



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Thursday, November 14, 2019
1965 Placentia Avenue, Costa Mesa, CA 92627
3:00 p.m. Special Board Meeting**

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.

ITEMS TO BE REMOVED OR REORDERED ON THE AGENDA

At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed as an Action Item, may be deliberated and may be subject to action by the Board.

ACTION ITEMS:

1. CAPITAL IMPROVEMMENT PROGRAM:

Recommendation: Direct staff to proceed with Capital Improvement Program Projects Option 2 and Funding Option 1.

2. MESA WATER RELIABILITY FACILITY OUTREACH CENTER:

Recommendation: Direct staff to proceed with Design Concept 2 (with entry) and Funding Option 1 for the Mesa Water Reliability Facility Outreach Center.

3. ASSOCIATION OF CALIFORNIA WATER AGENCIES/JOINT POWERS INSURANCE AUTHORITY UPDATE:

Recommendation: This item is provided for information.

4. CALIFORNIA-UNITED WATER CONFERENCE SPONSORSHIP:

Recommendation: Approve a sponsorship for the 2020 California-United Water Conference in the amount of \$5,000 and sign the California-United Water Memorandum of Agreement.



REPORTS:

5. REPORT OF THE GENERAL MANAGER
6. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

7. OTHER (NO ENCLOSURE)

CLOSED SESSIONS:

8. CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION/ADJUDICATORY PROCEEDINGS:
Pursuant to California Government Code Section 54956.9 (d)(2) and 54954.5 (c) – based on existing facts and circumstances, the Board is meeting with General Legal Counsel to review matters relating to legal proceedings presented to the California Political Practices Commission involving Mesa Water District.
9. PURSUANT TO GOVERNMENT CODE SECTION 54957.6:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: General Manager

RETURN TO OPEN SESSION.

ACTION ITEMS (CONT.):

10. ANNUAL PERFORMANCE EVALUATION FOR GENERAL MANAGER:

Recommendation: Take action as the Board desires.

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 call the District Secretary at (949) 631-1205. 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 using 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.

ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR THURSDAY, DECEMBER 12, 2019 AT 6:00 P.M.



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MEMORANDUM

TO: Board of Directors
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: November 14, 2019
SUBJECT: Capital Improvement Program

RECOMMENDATION

Direct staff to proceed with Capital Improvement Program Projects Option 2 and Funding Option 1.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #2: Practice perpetual infrastructure renewal and improvement.

PRIOR BOARD ACTION/DISCUSSION

At its November 9, 2017 meeting, the Board of Directors (Board) adopted Resolution No. 1505 Determining Compliance with Procedural Requirements, Making Findings, Revising Water Rates, Revising Meter Rates, Revising Fireline Stand-By Charges, and Adopting a Rate and Charge Implementation Schedule, Amending Water Rate and Charge Schedule, Taking Related Actions and Superseding Resolution Nos. 1439 and 1475. The Resolution included a 5-year rate adjustment that provided \$34.7M for Capital Improvement Program (CIP) projects.

At its May 28, 2019 meeting, the Board approved the Proposed Fiscal Year (FY) 2020 Budget which included Capital Expenditures of \$6,267,872.

BACKGROUND

Mesa Water District (Mesa Water®) practices perpetual infrastructure renewal and improvement in order to achieve Goal #2 of the Board's Strategic Plan. Mesa Water funds a robust CIP each year to ensure timely and effective asset renewal. Since FY12, Mesa Water has funded \$68,643,760 in total (at an average of \$8.6M per year) for its CIP with maximum CIP expenditures of \$17.6M and \$12.9M in FY12 and FY17, respectively. Major CIP accomplishments include the design and construction of the following:

- Mesa Water Reliability Facility (MWRF)
- Well Automation Project
- Acquisition of Two Future Well Site Properties
- Distribution System Valve Replacements & Maintenance
- OC-44 Pipeline Rehabilitation
- OC-44 Meter Turnout Vault Rehabilitation
- Santa Ana Pressure Reducing Station Rehabilitation
- Reservoirs 1 & 2 Improvements
- Information Technology Equipment Updates
- Fleet Replacements
- Administration Building/Boardroom and HVAC Improvements



In November 2017, Mesa Water adopted a 5-year rate plan adjustment that identified \$34.7M for CIP related projects. The key projects that have been identified for FY18 – FY22 include the design and construction of the following:

- Chandler & Croddy Wells and Pipeline Project
- Reservoirs 1 & 2 Chemical Management System
- Routine Distribution System Valve Replacements
- Information Technology Equipment Upgrades
- Fleet Replacements
- Other miscellaneous projects

One of the key projects that Mesa Water funds routinely is the Pipeline Integrity Program (PiP). This program uses a condition-based assessment approach and the results gained through destructive and non-destructive testing protocols are used to establish the estimated remaining useful life of Mesa Water's distribution and transmission pipeline system. PiP testing has determined that Mesa Water's average remaining useful life of its asbestos cement pipelines (~75% of system pipelines) is 85 years with an approximate 164 years of total average life, more than double the industry standard; PiP testing determined 134 years of total average life is remaining for metallic pipelines. Mesa Water will save its rate payers approximately \$426M over the next 100 years in unnecessary infrastructure pipeline replacements that would have been replaced too early based on industry age standards alone.

