in Block	% of Bills at or Below	Monthly Charges			Impact of Proposed Rates Compared to	
			Current	Adopted	Proposed	Current Rates	Adopted Rates
0	1.1%	1.1%	\$24.00	\$28.00	\$26.00	\$2.00	(\$2.00)
1	2.8%	3.9%	29.62	33.90	31.69	2.07	(2.21)
2	5.1%	9.1%	35.24	39.80	37.38	2.14	(2.42)
3	7.5%	16.5%	43.46	48.45	45.82	2.36	(2.63)
4	9.4%	26.0%	51.68	57.10	54.26	2.58	(2.84)
5	9.9%	35.8%	59.90	65.75	62.70	2.80	(3.05)
6	9.0%	44.9%	68.12	74.40	71.14	3.02	(3.26)
7	7.7%	52.6%	76.34	83.05	79.58	3.24	(3.47)
8	6.9%	59.5%	84.56	91.70	88.02	3.46	(3.68)
9	5.8%	65.3%	94.38	102.20	98.31	3.93	(3.89)
10	5.0%	70.2%	104.20	112.70	108.60	4.40	(4.10)
11	4.3%	74.5%	114.02	123.20	118.89	4.87	(4.31)
12	3.7%	78.2%	123.84	133.70	129.18	5.34	(4.52)
13	3.1%	81.3%	133.66	144.20	139.47	5.81	(4.73)
14	2.7%	84.0%	143.48	154.70	149.76	6.28	(4.94)
15	2.2%	86.2%	153.30	165.20	160.05	6.75	(5.15)
16	1.9%	88.1%	163.12	175.70	170.34	7.22	(5.36)
17	1.6%	89.6%	172.94	186.20	180.63	7.69	(5.57)
18	1.3%	91.0%	182.76	196.70	190.92	8.16	(5.78)
19	1.2%	92.2%	192.58	207.20	201.21	8.63	(5.99)
20	1.1%	93.3%	202.40	217.70	211.50	9.10	(6.20)
21	0.9%	94.2%	213.82	230.05	223.64	9.82	(6.41)
22	0.7%	94.9%	225.24	242.40	235.78	10.54	(6.62)
23	0.7%	95.6%	236.66	254.75	247.92	11.26	(6.83)
24	0.6%	96.2%	248.08	267.10	260.06	11.98	(7.04)
25	0.4%	96.6%	259.50	279.45	272.20	12.70	(7.25)
26	0.4%	97.1%	270.92	291.80	284.34	13.42	(7.46)
27	0.4%	97.4%	282.34	304.15	296.48	14.14	(7.67)
28	0.3%	97.8%	293.76	316.50	308.62	14.86	(7.88)
29	0.2%	98.0%	305.18	328.85	320.76	15.58	(8.09)
30	0.2%	98.2%	316.60	341.20	332.90	16.30	(8.30)
50	31-50: 1.5%	99.7%	545.00	588.20	575.70	30.70	(12.50)
75	>50: 0.3%	100.0%	830.50	896.95	879.20	48.70	(17.75)

SAN FRANCISCO-OAKLAND-HAYWARD

Consumer Price Index, All Items, 1982-84=100 for All Urban Consumers (CPI-U)

YEAR	JAN	FEB	MARCH	APRIL	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	SEMIANNUAL		
													1ST HALF	2ND HALF	ANNUAL AVERAGE
2000		176.5		178.7		179.1		181.7		183.4		184.1	177.7	182.6	180.2
2001		187.9		189.1		190.9		191.0		191.7		190.6	188.7	191.1	189.9
2002		191.3		193.0		193.2		193.5		194.3		193.2	192.3	193.7	193.0
2003		197.7		197.3		196.3		196.3		196.3		195.3	196.8	196.1	196.4
2004		198.1		198.3		199.0		198.7		200.3		199.5	198.2	199.5	198.8
2005		201.2		202.5		201.2		203.0		205.9		203.4	201.5	203.9	202.7
2006		207.1		208.9		209.1		210.7		211.0		210.4	207.9	210.6	209.2
2007		213.688		215.842		216.123		216.240		217.949		218.485	214.736	217.361	216.048
2008		219.612		222.074		225.181		225.411		225.824		218.528	221.730	223.804	222.767
2009		222.166		223.854		225.692		225.801		226.051		224.239	223.305	225.484	224.395
2010		226.145		227.697		228.110		227.954		228.107		227.658	226.994	227.944	227.469
2011		229.981		234.121		233.646		234.608		235.331		234.327	232.082	234.698	233.390
2012		236.880		238.985		239.806		241.170		242.834		239.533	238.099	241.201	239.650
2013		242.677		244.675		245.935		246.072		246.617		245.711	243.894	246.152	245.023
2014		248.615		251.495		253.317		253.354		254.503		252.273	250.507	253.463	251.985
2015		254.910		257.622		259.117		259.917		261.019		260.289	256.723	260.421	258.572
2016		262.600		264.565		266.041		267.853		270.306		269.483	263.911	268.777	266.344
2017		271.626		274.589		275.304		275.893		277.570		277.414	273.306	276.542	274.924
2018		281.308		283.422		286.062		287.664		289.673		289.896	282.666	288.435	285.550
2019		291.227													

Table of over-the-year percent increases. An entry for Feb. 2006 indicates the percentage increase from Feb. 2005 to Feb. 2006.

2001	6.5	5.8		6.6		5.1		4.5		3.5		6.2	4.7	5.4
2002	1.8	2.1		1.2		1.3		1.4		1.4		1.9	1.4	1.6
2003	3.3	2.2		1.6		1.4		1.0		1.1		2.3	1.2	1.8
2004	0.2	0.5		1.4		1.2		2.0		2.2		0.7	1.7	1.2
2005	1.6	2.1		1.1		2.2		2.8		2.0		1.7	2.2	2.0
2006	2.9	3.2		3.9		3.8		2.5		3.4		3.2	3.3	3.2
2007	3.2	3.3		3.4		2.6		3.3		3.8		3.3	3.2	3.3
2008	2.8	2.9		4.2		4.2		3.6		0.0		3.3	3.0	3.1
2009	1.2	0.8		0.2		0.2		0.1		2.6		0.7	0.8	0.7
2010	1.8	1.7		1.1		1.0		0.9		1.5		1.7	1.1	1.4
2011	1.7	2.8		2.4		2.9		3.2		2.9		2.2	3.0	2.6
2012	3.0	2.1		2.6		2.8		3.2		2.2		2.6	2.8	2.7
2013	2.4	2.4		2.6		2.0		1.6		2.6		2.4	2.1	2.2
2014	2.4	2.8		3.0		3.0		3.2		2.7		2.7	3.0	2.8
2015	2.5	2.4		2.3		2.6		2.6		3.2		2.5	2.7	2.6
2016	3.0	2.7		2.7		3.1		3.6		3.5		2.8	3.2	3.0
2017	3.4	3.8		3.5		3.0		2.7		2.9		3.6	2.9	3.2
2018	3.6	3.2		3.9		4.3		4.4		4.5		3.4	4.3	3.9
2019	3.5													

Mid-Peninsula Water District Cash Flow Projections

	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Rate Adjustments	9%	18%	6%	6%	6%	6%	3.5%	3.5%	3.5%	3.5%
Growth in Service Connections		20	20	20	10	10	10	10	10	10
Water System Capacity Charge	\$1,450	\$9,375	\$9,560	\$9,750	\$9,950	\$10,150	\$10,350	\$10,560	\$10,770	\$10,990
Change in Water Sales	-13.00%	-4.40%	-1.02%	-1.02%	-1.02%	-1.02%	-0.60%	-0.60%	-0.60%	-0.60%
Change in Sales Revenues	-14.56%	-4.95%	-1.15%	-1.15%	-1.15%	-1.15%	-0.67%	-0.67%	-0.67%	-0.67%
Total Water Sales (hcf)	1,160,000	1,109,000	1,097,700	1,086,500	1,075,400	1,064,400	1,058,100	1,051,800	1,045,500	1,039,300
SFPUC Water Supply (hcf) +7%	1,241,200	1,186,600	1,174,500	1,162,600	1,150,700	1,138,900	1,132,200	1,125,400	1,118,700	1,112,100
Reduction in Supply Since 2013	-16.4%	-20.0%	-20.9%	-21.7%	-22.5%	-23.3%	-23.7%	-24.2%	-24.6%	-25.1%
SFPUC Rate per hcf	\$2.93	\$3.75	\$3.78	\$3.79	\$4.31	\$4.72	\$4.74	\$4.90	\$5.03	\$5.17
Interest Earnings Rate	0.30%	0.30%	0.50%	0.75%	1.0%	1.0%	1.0%	1.0%	1.0%	1.0%
Cost Escalation		4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%	4.0%
Beginning Fund Balances	\$4,377,000	\$2,483,000	\$2,512,000	\$2,778,000	\$3,195,000	\$3,322,000	\$3,344,000	\$3,498,000	\$3,632,000	\$3,781,000
REVENUES										
Monthly Service Charges	2,050,000	2,420,000	2,654,000	2,879,000	3,103,000	3,294,000	3,414,000	3,538,000	3,667,000	3,801,000
Water Sales	<u>6,570,000</u>	<u>8,229,000</u>	<u>8,620,000</u>	<u>8,933,000</u>	<u>9,248,000</u>	<u>9,564,000</u>	<u>9,832,000</u>	<u>10,108,000</u>	<u>10,392,000</u>	<u>10,684,000</u>
Subtotal Rate Revenues	8,620,000	10,649,000	11,274,000	11,812,000	12,351,000	12,858,000	13,246,000	13,646,000	14,059,000	14,485,000
Interest Revenue	10,000	7,000	13,000	21,000	32,000	33,000	33,000	35,000	36,000	38,000
Lease of Physical Property	238,000	248,000	255,000	263,000	271,000	279,000	287,000	296,000	305,000	314,000
Property Taxes	245,000	245,000	252,000	260,000	268,000	276,000	284,000	293,000	302,000	311,000
Capacity Charges	50,000	188,000	191,000	195,000	100,000	102,000	104,000	106,000	108,000	110,000
Other/Miscellaneous Revenues	<u>34,400</u>	<u>79,000</u>	<u>50,000</u>	<u>52,000</u>	<u>54,000</u>	<u>56,000</u>	<u>58,000</u>	<u>60,000</u>	<u>62,000</u>	<u>64,000</u>
Total Revenues	9,197,400	11,416,000	12,035,000	12,603,000	13,076,000	13,604,000	14,012,000	14,436,000	14,872,000	15,322,000
EXPENSES										
Operating & Maintenance										
Personnel Costs	2,470,000	2,659,000	2,765,000	2,876,000	2,991,000	3,111,000	3,235,000	3,364,000	3,499,000	3,639,000
SFPUC Water Purchases	3,737,000	4,550,000	4,540,000	4,506,000	5,060,000	5,476,000	5,467,000	5,614,000	5,727,000	5,850,000
BAWSCA Bond Surcharge	500,000	461,000	480,000	480,000	480,000	480,000	480,000	480,000	480,000	480,000
Maintenance & Repair	500,000	524,000	545,000	567,000	590,000	614,000	639,000	665,000	692,000	720,000
Utilities	330,000	344,000	358,000	372,000	387,000	402,000	418,000	435,000	452,000	470,000
Professional Services	536,000	591,000	615,000	640,000	666,000	693,000	721,000	750,000	780,000	811,000
Wtr Conservation Prog & Rebates	72,000	73,000	76,000	79,000	82,000	85,000	88,000	92,000	96,000	100,000
Other Operating Costs	<u>586,000</u>	<u>615,000</u>	<u>640,000</u>	<u>666,000</u>	<u>693,000</u>	<u>721,000</u>	<u>750,000</u>	<u>780,000</u>	<u>811,000</u>	<u>843,000</u>
Subtotal	8,731,000	9,817,000	10,019,000	10,186,000	10,949,000	11,582,000	11,798,000	12,180,000	12,537,000	12,913,000
Capital Improvements	2,360,000	1,570,000	1,750,000	2,000,000	2,000,000	2,000,000	2,060,000	2,122,000	2,186,000	2,252,000
Total Expenses	11,091,000	11,387,000	11,769,000	12,186,000	12,949,000	13,582,000	13,858,000	14,302,000	14,723,000	15,165,000
Revenues Less Expenses	(1,893,600)	29,000	266,000	417,000	127,000	22,000	154,000	134,000	149,000	157,000
Ending Fund Balances	2,483,400	2,512,000	2,778,000	3,195,000	3,322,000	3,344,000	3,498,000	3,632,000	3,781,000	3,938,000

