



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Monday, December 19, 2016
1965 Placentia Avenue, Costa Mesa, CA 92627
3:30 p.m. Special Board Meeting**

**FINANCE COMMITTEE MEETING
Monday, December 19, 2016 at 3:30 p.m.**

**Teleconference Site:
115 Kilrea Rd
Derry, NH 03038**

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

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Non-Agendized Matters: Members of the public are invited to address the Board on matters which are not on the Agenda. Each speaker is limited to three (3) minutes. The Board will set aside thirty (30) minutes for public comments.

Agendized Matters: 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 five (5) minutes.

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. Accounts Paid Listing
2. Monthly Financial Reports
3. Major Staff Projects

PRESENTATION AND DISCUSSION ITEMS:

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

4. Refinancing of Debt
5. Debt Management Policy
6. Annual Audit Update

ACTION ITEMS:

7. Additional Auditing Services



REPORTS:

- 8. Report of the General Manager
- 9. 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.

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

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
CAPITAL				
ARCADIS US INC 000021699	0809732	OPTIMIZE GOVERNANCE STRUCTURE STUDY	1	42,853.78
11/03/16				42,853.78
DELTA SYSTEMS ENGINEERING 000021726	13970	ANALYSIS OF MWRF PLC 5 FAILURE	1	5,346.00
11/03/16				5,346.00
MICHAEL BAKER INTERNATIONAL 000021744	949784	PP 8 AS NEEDED DESIGN SERVICES	1	10,546.76
11/03/16				10,546.76
VERSATILE SYSTEMS, INC 000021827	3335	WATER OPS FALL PROTECTION TRAINING	1	1,150.00
11/09/16				1,150.00
WEBER WATER RESOURCES 000021905 000021905	3 4	PP 3 WELL 9/9B PP 4 WELL 9/9B	1	350,512.95 103,898.34
11/21/16				454,411.29
TOTAL CAPITAL			5	514,307.83

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
DEPARTMENT EXPENSE				
ACWA 000021717 000021847	2017ANNUALDUES INV003820	2017 ANNUAL AGENCY DUES RECRUITMENT ADVERTISEMENT		23,186.41 445.00
11/16/16			2	23,631.41
ACWA JOINT POWERS INSURANCE 000021848	DEC2016EAP	DECEMBER 2016 EAP		129.25
11/16/16			1	129.25
AMERICAN WATER WORKS ASSOCIATION 000021722	915116	MEMBERSHIP RENEWAL PS - AWWA		3,623.00
11/03/16			1	3,623.00
CALPERS BENEFIT PAYMENTS 0129759 0129760 0130374	110316 101416 102816	NOVEMBER 2016 PPE 10/14/16 PPE 10/28/16		53,395.88 29,941.96 29,207.10
11/17/16			3	112,544.94
COLONIAL LIFE & ACCIDENT INS 000021860	8892333-1116261	INSURANCE PPE 10/28/16		242.36
11/16/16			1	242.36
COSTA MESA FIRE DEPARTMENT 000021912	916193	ANNUAL PERMIT RENEWAL		45.00
11/22/16			1	45.00
CALIFORNIA SPECIAL DISTRICTS ASSN 000021861	915115	2017 MEMBERSHIP DUES		6,485.00
11/16/16			1	6,485.00

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
CA DEPT OF PUBLIC HEALTH 000021789	916188	LICENSE FEE- WATER VENDING MACHINE	1	40.00
11/09/16				<u>40.00</u>
G&W TOWING 000021795	429353	TOWING SERVICES	1	60.00
11/09/16				<u>60.00</u>
ICMA-RC RETIREMENT 0129757	102816	PPE 10/28/16		1,754.65
0129758	1028161	PPE 10/28/16		7,351.84
0130371	1111161	PPE 11/11/16		7,351.84
0130372	111116	PPE 11/11/16		1,754.65
11/17/16			4	<u>18,212.98</u>
4 IMPRINT 000021798	5033151	EMBROIDERED MW SHIRTS & SWEATER		120.14
000021871	5041942	EMBROIDERED MW SHIRT		45.64
11/16/16			2	<u>165.78</u>
INTERNATIONAL FOUNDATION OF 000021874	INV-397043-Q3Y7T2	2017 MEMBERSHIP DUES		325.00
11/16/16			1	<u>325.00</u>
NATIONWIDE RETIREMENT SOLUTIONS 0129756	102816	PPE 10/28/16		5,089.97
0130373	111116	PPE 11/11/16		4,889.97
11/17/16			2	<u>9,979.94</u>
NEOGOV, INC 000021882	INV19282	ANNUAL RENEWAL INSIGHT ENTERPRISE		2,500.00
11/16/16			1	<u>2,500.00</u>

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
ORANGE COUNTY BUSINESS JOURNAL 000021929	915094	2017 OC BUS JOURNAL RENEWAL		99.00
11/22/16			1	99.00
ORANGE COAST CONSULTANCY 000021747	10193	FINANCE SUPPORT WE 10/29/16		4,600.00
000021807	10195	FINANCE SUPPORT WE 11/05/16		4,675.00
000021884	10196	FINANCE SUPPORT WE 11/12/16		4,625.00
000021930	10197	FINANCE SUPPORT WE 11/19/16		2,625.00
11/22/16			4	16,525.00
ORANGE COUNTY EMPLOYEES ASSN 000021748	OCEA PPE102816	MEMBERSHIP DUES OCT 28		276.94
000021931	OCEA PPE111116	MEMBERSHIP DUES 11/11/16		267.10
11/22/16			2	544.04
TASC 000021940	IN896991	FSA ADMIN FEES OCT 2016		137.31
11/22/16			1	137.31
TRACKER, A DIVISION OF C2, LLC 000021764	16-0000-186-Q1	PORTFOLIO ACCOUNTING & REPORTING		900.00
11/03/16			1	900.00
TOTAL DEPARTMENT EXPENSE			31	196,190.01