The average life-cycle of Mesa Water's pipeline assets are robust and have many remaining years of service. It should be noted that not all pipeline assets function uniformly and some pipelines may require an earlier replacement based on external circumstances. Asset replacement life for other non-pipeline assets have external drivers and challenges associated with them.

External Challenges

While Mesa Water continues to effectively manage and prioritize its CIP asset replacements, there are several external challenges that require continued diligence to ensure reliable water production and distribution facilities are maintained. The following challenges are as follows:

1. **Cost Inflation:** Construction costs continue to escalate faster than most financial indices. For example, the CPI increases and the Engineering New Record Construction Cost Index increases are between 1.5 - 3% per year over the past five years on average. However, public works construction bids are routinely exceeding Engineers' Estimates by as much as 20 - 30% using historical construction cost data from recent project bids with similar disciplines. This increase is a result of good economic conditions and other global cost impacts on equipment manufacturing that are not immediately showing up in the cost indices.
2. **Equipment Life-Cycles:** Equipment life-cycles vary by type of use, installation condition, and maintenance frequency. Generally, mechanical (e.g., pumps, engines, etc.) and electrical equipment (e.g., switch gear, variable frequency drives) have shorter operating life-cycles (10 to 25 years) due to the heat loads generated by their operations than buried infrastructure (75 to 160 years) or buildings (50 to 75 years). Shorter equipment life-cycles require more frequent replacement and the use of additional CIP funding.



3. **Water Quality Regulations:** The ability to measure constituents to finer levels also drives changes in water quality compliance levels requiring additional treatment, sampling, and monitoring. Recent examples of this are the PFAS/PFOS constituent that will require well-head treatment for many Orange County Producers.
4. **Technology:** Technological advancements enable more equipment automation and monitoring capabilities. The drawback to technology advancements is that upgrades to equipment containing this technology require more frequent replacement due to short life-cycles than would have been required under a more historical manual system. Examples of this are programmable logic controllers that allow Mesa Water's production wells and reservoirs to have automation functionality along with water quality analyzers that contain similar electronic functionality. Mesa Water's information technology backbone also falls into this category that requires constant upgrading due to short equipment life-cycles (e.g., < 5 years).
5. **Water Costs:** Water costs from Orange County Water District (OCWD) and the Municipal Water District of Orange County continue to rise each year. In some years, water costs increase greater than expected and result in additional expenses to Mesa Water via increased replenishment assessments from OCWD. Additionally, state mandated drought restrictions and cooler weather impacts change water consumption behavior, thereby decreasing water demand and ultimately sales revenue.

These external challenges occur at varying intervals and, at times, all at once. Mesa Water's aggressive CIP investment is affected by these external challenges and over the CIP investment period will see a diminishing available funding level simply due to these drivers. The most recent impactful external challenges have been the cost of construction inflation and cost of water increases. While the cost of construction impacts is more difficult to quantify, the cost of water and varying sales revenues have effectively reduced Mesa Water's FY18 - FY22 \$34.7M CIP investment by \$1.1M per year on average or a combined total of \$5.5M.

DISCUSSION

In 2014, Mesa Water updated its Water Master Plan (Plan). The Plan identified \$62.1M of near term and long-term non-pipeline CIP projects that are needed to maintain Mesa Water's reliable production, treatment, and distribution of water to its ratepayers. The Plan prioritized projects in terms of criticality, reliability, and asset end-of-life status. Mesa Water has been proactively working through these projects as identified above. However, with the aforementioned external challenges, the proposed Plan completion will be prolonged based on the ability to appropriately fund these projects into the future.

Table 1 lists the various CIP projects and shows the comparison between the four option costs.



Table 1. CIP Projects' Option Costs.

