



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Tuesday, March 17, 2020
1965 Placentia Avenue, Costa Mesa, CA 92627
3:30 p.m. Special Board Meeting**

ENGINEERING AND OPERATIONS COMMITTEE MEETING

**Teleconference Site:
2871 Alanzo Lane
Costa Mesa, CA 92626**

Members of the Public may attend and participate in the meeting at both locations. Notice will be posted on the door at the Teleconference Site.

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Items Not on the Agenda: Members of the public are invited to address the Board on items which are not on the agenda. Each speaker is limited to three minutes. The Board will set aside 30 minutes for public comments.

Items on the Agenda: Members of the public may comment on agenda items before action is taken, or after the Board has discussed the item. Each speaker is limited to three minutes. The Board will set aside 60 minutes for public comments.

CONSENT CALENDAR ITEMS:

Approve all matters under the Consent Calendar by one motion unless a Board member, staff, or a member of the public requests a separate action.

1. Developer Project Status Report
2. Mesa Water and Other Agency Projects Status Report
3. Water Quality Call Report
4. Committee Policy & Resolution Review
5. Water Operations Status Report

ACTION ITEMS:

Items recommended for approval at this meeting may be agendized for approval at a future Board meeting.

6. Caltrans Utility Agreement
7. Roof Membrane Replacements
8. Capital Improvement Program Renewal Funding Options



PRESENTATION AND DISCUSSION ITEMS:

None

REPORTS:

9. Report of the General Manager
10. Directors' Reports and Comments

INFORMATION ITEMS:

None

In compliance with California law and the Americans with Disabilities Act, if you need disability-related modifications or accommodations, including auxiliary aids or services in order to participate in the meeting, or if you need the agenda provided in an alternative format, please contact the District Secretary at (949) 631-1206. Notification 48 hours prior to the meeting will enable Mesa Water District (Mesa Water) to make reasonable arrangements to accommodate your requests.

Members of the public desiring to make verbal comments utilizing a translator to present their comments into English shall be provided reasonable time accommodations that are consistent with California law.

Agenda materials that are public records, which have been distributed to a majority of the Mesa Water Board of Directors (Board), will be available for public inspection at the District Boardroom, 1965 Placentia Avenue, Costa Mesa, CA and on Mesa Water's website at www.MesaWater.org. If materials are distributed to the Board less than 72 hours prior or during the meeting, the materials will be available at the time of the meeting.

ADJOURNMENT

DEVELOPER PROJECT STATUS REPORT

PROJECT STATUS - DEVELOPER PROJECTS			
FILE NO.	PROJECT ADDRESS	PROJECT DESCRIPTION	PROJECT NOTES/STATUS
MC 2235	671 W 17th Street	177 Condos	Plans received and plan check fees paid on 1/21/16. Hydraulic model initiated 2/24/16. 2nd plan check submitted on 3/24/16 and picked up 4/17/16. Permit issued on 7/11/16. Mainline installation on 12/6/16. Service abandonment on 8/30/17. Valve cans raised on 9/22/17. Meter box placement on 10/19/17. Gravel base on 12/5/17. Meter box placement on 2/14/18. Meters installed and locked off on 6/1/18, 7/17/18, on 8/1/18, and again on 9/7/18. Backflow tested on 9/11/18. Meters installed and locked off on 9/18/18, 9/25/18, and again on 10/5/18. Backflows tested on 10/9/18, 2/27/19, 11/18/19 and again on 11/21/19. Meters installed and locked off on 11/27/18, 12/5/18, 12/18/18, 1/10/19, 2/8/19, 2/21/19, 3/4/19, 3/12/19, 4/26/19, 7/15, 7/16/19, and again on 10/15/19. Another batch of backflows tested on 12/20/19. Meters installed on 2/10/20 and again on 2/12/20. Phase 2 construction still on-going.
C0012-17-02	929 Baker Street	55 Detached Condos	Plans received and plan check fees paid on 9/27/16. Plans picked up on 10/18/16. Plans submitted on 2/22/17. Plans returned on 3/6/17. Fees paid and permit issued on 3/21/17. Precon held on 6/1/17. Services installed on 8/31/17. Mainline turned on 9/14/17. Meters installed and locked on 2/26/18. Awaiting call for backflow testing to complete project. Meters installed and locked on 8/6/18. Backflow tested on 8/24/18. Site check done on 9/25/18, homes are still under construction. Meters installed and locked off on 11/2/18. Meters installed again on 1/10/19. Flow thru system tested on 3/22/19. Coordinating backflow testing for irrigation services. Backflow testing for irrigation services completed on 4/25/19. Abandonments done on 5/14/19. Meters installed 5/2/19, and flow thru systems tested on 6/6/19. Meters installed on 2/4/20. Flow thru systems checked again on 2/27/20.
C0056-18-01	2033 Republic Avenue	Single Family Home Service & Meter Upgrade	Plans received and plan check fees paid on 6/19/18. Comments returned for 2nd plan check review on 6/28/18. 2nd plan check submitted 7/26/18, and redlines picked up on 8/20/18. 3rd plan check submitted on 12/13/18, and redlines picked up on 1/15/19. Fourth and final plan check submitted on 1/24/19, and redlines picked up on 1/29/19. Final approval by District Engineer on 4/18/19. Final permit fees paid on 4/18/19. Permit issued on 4/30/19. Revised drawings issued 7/1/19 and returned 7/1/19. Precon held on 9/4/19. Hot tapping completed on 10/28/19. Waiting for contractor to complete work. (3/9/20)

DEVELOPER PROJECT STATUS REPORT

PROJECT STATUS - DEVELOPER PROJECTS			
FILE NO.	PROJECT ADDRESS	PROJECT DESCRIPTION	PROJECT NOTES/STATUS
C0058-19-01	585 & 595 Anton Boulevard (P2)	Apartment Complex	Plans received and plan check fees paid on 2/5/19. Customer picked up redlines on 2/8/19. 2nd plan check submitted 3/11/19, and redlines picked up on 3/25/19. Hydraulic Analysis received on 4/5/19. Received Water Service Agreement on 4/30; Final permit fees paid on 5/8/19. Permit issued on 5/8/19. Precon meeting held on 5/16/19. Waiting for revised Easements and Quit Claims regarding legal entities. Services installed 6/28/19. Pressure tests done on 7/2/19, Bac-T tests done on 7/8/19. Fireline charged on 9/12/19. Mesa Water staff removed two fire hydrants from jobsite on 9/18/19. Pipeline installed on 11/19/19. Waiting for contractor to complete work. (3/9/20)
C0062-19-01	1591 & 1593 Riverside	Two Single Family Homes	Plans received and plan check fees paid on 12/14/18. Final fees paid on 2/6/19. Permit issued on 2/13/19. Precon held on 2/28/19. Services installed on 3/4/19. Waiting for meter installation and flow thru testing to be scheduled. Waiting for contractor to complete work. (3/9/20)
C0063-19-01	1375 Sunflower	Commercial Building	Plans received and plan check fees paid on 12/14/18. Customer picked up redlines on 12/31/18. 2nd plan check submitted on 1/11/19, and redlines picked up on 1/29/19. 3rd plan check submitted on 1/31/19. Final permit fees paid on 6/20/19 and permit issued on 6/25/19. Precon held on 1/10/20. Mainline excavation done on 1/14/20. Pipeline installed on 1/16/20.
C0072-19-01	168 & 170 Cabrillo	Two Single Family Homes	Plans received and plan check fees paid on 1/14/19. Customer picked up redlines on 1/24/19. Customer submitted 2nd plan check on 5/9/19. 2nd plan check submitted on 5/13/19 and redlines picked up on 5/20/19. Final permit fees paid on 9/26/19. Permit issued on 10/3/19. Precon meeting held on 1/9/20. Installed services and abandoned old service on 2/3/20.
C0077-19-01	1922 Pomona	Commercial Building	Plans received and plan check fees paid on 1/28/19. Customer picked up redlines on 2/1/19. 2nd plan check submitted on 2/5/19, and redlines picked up again on 2/12/19. Final fees paid on 2/27/19. Permit issued on 3/11/19. Precon meeting held on 3/19/19. Meter installed 3/28/19. Letter of water termination sent to business on 1/9/20 for failure to complete backflow certification. Backflow testing certification provided on 2/24/20 and starting close-out process. (3/9/20).