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
DIRECTOR CHECKS				
ETHAN TEMIANKA 000021791	915119	DIRECTOR-INTERNET REIMBURSEMENT		419.94
11/09/16			1	419.94
FRED BOCKMILLER 000021794 000021866	915122 EXP101416	DIRECTOR-FAX/ INTERNET REIMBURSEMENT DIRECTOR-MILEAGE REIMBURSEMENT		85.65 9.18
11/16/16			2	94.83
JAMES ATKINSON 000021875 000021875	EXP111116 EXP101416	DIRECTOR-MILEAGE REIMBURSEMENT DIRECTOR-MILEAGE REIMBURSEMENT		21.60 16.20
11/16/16			1	37.80
JAMES FISLER 000021876 000021876	EXP111116 EXP101416	DIRECTOR-MILEAGE REIMBURSEMENT DIRECTOR-MILEAGE REIMBURSEMENT		12.96 30.78
11/16/16			1	43.74
SHAWN DEWANE 000021756 000021893	914900 EXP101416	DIRECTOR -COMMUNICATIONS REIMBURSEMENT DIRECTOR-MILEAGE REIMBURSEMENT		1,212.24 5.83
11/16/16			2	1,218.07
TOTAL DIRECTOR CHECKS			7	1,814.38

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
EMPLOYEE CHECKS				
DARRYL HOPKINS 000021787	EXP110216	EXPENSE REIMBUR-FALL PROTECTION TRAINING	1	330.76
11/09/16				330.76
DUSTIN BURNSIDE 000021862	914934	TECHNICAL CERTIFICATION INCENTIVE PROGRAM	1	100.00
11/16/16				100.00
KARYN IGAR 000021739	EXPREIMB110116	CONFERENCE REIMBURSEMENT-AWWA FALL	1	155.58
11/03/16				155.58
KAYING LEE 000021877 000021924	914935 EXP111816	TECHNICAL CERTIFICATION INCENTIVE PROGRAM CONFERENCE REIMBURSEMENT - WQ TECH	2	300.00 635.82
11/22/16				935.82
STACY TAYLOR 000021758	EXP103116	CONFERENCE REIMBURSE - ACWA	1	75.17
11/03/16				75.17
STEPHEN HERSHEY 000021819	EXP110316	TRAINING - FALL PROTECTION	1	326.82
11/09/16				326.82
TRACY MANNING 000021895	914936	TECHNICAL CERTIFICATION INCENTIVE PROGRAM	1	500.00
11/16/16				500.00

TOTAL EMPLOYEE CHECKS	8	2,424.15
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ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
GENERAL AND ADMINISTRATIVE				
BROOKE A RAUTUS 000021703				
	11/03/16	CHEQ00099005896		03105500 CHEQUE DEPOSITS 03105
			1	54.07
SOUTHERN CALIFORNIA EDISON 000021704				
	11/03/16	CHEQ00099005905		05114500 CHECK ISSUED TO MESA IN ERROR
			1	160.59
NORIKO BURNHAM 000021840				
	11/16/16	CHEQ00099005907		09620300 CHEQUE DEPOSITS 09620
			1	19.49
CHARLOTTE MALSBERGER 000021841				
	11/16/16	CHEQ00099005912		04100102 OVERPAYMENT
			1	252.12
RAYMOND YATES 000021907				
	11/22/16	CHEQ00099005914		01113101 CHEQUE DEPOSITS 01113
			1	254.81
SUTRA LOUNGE 000021705				
	11/03/16	CHEQ00099005900		05950101 CHEQUE DEPOSITS 05950
			1	383.27
BOGDAN POPA 000021842				
	11/16/16	CHEQ00099005909		30000498 CHEQUE DEPOSITS 30000
			1	9.37
AMERICAN WRECKING, INC. 000021706				
	11/03/16	CHEQ00099005901		20065800 CHEQUE DEPOSITS 20065
			1	64.48

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER		INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
ANDREW JOLLEY 000021707	11/03/16	CHEQ00099005898	09100400 CHEQUE DEPOSITS 09100	1	82.99
					<u>82.99</u>
SUREHAVEN, INC. 000021908	11/22/16	CHEQ00099005913	10204900 CHEQUE DEPOSITS 10204		348.57
NICK LOUIS 000021843	11/16/16	CHEQ00099005906	09520500 OVERPAYMENT		294.92
				1	<u>294.92</u>
ERIK PAQUETTE 000021708	11/03/16	CHEQ00099005897	00408300 CHEQUE DEPOSITS 00408		20.73
				1	<u>20.73</u>
STEVEN SCHULTE 000021844	11/16/16	CHEQ00099005908	06503443 CHEQUE DEPOSITS 06503		13.88
				1	<u>13.88</u>
SUREHAVEN, INC. 000021709	11/03/16	CHEQ00099005891	05815200 OVERPAYMENT		78.22
				1	<u>78.22</u>
TAYLOR MORRISON OF CALIFORNIA 000021710 000021710	11/03/16	CHEQ00099005894 CHEQ00099005895	20077100 CHEQUE DEPOSITS 20077 20072100 CHEQUE DEPOSITS 20072		148.44 153.70
				1	<u>302.14</u>
APRIL CREGG 000021902	11/18/16	CHEQ00099005917	05350132 OVERPAYMENT		17,697.24
				1	<u>17,697.24</u>