CIP Projects	Option 1	Option 2	Option 3	Option 4
	Baseline	Prioritize One New Well/Start MWRF Outreach Center Later	Prioritize MWRF Outreach Center/Start One New Well Later	Enhanced CIP
Wells	\$ 15,234,200	\$ 8,552,100	\$ 6,462,825	\$ 15,234,200
Reservoirs	\$ 3,040,000	\$ 3,040,000	\$ 1,500,000	\$ 8,381,000
Pipelines	\$ 7,092,872	\$ 5,852,872	\$ 5,852,872	\$ 24,490,873
Routine Operations	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000	\$ 4,000,000
Fleet	\$ 445,000	\$ 445,000	\$ 445,000	\$ 445,000
District Facilities	\$ -	\$ 5,000,104	\$ 5,104,104	\$ 6,048,104
Information Technology	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000	\$ 1,900,000
Total	\$ 31,712,072	\$ 28,894,076	\$ 25,264,801	\$ 60,499,177
FY19 Actual Expenditure	\$ 10,841,757	\$ 10,841,757	\$ 10,841,757	\$ 10,841,757
Grand Total	\$ 42,553,829	\$ 39,735,833	\$ 36,106,558	\$ 71,340,934

Option 1 - Baseline: This option provides the baseline CIP that was part of the \$34.7M FY18 - FY22 budget. The core projects include: the design and construction of the Croddy & Chandler Wells and Pipeline Project, Reservoirs 1 & 2 Chemical Management System, Information Technology Upgrades, I-405 Freeway Expansion/Fairview Pipeline Replacement, Harbor & Wilson Avenue Pipeline Replacement, and Routine Capital Improvements (e.g., distribution system valve replacements, meters, etc.). This option exceeds the FY18 - FY22 CIP budget target of \$34.7M by \$7.8M with actual FY19 expenditures totaling \$10.8M.

Option 2 – Prioritize One New Well/Start MWRF Outreach Center Later: This option prioritizes the construction of one new well (Croddy) and Pipeline Project, the start of design and subsequent construction of the MWRF Outreach Center and associated parking improvements, and the other capital projects identified in Option 1 less the Harbor & Wilson Avenue Pipeline Replacement Project. This option exceeds the FY18 - FY22 CIP budget target of \$34.7M by \$5.0M with actual FY19 expenditures totaling \$10.8M.

Option 3 – Prioritize MWRF Outreach Center/Start One New Well Later: This option prioritizes the design and subsequent construction of the MWRF Outreach Center and associated parking improvements, and the other capital projects identified in Option 1 less the Harbor & Wilson Avenue Pipeline Replacement Project as well as the deferral of one new well (Croddy) and Pipeline Project and Reservoirs 1 & 2 Chemical Management System start of construction until FY 2023 with construction completed in FY 2024 for both projects. This option exceeds the FY18 - FY22 CIP budget target of \$34.7M by \$1.4M with actual FY19 expenditures totaling \$10.8M.



Option 4 – Enhanced CIP: This option fully funds all of the capital projects identified in Option 1 in addition to the MWRF Outreach Center and associated parking improvements. This option also brings forward and funds many of the more critical Water Master Plan CIP projects that are currently scheduled for a future 5-year plan. Additional projects include the following:

- 5.6 miles of 1951 Cohort Cement Mortar Lined & Coated Steel Pipe
- OC-44 Pipeline Decommissioning of Abandoned Vaults
- OC-14 and CM-2 Turnout Rehabilitation
- Large Diameter Cathodic Protection Rehabilitation
- OC-44 Pipeline Bonita Creek Vault Rehabilitation
- Replacement of Distribution System Isolation Valves
- Reservoirs 1&2 Pumps Replacement
- Reservoirs 1&2 Engine Control System Replacement
- District Facilities Security System Integration Project
- Excavation Spoils Dewatering Pit
- Well Parts Storage
- Garage Storage

This option exceeds the FY18 - FY22 CIP budget target of \$34.7M by \$36.6M with actual FY19 expenditures of \$10.8M for a total CIP investment of \$71.3M.

Funding Options

There are several options to fund these CIP project options which include the following:

Option 1 - Use Cash Reserves: This option would use Mesa Water's existing cash reserves to fund the additional capital needs. Use of cash reserves could potentially reduce Mesa Water's reserve level below the target goal to maintain a AAA financial rating from Standard & Poor's and Fitch's rating criteria.

Option 2 - Bond Debt: This option would allow Mesa Water to use certificates of participation to fund up to the additional \$36.6M in CIP projects.

Option 3 - Prolonged CIP into Future Rate Increases: This option would allow Mesa Water to spread out the CIP projects over a longer term than the FY18 - FY22 time period to allow for a more gradual investment.

Option 4 - Combination Funding: This option would allow Mesa Water to use a combination of funding sources (e.g., 1 – 3 above). This approach would prioritize the most critical projects immediately while maintaining Mesa Water's AAA financial goals, minimizing bond debt and deferring other less critical projects to subsequent rate periods.

Staff recommends that the Board direct staff to proceed with CIP Projects Option 2 and Funding Option 1.



FINANCIAL IMPACT

There is no financial impact for the discussion of this item unless action is taken by the Board.

ATTACHMENTS

None.



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MEMORANDUM

TO: Board of Directors
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: November 14, 2019
SUBJECT: Mesa Water Reliability Facility Outreach Center

RECOMMENDATION

Direct staff to proceed with Design Concept 2 (with entry) and Funding Option 1 for the Mesa Water Reliability Facility Outreach Center.