DEVELOPER PROJECT STATUS REPORT

PROJECT STATUS - DEVELOPER PROJECTS			
FILE NO.	PROJECT ADDRESS	PROJECT DESCRIPTION	PROJECT NOTES/STATUS
C0079-19-01	1957 Newport Boulevard	Meter Upgrade	Plans received and plan check fees paid on 2/5/19. Customer picked up redlines on 2/27/19. Meeting on 3/5/19 with customer to discuss easement. 2nd plan check was submitted on 4/23/19 and redlines to be picked up on 5/6/19. 3rd plan check submitted on 5/16/19. Permit approved on 8/23/19. Precon held on 9/3/19. Shutdown to tie in tee & valve service line placement and pipeline installation completed on 9/11/19. Services installed on 10/2/19 and 10/2/19. Pressure test performed on 10/9/19. Hot tapping completed on 10/14/19. Shutdown to tie-in valves on 10/24/19. Meters installed on 12/23/19. Backflow tested on 1/10/20. First phase of meters installed on 2/26/20 and 2/27/20.
C0082-19-01	3323 Hyland Avenue	Pipeline relocation	Plans received and plan check fees paid on 2/20/19. Customer picked up redlines on 3/4/19. 2nd plan check submitted 3/26/19, and redlines picked up on 4/2/19. 2nd plan check submitted 6/11/19, and redlines picked up on 6/18/19. Final permit fees paid on 7/23/19 and permit issued on 8/6/19. Pre-con held on 12/5/19. Shutdown for valve connection on 1/7/20. Services installed on 1/13/20. Chlorination swab, Bac-T, pressure test and mainline charged on 1/14/20. Starting close-out process. (3/1/20)
C0084-19-01	410 E 17th Street	Commercial Business	Plans received and plan check fees paid on 2/20/19. Customer picked up redlines on 3/4/19. 2nd plan check submitted on 9/4/19 and redlines picked up on 9/10/19. 3rd Plan check submitted on 9/26/19. Precon held on 11/20/19. Service modification and meter/meter box installed on 1/14/20. Backflow tested on 2/4/20. Starting close-out process. (3/9/20)
C0086-19-01	285 22nd Street	Residential Care Facility	Plans received and plan check fees paid on 3/11/19. Customer picked up redlines on 3/19/19. 2nd plan check submitted on 5/9/19. Customer to pick up 2nd plan check redlines on 5/6/19. 3rd plan check submitted on 5/14/19 and picked up on 5/30/19. Precon held on 8/30/19. Service connection on 9/3/19. Abandonments completed on 9/6/19. Meter installed on 9/12/19. Waiting for contractor to complete work. (3/9/20)
C0089-19-01	3160 Airport Way	John Wayne Airport Taxilot	Plans received and plan check fees paid on 4/8/19. 1st Plan Check submitted on 4/9/19. 2nd plan check submitted 04/19/19 and redlines picked up on 4/25/19. Final permit fees paid on 6/18/19. Project on hold per John Wayne staff. (3/9/20)

DEVELOPER PROJECT STATUS REPORT

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FILE NO.	PROJECT ADDRESS	PROJECT DESCRIPTION	PROJECT NOTES/STATUS
C0090-19-01	2831 Bristol Street	Parking Lot	Plans received and plan check fees paid on 4/9/19. 1st Plan Check submitted on 4/11/19. Customer picked up redlines on 4/16/19. 2nd plan check submitted 04/19/19 and redlines picked up on 4/25/19. Final permit fees paid on 5/2/19 and permit issued on 6/6/19. Precon held on 9/5/19. Backflow device tested on 4/25/19. Two abandonments occurred on 11/22/19. Received backflow device testing certification on 2/26/20. Starting close-out process. (3/9/20)
C0091-19-01	368 Magnolia	Single Family Home	Plans received and meter replacement fees paid on 4/15/19. 1st plan check submitted on 4/18/19 and redlines picked up on 4/23/19. Final permit fees paid on 5/20/19 and permit issued on 5/20/19. Precon held on 8/8/19. Service laterals installed and approved on 8/27/19. Flowthru tested on 1/15/20. Starting close-out process. (3/9/20)
C0092-19-01	2089 Harbor Blvd (Harbor and Hamilton)	28 New Townhomes	Plans received and plan check fees paid on 4/23/19. 1st plan check submitted 4/23/19 and redlines to be picked up on 5/6/19. 2nd plan check submitted on 6/11/19 and redlines picked up on 6/18/19. 3rd Plan Check submitted on 11/25/19 and redlines returned to customer on 11/27/19. 4th Plan Check submitted on 2/4/20 and redlines emailed to customer on 2/12/20.
C0095-19-01	272 Esther Street	Single Family Home	Plans received and plan check fees paid on 4/30/19. 1st Plan check submitted 4/30/19 and redlines to be picked up on 5/7/19. 2nd Plan check submitted 6/4/19 and redlines to be picked up on 6/11/19. Final permit fees paid on 8/27/19. Precon held on 10/30. Meter installed 11/18/19. Waiting for contractor to complete work. (3/9/20)
C0101-19-01	1275 Bristol Avenue	Car Dealership	Plans received and plan check fees paid on 6/11/19. 1st Plan check submitted 6/11/19 and redlines picked up on 6/18/19. 2nd Plan check submitted on 8/13/19 and picked up on 8/20/19. 3rd Plan check submitted 9/3/19 and returned on 9/10/19. 4th Plan check submitted 1/29/20 and picked up on 2/4/20. Final permit fees paid on 2/10/20. Permit issued on 2/24/20.
C0102-19-01	3560 Cadillac Avenue	Commercial	Plans received and plan check fees paid on 6/18/19. 1st Plan check submitted 6/18/19 and redlines to be picked up on 7/2/19. 2nd Plan check submitted on 7/9/19 and picked up on 7/16/19. Final permit fees paid and permit issued on 8/6/19. Waiting for contractor to complete work. (3/9/20)