Mid-Peninsula Water District
Water Cost Recovery Attribution

		SFR	All Other	Total	SFR: Tier 1 Tier 2 Tier 3 Tier 4 Subtotal															
VARIABLE COST RECOVERY ALLOCATION																				
Number of Accounts		7,130	762	7,892																
% of Total		90.3%	9.7%																	
Projected Water Use (hcf)		590,458	474,934	1,065,392																
A) Pro-Rata % of Water Use per Tier		55.4%	44.6%		A	28.1%	43.9%	22.3%	5.7%	100.0%										
B) Peaking-Related Cost Recovery (% of Water Paying for Peak Facilities)					B	0.0%	5.0%	40.0%	70.0%											
C) Pro-Rata % x Peak Cost Recovery % (A x B)					C	0.0%	2.2%	8.9%	4.0%	15.1%										
D) % of Total Pro-Rata % x Peak Weighting % (% of Total C) <i>Adjusted Peak Weighting</i>					D	0.0%	14.6%	59.0%	26.4%	100.0%										
E) Weighted Pro-Rata & Peak Allocation		80%	20%		E	22.5%	38.1%	29.6%	9.8%	100.0%										
2019/20		Cost Recovery		Fixed \$	Variable \$	Variable Cost Recovery				SFR Variable Cost Recovery Allocation										
Expenses		Fixed %	Var. %	Recovery	Recovery	SFR %	Other %	SFR \$	Other \$	Alloc.	Tier 1	Tier 2	Tier 3	Tier 4	Subtotal	Tier 1	Tier 2	Tier 3	Tier 4	Subtotal
TOTAL COST RECOVERY ALLOCATION																				
<u>Operating & Maintenance</u>																				
Personnel Costs \$3,111,000 50% 50% 1,555,500 1,555,500 55.4% 44.6% 862,084 693,416 E 22.5% 38.1% 29.6% 9.8% 100.0% \$193,891 \$328,128 \$255,223 \$84,842 \$862,084																				
SFPUC Water Purchases 5,476,000 0% 100% 0 5,476,000 55.4% 44.6% 3,034,889 2,441,111 A 28.1% 43.9% 22.3% 5.7% 100.0% 853,222 1,333,437 675,390 172,839 3,034,889																				
BAWSCA Bond Surcharge 480,000 0% 100% 0 480,000 55.4% 44.6% 266,024 213,976 A 28.1% 43.9% 22.3% 5.7% 100.0% 74,789 116,883 59,201 15,150 266,024																				
Maintenance & Repair 614,000 40% 60% 245,600 368,400 55.4% 44.6% 204,173 164,227 E 22.5% 38.1% 29.6% 9.8% 100.0% 45,921 77,713 60,446 20,094 204,173																				
Utilities 402,000 0% 100% 0 402,000 55.4% 44.6% 222,795 179,205 A 28.1% 43.9% 22.3% 5.7% 100.0% 62,636 97,889 49,581 12,688 222,795																				
Professional Services 693,000 50% 50% 346,500 346,500 55.4% 44.6% 192,036 154,464 E 22.5% 38.1% 29.6% 9.8% 100.0% 43,191 73,093 56,853 18,899 192,036																				
Wtr Conservation Prog & Rebates 85,000 0% 100% 0 85,000 55.4% 44.6% 47,108 37,892 D 0.0% 14.6% 59.0% 26.4% 100.0% 0 6,860 27,799 12,449 47,108																				
Other Operating Costs 721,000 50% 50% 360,500 360,500 55.4% 44.6% 199,795 160,705 E 22.5% 38.1% 29.6% 9.8% 100.0% 44,936 76,046 59,150 19,663 199,795																				
Capital Improvements - 80% Base 1,600,000 50% 50% 800,000 800,000 55.4% 44.6% 443,373 356,627 A 28.1% 43.9% 22.3% 5.7% 100.0% 124,649 194,805 98,669 25,250 443,373																				
Less Est. Capacity Chg Revenues (102,000) 50% 50% (51,000) (51,000) 55.4% 44.6% (28,265) (22,735) A 28.1% 43.9% 22.3% 5.7% 100.0% (7,946) (12,419) (6,290) (1,610) (28,265)																				
Capital Improvements - 20% Peak 400,000 0% 100% 0 400,000 55.4% 44.6% 221,687 178,313 D 0.0% 14.6% 59.0% 26.4% 100.0% 0 32,284 130,817 58,585 221,687																				
Transfer to Reserves 22,000 35% 65% 7,700 14,300 55.4% 44.6% 7,925 6,375 A 28.1% 43.9% 22.3% 5.7% 100.0% 2,228 3,482 1,764 451 7,925																				
Subtotal 13,502,000 24.2% 75.8% 3,264,800 10,237,200 55.4% 44.6% 5,673,625 4,563,575 1,437,517 2,328,202 1,468,603 439,303 5,673,625																				
Less Interest & Misc Revenues (89,000) 0% 100% 0 (89,000) 55.4% 44.6% (49,325) (39,675) A 28.1% 43.9% 22.3% 5.7% 100.0% (13,867) (21,672) (10,977) (2,809) (49,325)																				
Less Prop Tax & Lease Revenues (555,000) 0% 100% 0 (555,000) 70.0% 30.0% (388,500) (166,500) 100.0% (388,500) 0 0 0 (388,500)																				
Subtotal (644,000) 0.0% 100.0% 0 (644,000) 68.0% 32.0% (437,825) (206,175) (402,367) (21,672) (10,977) (2,809) (437,825)																				
Total Recoverable Costs 12,858,000 25.4% 74.6% 3,264,800 9,593,200 5,235,800 4,357,400 8.1% 17.9% 11.3% 3.4% 40.7% 1,035,150 2,306,530 1,457,626 436,494 5,235,800																				
RATE ESTIMATE 2019/20																				
Recoverable Costs \$3,264,800 \$1,035,150 \$2,306,530 \$1,457,626 \$436,494 \$5,235,800																				
Billing Units 9,105 166,000 259,429 131,402 33,627																				
5/8" Mir Equivs hcf hcf hcf hcf																				
Allocated Cost per Unit 2019/20 \$29.88 \$6.24 \$8.89 \$11.09 \$12.98																				
per 5/8" Meter per hcf per hcf per hcf per hcf																				
Projected Water Rates \$30.00 \$6.25 \$9.00 \$11.00 \$13.00																				
per 5/8" Meter per hcf per hcf per hcf per hcf																				
Difference % 0.4% 0.2% 1.2% -0.8% 0.2%																				

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7 PROPOSED RATES & IMPACTS

7.1 Proposed Water Rates

The following table shows a 5-year schedule of proposed water rates incorporating a) the overall level of required rate increases to fund MPWD's costs of providing service, b) the proposed rate structure modifications, and c) the revenue recovery allocations that reasonably and fairly apportion costs to MPWD's rate structure. Rate increases and rate structure modifications are phased in to help minimize the annual impact on customers. Proposed water rates are scheduled to become effective July 1 of each year.

Table 8. Proposed Water Rates

	Current Rates	July 1 2015	July 1 2016	July 1 2017	July 1 2018	July 1 2019
Projected Overall Rate Increase		18.0%	6.0%	6.0%	6.0%	6.0%
Fixed Monthly Charges						
<i>Billed based on meter size</i>						
<u>Meter</u>	<u>Meter Ratio</u>					
5/8"	1.00	\$18.43	\$22.00	\$24.00	\$26.00	\$28.00
1"	1.50	27.65	33.00	36.00	39.00	42.00
1 1/2"	2.50	46.08	55.00	60.00	65.00	70.00
2"	4.00	73.73	88.00	96.00	104.00	112.00
3"	6.00	110.59	132.00	144.00	156.00	168.00
4"	10.00	184.31	220.00	240.00	260.00	280.00
6"	25.00	460.79	550.00	600.00	650.00	700.00
Water Consumption Charges						
<i>Billed based on monthly metered water use (\$/hcf)*</i>						
<u>Residential Use per Tier</u>						
Tier 1	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf	0 - 2 hcf
Tier 2	3 - 10 hcf	3 - 9 hcf	3 - 8 hcf	3 - 8 hcf	3 - 8 hcf	3 - 8 hcf
Tier 3	11 - 25 hcf	10 - 22 hcf	9 - 20 hcf	9 - 20 hcf	9 - 20 hcf	9 - 20 hcf
Tier 4	>25 hcf	>22 hcf	>20 hcf	>20 hcf	>20 hcf	>20 hcf
<u>Residential Rate Tiers</u>						
Tier 1		\$4.20	\$5.00	\$5.30	\$5.60	\$5.90
Tier 2		6.46	7.50	7.90	8.30	8.65
Tier 3		7.75	9.00	9.50	10.00	10.50
Tier 4		9.04	10.50	11.10	11.70	12.35
<u>Commercial Rate Tiers</u>						
Tier 1	0 - 5 hcf	\$5.81	\$7.00	\$7.25	\$7.50	\$7.75
Tier 2	Over 5 hcf	6.78	8.00	8.35	8.70	9.10

* 1 hcf = one hundred cubic feet or approximately 748 gallons.