STRATEGIC PLAN

Goal #2: Practice perpetual infrastructure renewal and improvement.
Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #6: Provide outstanding customer service.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

At its January 18, 2013 workshop, the Board of Directors (Board) directed staff to develop a Request for Proposal (RFP) for a consulting architect who would develop space planning requirements for the conversion to an education/outreach/research center with oversight for the development of the process to go through the Engineering and Operations Committee.

At its March 15, 2014 workshop, the Board approved Option 3 to develop parking along the Gisler frontage road at the Mesa Water Reliability Facility (MWRF) for an amount not to exceed \$300,000; and gave direction to incorporate the following: use concrete rather than asphalt and consider angled parking spaces.

At its October 17, 2014 workshop, the Board directed staff to develop an RFP for architectural services to produce conceptual drawings with an option for a Boardroom at the MWRF with a cost for the planning and design services not to exceed \$100,000.

At its May 14, 2015 meeting, the Board awarded a contract to IBI Group for professional engineering services for a not to exceed amount of \$184,699 and authorized the General Manager to execute the contract.

At its October 22, 2015 workshop, the Board reviewed three options and agreed they would like an additional option that addresses improvements to the Boardroom at the District office.

At its February 11, 2016 meeting, the Board approved an amendment for a not to exceed amount of \$43,632 to the MWRF Outreach Center and Building Improvements contract for IBI Group to provide three conceptual designs for the existing Boardroom as well as reduced versions of Concepts 1 and 2 for the MWRF Outreach Center.

At its January 10, 2019 meeting, the Board approved an amount not to exceed \$38,000 to IBI Group for professional design services to develop updated renderings for improvements to the MWRF Outreach Center.



BACKGROUND

In 2015, IBI Group presented the Board with three conceptual designs for the MWRF Outreach Center. The three conceptual designs presented were:

- Minimal Improvements
- Moderate Improvements
- New Building Approach

The cost for each of these three options were \$1.4M, \$2.1M, and \$5.4M, respectively.

In 2016, the Board directed staff to proceed with obtaining an amendment to the MWRF Outreach Center consulting contract to provide reduced scope versions of Concepts 1 (Minimal Improvements) and 2 (Moderate Improvements) for the MWRF Outreach Center. The Board requested that the reduced design concepts focus on options for removing the entry foyer off of Gisler Avenue to further minimize costs.

DISCUSSION

The two revised design concepts (see Attachment A) for the Board's consideration are summarized as follows:

- **Concept 1 (Minimal Improvements):** This concept includes consideration of using the existing "multi-purpose room" at the MWRF as a joint meeting space for District meetings, events and public tours. Improvements would include updated lighting and audio visual equipment, installation of a Heating, Ventilation and Air Conditioning (HVAC) system, interior and exterior finish improvements, updated restrooms, installation of a catering prep kitchen, and consideration of educational décor and exhibits.
- **Concept 2 (Moderate Improvements):** This concept includes consideration of rehabilitating and remodeling the existing MWRF to relocate the restrooms, meeting rooms, water quality lab, control room, and installing a multi-purpose room that could also convert function as an educational center. This concept would completely reconfigure the existing facility space to integrate the installation of a multi-purpose room with the MWRF's Demonstration Garden. The multi-purpose room would contain all the same improvements identified in Concept 1 but with a focus on streamlining the functional uses of the existing space. Additionally, this option considers accommodating on-site school assemblies for local students.



The revised costs for Concepts 1 and 2 are as follows:

	Concept 1		Concept 2	
	w/o Entry	w/Entry	w/o Entry	w/Entry
Construction				
MWRF Construction	\$ 1,051,877	\$1,073,052	\$ 1,516,102	\$ 1,535,220
Parking	\$ 1,210,000	\$1,210,000	\$ 1,210,000	\$ 1,210,000
15% Contingency	\$ 339,281	\$ 342,458	\$ 408,915	\$ 411,783
Subtotal	\$ 2,601,159	\$2,625,510	\$ 3,135,017	\$ 3,157,003
Design & Construction Management				
Design (15%)	\$ 390,174	\$ 393,827	\$ 470,253	\$ 473,550
CM/Inspection (15%)	\$ 390,174	\$ 393,827	\$ 470,253	\$ 473,550
Subtotal	\$ 780,348	\$ 787,653	\$ 940,505	\$ 947,101
Exhibit/Education	\$ 1,000,000	\$1,000,000	\$ 1,000,000	\$ 1,000,000
Grand Total	\$ 4,381,506	\$4,413,163	\$ 5,075,523	\$ 5,104,104

The cost reduction of removing the foyer entry for both Concepts 1 and 2 is approximately \$20,000. This is a minimal cost savings when considering the benefit recognized from having main entry access that flows directly from visitor parking located on Gisler Avenue.