DEVELOPER PROJECT STATUS REPORT

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FILE NO.	PROJECT ADDRESS	PROJECT DESCRIPTION	PROJECT NOTES/STATUS
C0104-19-01	413 E. 20th Street	Single Family Home	Plans received and plan check fees paid on 7/1/19. 1st Plan check submitted 7/1/19 and redlines picked up on 7/1/19. 2nd Plan check submitted on 1/7/20 and redlines emailed on 1/15/20. Permit issued on 2/4/20.
C0105-20-01	3333 Avenue of the Arts	Commercial	Plans received and plan check fees paid on 7/24/19. 1st Plan check submitted 7/26/19 and redlines to be picked up on 7/26/19. 2nd Plan check submitted on 8/30/19 and resubmitted on 9/11/19. 3rd plan check resubmitted on 10/8/19. Permit approved and final fees paid on 10/24/19. Precon held on 11/24/19. Temporary RW pipeline inspected and approved on 11/27/19 and report sent to DDW on 12/4/19. Waiting for contractor to complete work. (3/9/20)
C0106-20-01	224 Flower	Single Family Home	Plans received and plan check fees paid on 7/24/19. 1st Plan check submitted 7/26/19 and redlines picked up on 7/26/19. 2nd plan check submitted on 9/10/19 and picked up on 9/24/19. 3rd plan check resubmitted on 10/3/19. Final fees paid on 10/24/19. Permit approved and issued on 11/19/19. Precon held on 11/22/19. Meter installed on 12/30/19. Backflow testing certification provided on 2/21/20. Starting closeout process (3/9/20)
C0110-20-01	861 Governor Street	Single Family Home	Plans received and plan check fees paid on 7/15/19. 1st Plan check submitted 7/26/19 and redlines picked up on 7/26/19. Developer still on hold for construction. (3/9/20)
C0113-20-01	1588 South Coast Drive (Vans Headquarters)	Commercial	Plans received and plan check fees paid on 8/13/19. 1st Plan check submitted 8/13/19 and redlines picked up on 8/20/19. 2nd plan check submitted 9/12/19 and picked up on 10/1/19. 3rd plan check submitted 10/21/19 and redlines picked up on 11/5/19. Permit issued 1/6/20. Precon held on 1/7/20. Meters installed on 2/20/20.
C0115-20-01	2179 Miner Street	Single Family Home	Plans received and plan check fees paid on 8/20/19. 1st Plan check submitted 8/27/19 and redlines picked up on 8/27/19. 2nd Plan check submitted on 1/9/20 and returned on 1/21/20. Permit issued on 2/4/20. Waiting for contractor to begin work. (3/9/20)
C0117-20-01	192 Flower Street	Single Family Home	Plans received and plan check fees paid on 10/7/19. 1st Plan check submitted 10/7/19 and redlines picked up on 10/16/19. 2nd Plan check submitted on 10/29/19. Precon held on 11/26/19 and meter installed on 12/2/19. Waiting for contractor to complete work. (3/9/20)

DEVELOPER PROJECT STATUS REPORT

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FILE NO.	PROJECT ADDRESS	PROJECT DESCRIPTION	PROJECT NOTES/STATUS
C0118-20-01	487 Abbie Way	Single Family Home	Plans received and plan check fees paid on 10/14/19. 1st Plan check submitted 10/21/19 and redlines picked up on 10/21/19. Permit approved and final fees paid on 10/22/19. Permit issued on 10/24/19. Waiting for contractor to complete work. (3/9/20)
C0120-20-01	934 Congress Street	Single Family Home	Plans received and plan check fees paid on 10/28/19. 1st Plan check submitted 10/28/19 and redlines picked up on 11/5/19. Waiting for next plan check to be submitted. (3/9/20)
C0121-20-01	372 Bucknell Road	Single Family Home	Plans received and plan check fees paid on 10/28/19. 1st Plan check submitted 10/28/19 and redlines picked up on 10/29/19. Waiting for next plan check to be submitted. (3/9/20)
C0122-20-01	925 W 18th Street	Commercial	Plans received and plan check fees paid on 10/28/19. 1st Plan check submitted 10/28/19 and redlines picked up on 10/29/19. 2nd plan check submitted 12/4/19. 3rd Plan check submitted on 1/2/20 and redlines picked up on 1/6/20. Final plan check fees paid on 2/26/20.
C0123-20-01	449 W Bay Street	Commercial	Plans received and plan check fees paid on 11/18/19. 1st Plan check submitted 11/18/19 and redlines picked up on 11/22/19. 2nd Plan check submitted on 1/7/20 and redlines emailed on 1/15/20. Final permit fees paid on 1/28/20, and permit issued on 1/29/20. Precon held on 2/6/20.
C0124-20-01	2209 Fairview Road	Commercial	Plans received and plan check fees paid on 11/18/19. 1st Plan check submitted 11/5/19 and redlines picked up on 11/19/19. 2nd Plan check submitted on 11/21/19 and redlines picked up on 11/27/19. 3rd Plan check submitted on 2/3/20 and redlines returned to customer on 2/4/20.
C0125-20-01	3080 Airway Avenue	Commercial	Plans received and plan check fees paid on 11/18/19. 1st Plan check submitted 11/7/19 and redlines picked up on 11/27/19. 2nd Plan check submitted on 1/16/20 and redlines picked up on 2/11/20.
C0126-20-01	1646 Santa Ana Avenue	Single Family Home	Plans received and plan check fees paid on 11/18/19. 1st Plan check submitted 11/18/19 and redlines picked up on 11/26/19. 2nd Plan Check submitted on 1/2/20 and redlines picked up on 1/6/20. Final fees paid and permit issued on 2/26/20.
C0128-20-01	901 B South Coast Drive	Commercial	Plans received and plan check fees paid on 11/25/19. 1st Plan check submitted 11/25/19 and redlines picked up on 12/3/19. 2nd Plan check submitted on 2/21/20 and redlines emailed to customer on 3/5/20.