7.2 Water Rate Impacts

Table 9 shows the impacts of the proposed water rates on a single family residential customer with a 5/8-inch meter at a range of levels of water use. Customers can mitigate the impact of rate increases by reducing water use. Note that water consumption, particularly for single family customers, typically varies from month to month due to seasonal variations in weather and/or other factors. Hence customers could face a range of impacts throughout the year depending on their level of water use in each billing period.

Table 9. Single Family Residential Bill Impacts

Monthly Use (hcf)	% of Bills in Block	% of Bills at or Below	Monthly Water Bills						5-Year Impact
			Current	2015/16	2016/17	2017/18	2018/19	2019/20	
0	1.1%	1.1%	\$18.43	\$22.00	\$24.00	\$26.00	\$28.00	\$30.00	\$11.57
1	2.8%	3.9%	22.63	27.00	29.30	31.60	33.90	36.25	13.62
2	5.1%	9.1%	26.83	32.00	34.60	37.20	39.80	42.50	15.67
3	7.5%	16.5%	33.29	39.50	42.50	45.50	48.45	51.50	18.21
4	9.4%	26.0%	39.75	47.00	50.40	53.80	57.10	60.50	20.75
5	9.9%	35.8%	46.21	54.50	58.30	62.10	65.75	69.50	23.29
6	9.0%	44.9%	52.67	62.00	66.20	70.40	74.40	78.50	25.83
7	7.7%	52.6%	59.13	69.50	74.10	78.70	83.05	87.50	28.37
8	6.9%	59.5%	65.59	77.00	82.00	87.00	91.70	96.50	30.91
9	5.8%	65.3%	72.05	84.50	91.50	97.00	102.20	107.50	35.45
10	5.0%	70.2%	78.51	93.50	101.00	107.00	112.70	118.50	39.99
11	4.3%	74.5%	86.26	102.50	110.50	117.00	123.20	129.50	43.24
12	3.7%	78.2%	94.01	111.50	120.00	127.00	133.70	140.50	46.49
13	3.1%	81.3%	101.76	120.50	129.50	137.00	144.20	151.50	49.74
14	2.7%	84.0%	109.51	129.50	139.00	147.00	154.70	162.50	52.99
15	2.2%	86.2%	117.26	138.50	148.50	157.00	165.20	173.50	56.24
16	1.9%	88.1%	125.01	147.50	158.00	167.00	175.70	184.50	59.49
17	1.6%	89.6%	132.76	156.50	167.50	177.00	186.20	195.50	62.74
18	1.3%	91.0%	140.51	165.50	177.00	187.00	196.70	206.50	65.99
19	1.2%	92.2%	148.26	174.50	186.50	197.00	207.20	217.50	69.24
20	1.1%	93.3%	156.01	183.50	196.00	207.00	217.70	228.50	72.49
21	0.9%	94.2%	163.76	192.50	207.10	218.70	230.05	241.50	77.74
22	0.7%	94.9%	171.51	201.50	218.20	230.40	242.40	254.50	82.99
23	0.7%	95.6%	179.26	212.00	229.30	242.10	254.75	267.50	88.24
24	0.6%	96.2%	187.01	222.50	240.40	253.80	267.10	280.50	93.49
25	0.4%	96.6%	194.76	233.00	251.50	265.50	279.45	293.50	98.74
26	0.4%	97.1%	203.80	243.50	262.60	277.20	291.80	306.50	102.70
27	0.4%	97.4%	212.84	254.00	273.70	288.90	304.15	319.50	106.66
28	0.3%	97.8%	221.88	264.50	284.80	300.60	316.50	332.50	110.62
29	0.2%	98.0%	230.92	275.00	295.90	312.30	328.85	345.50	114.58
30	0.2%	98.2%	239.96	285.50	307.00	324.00	341.20	358.50	118.54
50	31-50: 1.5%	99.7%	420.76	495.50	529.00	558.00	588.20	618.50	197.74
75	>50: 0.3%	100.0%	646.76	758.00	806.50	850.50	896.95	943.50	296.74



AGENDA ITEM NO. 8.F.

DATE: March 28, 2019
TO: Board of Directors
FROM: Tammy Rudock, General Manager
Candy Pina, Administrative Services Manager
Rene Ramirez, Operations Manager

**SUBJECT: DISCUSS PRELIMINARY DRAFT MPWD FISCAL YEAR 2019/2020
OPERATING AND CAPITAL BUDGET SUMMARIES AND ASSUMPTIONS**

RECOMMENDATION:

Discuss Preliminary Draft MPWD Fiscal Year 2019/2020 Operating and Capital Budget summaries and assumptions.

FISCAL IMPACT:

Preliminary discussion at this time—fiscal impact to be determined.

DISCUSSION:

Attached are the Preliminary Draft summaries for FY 2019/2020 Operating and Capital Budgets.

This is a preliminary peek at next fiscal year's MPWD operational and capital needs based upon the following assumptions:

OPERATIONS

- Projected Water Commodity Charges at \$9.8 million (if the Board approves a 3.0% water rate adjustment effective July 1, 2019).
- Projected Fixed System Charges at \$3.0 million (if the Board approves the 7.7% adjustment effective July 1, 2019).
- Projected capacity revenues based upon known "pipeline" Belmont projects.
- Projected 3.0% inflationary index on operational line items staff believed might be impacted by pricing increases, except water purchases from the SFPUC.
- Maintained Purchased Water expenditure based upon FY 2018/2019 projections (and FY 2017/2018 actuals).
- Projected a full year of Debt Service expense totaling \$1,068,300 from the MPWD 2016 COP Official Statement.

- Increased Depreciation per GAAP (Generally Accepted Accounting Principles).

Based upon these assumptions, a \$343,276 Operating Surplus would be projected for transfer to Capital, together with the \$970,000 Depreciation projection.

CAPITAL

- Miscellaneous Capital Outlay/Projects for \$50,000 (from Operating Surplus).

The FY 2019/2020 Capital Budget will be a “work-in-progress” and staff will be recommending that it be finalized after the MPWD’s long-term financial planning and forecast model are developed and presented to the Board of Directors for consideration. For now, \$50,000 will be budgeted in case something comes up between now and September/October 2019.

This is the first of a few FY 2019/2020 budget discussions in the coming months, and staff is seeking input from the Board for further FY 2019/2020 budget discussions.

Attachments: Preliminary Draft Summary MPWD Operations Budget for FY 2019/2020
Preliminary MPWD Capital Budget for FY 2019/2020

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

UNANIMOUS_____ VELLA_____ ZUCCA_____ WARDEN_____ SCHMIDT_____ WHEELER_____

MID-PENINSULA WATER DISTRICT
PRELIMINARY OPERATIONS BUDGET FOR FY 2019-2020

SUMMARY

3/22/2019 15:18

DESCRIPTION	APPROVED AMENDED FY 2018-2019 BUDGET	PRELIMINARY FY 2019-2020 BUDGET	Increase (Decrease)	% Change
OPERATING REVENUE				
WATER COMMODITY CHARGES	9,611,800	9,800,000	188,200	2.0%
FIXED SYSTEM CHARGES	2,880,000	3,000,000	120,000	4.2%
FIRE SERVICE CHARGES	14,000	14,000	-	0.0%
MISC CUSTOMER ACCOUNT FEES	43,000	43,000	-	0.0%
SERVICE LINE & INSTALLATION CHARGES	10,000	10,000	-	0.0%
MISCELLANEOUS OPERATING	25,000	25,000	-	0.0%
PROPERTY TAX REVENUE	268,000	268,000	-	0.0%
TOTAL OPERATING REVENUE *	12,851,800	13,160,000	308,200	2.4%
WATER SYSTEM CAPACITY CHARGES	250,000	100,000	(150,000)	-60.0%
WATER DEMAND OFFSET CHARGES	20,000	10,000	(10,000)	-50.0%
MISCELLANEOUS NON-OPERATING *	55,000	50,000	(5,000)	-9.1%
INTEREST REVENUE - LAIF *	75,000	75,000	-	0.0%
INTEREST REVENUE - COP	150,000	150,000	-	0.0%
LEASE OF PHYSICAL PROPERTY *	175,000	175,000	-	0.0%
LANDSCAPE PERMIT REVENUE	1,000	1,000	-	0.0%
TOTAL NON-OPERATING REVENUE	726,000	561,000	(165,000)	-22.7%
TOTAL REVENUE	13,577,800	13,721,000	143,200	1.1%
OPERATING EXPENDITURES (OP EXP)				
SALARIES & WAGES	1,821,385	2,069,385	248,000	13.6%
PAYROLL TAXES & BENEFITS	1,280,803	1,391,967	111,164	8.7%
PURCHASED WATER	5,654,624	5,654,624	-	0.0%
OUTREACH & EDUCATION	60,000	60,000	-	0.0%
M&R - OPS SYSTEM	350,000	360,500	10,500	3.0%
M&R - FACILITIES & EQUIPMENT	150,000	154,500	4,500	3.0%
SYSTEM SURVEYS	31,050	35,000	3,950	12.7%
ADMINISTRATION & EQUIPMENT	313,483	309,000	(4,483)	-1.4%
MEMBERSHIP & GOV FEES	215,915	225,000	9,085	4.2%
BAD DEBT & CLAIMS	30,000	30,000	-	0.0%
UTILITIES	316,917	324,450	7,533	2.4%
PROFESSIONAL SERVICES	650,000	450,000	(200,000)	-30.8%
TRAINING/TRAVEL & RECRUITMENT	50,000	50,000	-	0.0%
RESTRICTED EARNINGS	225,000	225,000	-	0.0%
DEPRECIATION	931,500	970,000	38,500	4.1%
DEBT SERVICE	1,051,500	1,068,300	16,800	1.6%
TOTAL OP EXP LESS DEPRECIATION (DEPREC)	13,132,176	13,377,725	245,549	1.9%
NET RESULTS OF OPERATIONS	445,625	343,276	(102,349)	-23.0%
NET TRANSFERS TO CAPITAL	445,625	343,276	(102,349)	-23.0%
DEBT SERVICE COVERAGE	1.91	1.98		