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER		INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
JESUS FLORES 000021711	11/03/16	CHEQ00099005904	09706702 CHEQUE DEPOSITS 09706	1	20.49
					<u>20.49</u>
RED SIREN, LLC 000021712	11/03/16	CHEQ00099005893	10108806 OVERPAYMENT	1	23.50
					<u>23.50</u>
CRAIG NAKADA 000021713	11/03/16	CHEQ00099005899	07722001 CHEQUE DEPOSITS 07722	1	14.64
					<u>14.64</u>
DAVID RIZZO 000021845	11/16/16	CHEQ00099005911	08703304 OVERPAYMENT	1	17.55
					<u>17.55</u>
MONICA HERNANDEZ 000021714	11/03/16	CHEQ00099005892	05414301 CHEQUE DEPOSITS 05414	1	210.62
					<u>210.62</u>
JANA EISENBERGER 000021909	11/22/16	CHEQ00099005915	01508500 CHEQUE DEPOSITS 01508	1	303.05
					<u>303.05</u>
KAYLA PHILLIPS 000021846	11/16/16	CHEQ00099005910	06329207 CHEQUE DEPOSITS 06329	1	64.90
					<u>64.90</u>
BOARDWALK PROPERTIES, INC 000021715	11/03/16	CHEQ00099005902	04302700 CHEQUE DEPOSITS 04302	1	86.23
					<u>86.23</u>

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER		INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
1ST ALERT 000021716	11/03/16	16181	REPAIRS - BROKEN FUEL PUMP	1	1,020.00
A & S PRINTING AND COPY 000021910	11/22/16	13531	FORMS PRINTING SERVICES	1	252.78
ALLIANCE RESOURCE GROUP 000021778 000021778	11/09/16	10805 10773	AP TEMP WE 11/06 AP TEMP WE 10/30	1	294.00 964.69
AQUENT 000021779	11/09/16	190-47413	P&GA CONSULTANT - GRAPHIC DESIGNER	1	122.50
AT&T MOBILITY 000021854	11/16/16	87023041770X1028201	WIRELESS COMMUNICATIONS 09/21/16-10/20/16	1	2,210.62
BOWIE, ARNESON, WILES & GIANNONE 000021856 000021856 000021856	11/16/16	37443 37442 37444	LEGAL SERVICES THROUGH 09/2016 LEGAL SERVICES THROUGH 09/2016 LEGAL SERVICES THROUGH 09/2016	1	1,452.00 2,313.00 1,694.50
CAITLYN NOJIRI 000021781	11/09/16	915262	2016 VIDEO CONTEST WINNER	1	500.00

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
CALIFORNIA ADVOCATES INC. 000021782 11/09/16	111649	NOV 2016 PROFESSIONAL SERVICE	1	7,000.00
CANON FINANCIAL SERVICES, INC. 000021723 11/03/16	16608115	OCT16 PRINTER EQUIPMENT LEASE	1	3,045.60
CANON SOLUTIONS AMERICA, INC 000021857 11/16/16	401565	COPIER USAGE 07/24/16-10/23/16	1	5,174.66
C DAVID COOK 000021783 11/09/16	911259	POSTAGE REIMBURSEMENT-RET OF FOUND	1	6.50
CITRIX SYSTEM INC. 000021858 11/16/16	91753312	XENAPP ADVANCED UPGRADE	1	568.50
CITY OF TUSTIN 000021859 11/16/16	914938	OCHRC HOLIDAY EVENT 2016	1	180.00
COSTA MESA HIGH SCHOOL FOUNDATION 000021836 11/10/16	911269	COSTA MESA HOME TOUR SPONSOR	1	600.00
CCS ORANGE COUNTY JANITORIAL INC. 000021784 11/09/16	339700	NOV JANITORIAL SERVICES	1	2,900.00

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
COMPONETICS 000021785	1522	WATER VENDING MACHINE REPAIR		170.00
11/09/16			1	170.00
COSTCO WHOLESALE 000021906	915271	ANNUAL TURKEY GIVEAWAY		1,071.60
11/21/16			1	1,071.60
DAVID KAWASHIMA 000021788	16290	PHOTOGRAPHY SERVICES-WOMAN IN WTR		232.20
11/09/16			1	232.20
EAGLE RECOGNITION 000021863	0664507-IN	EMPLOYEE YRS OF SERV AWARD- PL		87.19
000021863	0663183-IN	EMPLOYEE YRS OF SERV AWARD- BM		147.08
000021863	0664510-IN	EMPLOYEE YRS OF SERV AWARD- MG		101.22
000021863	0664061-IN	EMPLOYEE YRS OF SERV AWARD- LM		249.96
000021863	0663298-IN	EMPLOYEE YRS OF SERV AWARD- MP		130.06
000021863	0664508-IN	EMPLOYEE YRS OF SERV AWARD- EN		156.31
000021863	0664509-IN	EMPLOYEE YRS OF SERV AWARD- JO		101.22
11/16/16			1	973.04
EAN SERVICES LLC 000021728	11374682	CAR RENTAL		59.73
11/03/16			1	59.73
ECHOLOGICS LLC 000021702	227	PP3 WTR MAIN CONDITION ASSESS		98,112.16
11/03/16			1	98,112.16
EDUCATION & TRAINING SERVICES 000021914	915140	LEADERSHIP TRAINING - SH		499.00
11/22/16			1	499.00
ENTERPRISE FM EXCHANGE				

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER		INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
000021790	11/09/16	FBN3128282	NOV 2016 AUTO LEASE	1	544.54
					<u>544.54</u>
FIELDMAN, ROLAPP & ASSOCIATES 000021917	11/22/16	22828	FINANCIAL CONSULTING SERVICES	1	1,440.00
					<u>1,440.00</u>
F M THOMAS AIR CONDITIONING INC 000021793	11/09/16	36083	HVAC REPAIRS & LABOR	1	203.20
					<u>203.20</u>
FRONTIER COMMUNICATIONS 000021918	11/22/16	17945NOV2016	DDS LINE 11/13/16-12/12/16	1	109.16
					<u>109.16</u>
FULL CIRCLE RECYCLING 000021730	11/03/16	15115	OCT PAPER RECYCLING SERVICES	1	89.00
					<u>89.00</u>
GARZA INDUSTRIES 000021867	11/16/16	1777346	OFFICE SUPPLIES (PAPER)	1	3,105.01
					<u>3,105.01</u>
GRANI INSTALLATION 000021775	11/03/16	25843RET	PP 1 - PH 3 ADMIN BLDG IMPROV	1	2,891.10
					<u>2,891.10</u>
GRAFIX SYSTEMS 000021731	11/03/16	24011	LOGO DECALS FOR AUTOMOBILES	1	474.91
					<u>474.91</u>