Funding Options

The MWRF Outreach Center Project is not included in the Fiscal Year 2020 Budget nor was it included in the 2014 Water Master Plan. The following funding options are provided for the Board's consideration:

Option 1 - Cash on Hand: This option would provide design and construction funding using cash reserves resulting in lower Board target goals of days cash ratio and overall total cash reserves.

Option 2 – Adjusted Capital Expenditures: This option readjusts Mesa Water District's (Mesa Water®) proposed Capital Improvement Program (CIP) expenditures to include the MWRF Outreach Center design and construction funding and deferring other capital program projects. This option would result in maintaining the Board's target goals of days cash ratio and overall total cash reserves.

Option 3 – Defer MWRF Outreach Center: This option defers the MWRF Outreach Center until the next update to the Water Master Plan. This option would result in maintaining the Board's target goals of days cash ratio and overall total cash reserves.

Option 4 – Grant Funding: This option would seek additional funding through grants for either the MWRF Outreach Center and other Capital Improvement Program projects. Two grant options Mesa Water is currently pursuing are as follows:



1. Disadvantaged Community Involvement Technical Assistance/Project Implementation Grant Program: This grant provides Technical Assistance funding to support the development of projects and programs that address the needs of disadvantaged and underrepresented communities. The proposed grant amount is \$498,478. This grant program is being facilitated by the One Water One Watershed Steering Committee and the Santa Ana Watershed Project Authority Commission.

2. Santa Ana River Conservation and Conjunctive Use Project (SARRCUP) Grant Program: This is a Proposition 84 Grant Program that will provide approximately \$1.6M in funding for the construction of new wells and pipelines to allow for the extraction of banked water supplies from the State Water Project conveyed via the San Bernardino Municipal Water District into the Orange County Groundwater Basin. This grant program is being facilitated by OCWD.

Option 5 – Bond Funding: This option would use certificates of participation to fund the project and would result in maintaining the Board’s target goals of days cash ratio as well as overall total cash reserves.

The five aforementioned funding options are all viable options and could also be combined to provide an optimum balance to meet the Board’s financial goals, minimize debt, and maintain CIP project investment.

Staff recommends that the Board direct staff to proceed with Design Concept 2 (with entry) and Funding Option 1. Design Concept 2/Funding Option 1 provides an integrated approach to water education and community outreach while using a majority of the existing building structure to minimize cost.

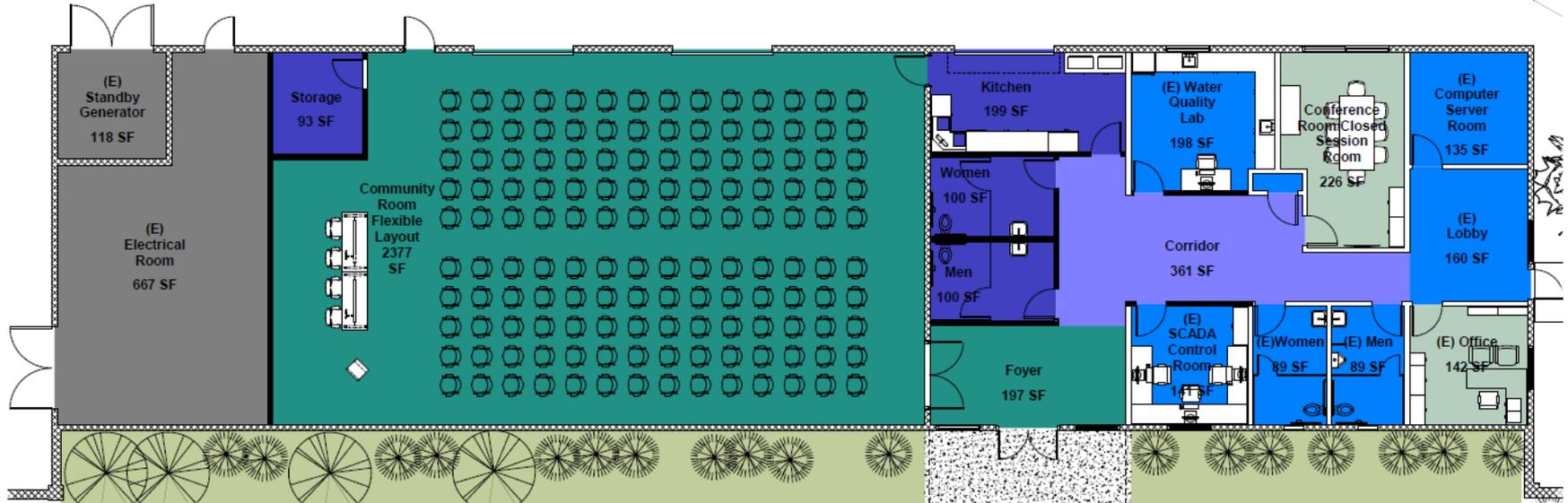
FINANCIAL IMPACT

In Fiscal Year 2020, no funds are budgeted for the MWRF Outreach Center under Capital Expenditures.