* Revenues included in Debt Service Coverage Ratio

MID-PENINSULA WATER DISTRICT
PRELIMINARY BUDGET FOR FY 2019-2020
CAPITAL OUTLAY/CAPITAL PROJECTS

3/22/2019 15:19

DESCRIPTION	APPROVED AMENDED FY 2018-2019 BUDGET \$	PRELIMINARY BUDGET FY 2019-2020 BUDGET \$
CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)		
2017 Joint WMR and Belmont Sewer Rehab Project (Pay-Go Portion)	750,000	-
2017 Water Main Replacement CIP (Pay-Go Portion)	5,000	-
AMI Meter Change Out Program	678,500	-
CAPITAL IMPROVEMENTS - WIP TOTAL	1,433,500	-
CAPITAL OUTLAY		
Replacement Mini-Excavator for Operations	45,998	-
Replacement Service Truck for Operations	90,000	-
Replace Hybrid Vehicles	65,783	-
Replace Fuel Station Controller @ Dairy Lane Operations Center	30,000	-
Phase 2 SCADA System Replacement	50,000	-
Miscellaneous Capital Outlay/Projects	50,000	50,000
CAPITAL OUTLAY TOTAL	331,781	50,000
CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL	1,765,281	50,000
DEPRECIATION	931,500	970,000
TRANSFER FROM OPS	445,625	343,275
TRANSFER (TO)/FROM CAPITAL RESERVES (PRIOR YEAR) *	595,000	-
TRANSFER (TO)/FROM CAPITAL RESERVES	(206,844)	(1,263,275)
CAPITAL OUTLAY/CAPITAL PROJECTS	(1,765,281)	(50,000)
NET RESULTS OF CAPITAL	(0)	(0)
* COMMITTED FROM PRIOR YEAR:		
Joint CIP with City of Belmont	\$ 500,000	
Proceeds from sale of Surplus Items	\$ 95,000	
	\$ 595,000	



TO: Board of Directors
FROM: Tammy A. Rudock
General Manager
DATE: March 28, 2019

MANAGER'S REPORT

FOLLOW-UP FROM 02/28/19 REGULAR BOARD MEETING

- Executed Sixth Amendment to the Master Professional Services Contract with Pakpour Consulting Group, Inc., referenced as Contract No. 02-1621-CP, in the amount of \$45,000, for Additional Engineering Services related to the Hillcrest Pressure Regulating Station Project
- Posted MPWD Strategic Plan for 2019-2020 on the website.
- Posted MPWD Amended FY 2018/2019 Operating and Capital Budgets on the website.
- Canceled Financial Planning Workshop scheduled for April 11, 2019.

CANCELED FINANCIAL PLANNING WORKSHOP

Because of scheduling conflicts with our financial consultant and the Board's discussion about a standing Finance Committee that could be used to initially review financial planning options for the Board's consideration, staff canceled the April 11th workshop.

Preliminary discussion topics for the committee, should that be the Board's direction, would be:

1. Introduce concept for financial forecasting and modeling for development of long-term (10-year) financial plan, including integration of payment plan of MPWD OPEB and Pension liabilities from PARS Trust.
2. Discuss Water Rate Study options for next 5-Year Proposition 218 process.
3. Consider funding gap options for COP Capital Improvement Program.

Staff will be coordinating a meeting within the next 60 days with the committee (Directors Warden and Schmidt).

UPDATE ON SURPLUS REAL PROPERTY

1513-1515 Folger Drive in Belmont

Staff and District Counsel are preparing the next steps for the Board's consideration to list this property for sale in the open market. A closed session will be scheduled next month to discuss with the Board.

F Street Parcel in San Carlos

The San Mateo County Department of Housing is in the process of doing its due diligence (e.g., environmental assessment, affordable housing contractor, etc.) and anticipates making its formal offer to the MPWD within the next 90-120 days.

WATER CONSERVATION SUMMARY

Water consumption for February was down 19.2% when compared to 2013. (For trend comparison, last year for February was down 10.0% when compared to 2013.)

The R-GPCD (Residential-Gallons per Capita per Day) for February was 62.4 (compared to 75.4 in 2013).

Cumulative water savings from July 1, 2018 through February 28, 2019 (compared to 2013) was -13.3%.

SDLF DISTRICT TRANSPARENCY CERTIFICATE OF EXCELLENCE

The SDLF (Special District Leadership Foundation) transparency certification was created to promote transparency in the operations and governance of special districts. There is no fee for the certification and there are three (3) subject matter areas required for transparency:

- Basic Requirements;
- Website Requirements; and
- Outreach/Best Practices Requirements.

After the Board policy considerations this evening, the basic requirements for the MPWD's transparency certification will be met. The MPWD is fully compliant with the website requirements and outreach/best practices requirements. For community transparency review, I will meet with the Belmont Chamber of Commerce President and Vice President for review on March 29th, and the first week of April with one of my General Manager colleagues. Staff will remit the MPWD's application by the second week of April, and has confirmed that the MPWD will receive recognition of its transparency achievement at CSDA's Special Districts Legislative Days in Sacramento on May 21-22, 2019.

3-MONTH "LOOK AHEAD" FOR BOARD MEETINGS*

APRIL 25, 2019

- Consider and approve water rate adjustments effective July 1st. (Required 30-day notice to ratepayers.)
- Review DRAFT Operating Budget for FY 2019/2020.
- Review DRAFT Capital Budget for FY 2019/2020.
- Closed Session: General Manager annual performance evaluation.
- Closed Session: 1513-1515 Folger Drive property listing and sales price.

MAY 23, 2019

- Review final DRAFT Operating & Capital Budgets for FY 2019/2020.
- Receive BAWSCA update.
- Receive San Mateo County Chapter CSDA update.

JUNE 27, 2019

- Adopt Operating & Capital Budgets for FY 2019/2020.

*In 2019: Schedule required bi-annual Harassment Prevention training by January 1, 2020 expanded for all employees (SB 1343) and for elected officials (AB 1661).

PUBLIC SERVICE ETHICS EDUCATION (AB 1234)

The due dates (in alphabetical order) for certification renewal of Public Service Ethics education, required every two (2) years by AB 1234:

- Joan Cassman March 9, 2019
- Jeff Ira November 23, 2020
- Joubin Pakpour November 19, 2020
- Candy Pina December 13, 2020
- Rene Ramirez December 7, 2020
- Tammy Rudock November 29, 2020
- Brian Schmidt _____
- Julie Sherman March 10, 2019
- Louis Vella December 4, 2020
- Dave Warden January 26, 2021
- Kirk Wheeler January 3, 2021
- Matt Zucca April 16, 2019

For compliance, training should be completed on or before the due date, and the certificate turned in to the MPWD.

Here is the link to the FPPC free online ethics training: <http://localethics.fppc.ca.gov/login.aspx>

UPCOMING MEETINGS/EVENTS

- BAWSCA Water Management Meeting (Foster City): April 4, 2019
- HIA Meeting (Belmont): April 4, 2019
- ACWA JPIA 2019 Spring Conference & Exhibition (Monterey): May 6-10, 2019
- San Mateo County Chapter CSDA Meeting (Burlingame): May 7, 2019
- CSDA Special Districts Legislative Days (Sacramento): May 21-22, 2019
- CSDA Annual Conference & Exhibitor Showcase (Anaheim): September 25-28, 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: March 28, 2019

ADMINISTRATIVE SERVICES MANAGER'S REPORT

FINANCIAL REPORTING:

1) **Schedule of Cash and Investments:**

SCHEDULE OF CASH AND INVESTMENTS		
CASH ACCOUNT	BALANCE 2/28/2019	BALANCE @ 03/21/19
PETTY CASH	\$400	\$400
CASH DRAWER	\$200	\$200
WELLS FARGO CHECKING	\$349,627	\$102,556
LAIF	\$4,942,276	\$4,342,276
BNY INSTALLMENT ACCOUNT	\$345,538	\$345,163
TOTAL	\$5,638,040	\$4,790,595

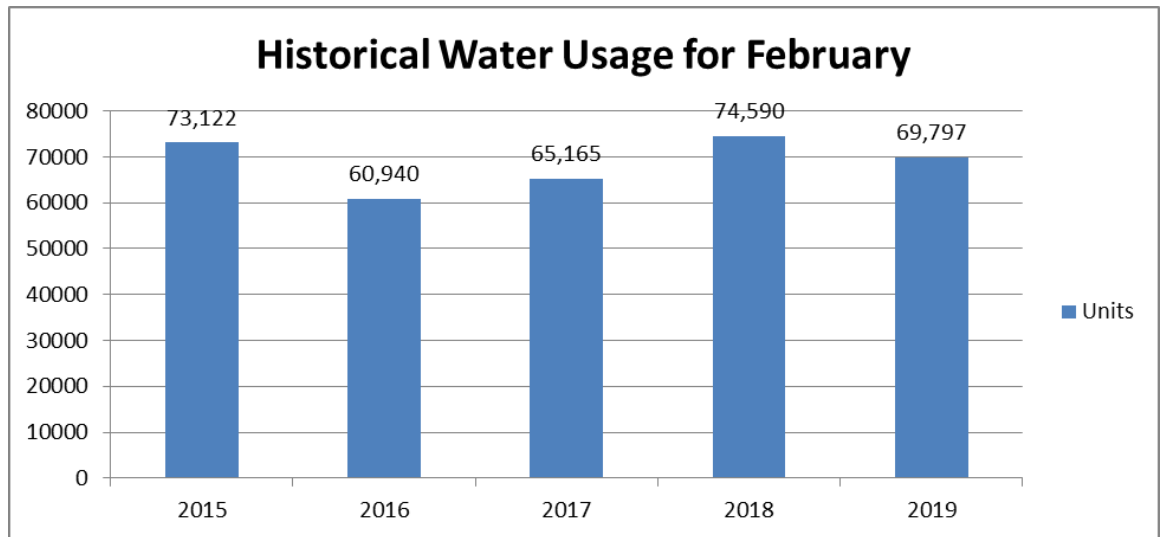
Reserve Account	Balance @ 02/28/17	Balance @ 02/28/18	Balance @ 02/28/19	Budget for Reserve Policy
Capital Reserves			\$ 2,697,131	\$ 1,500,000
Working Capital Reserves			\$ 1,500,000	\$ 1,500,000
TOTAL RESERVE FUNDS	\$ 5,568,454	\$ 6,672,532	\$ 4,197,131	\$ 3,000,000
Committed Capital Pay-Go*			\$ 345,145	\$ 595,000
PARS OPEB Liability			\$ -	\$ 1,500,000
PARS PRSP Pension Liability**			\$ 400,000	\$ 1,600,000
APPROVED RESERVE EXP			\$ 745,145	\$ 3,695,000
TOTAL RESERVE FUNDS	\$ 5,568,454	\$ 6,672,532	\$ 4,942,276	\$ 6,695,000

* Committed Capital Pay-Go spent to date totals \$749,855 for Joint Capital Project with Belmont so reduced liability by that amount which includes both the \$595,000 and the \$500,000 identified in the Approved Mid-Year Budget.