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER		INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
HAZEN AND SAWYER 000021869	11/16/16	20035-001-10	PP 11 BPS EFFICIENCY TESTING	1	8,745.00
					8,745.00
INFOSEND INC 000021736		112077	CUSTOMER BILLINGS		1,801.37
000021799		112349	BILL FORM STOCK		25.38
000021799		112250	CUSTOMER BILLINGS		1,348.97
000021873		112395	CUSTOMER BILLINGS		1,367.38
000021873		112889	MONTHLY MAINTENANCE FEE		2,333.61
000021922	11/22/16	113000	CUSTOMER BILLINGS		2,010.86
				4	8,887.57
INSIGHT PUBLIC SECTOR 000021737	11/03/16	1100503831	DELL LATITUDE E5570 X2	1	3,655.61
					3,655.61
IRRIGATION ASSOCIATION 000021738	11/03/16	105037-2017	JF CERT RENEWAL-LANDSCAPE IRRIG AUDITOR	1	100.00
					100.00
JACK DUARTE 000021800	11/09/16	915259	2016 VIDEO CONTEST WINNER	1	100.00
					100.00
KLEEN KRAFT SERVICES 000021740		0911548	UNIFORMS, TOWELS & MATS		229.69
000021801		S0909899	UNIFORMS, TOWELS & MATS		61.56
000021801		0912210	UNIFORMS, TOWELS & MATS		218.04
000021925	11/22/16	0913536	UNIFORMS, TOWELS & MATS		213.36
				3	722.65

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
LA CONSULTING INC 000021926	0014227	WORK DATA ENTRY W/ QC		640.00
000021926	0014211	PP 9 CMMS FY17 ANNUAL SUPPORT		1,050.00
000021926	0014228	PP 30 BUSINESS PROCESSES IMPLEMENTATION		6,332.45
11/22/16			1	8,022.45
LEICA GEOSYSTEMS SOLUTION CENTER 000021742	US-900898111	PAINT SUPPLIES		352.53
11/03/16			1	352.53
MADISON FELDMAN 000021803	915258	2016 VIDEO CONTEST WINNER		100.00
11/09/16			1	100.00
MAILFINANCE 000021804	P6171886	MAIL EQUIPMENT ANNUAL PROP TAX		75.76
000021804	N6173672	MAIL EQUIPMENT QUARTERLY LEASE		604.78
11/09/16			1	680.54
METRO BAY PRODUCTS 000021805	MC2200	M2200 PERFORMANCE BOND RELEASE		2,520.00
11/09/16			1	2,520.00

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
MORAN CONSULTING, INC. 000021880	3030	CUS SR CONSULTANT - TRAVEL EXP		2,783.55
000021880	3042	CUS SR CONSULTANT - TRAVEL EXP		1,543.07
000021880	3041	CUS SR CONSULTANT - TRAVEL EXP		1,427.69
000021880	3038	CUS SR CONSULTANT - TRAVEL EXP		1,980.78
000021928	3045	CUS SR CONSULTANT - TRAVEL EXP		1,702.85
000021928	3037	CS TRAINING/PARTICIPANT MANUAL		30,579.00
11/22/16			2	40,016.94
MOUSE GRAPHICS 000021745	407703	VIDEO CONTEST FLYER		98.82
11/03/16			1	98.82
MUNICIPAL WATER DISTRICT OF OC 000021776	1970	SMART TIMERS - SEPT		149.99
11/03/16			1	149.99
NEXTDAY DELIVERY SERVICE, LLC 000021746	709112	MAIL DELIVERY SERVICES		502.00
000021881	710153	MAIL DELIVERY SERVICES		502.00
11/16/16			2	1,004.00
NEWPORT BANNING LAND TRUST 000021883	915257	ANNUAL SPONSORSHIP		3,000.00
11/16/16			1	3,000.00
NOVATIME TECHNOLOGY INC 000021806	PSI062192	TIME CARD - MONTHLY FEE		193.50
11/09/16			1	193.50

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
OC FLEET AND RV SERVICE INC.				
000021808	54682	AUTO MAINTENANCE & REPAIRS		79.45
000021808	54708	AUTO MAINTENANCE & REPAIRS		74.00
000021808	54703	AUTO MAINTENANCE & REPAIRS		116.45
000021808	54702	AUTO MAINTENANCE & REPAIRS		116.45
000021808	54709	AUTO MAINTENANCE & REPAIRS		79.45
000021808	54704	AUTO MAINTENANCE & REPAIRS		116.45
000021808	54687	AUTO MAINTENANCE & REPAIRS		79.45
000021808	54684	AUTO MAINTENANCE & REPAIRS		116.45
000021808	54706	AUTO MAINTENANCE & REPAIRS		79.45
000021808	54707	AUTO MAINTENANCE & REPAIRS		79.45
000021808	54701	AUTO MAINTENANCE & REPAIRS		139.45
000021808	54686	AUTO MAINTENANCE & REPAIRS		116.45
000021808	54683	AUTO MAINTENANCE & REPAIRS		116.45
000021808	54710	AUTO MAINTENANCE & REPAIRS		79.45
000021808	54705	AUTO MAINTENANCE & REPAIRS		116.45
000021885	54691	AUTO MAINTENANCE & REPAIRS		190.20
000021885	54731	AUTO MAINTENANCE & REPAIRS		244.52
000021885	54727	AUTO MAINTENANCE & REPAIRS		120.44
000021885	54729	AUTO MAINTENANCE & REPAIRS		43.79
000021885	54726	AUTO MAINTENANCE & REPAIRS		273.56
000021885	54732	AUTO MAINTENANCE & REPAIRS		22.56
000021885	54728	AUTO MAINTENANCE & REPAIRS		50.58
000021885	54730	AUTO MAINTENANCE & REPAIRS		111.00
000021885	54712	AUTO MAINTENANCE & REPAIRS		484.37
	11/16/16		2	3,046.32
ORANGE COUNTY PRINTING				
000021932	136689	EXT AF-PRINTING/MAILING/POSTAGE		7,774.22
000021932	136863	NOV/DEC NEWSLETTER PRINTING		3,693.60
000021932	136928	DESIGN WORK/WALK PIECE		2,557.60
000021932	136683	EXT AF-PRINTING/MAILING/POSTAGE		9,134.98
	11/22/16		1	23,160.40