DEVELOPER PROJECT STATUS REPORT

PROJECT STATUS - DEVELOPER PROJECTS			
FILE NO.	PROJECT ADDRESS	PROJECT DESCRIPTION	PROJECT NOTES/STATUS
C0129-20-01	3590 Cadillac Avenue, Suite B	Commercial	Plans received and plan check fees paid on 11/25/19. 1st Plan check submitted 11/25/19 and redlines picked up on 12/4/19. 2nd Plan check submitted 1/14/20 and redlines emailed on 1/21/20. Waiting for next plan check to be submitted. (3/9/20)
C0102-20-01	3560 Cadillac Avenue	Commercial	Plans received and plan check fees paid on 11/25/19. 1st Plan check submitted 11/25/19 and redlines picked up on 12/4/19. Waiting for next plan check to be submitted. (3/9/20)
C0102-20-02	3550 Cadillac Avenue	Commercial	Plans received and plan check fees paid on 11/25/19. 1st Plan check submitted 11/25/19 and redlines emailed on 12/4/19. Waiting for next plan check to be submitted. (3/9/20)
C0130-20-01	2940 College Avenue	Commercial	Plans received and plan check fees paid on 11/25/19. 1st Plan check submitted 11/25/19 and redlines picked up on 12/3/19. 2nd Plan check submitted on 12/9/19 and redlines emailed on 12/14/19. Final permit fees paid on 1/27/20, and permit issued on 1/29/20. Precon held on 3/5/20.
C0131-20-01	1975 Wallace Avenue	6 Unit Apartments	Plans received and plan check fees paid on 11/18/19. 1st Plan check submitted 11/18/19 and redlines picked up on 11/22/19. 2nd Plan check submitted on 12/2/19 and redlines picked up on 12/3/19. Waiting for next plan check to be submitted. (3/9/20)
C0132-20-01	3070, 3080, 3090 Bristol Street	Commercial	Plans received and plan check fees paid on 12/5/19. 1st Plan check submitted on 1/21/20 and redlines returned to customer on 1/29/20. Conducted field inspection on 2/27/20.
C0133-20-01	3100 and 3150 Bristol Street	Commercial	Plans received and plan check fees paid on 12/5/19. 1st Plan check submitted on 1/21/20 and redlines returned to customer on 1/29/20. Conducted field inspection on 2/27/20.
C0134-20-01	2227 Donnie Street	Single Family Home	Plan check fees paid on 1/14/20 and waiting for revised plans.
C0135-20-01	3150 Bear Street	College	Plans received and plan check fees paid on 1/21/20. 1st Plan check submitted on 1/21/20 and redlines returned to customer on 2/4/20.
C0136-20-01	1461 Superior Avenue	Commercial	Plans received and plan check fees paid on 2/26/20. 1st Plan check submitted on 2/26/20 and redlines emailed to customer on 3/6/20.
C0137-20-01	3001 Murray Lane	Single Family Home	Plans received and plan check fees paid on 2/28/20. 1st Plan check submitted on 2/28/20.
C0138-20-01	1966 Wallace Avenue	Five Single Family Homes	Plans received and plan check fees paid on 3/4/20. 1st Plan check submitted on 3/4/20.

MESA WATER AND OTHER AGENCY PROJECTS STATUS REPORT

March 2020

Project Title: OC-44 Replacement and Rehabilitation Evaluation and Cathodic Protection Study

File No.: M 2034

Description: Evaluate potential repair and replacement options.

Status: Request for Bids sent out to contractors on February 6, 2019. Six bids received on 3/6/19. E&O Committee recommended award of the contract to lowest bidder (E.J. Meyer Company) on 3/19/19. Kick-off meeting held on 4/25/2019. Staff is working on reviewing submittals. Met with SARWQB on 5/24/19 and discussed water discharge permit requirements w/Susan Beeson. On 5/30/19 met with OCSD and went over requirements for the Special Purpose Discharge Permit (SPDP). Held Project Progress meeting on 6/6/19 and coordination meeting with Metropolitan Water District on 6/20/19. Held Permit Status Meeting on 7/11/2019, Traffic Coordination Meeting with Fletcher Jones Mercedes Dealership on 7/23/2019 and Project Progress Meeting on 7/23/2019. Submitted Application Package to OCSD for SPDP on 7/31/2019. Received Special Purpose Discharge Permit from OCSD on September 1, 2019. Coordination meeting with Fletcher Jones and Project Progress Meeting was held on 9/11/19. Contractor mobilized on 9/15/19 and started dewatering efforts. Project is substantially complete and line is ready for use. Native planting is ongoing and final completion is scheduled for March 2020. (3/9/20)

Project Title: Pipeline Testing Program

File No.: MC 2141

Description: Implement Resolution No. 1442 Replacement of Assets to annually perform non-destructive testing of 1% of the distribution system, and destructive testing of segments that are shown to have less than 70% of original wall thickness by non-destructive testing.

Status: Three miles of AC pipe constructed in 1956 were selected for non-destructive wall thickness measurement, which occurred during the week of January 14, 2019. The report was received on February 8, 2019. Five AC pipe samples are planned to be collected and sent for wall thickness measurements as part of routine valve replacements in April 2019. Samples were sent to the testing lab in May 2019, and the wall thickness measurement report was received on June 24, 2019. With more data collected from AC pipe samples, a proposed update the Res. 1442 Replacement of Assets was approved by the E&O Committee in September 2019. Staff developed a process for classifying pipeline breaks, and provided a class to the Distribution crews on November 21, 2019. Four AC pipe samples collected during valve replacements were sent for EDS testing on January 28, 2020. Staff is planning for nondestructive testing of 1 to 2 miles of CMLC steel distribution pipelines. (3/9/20)

Project Title: Chandler & Croddy Wells and Pipeline Project

File No.: M18-113

Description: Design, documentation, and permitting for two new wells located on

MESA WATER AND OTHER AGENCY PROJECTS STATUS REPORT

March 2020

Chandler Avenue and Croddy Way in the City of Santa Ana and the distribution pipeline connecting the wells to Mesa Water's supply system.

Status: Tetra Tech has been contracted to complete the design, documentation, and permitting for the Chandler and Croddy Wells and Pipeline Project. Initial data request sent to Tetra Tech on September 7, 2017. Met with Division of Drinking Water regarding well locations on September 20, 2017. Preliminary hydrological evaluation received on September 29, 2017. Board approved demolition of existing structures and dedicated well facility with option to evaluate long-term lease potential as market conditions dictate at both sites at November 2017 E&O. Butier Engineering has been contracted to provide Construction Management Services. Preliminary Design Report (PDR) for the distribution pipeline was reviewed and returned on March 6, 2018. Well site layouts were presented to the Board in May. DDW waiver for 50-foot control zone is currently being drafted. The revised PDR for the pipeline and the well sites was received in June 2018. A workshop to discuss review comments was held on August 14, 2018. 50% design for the Croddy Pipeline was received and the design review workshop occurred on November 26, 2018. 50% design for the wells is scheduled for submittal in February 2019. The draft CEQA Mitigated Negative Declaration was received on January 22, 2019, and filed for 30-day public comment on February 20, 2019 and completed on March 22, 2019. Four agencies submitted minor comments. A public meeting to adopt the Mitigated Negative Declaration has been noticed for the April 11, 2019 Board of Directors meeting. The revised Preliminary Design Report for the Chandler and Croddy Wells was received on March 5, 2019. 50% design documents for the existing building demolitions and well drilling were received on April 16, 2019. 50% design documents for well equipping were received on September 9, 2019 and reviewed by staff. The design team met on October 7, 2019, to review design options for the Croddy Pipeline. A corrosion potential report for the Croddy pipeline alignment was received on December 23, 2019, and reviewed by staff. A design team workshop was held on February 13, 2020. 90% design deliverables for building demolition and well drilling were received on February 11, 2020 and February 28, 2020, and are being reviewed by staff. (3/9/20)

Project Title: Meter Technology Evaluation

File No.: MC 2248

Description: The lifespan of a water meter is approximately 15 years. As a meter ages, the accuracy drops off due to wear. In preparation for its annual water meter replacement, staff has been reviewing water meter technology determining what water meter and reading solutions would be the best fit for Mesa Water's aging register technology. With today's technology, there are several types of meters and meter reading solutions available. The most common are as follows: Fixed Network, Automatic Meter Reading (AMR) System, Handheld or Touch Technology, and Advanced Metering Analytics - Cellular Endpoint.