** Final PARS PRSP Contribution by 3/31/19.

Water Revenue Report:

WATER REVENUES for FISCAL YEAR 2018/2019					
Month	Total Units	Water Commodity Charges	Fixed System Charges	Total Water Revenues	Misc Rev
JUL	122,334	1,020,243	221,322	1,241,565	1,309
AUG	122,489	1,064,995	240,529	1,305,524	1,302
SEP	123,229	1,094,168	240,313	1,334,481	1,315
OCT	108,426	922,019	240,702	1,162,721	1,303
NOV	107,945	926,926	239,712	1,166,638	1,319
DEC	79,231	655,976	240,162	896,138	1,328
JAN	68,405	545,132	242,370	787,502	1,344
FEB	69,797	569,182	241,945	811,127	1,335
TOTAL	801,856	6,798,641	1,907,055	8,705,696	10,555



CONFERENCES, TRAINING, & MEETINGS:

- 1) Misty Malczon: 03/07/19 – Civic Pay webinar
- 2) Candy Pina: 03/06/19 – Debris Management & Post Disaster Workshop
- 3) Jeanette Kalabolas: 03/07/19 – Operations Math Webinar
- 4) Jeanette Kalabolas: 03/11/19 – BAWSCA C11 Pilot Working Group
- 5) Candy Pina: 03/21/19 – Meeting with Vincent Xi from District Treasurer’s office to review financials
- 6) Jeanette Kalabolas/Laura Ravella/Misty Malczon/Candy Pina: 03/26/19 – Student Field Trip @ MPWD
- 7) Misty Malczon: 03/27/19 – Active Shooter Training

- 8) Jeanette Kalabolas: 03/27/19 – Presenting on AMI in a panel discussion @ BAWSCA Workshop
- 9) Misty Malczon: 03/28/19 – Enhanced Recurring Payments Webinar

TEAM BUILDING ACTIVITIES

We continue to celebrate employee birthdays and participate in trivia and Wellness Program activities.



TO: Board of Directors
 FROM: Rene A. Ramirez, Operations Manager
 DATE: March 28, 2019

OPERATIONS REPORT – February

Projects:

- Below is current AMI status as of March 20, 2019

As Of 3-20-2019			
AMI Installation Status	80.1%	New Development Status	100.00%
Total Meters	8020	Total New	110
AMI Installations	6421	AMI Installations	110
Remaining	1599	Remaining	0
Installations			
January	256		
February 1-20	578		
February 21 to March 20	759		

- Held a 90% review for plans and specifications for the El Camino Real project with the design team, District Engineer and staff;
- Attended the pre-construction meeting for the Hillcrest Pressure Reducing Stations with Stoloski and Gonzalez, District Engineer and staff;
- Staff made effort to notify affected customers of District system flushing at least 48 hours before flushing to occur in the area (this maintenance work is being undertaken before the work at the Hillcrest Pressure Regulating Station); and
- During days with heavy rain, staff spent day dismantling retired water meters into better marketable metal components;

Maintenance:

- Responded to and completed 154 USA (underground service alerts) requests in January. This was a 16% drop when compared to January where we responded

to 184. Slowdown in work due to winter and weather contributed to drop in requests;

- Read meters in zones without AMI;
- Collected a requisite 44 water samples for bacteriological testing – all samples were absent of 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. All tanks are in service as we prepare for the Hillcrest Pressure Reducing Station project, which will require water for Zone 1 to come downhill from Hallmark and West Belmont tanks.

System Repairs:

Date	Location	Event	Material	Installation Date	Estimated Water Loss (Gals.)
2/27/19	1525 Vine St	Main Break	6” CIP	1958	4,200

Development:

Staff is currently working with developers on 65 development projects:

Mixed Use Commercial/Multi-Family Residential:

- o 576-600 El Camino Real – 32 meters installed at manifold. Awaiting conduit installations/punch list items prior to wiring remotes;
- o 400-490 El Camino Real – 74 meters installed at manifold. Remotes are wired, and all meters are reporting!;
- o 1325 Old County Rd. – Project re-submitted larger project of 250 units; letter of intent provided;
- o 800 Belmont Ave. – Contacted by developer, tentative plans;
- o 815 Old County Rd. – Contacted by developer regarding fire flow;
- 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
- o 900 El Camino Real – contacted by architect, working for the City of Belmont.

Commercial:

- o 539 Harbor Blvd. – Updated installation quote;
- o City of Belmont Island Park - Currently reviewing their plans;
- o 1477 El Camino Real – Currently reviewing their plans;
- o Belmont Ave Parcel APNs – (2) awaiting plans;
- o 1500 Ralston Ave. – Currently reviewing plans;
- o 2200 Carlmont Dr. – Installation complete;

- 1400 Alameda de las Pulgas – Submittals approved;
- 1306-1308 Old County Rd. – Submittals approved;
- 1888 Ralston – Awaiting contractor installation
- 612 Mountain View - Awaiting plans
- 880 Old County Rd. - Awaiting payment;
- 1110 Old County Rd. – Currently reviewing plans; and
- 2710 Ralston Ave. – Currently reviewing plans.

Residential:

- 2 Wakefield Ct – Plans approved;
- 2828 Monroe - Currently reviewing their plans;
- 33 Chesterton Ave. Currently reviewing their plans;
- 1926 Oak Knoll Dr. – Currently reviewing their plans;
- 1830 Robin Whipple – Currently reviewing their plans;
- 2009 Mezes – Provided installation quote;
- 2723 Monserat – Currently reviewing their plans;
- 796 Miramar Terrace - Currently reviewing their plans;
- 2114 Cipriani – Provided updated quote;
- Bishop Road development – Installed 1 of 3, Awaiting plans on 2 remaining lots;
- 4 Tioga Way – Plans through staff approval process;
- 1230 Alden Ct – Plans through staff approval process;
- Talbryn Dr. parcel – Awaiting engineering information;
- Ralston parcel - Developer requesting system information;
- 2620 Ponce – Currently reviewing their plans;
- 1320 Talbryn Lane development- Awaiting payment of connection fees;
- 517 Middlesex Road - Currently reviewing their plans;
- 665 South - Currently reviewing plans;
- 713 Alameda – Installation complete;
- 853 Alameda – Plans through staff approval process;
- 857 Alameda – Plans through staff approval process;
- 10 Notre Dame Place – Awaiting contractor installation schedule;
- 861 Alameda – Currently reviewing their plans;
- 2723 Wemberly - Currently reviewing their plans;
- 3900 Marsten – Currently reviewing their plans;
- 3405 Hillcrest – Installation complete;
- 1424 Sunny Slope – Installation complete;
- 1503 Folger - Currently reviewing their plans;
- 1651 Francis - Currently reviewing their plans;
- 1961 Bishop Rd. - Currently reviewing their plans;
- 2021 Lyon Ave. - Currently reviewing their plans;
- 2106 Lyon Ave. - Currently reviewing their plans;
- 1525 Vine St - Awaiting plans;
- 1519 Escondido – Awaiting homeowner payment;
- 1560 Escondido – Awaiting contractor payment;

- 1651 Francis - Currently reviewing their plans;
- 1050 Chula Vista – Awaiting payment;
- 2110 Pullman Ave - Currently reviewing their plans;
- 2019 Belle Monti - Currently reviewing their plans;
- Monte Cresta Drive Extension – Reviewing plans, developing WSA;
- 507 Sterlingview - Currently reviewing their plans;
- 511 Sterlingview - Currently reviewing their plans;
- 1234 North Rd. – Awaiting contractor schedule; and
- 3105 Marburger – Awaiting plans.

Administration:

- The GM and Ops Manager met with West Yost Associates, one of the capital project design teams to discuss breaking capital project 04-1621-CP, the PAMF and SR101 crossing project into two phases, which would allow for the Silicon Valley Clean Water Facility to carry out a capital project on a 54" force main under Shoreway Road which is a concern for our capital project;
- Participated in the agenda review meeting with the Board President and General Manager;
- Attended the quarterly meeting with City of Belmont Public Works Department;
- Went over evaluation with employee and supervisor;
- Attended the quarterly GM lunch and learn put on by District Engineer's office for several water agencies along the peninsula;
- Met to de-brief over the waterTALENT interviews and next steps;
- District Engineer invited a corrosion consultant to speak in the Board's meeting room on the topic of corrosion control for water distribution systems for water agencies they serve;
- The GM and a few members of staff attended in the Emergency Exercise put on by the SFPUC;
- A customer with a concern about chromium-6 in water actually found a typographical error in our 2016 CCR that lead to a rather lengthy exchange in an attempt to educate our customer. The EPA has yet to set an MCL for chromium-6, but during 2016 the EPA gathered water quality data via through testing known as the UCMR3 (third round of unregulated contaminant monitoring rule). We participated. Lab results for chromium-6 in our water ranged from 0.037 to 0.12 ppb. The typographical error came in how we printed a table with results from the UCMR3 testing in the 2016 CCR. We followed a format used by the SFPUC. Their table had footnotes. For chromium-6, there was footnote #3, which they listed in their table as chromium 6³. So, the 3 was a super-script, not another type of a chromium compound. We copied their listing for chromium-6 as chromium 63, no super-script, which was not correct. We thanked our customer for catching our error and had John Davidson edit the 2016 CCR to correct the typographical error;
- Continued to actively managing five (5) engineering design contracts related to the CIP; and
- Continued to actively manage power use for pumping operations.