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
ORANGE COUNTY TREASURER - TAX				
000021809	140-041-57-1-FY17	FY17 PROP TAX OCSD SEWER FEE		163.50
000021809	140-041-57-2-FY17	FY17 PROP TAX OCSD SEWER FEE		163.50
000021809	422-301-03-2-FY17	FY17 PROP TAX OCSD SEWER FEE		1,425.44
000021809	422-301-03-1-FY17	FY17 PROP TAX OCSD SEWER FEE		1,425.44
11/09/16			1	3,177.88
O'NEIL STORAGE #0481				
000021811	1610067	FILE STORAGE 10/01 - 10/31		197.46
11/09/16			1	197.46
U.S. BANK PARS ACCOUNT #6746019200				
0129755	110116	CONTRIBUTION 5 OF 12		20,833.33
11/03/16			1	20,833.33
PEOPLE READY				
000021887	21527597	WATER OPS TEMP, WE 10/21/16		945.00
000021887	21547200	WATER OPS TEMP, 10/13/16 ONLY		189.00
000021887	21501816	WATER OPS TEMP, WE 10/12/16		567.00
000021934	21555187	WATER OPS TEMP, WE 10/28/16		945.00
000021934	21581843	WATER OPS TEMP, WE 11/04/16		1,260.00
11/22/16			2	3,906.00
PROCARE WORK INJURY CENTER				
000021935	196978	DOT PHYSICAL EXAM-SS		120.00
11/22/16			1	120.00
PROFESSIONAL FIRE PROTECTION CO				
000021753	34128	QUARTERLY FIRE SPRINKLER TEST		125.00
11/03/16			1	125.00
RAFTELIS FINANCIAL CONSULTANTS				
000021936	MSCA1605-02.	MESA COST COMPARISON STUDY		1,247.50
11/22/16			1	1,247.50
RALPH K LARSON				

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER		INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
000021889	11/16/16	MC2183	M2183 PERFORMANCE BOND RELEASE	1	650.00
RAYNE WATER SYSTEMS 000021890	11/16/16	30486NOV16	SOFT WATER SERVICE NOV 2016	1	37.55
RICHARD BRADY & ASSOCIATES 000021754 000021754 000021937 000021937	11/22/16	1610171 1609146 1609147 1608160	PP 20 DESIGN SERVICES PP 41 WTR INDUSTRY LIASON SRVC PP 22 DESIGN SERVICES PP 21 DESIGN SERVICES	2	12,600.00
RINCON REAL ESTATE GROUP 000021755	11/03/16	MC 2121	RELEASE C2121 PERFORMANCE BOND	1	452.00
SECTRAN SECURITY INC 000021938	11/22/16	16110755	NOV WEEKLY BANK DEPOSIT P/UP	1	179.35
SHAYAN SHAIKH 000021815	11/09/16	915260	2016 VIDEO CONTEST WINNER	1	300.00
SIERRA SMITH 000021816	11/09/16	915263	2016 VIDEO CONTEST WINNER	1	400.00

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
SOPHOS SOLUTIONS, LLC				
000021939	780	PP 17 BPE/MGP COGSDALE SUPPORT		850.06
000021939	781	PP 17 BPE/MGP COGSDALE SUPPORT		2,635.00
000021939	783	SQL SERVER REPORT DEVELOPMENT		7,140.00
	11/22/16		1	10,625.06
SOURCE ONE RENTALS				
000021818	15107	SOUND EQUIPMENT RENTAL- PG&A		720.00
	11/09/16		1	720.00
T2 TECHNOLOGY GROUP, LLC				
000021760	2066	PP 44 IT MASTER PLAN		17,582.50
000021760	2065	PP 25 IS OPERATIONS SUPPORT		15,927.50
	11/03/16		1	33,510.00
TAYLOR MORRISON OF CALIFORNIA				
000021761	MC 2049	RELEASE C2049 PERFORMANCE BOND		10,663.00
	11/03/16		1	10,663.00
THEODORE ROBINS FORD				
000021763	176696	AUTO REPAIRS & MAINTENANCE		1,048.88
000021942	177151	AUTO REPAIRS & MAINTENANCE		1,947.13
000021942	176059	AUTO REPAIRS & MAINTENANCE		5,075.05
000021942	177370	AUTO REPAIRS & MAINTENANCE		347.73
000021942	177159	AUTO REPAIRS & MAINTENANCE		61.43
	11/22/16		2	8,480.22
TIME WARNER CABLE				
000021821	12934NOV16	BOARD RM NET/CABLE 10/25-11/24		348.99
000021943	79649DEC2016	INTERNET- MWRF 11/18-12/17		187.38
000021943	48224DEC2016	INTERNET- DISTRICT 11/19-12/18		1,715.00
	11/22/16		2	2,251.37