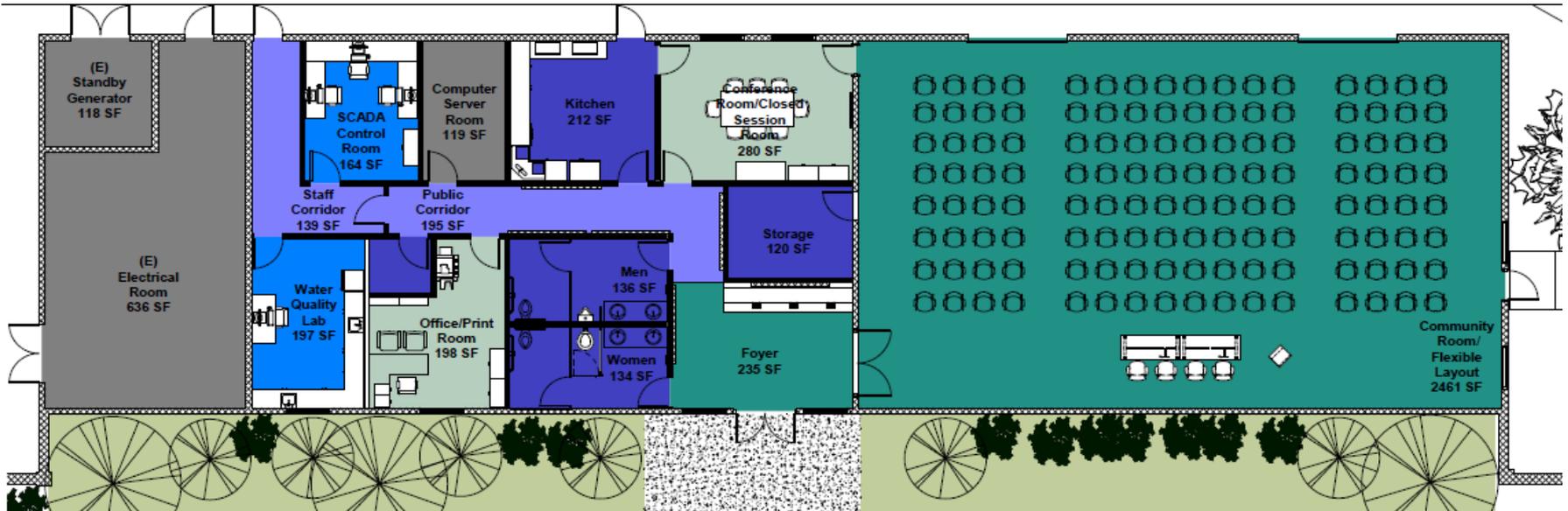
ATTACHMENTS

Attachment A: Design Concepts 1 and 2

CONCEPT 1



CONCEPT 2





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MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: November 14, 2019
SUBJECT: Association of California Water Agencies/Joint Powers Insurance Authority Update

RECOMMENDATION

This item is provided for information.

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 February 14, 2019 meeting, the Board of Directors (Board) adopted Resolution No. 1519 Nominating Fred R. Bockmiller, P.E. to the Executive Committee of the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA).

DISCUSSION.

ACWA/JPIA is the governing body responsible for all policy decisions related to providing risk-sharing pools to meet the needs of its members for property, liability, workers' compensation and employee benefits. The Executive Committee is crucial to the operation of the organization and to the representation of the common interests of California water agencies to consistently and cost effectively provide the broadest possible affordable insurance coverage and related services to its members.

Mesa Water District (Mesa Water®) Director Fred R. Bockmiller was elected to ACWA/JPIA's Executive Committee to serve a four-year term from May 2019 to May 2023. Director Bockmiller also represents Mesa Water as a Board and Committee Member of the ACWA/JPIA, where he has served on the organization's Risk Management Committee for eleven years.

FINANCIAL IMPACT

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

ATTACHMENTS

None.



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MEMORANDUM

TO: Board of Directors
FROM: Stacy Taylor, External Affairs Manager
DATE: November 14, 2019
SUBJECT: California-United Water Conference Sponsorship

RECOMMENDATION

Approve a sponsorship for the 2020 California-United Water Conference in the amount of \$5,000 and sign the California-United Water Memorandum of Agreement.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

At its May 28, 2019 meeting, the Board of Directors (Board) approved the Proposed Fiscal Year 2020 Budget which included Community Outreach Sponsorships (see Attachment A).