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

DESCRIPTION	APPROVED	ACTUALS	REMAINING	Target YTD %
	AMENDED FY 2018-2019 BUDGET \$			7/1/2018 2/28/19
OPERATING REVENUE				
WATER COMMODITY CHARGES	9,611,800	6,798,641	2,813,159	70.7%
FIXED SYSTEM CHARGES	2,880,000	1,907,055	972,945	66.2%
FIRE SERVICE CHARGES	14,000	10,555	3,445	75.4%
MISC CUSTOMER ACCOUNT FEES	43,000	12,003	30,997	NA
SERVICE LINE & INSTALLATION CHARGES	10,000	-	10,000	NA
MISCELLANEOUS OPERATING	25,000	24,363	637	97.5%
PROPERTY TAX REVENUE	268,000	271,587	(3,587)	101.3%
TOTAL OPERATING REVENUE	12,851,800	9,024,204	3,827,596	70.2%
WATER SYSTEM CAPACITY CHARGES	250,000	576,250	(326,250)	230.5%
WATER DEMAND OFFSET CHARGES	20,000	39,767	(19,767)	198.8%
MISCELLANEOUS NON-OPERATING	55,000	85,688	(30,688)	155.8%
INTEREST REVENUE - LAIF	75,000	83,617	(8,617)	111.5%
INTEREST REVENUE - COP	150,000	209,306	(59,306)	139.5%
LEASE OF PHYSICAL PROPERTY	175,000	113,044	61,957	64.6%
LANDSCAPE PERMIT REVENUE	1,000	400	600	40.0%
TOTAL NON-OPERATING REVENUE	726,000	1,108,071	(382,071)	152.6%
TOTAL REVENUE	13,577,800	10,132,274	3,445,526	74.6%
	-			
OPERATING EXPENDITURES (OP EXP)				
SALARIES & WAGES	1,821,385	1,153,077	668,308	63.3%
PAYROLL TAXES & BENEFITS	1,280,803	535,700	745,103	41.8%
PURCHASED WATER	5,654,624	3,877,063	1,777,561	68.6%
OUTREACH & EDUCATION	60,000	30,369	29,631	50.6%
M&R - OPS SYSTEM	350,000	120,128	229,872	34.3%
M&R - FACILITIES & EQUIPMENT	150,000	114,234	35,766	76.2%
MAJOR MAINTENANCE	31,050	-	31,050	NA
OFFICE SUPPLIES & EQUIPMENT	313,483	193,016	120,467	61.6%
MEMBERSHIP & GOV FEES	215,915	158,101	57,814	73.2%
BAD DEBT & CLAIMS	30,000	24,844	5,156	82.8%
UTILITIES	316,917	198,901	118,016	62.8%
PROFESSIONAL SERVICES	650,000	352,954	297,046	54.3%
TRAINING/TRAVEL & RECRUITMENT	50,000	20,057	29,943	40.1%
RESTRICTED EARNINGS	225,000	292,922	(67,922)	130.2%
DEPRECIATION	931,500	610,124	321,376	65.5%
DEBT SERVICE TRUSTEE FEES & EXPENSES	-	204	(204)	N/A
DEBT SERVICE 2016 COPs	1,051,500	807,496	244,004	76.8%
TOTAL OPERATING EXPENSES	13,132,176	8,489,190	4,642,986	64.6%
NET OPERATING SURPLUS/(LOSS)	445,624	1,643,085	(1,197,461)	368.7%
TRANSFER TO CAPITAL	(445,624)	(1,643,085)	1,197,461	
DEBT SERVICE COVERAGE	1.91	2.77		

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2018-2019
DETAILED**

Target YTD % 66.6%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED AMENDED FY 2018-2019 BUDGET \$	ACTUAL 7/1/2018 2/28/2019	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
4010	Water Commodity Charges (A)	9,611,800	6,798,641	2,813,159	70.7%
4020	Fixed System Charges	2,880,000	1,907,055	972,945	66.2%
4030	Fire Service Charges	14,000	10,555	3,445	75.4%
4040	Credit/Debit Card Fees	25,000	12,003	12,997	NA
4041	Late Fees	10,000	-	10,000	NA
4042	48-Hour Notice Fees	5,000	-	5,000	NA
4043	Shut Off Fees	2,000	-	2,000	NA
4044	After Hour Fees	1,000	-	1,000	NA
4050	Service Line & Installation Charges	10,000	-	10,000	NA
4080	Miscellaneous Operating (B)	25,000	24,363	637	97.5%
4000	TOTAL WATER CHARGES	12,583,800	8,752,617	3,831,183	69.6%
4202	Property Tax Revenue (C)	268,000	271,587	(3,587)	101.3%
4200	OTHER OPERATING REVENUE	268,000	271,587	(3,587)	101.3%
	TOTAL OPERATING REVENUE	12,851,800	9,024,204	3,827,596	70.2%
4060	Water System Capacity Charges (D)	250,000	576,250	(326,250)	230.5%
4070	Water Demand Offset Charges (D)	20,000	39,767	(19,767)	198.8%
4090	Miscellaneous - Non Operating (E)	55,000	85,688	(30,688)	155.8%
4102	Interest Revenue- LAIF(F)	75,000	83,617	(8,617)	111.5%
4103	Interest Revenue-COP Funds (F)	150,000	209,306	(59,306)	139.5%
4100	INTEREST REVENUE	225,000	292,922	(67,922)	130.2%
4201	Lease of Physical Property	175,000	113,044	61,957	64.6%
4208	Landscape Plan Permit Review	1,000	400	600	40.0%
4200	OTHER NON-OPERATING REVENUE	176,000	113,444	62,557	64.5%
4000	TOTAL NON-OPERATING REVENUE	726,000	1,108,071	(382,071)	152.6%
	TOTAL OPERATING & NON-OP REVENUE	13,577,800	10,132,274	3,445,526	74.6%
6011	Salaries & Wages	1,725,000	1,111,204	613,796	64.4%
6012	Director Compensation	11,385	3,500	7,885	30.7%
6010	GROSS REGULAR WAGES	1,736,385	1,114,704	621,681	64.2%
6017	CAPITAL SALARY & WAGES reversed	-	-	-	-
6021	Overtime Labor	45,000	13,225	31,775	29.4%
6022	Standby Labor	40,000	25,149	14,851	62.9%
6020	SUB-TOTAL SALARY & WAGES	1,821,385	1,153,077	668,308	63.3%
6031	FICA/Medicare PR Tax	131,963	81,704	50,259	61.9%
6038	ACWA Health Care	400,000	268,181	131,819	67.0%
6039	ACWA Dental	30,000	19,223	10,777	64.1%
6040	ACWA Vision	83 4,250	2,958	1,292	69.6%
6041	ACWA Life/AD&D	4,200	3,136	1,064	74.7%

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2018-2019
DETAILED**

Target YTD % 66.6%

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED AMENDED FY 2018-2019 BUDGET \$	ACTUAL 7/1/2018 2/28/2019	REMAINING BALANCE/ (OVER BUDGET)	Y-T-D % OF BUDGET
6042	Standard LDL/SDL Disability	17,500	11,145	6,355	63.7%
6043	Workers' Comp Insurance	32,500	24,726	7,774	76.1%
6044	Unemployment	1,066	-	1,066	NA
6045	CALPERS Retirement - ERC 2%@55	140,000	86,620	53,380	61.9%
6045	CALPERS UAL Fresh Start 7/1/18	136,604	91,069	45,535	66.7%
6046	Retirees' ACWA Health Care	71,770	29,830	41,940	41.6%
6047	Directors' ACWA Health Care	115,000	74,747	40,253	65.0%
6049	Medical Reimbursement	600	364	236	60.7%
6050	Employee Service Recognition	10,350	5,317	5,033	51.4%
6051	Safety Incentive Program	15,000	4,880	10,120	32.5%
6052	Uniforms	25,000	13,427	11,573	53.7%
6053	PARS OPEB Expense	145,000	-	145,000	NA
6030	TOTAL PAYROLL TAXES & BENEFITS	1,280,803	717,327	563,476	56.0%
6054	CAPITAL PAYROLL, TAXES & BENEFITS		(181,628)	181,628	N/A
6000	PERSONNEL COSTS	3,102,188	1,688,777	1,413,411	54.4%
6101	SFPUC Treated Water (A)	5,100,000	3,486,967	1,613,033	68.4%
6102	BAWSCA (Debt Service Surcharges)	476,000	337,920	138,080	71.0%
6103	Rates Stabilization	-	-	-	NA
6104	SFPUC Water Service Charge	78,624	52,176	26,448	66.4%
6100	PURCHASED WATER	5,654,624	3,877,063	1,777,561	68.6%
6301	Water Conservation Program	7,452	4,221	3,231	56.6%
6302	School Conservation Program (G)	7,452	7,056	396	94.7%
6303	Public Outreach & Education (H)	15,525	17,274	(1,749)	111.3%
6305	HET Rebates	9,221	1,580	7,641	17.1%
6306	Washing Machine Rebates	-	-	-	NA
6307	Lawn-Be-Gone Rebates	17,685	206	17,479	1.2%
6308	Rain Barrel Rebates	2,665	30	2,635	1.1%
6304	TOTAL WATER CONSERVATION REBATES	29,571	1,817	27,754	6.1%
6300	OUTREACH/EDUCATION	60,000	30,369	29,631	50.6%
6401	Water Quality	60,000	33,680	26,320	56.1%
6402	Pumping	50,000	6,152	43,848	12.3%
6403	Storage Tanks	10,000	2,463	7,537	24.6%
6404	Mains/Distribution	100,000	52,255	47,745	52.3%
6405	Meters & Service	10,000	(5,550)	15,550	-55.5%
6406	Fire Hydrants	33,000	13,284	19,716	40.3%
6407	Regulator Stations	10,000	87	9,913	0.9%
6408	Safety	37,000	16,980	20,020	45.9%
6409	SCADA Maintenance	14,415	82	14,333	0.6%
6410	Generator Maintenance	25,585	695	24,890	2.7%
6400	M&R - OPS SYSTEMS	350,000	120,128	229,872	34.3%
6501	M&R-Buildings&Grounds (I)	80,000	67,538	12,462	84.4%
6502	M&R- Equipment&Tools	20,000	11,889	8,111	59.4%
6503	M&R- Vehicles & Large Equipment	20,000	13,936	6,064	69.7%