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER		INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
TOTAL FUNDS BY HASLER 000021894	11/16/16	5780OCT16	POSTAGE SEPT 2016	1	899.01
					<u>899.01</u>
UNION BANK 000021766	11/03/16	1003616	2016 Q3 BANK DEPOSITORY FEES	1	875.00
					<u>875.00</u>
UNIVERSAL WASTE SYSTEM INC 000021768	11/03/16	24960	NOV WASTE REMOVAL	1	87.00
					<u>87.00</u>
UNUM 000021897 000021897	11/16/16	04205600016DEC2016 04205610013DEC2016	LIFE INSURANCE DEC 2016 LIFE INSURANCE DEC 2016	1	2,258.76 297.17
					<u>2,555.93</u>
VANGUARD UNIVERSITY 000021771	11/03/16	MC 2104	RELEASE C2104 PERFORMANCE BOND	1	7,000.00
					<u>7,000.00</u>
VERIZON WIRELESS 000021828	11/09/16	9773803213	MOBILE INTERNET 9/17-10/16	1	1,956.06
					<u>1,956.06</u>
VILLAGE NURSERY 000021829	11/09/16	14785118	GARDEN SUPPLIES	1	78.41
					<u>78.41</u>
WALLACE LABORATORIES, LLC 000021946	11/22/16	44396	CONSULTANT: LANDSCAPE, WATER QUALITY	1	1,093.75
					<u>1,093.75</u>

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
WASTE MANAGEMENT OF OC 000021831 000021947	0351943-2884-1 7928025-0149-6	NOV 2016 SERVICES ROLL OFF SRVCS -OCT 2016		661.47 310.00
11/22/16			2	971.47
WE SAVE BEES 000021832 000021948	1540 1560	BEE REMOVAL SERVICES BEE REMOVAL SERVICES		150.00 175.00
11/22/16			2	325.00
WESTERN EXTERMINATOR COMPANY 000021949 000021949	4600045 4600044	OCT MWRF PEST CONTROL OCT DISTRICT PEST CONTROL		88.50 88.50
11/22/16			1	177.00
YORKE ENGINEERING, LLC 000021773	12317	PP 24 COMPLIANCE ASSISTANCE		4,720.70
11/03/16			1	4,720.70
ZUNO ENTERPRISES, INC 000021774	1668	PP 10 WEBSITE REDESIGN		8,880.00
11/03/16			1	8,880.00
TOTAL GENERAL AND ADMINISTRATIVE			120	405,703.24

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
RETIREE CHECKS				
ALAN COOK 000021718	914030NOV2016	NOV 2016 INSURANCE SUBSIDY		114.92
11/03/16			1	114.92
ALAN JONES 000021719	914031NOV2016	NOV 2016 INSURANCE SUBSIDY		67.00
11/03/16			1	67.00
DIANA LEACH 000021727	914033NOV2016	NOV 2016 INSURANCE SUBSIDY		271.92
11/03/16			1	271.92
HENRY PANIAN 000021870	914933	12 MO INSURANCE SUBSIDY		227.04
11/16/16			1	227.04
PATTI REYNOLDS 000021751	912662NOV2016	NOV 2016 INSURANCE SUBSIDY		15.92
11/03/16			1	15.92
SCOTT PECA 000021892	914937	DEC 2016 INSURANCE SUBSIDY		131.40
11/16/16			1	131.40
STAN KENNEDY 000021757	91403NOV2016	NOV 2016 INSURANCE SUBSIDY		114.92
11/03/16			1	114.92

TOTAL RETIREE CHECKS	7	943.12
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ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
WATER SUPPLY				
AIRGAS USA LLC 000021849	9940457969	CYLINDER RENTAL		78.15
11/16/16			1	78.15
AMERICAN WATER CHEMICALS 000021850	05-16694/01	WATER TREATMENT CHEMICALS		4,800.00
11/16/16			1	4,800.00
AUTOMOBILE CLUB OF SOUTHERN 000021721	NOV16LEASE	NOV LAND LEASE WELL 8		6,541.61
11/03/16			1	6,541.61
AVISTA TECHNOLOGIES 000021855	62056	MWRF MEMBRANE CLEANER POWDER		2,699.76
11/16/16			1	2,699.76
HILL BROTHERS CHEMICAL CO. 000021733	1419507	AMMONIA		341.00
000021733	1419506	AMMONIA		162.50
000021733	1419508	AMMONIA		178.00
11/03/16			1	681.50
MUNICIPAL WATER DISTRICT OF OC 0129761	15572	FY17 CHOICE PROGRAMS		28,704.96
11/01/16			1	28,704.96
OCWD 0130368	16833	OCTOBER RECLAIMED WATER		35,148.05
11/28/16			1	35,148.05

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
PACIFIC HYDROTECH CORPORATION				
000021834	1	WELL AUTOMATION AND REHAB		281,176.25
000021839	2	WELL AUTOMATION AND REHAB		387,633.25
0130369	1RET	WELL AUTOMATION AND REHAB		14,798.75
0130370	2RET	WELL AUTOMATION AND REHAB		20,401.75
	11/21/16		4	704,010.00
UNIVAR USA, INC.				
000021767	LA288457	SOD HYPO		137.56
000021767	LA288456	SOD HYPO		227.59
000021767	LA288444	SOD BISULFITE		1,414.27
000021767	LA288458	SOD HYPO		2,957.72
000021767	LA285628	SOD HYPO		2,989.07
000021767	LA288454	SOD HYPO		419.78
000021767	LA288455	SOD HYPO		217.47
000021824	LA290561	SOD HYPO		3,085.17
000021824	LA290559	SOD HYPO		217.47
000021824	LA290558	SOD HYPO		424.84
000021824	LA290560	SOD HYPO		237.71
000021824	LA290638	CAUSTIC SODA		1,008.96
	11/09/16		2	13,337.61
UNITED WATERWORKS INC.				
000021825	S100045919.001	PARTS - PIPE SUPPLIES		736.45
000021825	S100045805.001	10-WET BARREL CHECK VALVE		13,132.80
000021944	S100046391.001	PARTS-WEDGE GATE VALVE		3,352.32
	11/22/16		2	17,221.57
YALE CHASE MATERIALS HANDLING, INC.				
000021900	PSV326959	REPAIR GENERATOR BLOCK HEATER		400.00
000021900	PSV326923	TROUBLESHOOT GENERATOR ATS SWT		500.00
000021900	PSV326970	REPAIR BATTERY CHARGER		250.00
	11/16/16		1	1,150.00
TOTAL WATER SUPPLY			16	814,373.21