Status: Mesa Water prepared a Technical Memo with information of the existing aging metering technology in comparison with proposed new meter reading solutions. The Technical memo was presented to the April E&O Committee and approved by the Board at the May 2019 Board meeting. Recommendations approved by the Board for early implementation include ensuring competitive pricing from the standardized meter

MESA WATER AND OTHER AGENCY PROJECTS STATUS REPORT

March 2020

supplier, making cellular endpoint meters available to customers who wish to have access to real-time water use data, and working with the meter reading software vendor to configure a software upgrade. Staff has compiled the total installed cost of the cellular endpoint meters and presented an implementation plan to the Engineering and Operations Committee on August 20, 2019. Staff also negotiated a contract with National Meter and Automation for preferred customer pricing and limiting annual price escalation, and presented the contract to the Engineering and Operations Committee on August 20, 2019. Staff is working with Badger Meter and Cogsdale to add cellular endpoints to large customer meters to automate meter reading and billing. Staff evaluated each Route 600 meter and vault for meter, register, and end point replacement to assist with installation activities. The first set of cellular endpoints were installed on February 26, 2020. The data is being received by Badger's Beacon system. (3/9/20)

Project Title: Reservoirs 1 & 2 Chemical Systems Design

File No.: M18-117

Description: Improve disinfection and mixing in both reservoirs to improve water quality and minimize nitrification.

Status: Final Design Contract awarded to Hazen & Sawyer on February 14, 2018. 50% design report received on July 17, 2018. Design review workshop took place in September 2018. A site visit to Laguna Beach County's El Morro reservoirs occurred on November 8, 2018, to evaluate the Vortex mixing system. Staff met with the designer on December 5, 2018, to incorporate design-for-reliability and design-for-maintainability principals into the mixing system design. The consultant provided a Technical Memo summarizing the options for maintainability and reliability of the Vortex mixer system on April 4, 2019. The 90% design deliverable was received on June 4, 2019, and is being reviewed by staff. Per the E&O Committee's request, the Preliminary Design Report describing the basis of this project was included in the October E&O Committee package. The consultant is working with the reservoir management system supplier to use Mesa Water's standardized analytical equipment to maintain disinfectant residual in the reservoirs. 100% design deliverable is expected on March 28, 2020. (3/9/20)

Water Quality Call Report

February 2020

Date: 2/12/2020
Source: Phone
Address: 903 W 17th St #21
Description: Customer reported the water having strong odor whenever she takes a shower.
Outcome: During site visit, water from the front hose bib as well as water from the bathroom were checked for odor. No odor was observed from both samples and customer agreed. Customer followed up with a request for a summary of the water quality visit and was provided with one. She later inquired about trichloroethylene (TCE) and perchloroethylene (PCE) levels in the water and was informed that all of our sources are non-detect for TCE and PCE.

Date: 2/18/2020
Source: Phone
Address: 349 Magnolia
Description: Caller's pregnant daughter-in-law lives in an older home within the Mesa Water service area and would like to get the water tested for lead.
Outcome: Explained to customer about Mesa Water's comprehensive monitoring program and assured the caller that the water meets state and federal drinking water standards. Customer was provided with private laboratory contact information since she was interested in getting her water tested. She also asked about residential water treatment systems and was provided with the State Board's website.

Date: 2/25/2020
Source: Email/Phone
Address: 2209 Wallace Ave
Description: Customer concerned about the chlorine odor in the water and stated that it has "very bad taste". He would like to know why it tastes bad when drinking from the tap at home but tastes fine when drinking from the fountain at a local store.
Outcome: Spoke to customer regarding his taste and odor concern. Assured him that the water meets and exceeds all drinking water standards including chlorine. Explained to customer that the local drinking fountain most likely has a filter and is chilled which often improves the taste. Offered a site visit but customer declined.

Date: 2/26/2020

Source: Phone

Address: 2939 Ellesmere Ave

Description: Customer was at a neighborhood chat and expressed concerns about the water causing mold at her home.

Outcome: Spoke with the customer and explained to her that the water is disinfected and checked weekly to ensure that a disinfectant residual is maintained in the distribution system. Also assured customer that weekly bacteriological samples have been collected throughout the distribution system and there has been no bacteriological issue. Suggested that customer look at the CDC and EPA's websites regarding mold and sent her the links. She was happy and accepting of the information.



COMMITTEE POLICY & RESOLUTION REVIEW

ENGINEERING and OPERATIONS COMMITTEE

Policy Assignments for 2020

Policy Name	Resolution No.	Date Adopted	Revision Schedule	Last Reviewed
Replacement of Assets Including Pipeline and Well Rehabilitation	1525	10/10/19	Review and update every 5 years	10/10/19
Rules and Regulations for Water Service	1527	11/25/19	Review and update as needed	11/25/19
Standard Specifications and Standard Drawings		05/03/18	Review and update as needed	05/03/18
Urban Water Management Plan	1477	06/09/16	Review and update as required every 5 years	06/09/16

Water Operations Status Report
July 1, 2019 - February 29, 2020

Operations Department Status Report	Wk Unit	Plan Days	Act Days	Plan Qty	Act Qty	Plan Cost	Actual Cost
01 - HYDRANTS							
WD-0101 - HYDRANT MAINTENANCE	HYDRANTS	112	82	2233	1622	\$44,300	\$32,658
WD-0102 - HYDRANT PAINTING	HYDRANTS	9	14	279	402	\$3,309	\$5,000
WD-0103 - HYDRANT REPAIR	HYDRANTS	34	29	40	44	\$11,298	\$16,373
Program 01 TOTAL		155	125			\$58,907	\$54,031
02 - VALVES							
WD-0201 - DISTRIBUTION VALVE MAINTENANCE	VALVES	79	74	1587	1558	\$34,371	\$30,725
WD-0202 - NIGHT VALVE MAINTENANCE	VALVES	6	0	82	0	\$2,786	\$0
Program 02 TOTAL		85	74			\$37,157	\$30,725
03 - METERS							
WD-0305 - ANGLE STOP/BALL VALVE REPLACE	REPLACE	17	16	34	32	\$10,869	\$5,793
Program 03 TOTAL		17	16			\$10,869	\$5,793
04 - MAIN LINES							
WD-0401 - MAIN LINE REPAIR	REPAIRS	80	49	13	7	\$39,903	\$24,806
WD-0402 - AIR VAC MAINTENANCE/REPAIR	REPAIRS	17	18	105	127	\$6,468	\$6,289
Program 04 TOTAL		97	67			\$46,371	\$31,095
05 - SERVICE LINES							
WD-0501 - SERVICE LINE REPAIR	REPAIRS	37	70	14	24	\$15,804	\$32,675
Program 05 TOTAL		37	70			\$15,804	\$32,675
06 - CAPITAL							
CAP AV - CAPITAL AIR VACUUM REPLACE	AIR VACS	30	52	5	23	\$12,405	\$22,981
CAP BI - CAPITAL BYPASS & METER INSTALL	REPLACE	12	0	1	0	\$6,425	\$0
CAP FH - CAPITAL HYDRANT UPGRADE	HYDRANTS	157	62	23	11	\$121,132	\$49,601
CAP MV - CAPITAL MAINLINE VALVE REPLACE	VALVES	131	97	23	12	\$87,821	\$51,219
CAP SL - CAPITAL SERVICE LINE REPLACE	SERVICES	25	30	7	5	\$13,548	\$14,875
CAP SS - CAPITAL SAMPLE STATION REPLACE	STATIONS	5	1	5	1	\$2,488	\$184
Program 06 TOTAL		360	242			\$243,819	\$138,860
VACANT POSITIONS	1		261				
TOTAL						\$412,927	\$293,179