DISCUSSION

Since 2017, Mesa Water District (Mesa Water®) Director Jim Atkinson has served on the Urban Water Institute (UWI) Board of Directors. As part of this service, Director Atkinson and Mesa Water partnered with the Board and staff from UWI and two of its active member agencies -- the Bay Area Water Supply & Conservation Agency (BAWSCA) and Mountain Counties Water Resources Association (MCWRA) -- to establish a conference that would engender statewide discussions, education, information-sharing, and collaborative problem-solving to address challenges of mutual concern among water agencies in Southern and Northern California.

In 2018 and 2019, Board and staff from BAWSCA, Mesa Water, MCWRA and UWI planned, promoted, publicized, produced, and presented a water industry conference. The 2018 conference, titled "North Meets South Water Conference", featured presentations and tours by water districts based in Los Angeles and Orange County. In 2019, the conference was renamed to the "California-United Water Conference", featuring presentations and tours by Northern California water districts, as well as by Sierra Nevada forest and watershed experts.

Looking forward, MCWRA initiated draft materials (see Attachment B) for institutionalizing "California-United Water" -- with BAWSCA, Mesa Water, MCWRA, and UWI as founding sponsors -- including a Memorandum of Agreement for signature consideration by members and sponsoring organizations (see Attachment C). Staff anticipates that the 2020 California-United Water Conference will take place in Northern California.

FINANCIAL IMPACT

In Fiscal Year 2020, \$90,860 is budgeted for Community Outreach Sponsorships; \$27,840 has been spent to date.



ATTACHMENTS

Attachment A: Fiscal Year 2020 Community Outreach Sponsorships

Attachment B: Draft California-United Water Conference Sponsorship Materials

Attachment C: California-United Water Memorandum of Agreement



Community Outreach Sponsorships	FY 2020
Association of California Water Agencies	\$ 10,500
CALAFCO	\$ 1,000
California Water Library	\$ 1,000
CALWEP Peer to Peer Sponsorship	\$ 1,000
Concerts in the Park	\$ 2,500
Costa Mesa Community Run	\$ 500
Costa Mesa High School & Estancia High School	\$ 2,000
Costa Mesa Historical Society	\$ 1,500
Costa Mesa Lions	\$ 750
Ducks Unlimited	\$ 1,000
Environmental Nature Center	\$ 10,000
Festival of Children @ South Coast Plaza	\$ 5,000
I Heart Costa Mesa	\$ 4,860
KOCI	\$ 6,500
Newport Banning Land Trust	\$ 5,000
Newport Mesa Unified Schools Foundation	\$ 1,000
OC Tax	\$ 500
OC Water Summit	\$ 7,500
Orange County Fair	\$ 10,500
Santa Ana Watershed Project Authority (SAWPA)	\$ 3,500
Save Our Youth (S.O.Y.)	\$ 250
South Coast Collection (SOCO) Community Event	\$ 5,000
Southern California Water Coalition	\$ 2,000
Southwest Membrane Operator Association (SWMOA)	\$ 1,500
Urban Water Institute	\$ 2,000
Vanguard University	\$ 2,500
Youth Employment Service (Y.E.S.)	\$ 1,500
Total Community Outreach Sponsorships	\$ 90,860

Institutionalize: California-United Water

Tag Line: Forests to Faucets

Next Steps and Considerations:

1. Develop a Memorandum of Agreement to formalize California-United Water
2. Outreach to Water Districts to be a signatory to the Memorandum of Agreement
3. Establish objectives: Outreach – Education – Legislation – Funding
4. Consider website or link to established websites.
5. Develop outreach and education program (combined tour for Water District's Public Affairs & Legislative staff)

Water District Public Affairs & Legislative Staff - Watershed Tour

3-day program – Pick up in Sacramento – to Auburn or Placerville

- a) Day 1 – reception, dinner (hosted or on your own?)
 - b) Day 2 – breakfast on your own, then Tour of King Fire area (includes lunch), dinner on your own
 - c) Day 3 – hosted buffet breakfast, then roundtable Discussion to outreach and educate ratepayers & legislators
6. Consider Legislation to support “Purpose” of California-United Water identified in the Memorandum of Agreement working with lobbyists in a coordinated effort.
 7. Identify projects in the watershed to reduce the risk of catastrophic fire.
 8. Identify projects in key watersheds to improve water supply, water quality, and the environment.
 9. Coordinate effort on the next water bond to fund identified priority forest projects.
 10. Discussion for next California-United Water Conference



California – United Water



BAY AREA WATER SUPPLY AND CONSERVATION AGENCY (BAWSCA) was created on May 27, 2003 to represent the interests of 24 cities and water districts, and two private utilities, in Alameda, Santa Clara and San Mateo counties that purchase water on a wholesale basis from the San Francisco Regional Water System (SFRWS).



MESA WATER DISTRICT (Mesa Water®) provides safe, high-quality drinking water to residents and businesses in Costa Mesa, parts of Newport Beach, and areas of unincorporated Orange County. Mesa Water is committed to the highest standards for customer service, water awareness and conservation, reliable water delivery, and financial leadership and transparency.