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
WATER SYSTEM				
ARMORCAST PRODUCTS CO 000021851	0180471-IN	12" X 36" SAMPLING STATION		6,174.63
11/16/16			1	6,174.63
ASSOCIATED READY MIX 000021780	1308673	CONCRETE		336.96
11/09/16			1	336.96
BATTERY MART INC 000021911	25980	PARTS - BATTERY		53.90
11/22/16			1	53.90
C. WELLS PIPELINE MATERIALS 000021725	INV000054231	WATER OPS PIPE SUPPLIES		3,087.72
11/03/16			1	3,087.72
EWLES MATERIALS INC 000021915	289004	BOBTAIL DUMP FEES		600.00
11/22/16			1	600.00
EXPRESS PIPE & SUPPLY CO. INC 000021916	S100943508.001	EQUIPMENT- PIPE		1,230.44
11/22/16			1	1,230.44
IRVINE PIPE & SUPPLY 000021923	835988	PARTS-PIPE FITTINGS & SUPPLIES		150.09
000021923	836019	PARTS-PIPE FITTINGS & SUPPLIES		21.62
000021923	835762	PARTS-PIPE FITTINGS & SUPPLIES		50.12
11/22/16			1	221.83

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
LARRY'S BUILDING MATERIALS				
000021741	CM-101719	BUILDING MATERIALS		39.64
000021802	CM-101756	BUILDING MATERIALS		49.30
000021878	CM-101939	BUILDING MATERIALS		59.40
000021927	CM-102053	BUILDING MATERIALS		89.10
	11/22/16		4	237.44
NATIONAL METER & AUTOMATION INC.				
000021700	S1075394.001	9- 4" FIRE SERIES METERS		68,885.65
	11/03/16		1	68,885.65
OMAR & SON'S TRUCKING				
000021933	3849	DIRT HAULING		588.00
	11/22/16		1	588.00
PRAXAIR				
000021752	74786624	CARBON DIOXIDE		2,832.65
000021752	74712392	CARBON DIOXIDE		2,832.65
000021812	74962015	CARBON DIOXIDE		2,779.38
000021812	74942105	CARBON DIOXIDE		2,895.44
000021888	74940735	CARBON DIOXIDE TANK RENTAL		1,792.80
	11/16/16		3	13,132.92
STATE WATER RESOURCES CONTROL				
000021759	LW-1007617	FY16 LARGE WATER SYSTEM FEES		11,544.20
	11/03/16		1	11,544.20

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
TRUESDAIL LABORATORIES INC				
000021765	1604579	WATER ANALYSIS		398.00
000021765	1604507	WATER ANALYSIS		19.00
000021765	1604580	WATER ANALYSIS		489.50
000021822	1604684	CALTRANS SOIL TESTING		85.00
000021822	1604703	WATER ANALYSIS		19.00
000021822	1604602	WATER ANALYSIS		19.00
000021896	1604763	SYSTEM WATER ANALYSIS		19.00
	11/16/16		3	1,048.50
UNDERGROUND SERVICE ALERT/SC				
000021823	1020160427	DIGALERT 308		462.00
	11/09/16		1	462.00
VULCAN MATERIALS				
000021772	71284910	PAVING SUPPLIES		298.43
000021830	71291070	PAVING SUPPLIES		153.75
000021945	71298084	PAVING SUPPLIES		225.72
	11/22/16		3	677.90
WEST COAST SAND & GRAVEL				
000021899	1182252	FILL SAND		737.10
	11/16/16		1	737.10
TOTAL WATER SYSTEM			25	109,019.19

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
VARIOUS				
AT&T 000021720 000021852	000008734705 00008798647	ACCT# C602224080777 9/13-10/12 DISTRICT INTERNET 10/10-11/09		2,571.12 1,770.69
11/16/16			2	4,341.81
AT&T 000021853	9603503066559OCT16	NOV 2016 DISTRICT FAX LINES		2,626.20
11/16/16			1	2,626.20
CAROLLO ENGINEERS 000021701 000021701 000021701 000021837	0152585 0152474 0152649 0152650	PP 12 WQ POLISHING SYSTEM PP 16 NITRIFICATION STUDY PP 51 WELL AUTOMATION PP 50 WELL AUTOMATION		12,135.72 14,874.98 14,363.53 50,714.60
11/16/16			2	92,088.83
CAROUSEL INDUSTRIES NORTH AMERICA 000021724	1907936H0816	AUG 2016 SD LOCATION PHONE SERVICE		3,846.05
11/03/16			1	3,846.05
CROWN ACE HARDWARE 000021786	043963	SUPPLIES		21.61
11/09/16			1	21.61
DELTA G ELECTRIC, INC 000021835	914848	BID BOND RETURN - OPS PM PROJECT		13,609.00
11/10/16			1	13,609.00
DION & SONS, INC 000021913	663687-1	GASOLINE		8,508.87
11/22/16			1	8,508.87