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Water Needs*

MEMORANDUM

TO: Engineering and Operations Committee
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: March 17, 2020
SUBJECT: Caltrans Utility Agreement

RECOMMENDATION

Approve a Utility Agreement with the State of California Department of Transportation (Caltrans) for reimbursement of the cost of relocating Mesa Water District facilities in conflict with Caltrans widening the MacArthur Boulevard off-ramp from State Route 73 South.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Caltrans is widening the MacArthur Boulevard (MacArthur) off-ramp from State Route 73 South. The OC-44 pipeline crosses beneath MacArthur at this location. Mesa Water District (Mesa Water®) has a 30-foot easement along the pipeline alignment. Three appurtenances connected to the OC-44 pipeline are in conflict with Caltrans' planned work. These include a water valve cover, an air and vacuum release valve, and a cathodic protection test station. Caltrans has sent Mesa Water a Notice to Owner requiring that the District relocate the air and vacuum release valve and the cathodic protection test station prior to November 1, 2020, at Caltrans' expense. The cost estimate for the relocation is \$203,750. The Utility Agreement (see Attachment A) requires Mesa Water to execute the work, track costs associated with the work, and send Caltrans an itemized bill for reimbursement.

LEGAL REVIEW

Mesa Water's Legal Counsel – Atkinson, Andelson, Loya, Ruud and Romo - has reviewed the subject Utility Agreement and recommends approval of the agreement.

FINANCIAL IMPACT

In Fiscal Year 2020, \$1,118,152 is budgeted for Other Agency Projects; no funds have been spent to date. Approximately \$203,750, or the actual amount spent on this project, will be reimbursed by Caltrans.

ATTACHMENTS

Attachment A: Caltrans Utility Agreement

DISTRICT 12	COUNTY ORA	ROUTE 73	POST MILE 23.7/24.1	Project ID#/EA 1214000123/E.A. 0N8601
FEDERAL AID NUMBER: N/A		OWNER'S FILE NUMBER: "42" Water Main Relocation STA 376+88.08 To STA 386+74.17"		
FEDERAL PARTICIPATION/FEDERALLY ELIGIBLE/NEPA DOCUMENT				
On the Project		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	On the Utilities
				<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Owner Payee Data No. <u>VC0000023688</u> or Form STD 204 is attached. <input type="checkbox"/>				
UTILITY AGREEMENT NO. <u>12-UT-1432</u>		DATE _____		

The **State of California**, acting by and through the Department of Transportation, **hereinafter called "STATE,"** proposes to modify the existing lane configuration on (SR-73) southbound (SB) off ramp by widening it from one lane to two lanes. This safety project is located on State Route 73 (SR-73) southbound (SB) off ramp to MacArthur Boulevard (Blvd) (PM 23.7/24.1), in the City of Irvine, in the County of Orange, CA, and **Mesa Water District**, 1965 Placentia Avenue Costa Mesa, CA 92627-3420, **hereinafter called "OWNER,"** owns and maintains **one (1) Water Valve Cover, one (1) CP Test Valve, one (1) Air Release Valve,** and their related utility **water distribution facilities, shown on State's 0N8601 Plan Sheet U-1 & Utility Conflict Matrix-Revision #9, dated 1/7/2020, are within the limits of STATE's project which require utility relocation to accommodate the STATE's project.**

It is hereby mutually agreed that:

I. WORK TO BE DONE

In accordance with **Revised Notice to Owner No. 12-UT-1432 Rev.1, dated March 17, 2020**, OWNER shall relocate their **one (1) CP Test Valve** and **one (1) Air Release Valve**. All work shall be performed substantially in accordance with **OWNER's Utility Relocation Plan: "42" Water Main Relocation STA 376+88.08 To STA 386+74.17" dated 02/19/2020, consisting of 2 sheet(s)**, a copy of which is on file in the District 12 office of the Department of Transportation at 1750 E. 4th St, Suite 100, Santa Ana, CA 92705.

Deviations from the OWNER's plan described above initiated by either the STATE or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by the STATE and agreed to/acknowledged by the OWNER, will constitute an approved revision of the OWNER's plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner.

It is mutually agreed that the STATE will include the work of performing adjustments to grade of OWNER's **one (1) Water Valve Cover**, as part of the STATE's highway construction contract. OWNER shall have access to all phases of the work to be performed by the STATE for the purpose of inspection to ensure that the work being performed for the OWNER is in accordance with the specifications contained in the highway contract. Upon completion of the work performed by STATE, OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to STATE ownership of the replaced facilities, except in the case of liability determined pursuant to Water Code 7034 or 7035.

II. LIABILITY FOR WORK

The existing facilities are located in their present position pursuant to rights superior to those of the STATE and will be relocated at STATE expense.

III. PERFORMANCE OF WORK

OWNER agrees to cause the herein described work to be performed by a contract with the lowest qualified bidder, selected pursuant to a valid competitive bidding procedure, and to furnish or cause to be furnished all necessary labor, materials, tools, and equipment required therefore, and to prosecute said work diligently to completion.

OWNER shall have access to all phases of the relocation work to be performed by STATE, as described in Section I above, for the purpose of inspection to ensure that the work is in accordance with the specifications contained in the Highway Construction Contract; however, all questions regarding the work being performed will be directed to STATE's Resident Engineer for their evaluation and final disposition.

Use of personnel requiring lodging and meal "per diem" expenses will not be allowed without prior written authorization by STATE's representative. Requests for such authorization must be contained in OWNER's estimate of actual and necessary preliminary relocation costs. Accounting Form FA-1301 is to be completed and submitted for all non-State personnel travel per diem. OWNER shall also include an explanation why local employee or contract labor is not considered adequate for the relocation work proposed.

Work performed by OWNER's contractor is a public work under the definition of Labor Code Section 1720(a) and is therefore subject to prevailing wage requirements.

Work performed directly by Owner's employees falls within the exception of Labor Code Section 1720(a)(1) and does not constitute a public work under Section 1720(a)(2) and is not subject to prevailing wages. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above.

IV. PAYMENT FOR WORK

The STATE shall pay its share of the actual and necessary cost of the herein described work within 45 days after receipt of OWNER's itemized bill, signed by a responsible official of OWNER's organization and prepared on OWNER's letterhead, compiled on the basis of the actual and necessary cost and expense incurred and charged or allocated to said work in accordance with the uniform system of accounts prescribed for OWNER by the California Public Utilities Commission, Federal Energy Regulatory Commission or Federal Communications Commission, whichever is applicable.

It is understood and agreed that the STATE will not pay for any betterment or increase in capacity of OWNER's facilities in the new location and that OWNER shall give credit to the STATE for the accrued depreciation of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit detailed itemized progress bills for costs incurred not to exceed OWNER's recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills not to exceed the amount of this Agreement may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by STATE of documentation supporting the cost increase **and** after an Amendment to this Agreement has been executed by the parties to this Agreement.