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2018-2019
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED AMENDED FY 2018-2019 BUDGET \$	ACTUAL 7/1/2018 2/28/2019	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 66.6%
					Y-T-D % OF BUDGET
6504	M&R - Fuel	30,000	20,871	9,129	69.6%
6500	M&R - FACILITIES & EQUIPMENT	150,000	114,234	35,766	76.2%
6601	Cathodic Protection Survey		-	-	NA
6602	Leak Detection Survey	31,050	-	31,050	NA
6600	MAJOR MAINTENANCE	31,050	-	31,050	NA
6701	Office Supplies	15,991	6,641	9,351	41.5%
6702	Insurance- Liability/Vehicles	82,800	50,826	31,974	61.4%
6703	Postage	8,528	1,420	7,108	16.6%
6704	Printing/Printing Supplies	10,350	1,412	8,938	13.6%
6705	Equipment Services/Maintenance	20,700	8,309	12,391	40.1%
6706	Computer Supplies & Upgrades	33,120	14,100	19,020	42.6%
6707	Security & Safety	11,461	4,439	7,022	38.7%
6708	Other Fees	533	-	533	NA
6709	Customer Credit Card Svs Fees (J)	130,000	105,870	24,130	81.4%
6700	OFFICE SUPPLIES & EQUIP	313,483	193,016	120,467	61.6%
6801	Dues & Publications (K)	31,759	27,778	3,981	87.5%
6802	Gov't Fees & Licenses	30,893	21,895	8,998	70.9%
6803	BAWSCA Membership Assessments	78,660	48,885	29,775	62.1%
6804	Env Health - Cross Connection Inspection	33,048	22,333	10,715	67.6%
6805	Software License (L)	41,555	37,208	4,347	89.5%
6800	MEMBERSHIP & GOV FEES	215,915	158,101	57,814	73.2%
6901	Bad Debt (M)	24,000	19,556	4,444	81.5%
6902	Claims (N)	6,000	5,288	712	88.1%
6900	BAD DEBT & CLAIMS	30,000	24,844	5,156	82.8%
7001	Utilities-Internet/Cable	10,350	4,517	5,833	43.6%
7002	Utilities-Cellular Telephones	12,633	8,829	3,804	69.9%
7003	Utilities-Electric-Pumping	234,531	147,648	86,883	63.0%
7004	Utilities-Electric-Bldgs&Grounds	25,585	15,969	9,616	62.4%
7005	Utilities-Telephones	25,875	17,344	8,531	67.0%
7006	Utilities-Sewer - NPDES	7,943	4,593	3,350	57.8%
7000	UTILITIES	316,917	198,901	118,016	62.8%
7101	Prof Serv - District Counsel	65,000	48,815	16,185	75.1%
7102	Prof Serv - District Engineer	100,000	68,203	31,797	68.2%
7103	Prof Serv - IT	22,000	13,742	8,258	62.5%
7104	Prof Serv- Annual Finance Audit (O)	18,850	18,850	-	100.0%
7105	Prof Serv - Mngmt Consult	-	42	(42)	NA
7106	Prof Serv- Accounting & Payroll	24,000	15,845	8,155	66.0%
7107	Prof Serv- Customer Billing	60,000	41,724	18,276	69.5%
7109	Prof Serv - Answering Svs	4,000	2,248	1,752	56.2%
7110	Prof Serv - Miscellaneous	85 352,550	141,085	211,465	40.0%
7111	Prof Serv - District Treasurer	3,600	2,400	1,200	66.7%

**MID-PENINSULA WATER DISTRICT
OPERATIONS BUDGET FOR YEAR 2018-2019
DETAILED**

ACCOUNT NUMBER	ACCOUNT DESCRIPTION	APPROVED AMENDED FY 2018-2019 BUDGET \$	ACTUAL 7/1/2018 2/28/2019	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 66.6%
					Y-T-D % OF BUDGET
7100	PROFESSIONAL SERVICES	650,000	352,954	297,046	54.3%
7201	Director Travel	4,000	725	3,275	18.1%
7202	Director Expense	1,600	791	809	49.4%
7203	Elections	15,000	-	15,000	NA
7204	Employee Travel/Training	24,400	13,729	10,671	56.3%
7205	Meetings Expense (P)	5,000	4,813	188	96.3%
7200	TRAINING & TRAVEL	50,000	20,057	29,943	40.1%
7302	Restricted Earnings Expense - Interest LAIF & COP (D)	225,000	292,922	(67,922)	130.2%
7300	RESTRICTED EARNINGS EXPENSE	225,000	292,922	(67,922)	130.2%
8001	Working Reserves: Capital	-	-	-	NA
8002	Working Reserves: Operating	-	-	-	NA
8000	RESERVES	-	-	-	NA
9010	DEPRECIATION	931,500	610,124	321,376	65.5%
9011	DEBT SERVICE TRUSTEE FEES & EXPENSES	-	204	(204)	NA
9012	DEBT SERVICE 2017-2018 COPs	1,051,500	807,496	244,004	76.8%
SUB-TOTAL - OPERATING EXPENSES		<u>10,029,989</u>	<u>6,800,414</u>	<u>3,229,575</u>	67.8%
TOTAL OPERATING EXPENSES		<u>13,132,176</u>	<u>8,489,191</u>	<u>4,642,986</u>	64.6%
NET OPERATING SURPLUS/(LOSS)					
TRANSFER TO CAPITAL		<u>445,624</u>	<u>1,643,084</u>	<u>(1,197,460)</u>	

- (A) Water revenues are at 73.9% and water purchases are at 68.4%. Water revenues is a preliminary number. Revenue does not include the
- (B) Reimbursement for damage to Fire Hydrant totaling \$8,245. Reimbursement for Property Damage on 7/10/17 at 4110 Block of Skymont Drive totaling \$15,948.
- (C) Have received expected property tax before April 10th (due date).
- (D) Water Capacity Charges and Demand Offset Charges for completed jobs: Three residential new Services installed totaling \$34,375 & \$2,321 ; two commercial New Services Installed totaling \$541,875 and \$37,446..
- (E) Fire Flow Revenue totaling \$11,599; PG&E Reimbursement for work not completed totaling \$6,029; Project vehicle revenue totaling \$61,580..
- (F) LAIF and COP funds generating more interest revenue than expected.
- (G) Purchase of promotional inventory totaling \$7,056.
- (H) Purchase of promotional inventory totaling \$17,274.
- (I) Dairy Lane Landscape project totaling \$8,900.
- (J) Customers are using credit cards to pay their monthly water bills. Credit card fees to customers using their credit cards to pay their bills totaled \$12,003 to date.
- (K) CSDA membership which was not paid for 2017 totaled \$561, ACWA Dues for 2019 increased by \$2,400 annually from PY 2018.
- (L) Software Licenses were higher than expected to date.
- (M) Sent customers to collections this Fiscal year since the implementation of the new financial management.
- (N) PG&E Emergency Repair/Gas Main Struct during Main Break
- (O) Audit complete.
- (P) Year-End Board Meeting celebrating the retirement of two board members totaling \$1,092.50.

**MID-PENINSULA WATER DISTRICT
STATEMENT OF REVENUES & EXPENSES
PREVIOUS YEAR COMPARISON - GAAP BASIS**

	Jul 18 - Feb 19	Jul 17 - Feb 19	\$ Change	% Change
Ordinary Income/Expense				
Income				
OPERATING REVENUE	9,024,204	8,948,529	75,674	0.85%
INTEREST INCOME	292,922	162,772	130,151	79.96%
CAPITAL CONTRIBUTION	214,515	0	214,515	100.0%
OTHER INCOME	815,148	351,534	463,614	131.88%
Total Income	10,346,790	9,462,835	883,955	9.34%
Expense				
PERSONNEL COSTS	1,688,777	1,696,223	-7,446	-0.44%
PURCHASED WATER	3,877,063	3,846,426	30,638	0.8%
OUTREACH/EDUCATION	30,369	31,148	-779	-2.5%
M&4 - OPS SYSTEMS	120,128	239,944	-119,816	-49.94%
FACILITIES & EQUIPMENT	114,234	81,739	32,495	39.76%
OFFICE SUPPLIES & EQUIPMENT	193,016	175,760	17,256	9.82%
MEMBERSHIP & GOV FEES	158,101	143,181	14,919	10.42%
BAD DEBT & CLAIMS	24,844	-2,662	27,506	1,033.31%
UTILITIES	198,901	166,786	32,115	19.26%
PROFESSIONAL SERVICES	352,954	240,202	112,752	46.94%
TRAINING & TRAVEL	20,057	20,751	-695	-3.35%
Total Expense	6,778,444	6,651,874	126,571	1.9%
Net Ordinary Income	3,568,345	2,810,961	757,384	26.94%
Other Income/Expense				
Other Expense				
DEPRECIATION	610,124	581,286	28,838	4.96%
COP Financing Costs	462,496	471,580	-9,084	-1.93%
Total Other Expense	1,072,824	1,052,866	19,958	1.9%
Net Revenue/(Expenses)	2,495,522	1,758,095	737,426	41.9%

RECONCILIATION TO OPERATING BUDGET

Adjustments to Increase Net Operating Surplus

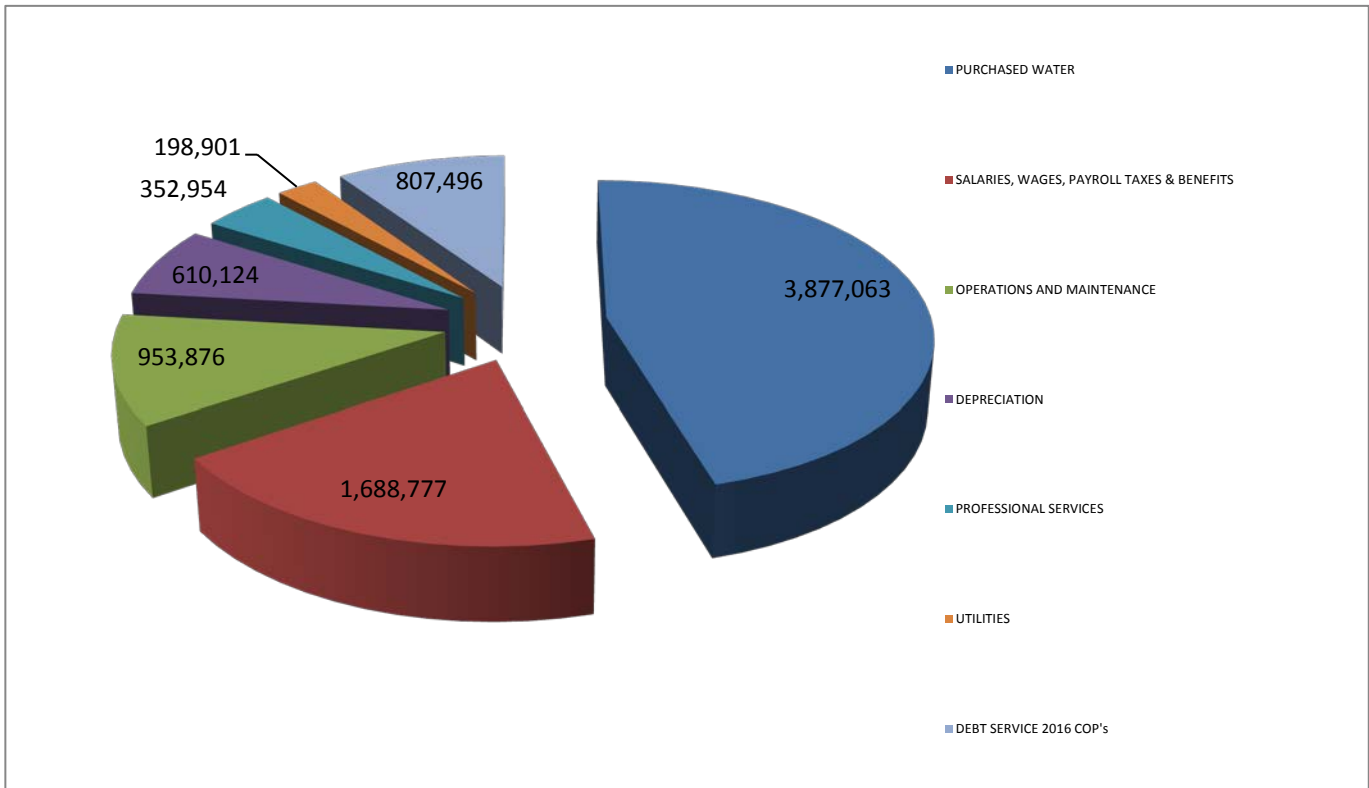
Interest Income - LAIF & COP Interest	-292,921
Capital Contribution	-214,515
Debt Service Principal Payment	-345,000
Total Adjustments to Increase Net Operating Surplus	<u>-852,437</u>