MOUNTAIN COUNTIES WATER RESOURCES ASSOCIATION (MCWRA) advocates for the water interests of its 67 members in 12 of the mountain counties within the Wildland-Urban Interface (WUI) of woodland and forested lands in the Sierra Nevada. These foothill and mountain areas contain the headwaters for 40% of the state's developed water supply, which also provides for hydropower production, recreation, tourism, and instream flows that fuel the engine of our State's economy.



URBAN WATER INSTITUTE (UWI) was incorporated as a nonprofit public education organization in the State of California in 1993, with the Mission to provide non-partisan information of timely and pertinent interest to the water resource industry, including public agencies and private firms, with particular emphasis on water economics, management and resource policies as they affect consumers and the general economy.

MEMORANDUM OF AGREEMENT

CALIFORNIA-UNITED WATER

The undersigned parties hereby agree to the following conditions regarding the voluntary coalition to be referred to as **California-United Water**.

1. The purpose of **California-United Water** is to:
 - a) Promote sustainable water resources management from the “forests to the faucets” throughout California;
 - b) Support local control of water resources for agriculture, domestic uses, hydropower generation, desalination, recycling, storm water capture, water-use efficiency and conservation policies;
 - c) Support local actions to optimize recycling opportunities, cost-effective water efficiency practices, groundwater replenishment, and desalination;
 - d) Support efforts to reduce the risk of catastrophic fire in the forested lands and headwaters of California;
 - e) Support efforts to optimize water supply and enhance water quality in the headwaters;
 - f) Support policies and programs that educate water industry colleagues, water customers, media, academia, community leaders, property owners, non-governmental organizations, Native American Tribes, business groups, and local, state and federal water officials, on statewide water issues and interests;
 - g) Support forest management practices that promote healthy forests, and enhance water resources;
 - h) Support increased collaborative intergovernmental relations with local, state and federal agencies;
 - i) Support efforts to identify and implement new surface and groundwater water storage projects from forests to faucets;
 - j) Support viable and sustainable agriculture;
 - k) Support actions and land use planning decisions that protect and enhance water quality and water quantity;
 - l) Support a balanced, interest-based approach to resolving conflicts that provide win-win solutions;
 - m) Support water transfers between willing sellers and willing buyers, and avoid regulatory takings;
 - n) Support the concept that the headwaters need to be slowed down and sequestered within the watersheds as long as optimal; and,
 - o) Support actions to advance watershed stewardship across all the watersheds and headwaters in the State.

2. **California-United Water** will seek to build its relationship and partnerships to help guide its collaborative efforts.
3. **California-United Water Members** are:
 - Bay Area Water Supply & Conservation Agency
 - Mountain Counties Water Resources Association
 - Mesa Water District
 - Urban Water Institute
4. **Members** may be added with the approval of the then current members by a unanimous vote.
5. **Members** may be removed by action of the then current members by a simple majority vote of the **Members**.
6. Any **Member** may be removed from **California-United Water** by its own voluntary action by notifying the other members in writing.
7. Decision making of the **California-United Water** will be vested in the Chief Executive (or their designees) of the above-named organizations.
8. Actions, policies, and other decisions of **California-United Water** shall be approved by a simple majority of the **Members**.
9. Nothing in this agreement shall preclude the **Members** from participating in other coalitions or taking independent actions on their own behalf on water issues.
10. Nothing in this agreement shall constitute a financial commitment for **Members**, of **California-United Water**. Financial support of **California-Water Alliance** activities is a non-binding decision of each participating entity.

Bay Area Water Supply & Conservation Agency

Mountain Counties Water Resources Association

Mesa Water District

Urban Water Institute

REPORTS:

5. REPORT OF THE GENERAL MANAGER

REPORTS:

6. DIRECTORS' REPORTS AND COMMENTS

There are no support materials for this item.

CLOSED SESSION:

8. CONFERENCE WITH LEGAL COUNSEL – SIGNIFICANT EXPOSURE TO LITIGATION/ADJUDICATORY PROCEEDINGS:
Pursuant to California Government Code Section 54956.9 (d)(2) and 54954.5 (c) – based on existing facts and circumstances, the Board is meeting with General Legal Counsel to review matters relating to legal proceedings presented to the California Political Practices Commission involving Mesa Water District.

CLOSED SESSION:

9. PURSUANT TO GOVERNMENT CODE SECTION 54957.6:
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: General Manager



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: November 14, 2019
SUBJECT: Annual Performance Evaluation for General Manager

RECOMMENDATION

Take action as the Board desires.

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.

DISCUSSION

This item has been agendaized to provide the Board the opportunity to discuss the General Manager's contract terms and conditions of employment, and take action if desired.

FINANCIAL IMPACT

There is no financial impact for the discussion of this item unless action is taken by the Board.

ATTACHMENTS

None.