The OWNER shall submit a final bill to the STATE within 360 days after the completion of the work described in Section I above. If the STATE has not received a final bill within 360 days after notification of completion of OWNER's work described in Section I of this Agreement, and STATE has delivered to OWNER fully executed Director's Deeds, Consents to Common Use or Joint Use Agreements for OWNER's facilities (if required), STATE will provide written notification to OWNER of its intent to close its file within 30 days OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If the STATE processes a final bill for payment more than 360 days after notification of completion of OWNER's work, payment of the late bill may be subject to allocation and/or approval by the California Transportation Commission.

The final billing shall be in the form of a detailed and itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, the STATE shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by STATE. Except, if the final bill exceeds the OWNER's estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by the California Transportation Commission.

In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER'S final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement, shall have the prior concurrence of STATE.

Detailed records from which the billing is compiled shall be retained by the OWNER for a period of three years from the date of the final payment and will be available for audit by State and/or Federal auditors. In performing work under this Agreement, OWNER agrees to comply with the Uniform System of Accounts for Public Utilities found at 18 CFR, Parts 101, 201, et al., to the extent they are applicable to OWNER doing work on the project that is the subject of this agreement, the contract cost principles and procedures as set forth in 48 CFR, Chapter 1, Subpart E, Part 31, et seq., 23 CFR, Chapter 1, Part 645 and 2 CFR, Part 200, et al. If a subsequent State and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse AGENCY upon receipt of AGENCY billing. If OWNER is subject to repayment due to failure by State/Local Public Agency (LPA) to comply with applicable laws, regulations, and ordinances, then State/LPA will ensure that OWNER is compensated for actual cost in performing work under this agreement.

V. GENERAL CONDITIONS

All costs accrued by OWNER as a result of STATE's request of January 16, 2018, to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If STATE's project, which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, STATE will notify OWNER in writing and STATE reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement.

All obligations of STATE and/or LPA under the terms of this Agreement are subject to the acceptance of the Agreement by LPA Board of Directors or the Delegated Authority (as applicable), the passage of the annual Budget Act by the State Legislature, and the allocation of those funds by the California Transportation Commission.

OWNER shall submit a Notice of Completion to the STATE within 30 days of the completion of the work described herein.

It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement by reference; provided, however, that the provisions of any agreements entered into between the STATE and the OWNER pursuant to State law for apportioning the obligations and costs to be borne by each, or the use of accounting procedures prescribed by the applicable Federal or State regulatory body and approved by the Federal Highway Administration, shall govern in lieu of the requirements of said 23 CFR 645.

In addition, the provisions of 23 CFR 635.410, Buy America, are also incorporated into this agreement. The Buy America requirements are further specified in Moving Ahead for Progress in the 21st Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United States for steel and iron products (including the application of coatings) installed on a project receiving funding from the FHWA.

OWNER understands and acknowledges that this project is subject to the requirements of the Buy America law (23 U.S.C., Section 313) and applicable regulations, including 23 CFR 635.410 and FHWA guidance, and will demonstrate Buy America compliance by collecting written certification(s) from the vendor(s) or by collecting written certification(s) from the manufacturer(s) mill test report (MTR). Certification(s) should state, "All manufacturing processes for these steel and iron materials, including the application of coatings have occurred in the United States. All manufacturing processes means melting of the steel through final manufacturing of steel components.

All documents obtained to demonstrate Buy America compliance will be held by the OWNER for a period of three (3) years from the date of final payment to the OWNER and will be made available to STATE or FHWA upon request.

One set of copies of all documents obtained to demonstrate Buy America compliance will be attached to, and submitted with, the final invoice.

This does not include products for which waivers have been granted under 23 CFR 635.410 or other applicable provisions or excluded material cited in the Department's guidelines for the implementation of Buy America requirements for utility relocations issued on December 3, 2013.

STATE further acknowledges that OWNER, in complying with the Buy America Rule, is expressly relying upon the instructions and guidance (collectively, "Guidance") issued by Caltrans and its representatives concerning the Buy America Rule requirements for utility relocations within the State of California. Notwithstanding any provision herein to the contrary, OWNER shall not be deemed in breach of this Agreement for any violations of the Buy America Rule if OWNER's actions are in compliance with the Guidance.

UTILITY AGREEMENT NO. 12-UT-1432

IN WITNESS WHEREOF, the above parties have executed this Agreement the day and year above written.

STATE

OWNER: Mesa Water District

By _____ Date _____
 Name Erika Irizarry
 Title District Utility Coordinator
Right of Way

By _____ Date _____
 Name _____
 Title _____

APPROVAL RECOMMENDED:

By _____ Date _____
 Name Scott Hansen
 Title Utility Coordinator

By _____ Date _____
 Name _____
 Title _____

THIS AGREEMENT SHALL NOT BE EXECUTED BY THE STATE OF CALIFORNIA - DEPARTMENT OF TRANSPORTATION UNTIL FUNDS ARE CERTIFIED

UTILITY AGREEMENT NO. 12-UT-1432

CT DOCUMENT	EVENT TYPE	DEPT	UNIT	PROJECT ID	PHASE	REPORTING	OBJ CO (N) DE	BFY	AMOUNT
12-UA-1432	C401	2660	3031	1214000123	9	9	054	19-20	\$ 203,750.00

EA FUNDING VERIFIED:		
Sign:		
Print:	Evangelina Washington	
	R/W Planning and Management	Date

REVIEW/REQUEST FUNDING:		
Sign:		
Print:	Scott Hansen	
	Utility Coordinator	Date

THE ESTIMATED COST TO THE STATE FOR ITS SHARE OF THE ABOVE DESCRIBED WORK IS \$ **203,750.00**

CERTIFICATION OF FUNDS				
I hereby certify upon my own personal knowledge that budgeted funds are available for the period and purpose of the expenditure shown here.				
R/W Planning and Management				
ITEM	CHAP	STAT	FY	AMOUNT

FUND TYPE	PROJECT ID	AMOUNT
Design Funds		
Construction Funds	1214000123	\$
R/W Funds	1214000123	\$203,750.00

Distribution: 2 originals to R/W Accounting
 1 original to Utility Owner
 1 original to Utility File



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Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Engineering and Operations Committee
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: March 17, 2020
SUBJECT: Roof Membrane Replacements

RECOMMENDATION

Recommend that the Board of Directors award a contract to Letner Roofing Co. in the amount of \$214,900 with a 10% contingency of \$21,490 for a contract amount not to exceed \$236,390 for construction of new roof membranes on the buildings at Wells 5 and 9, and associated fall protection guardrails on the building at Well 5.

STRATEGIC PLAN

Goal #2: Practice perpetual infrastructure renewal and improvement.

PRIOR BOARD ACTION/DISCUSSION

None.

BACKGROUND

The building housing the engine, electrical equipment, and storage at Well 5 was constructed in 1982. The building housing the electrical room, storage room, and restroom at Well 9 was constructed in 1994. The roof membranes at both wells experienced leaks during the early winter rains. Repair work was attempted; however, the repair work did not completely stop the leaking.