Net Operating Surplus/(Loss) Transfer to Capital 1,643,085

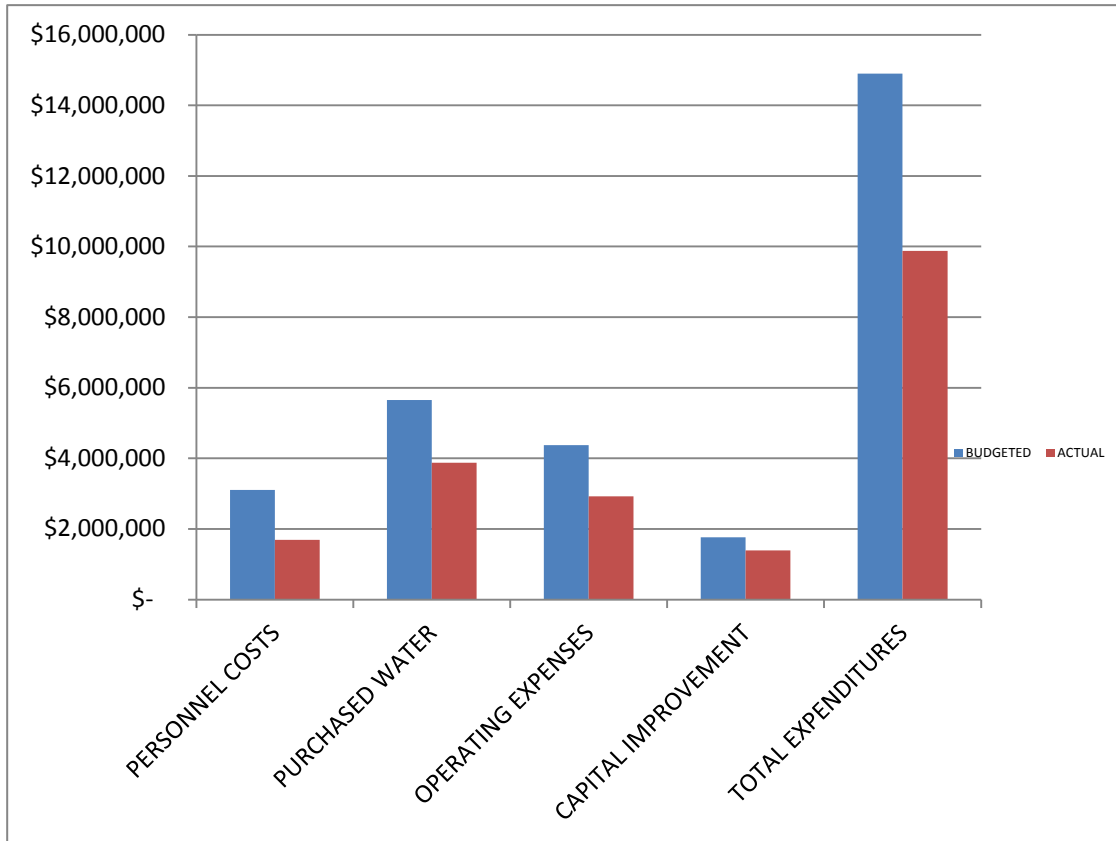
**MID-PENINSULA WATER DISTRICT
ACTUAL OPERATING EXPENDITURES SUMMARY**

Feb-19

OPERATING EXPENDITURES	ACTUAL \$	% OF TOTAL
PURCHASED WATER	3,877,063	45.7%
SALARIES, WAGES, PAYROLL TAXES & BENEFITS	1,688,777	19.9%
OPERATIONS AND MAINTENANCE	953,876	11.2%
DEPRECIATION	610,124	7.2%
PROFESSIONAL SERVICES	352,954	4.2%
UTILITIES	198,901	2.3%
DEBT SERVICE 2016 COP's	807,496	9.5%
TOTAL OPERATING EXPENDITURES	<u>8,489,191</u>	<u>100%</u>



2018/2019 BUDGET vs ACTUAL TOTAL EXPENDITURES Feb-19



	BUDGETED	ACTUAL	BUDGETED % OF TOTAL	ACTUAL % OF TOTAL
TOTAL EXPENDITURES				
PERSONNEL COSTS	\$ 3,102,188	\$ 1,688,777	21%	17%
PURCHASED WATER	\$ 5,654,624	\$ 3,877,063	38%	39%
OPERATING EXPENSES	\$ 4,375,364	\$ 2,923,350	29%	30%
CAPITAL IMPROVEMENT	\$ 1,765,281	\$ 1,391,745	12%	14%
TOTAL EXPENDITURES	\$ 14,897,457	\$ 9,880,936	100%	100%

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

DESCRIPTION	APPROVED AMENDED FY 2018-2019 BUDGET \$	ACTUAL 7/1/2018 2/28/2019	REMAINING BALANCE/ (OVER BUDGET)	Target YTD % 66.6%
				Y-T-D % OF BUDGET
CAPITAL IMPROVEMENTS - WORK IN PROCESS (WIP)				
2017 Joint WMR and Belmont Sewer Rehab Project (Pay-Go Portion)	750,000	749,855	145	100.0%
2017 Water Main Replacement CIP (Pay-Go Portion)	5,000	12,704	(7,704)	254.1%
AMI Meter Change Out Program	678,500	510,763	167,737	75.3%
CAPITAL IMPROVEMENTS - WIP TOTAL	1,433,500	1,273,322	160,178	88.8%
CAPITAL OUTLAY				
Replacement Mini-Excavator for Operations	45,998	45,998	0	100.0%
Replacement Service Truck for Operations	90,000	-	90,000	0.0%
Replace Hybrid Vehicles	65,783	65,783	0	100.0%
Replace Fuel Station Controller @ Dairy Lane Operations Center	30,000	-	30,000	0.0%
Phase 2 SCADA System Replacement	50,000	-	50,000	0.0%
Miscellaneous Capital Outlay/Projects*	50,000	6,642	43,358	13.3%
CAPITAL OUTLAY TOTAL	331,781	118,423	213,358	35.7%
CAPITAL IMPROVEMENTS & CAPITAL OUTLAY TOTAL	1,765,281	1,391,745	373,536	78.8%
DEPRECIATION	931,500	610,124	321,376	65.5%
TRANSFER FROM OPS	445,625	1,643,084	(1,197,459)	368.7%
TRANSFER (TO)/FROM CAPITAL RESERVES (PRIOR YEAR) *	595,000	-	595,000	0.0%
TRANSFER (TO)/FROM CAPITAL RESERVES**	(206,844)	(861,463)	654,619	416.5%
CAPITAL OUTLAY/CAPITAL PROJECTS	(1,765,281)	(1,391,745)	(373,536)	78.8%
NET RESULTS OF CAPITAL	-	(0)	0	N/A

*** COMMITTED FROM PRIOR YEAR:**

Placeholder - Joint CIP with City of Belmont
Proceeds from sale of Surplus Items

\$	500,000
\$	95,000
<u>\$</u>	<u>595,000</u>

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

	28-Feb-19	28-Feb-18	\$ Change	% Change
ASSETS				
CURRENT ASSETS				
Total Checking/Savings	5,658,380.45	25,065,532.99	-19,407,152.54	-77.43%
Total COP Funds	15,070,692.50	0.00	0.00	100.0%
Total Accounts Receivable	830,404.54	1,086,277.65	-255,873.11	-23.56%
Total Other Current Assets	337,712.83	282,498.16	55,214.67	19.55%
TOTAL CURRENT ASSETS	21,897,190.32	26,434,308.80	-4,537,118.48	-17.16%
FIXED ASSETS				
Fixed Assets	47,614,881.15	43,872,409.91	3,742,471.24	8.53%
Accumulated Depreciation	-27,876,892.33	-27,199,138.65	-677,753.68	-2.49%
Construction in Progress	3,534,320.59	2,475,995.04	1,058,325.55	42.74%
TOTAL FIXED ASSETS	23,272,309.41	19,149,266.30	4,123,043.11	21.53%
TOTAL OTHER ASSETS	1,210,079.34	803,133.00	406,946.34	50.67%
TOTAL ASSETS	46,379,579.07	46,386,708.10	-7,129.03	-0.02%
LIABILITIES & EQUITY				
LIABILITIES				
CURRENT LIABILITIES				
Total Accounts Payable	786,791.08	455,816.73	330,974.35	72.61%
Total Other Current Liabilities	1,500,825.16	2,202,567.00	-701,741.84	-31.86%
TOTAL CURRENT LIABILITIES	2,287,616.24	2,658,383.73	-370,767.49	-13.95%
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)	868,063.70	899,345.30	-31,281.60	-3.48%
Total Other Long Term Liabilities (B)	1,535,175.00	1,765,634.45	-230,459.45	-13.05%
TOTAL LONG TERM LIABILITIES	19,953,238.70	20,574,979.75	-621,741.05	-3.02%
TOTAL LIABILITIES	22,240,854.94	23,233,363.48	-992,508.54	-4.27%
EQUITY				
3000 - Opening Bal Equity	0.00	0.00	0.00	0.0%
3800 - RESERVES *	4,942,275.76	6,672,532.22	-1,730,256.46	-25.93%
3940 - Fund Bal Invest in Util Plant	23,272,309.41	19,149,266.30	4,123,043.11	21.53%
Net Assets (A)	-4,075,861.04	-2,668,453.90	-1,407,407.14	-52.74%
TOTAL EQUITY	24,138,724.13	23,153,344.62	985,379.51	4.26%
TOTAL LIABILITIES & EQUITY	46,379,579.07	46,386,708.10	-7,129.03	-0.02%

(A) CalPERS Net Pension Liability - GASB 68 requirement.

(B) COP Financing Debt and Debt Premium total \$19,185,626.90.