DISCUSSION

A request for bids (RFB) for roof membrane replacements was developed and sent to nine local certified Sika roofing installers. The RFB package includes roofing membrane replacements for both buildings, replacement of aging skylights and roof scuppers, and demolition and repair of damaged roof deck materials, as well as adding Occupational Safety and Health Administration (OSHA) compliant fall protection guardrails to the roof of the building at Well 5. The roof of the building at Well 9 has a parapet which provides OSHA-compliant fall protection. A job walk for the project was attended by three roofing contractors. Bids were received from two of the contractors as follows:

1. Letner Roofing Co.: \$214,900
2. Best Contracting: \$247,000

Staff recommends that the Board of Directors consider awarding a contract to Letner Roofing Co. in the amount of \$214,900 with a 10% contingency of \$21,490 for a contract amount not to exceed \$236,390 for construction of new roof membranes on the buildings at Wells 5 and 9, and associated fall protection guardrails on the building at Well 5.



FINANCIAL IMPACT

In Fiscal Year 2020, no funds are budgeted for roof membrane replacements. Requested funding of \$236,900 will come from the Capital Improvement Program Renewal.

ATTACHMENTS

None.



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MEMORANDUM

TO: Engineering and Operations Committee
FROM: Marwan Khalifa, CPA, MBA, Chief Financial Officer
DATE: March 17, 2020
SUBJECT: Capital Improvement Program Renewal Funding Options

RECOMMENDATION

Approve Option 2, funding the \$70MM Capital Improvement Program Renewal with \$65MM in Certificates of Participation and \$5MM in Pay Go, and authorize staff to proceed with the necessary steps to secure \$65MM of proceeds in Certificates of Participation.

STRATEGIC PLAN

- Goal #1: Provide a safe, abundant, and reliable water supply.
- Goal #2: Practice perpetual infrastructure renewal and improvement.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase public awareness about Mesa Water® and about water.
- Goal #5: Attract and retain skilled employees.
- Goal #6: Provide outstanding customer service.
- Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

At its November 14, 2019 workshop, the Board of Directors (Board) provided direction to staff to develop funding options to complete the next phase of projects from the 2014 Capital Improvement Program Master Plan Update.

At its February 18, 2020 meeting, the Engineering and Operations Committee directed staff to develop financial funding options for the Capital Improvement Program Renewal (CIPR).

At its March 12, 2020 meeting, the Board approved the proposed CIPR. In addition, the Board received an information item outlining the Issuance of Certificates of Participation (COPs) schedule.

DISCUSSION

Mesa Water District's (Mesa Water®) CIPR initiative is divided into seven main program disciplines that complement the Master Plan. Project prioritization is based on input from several key stakeholders, including the District's Board, Water Operations Department, Information Technology consultants, Management Team, and the Master Plan condition assessment. Over three years, the renewal will include expenditures in the following program areas:



Program	Budget	%
Wells	\$ 15,234,200	21.8%
Reservoirs	\$ 10,559,238	15.1%
Distribution	\$ 21,697,470	31.0%
Routine Capital	\$ 3,500,000	5.0%
Fleet	\$ 445,000	0.6%
District Facilities	\$ 6,212,888	8.9%
Information Technology	\$ 3,777,830	5.4%
Staff Resources	\$ 2,912,572	4.2%
Subtotal	\$ 64,339,197	91.9%
10% Contingency	\$ 5,656,574	8.1%
Total	\$ 69,995,771	100.0%

There are three sources of money that can be used to fund the CIPR to varying degrees - reserves and Pay Go, increased water rates and proceeds of Certificates of Participation. The scenarios to be considered are as follows:

Option	COPS	Pay Go	Additional Rate Increases
1	\$70MM	\$0	No
2	\$65MM	\$5MM	No
3	\$45MM	\$25MM	No
4	\$0	\$70MM	Yes

Option 1

Selecting Option 1 would result in the Mesa Consolidated Water District Improvement Corporation (MCWDIC) executing and delivering Certificates of Participation (COPs) in a total amount of \$70MM. This amount would cover all projects listed above including the 10% contingency. The true interest cost on the \$70MM COPs is estimated at 2.85% based on market conditions as of March 2, 2020. The par amount of the issuance and the amount Mesa Water would carry as a liability on the financial statements is \$52,705,000. The total payments on this issuance over thirty years would be \$108,314,750.

Funding the CIPR through the \$70MM issuance of COPs will result in reaching the Board's target for days' cash and cash on hand by the end of Fiscal Year 2023. Mesa Water would also maintain the Board's target of debt coverage and all required legal targets of debt coverage.

Option 2

Selecting Option 2 would result in MCWDIC executing and delivering COPs in a total amount of \$65MM and use \$5MM in Pay Go for information technology projects and fleet. The true interest cost on the \$65MM COPs is estimated at 2.85% based on market conditions as of March 2, 2020. The par amount of the issuance and the amount Mesa Water would carry as a liability on



the financial statements is \$48,955,000. The total payments on this issuance over thirty years would be \$100,607,750.

Funding the CIPR through the \$65MM issuance of COPs will result in reaching the Board’s target for days’ cash and cash on hand by the end of Fiscal Year 2023. Mesa Water would also maintain the Board’s target of debt coverage and all required legal targets of debt coverage.

Option 3

Selecting Option 3 would result in MCWDIC executing and delivering COPs in a total amount of \$45MM and use \$25MM in Pay Go for parts of the CIPR. The true interest cost on the \$45MM COPs is estimated at 2.85% based on market conditions as of March 2, 2020. The par amount of the issuance and the amount Mesa Water would carry as a liability on the financial statements is \$33,950,000. The total payments on this issuance over thirty years would be \$69,770,750

Funding the CIPR through a mix of \$45MM in COPs and \$25MM in Pay Go will not allow the District to reach the Board’s target for days’ cash and cash on hand in the coming three years without implementing an increase in rates. Mesa Water would be able to maintain the Board’s target of debt coverage and all required legal targets of debt coverage.

	Option 1	Option 2	Option 3
COPs Issued	\$70,000,000	\$65,000,000	\$45,000,000
Par Amount	\$52,705,000	\$48,955,000	\$33,950,000
True Interest Cost	2.85%	2.85%	2.85%
Interest Only Cost	\$2,635,250	\$2,447,750	\$1,697,500
Average Annual Debt Service	\$3,610,492	\$3,353,592	\$2,325,692
Maximum Annual Debt Service	\$3,910,000	\$3,631,750	\$2,519,000
Total Debt Service	\$108,314,750	\$100,607,750	\$69,770,750

Option 4

In selecting Option 4, Mesa Water would fund all of the CIPR from reserves and Pay Go. This would result in \$70MM of expenditures which would require rate increases of 10% annually for Fiscal Years 2021 through 2023 in addition to the rates already approved by the Board.

Funding the CIPR through \$70MM of reserves and Pay Go would take Mesa Water away from the Board’s target for days’ cash and cash on hand. Mesa Water would continue to maintain the Board’s target of debt coverage and all required legal targets of debt coverage.

Staff recommends that the Board approve Option 2, funding the CIPR with \$65MM in COPs and using \$5MM in Pay Go to pay for information technology projects and fleet replacement.

FINANCIAL IMPACT

There is no financial impact for the discussion of this matter.



ATTACHMENTS

None.

REPORTS:

9. REPORT OF THE GENERAL MANAGER

REPORTS:

10. DIRECTORS' REPORTS AND COMMENTS