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
ELITE EQUIPMENT				
000021864	28181	COMPLETE SERVICE/SULLAIR COMPRESSOR		789.61
000021864	28291	PARTS - LIGHT COVERS		183.06
000021864	28392	DIAPHRAGM PUMP REPAIR		524.31
000021864	28264	COMPLETE SERVICE/SULLAIR COMPRESSOR		928.45
	11/16/16		1	2,425.43
EVOLVE PR				
000021729	109	INTERIM PG&A MGR WE 10/22,10/29		8,725.00
000021901	110	INTERIM PG&A MGR WE 11/04,11/11		8,275.00
	11/17/16		2	17,000.00
FAIRWEATHER ROOFING INC.				
000021792	OCT292016	ROOF REPAIRS		850.00
	11/09/16		1	850.00
FEDERAL EXPRESS CORPORATION				
000021865	5-607-27299	MISC SHIPPING		17.61
	11/16/16		1	17.61
GRAINGER				
000021868	9257159245	SAFETY EQUIPMENT & SUPPLIES		284.61
000021919	9277164977	SAFETY EQUIPMENT & SUPPLIES		79.32
	11/22/16		2	363.93
HACH COMPANY				
000021732	10162740	WATER QUALITY SUPPLIES		1,031.40
000021833	10149559	WATER QUALITY SUPPLIES		1,181.54
000021920	10161223	WATER QUALITY SUPPLIES		240.03
000021920	10169081	WATER QUALITY SUPPLIES		612.25
000021920	10159102	WATER QUALITY SUPPLIES		3,397.88
000021920	10149527	WATER QUALITY SUPPLIES		244.90
	11/22/16		3	6,708.00

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
HANKS ELECTRICAL SUPPLIES 000021921	505320126	ELECTRICAL SUPPLIES		361.80
11/22/16			1	361.80
THE HOME DEPOT COMMERCIAL ACCT 000021796	9012307	SUPPLIES		10.10
000021796	4010834	SUPPLIES		330.54
000021796	3240998	SUPPLIES		12.92
000021796	8571736	SUPPLIES		24.97
11/09/16			1	378.53
HUB AUTO SUPPLY 000021734	845879	AUTO SUPPLIES		38.72
000021797	848493	AUTO SUPPLIES		19.63
11/09/16			2	58.35
INDEPENDENT STATIONERS 000021735	SI00187055	OFFICE SUPPLIES		175.88
000021872	SI00189930	OFFICE SUPPLIES		291.20
11/16/16			2	467.08
LEWIS CONSULTING GROUP 000021743	2016-156	GOV'T RELATIONS SERVICES		5,000.00
11/03/16			1	5,000.00
MARK S ROSEN 000021879	417100-083116	PROFESSIONAL SERVICES		400.00
11/16/16			1	400.00
MEI-CHARLTON, INC. 000021838	8122038	PIPE SAMPLE TESTING		70,590.00
11/16/16			1	70,590.00

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER		INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
OCONEILL LANDSCAPE 000021749	11/03/16	0096373-IN	NOV 2016 LANDSCAPE FEES	1	2,724.80
					2,724.80
OFFICE TEAM 000021750		46959119	PG&A TEMP WE 10/21		641.25
000021750		46967433	PG&A TEMP WE 10/14		135.00
000021750		46967434	PG&A TEMP WE 10/21		607.50
000021810		46982817	PG&A TEMP WE 10/28		1,012.50
000021886	11/16/16	47036039	PG&A TEMP WE 11/04		1,012.50
				3	3,408.75
SOUTHERN CALIFORNIA GAS CO 000021891	11/16/16	05060829008OCT2016	OCT 10-01/16 - 11/01/16	1	1,441.29
					1,441.29
SIGN DEPOT 000021817	11/09/16	7722	EMPLOYEE NAME PLATE	1	27.00
					27.00
SOUTHERN CALIFORNIA EDISON CO 000021777		2236281499OCT16A	OCT 2016 ELECTRICITY		88,792.98
000021777	11/09/16	2236281499SEP16B	SEP 2016 ELECTRICITY		21,832.05
				1	110,625.03
STIVERS & ASSOCIATES INC. 000021820	11/09/16	12-387	MWRF GARDEN INSPECTION, NEW PLANTS	1	225.00
					225.00

ACCOUNTS PAID LISTING

FROM 11/1/2016 TO 11/30/2016

VENDOR CHECK NUMBER	INVOICE NUMBER	DESCRIPTION	CHECK COUNT	AMOUNT
USA BLUEBOOK				
000021769	089603	SAFETY SUPPLIES		169.74
000021826	097619	SAFETY SUPPLIES		373.08
	11/09/16		2	542.82
VALLEY POWER				
000021770	B37563	WAUKESHA ENGINE REPAIR WELL 4		1,200.00
000021898	M98896	DIAGNOSE & REPAIR GAS ENG 1/R1		13,925.82
000021898	M24839	PARTS-CYLINDER HD FOR WAU ENG		4,095.36
	11/16/16		2	19,221.18
TOTAL VARIOUS			40	367,878.97
GRAND TOTAL			259	2,412,654.10



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Finance Committee
FROM: Andrew Hamilton, Chief Financial Officer
DATE: December 19, 2016
SUBJECT: Monthly Financial Reports

RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Staff will provide updated monthly financial reports at the Finance Committee meeting.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.

**MESA WATER DISTRICT
FINANCE COMMITTEE**

Major Staff Projects

Title	Comments	Status
Year-End Audit		In Process

MEMORANDUM



*Dedicated to
Satisfying our Community's
Water Needs*

TO: Finance Committee
FROM: Andrew Hamilton, Chief Financial Officer
DATE: December 19, 2016
SUBJECT: Refinancing of Debt

RECOMMENDATION

Recommend that the Board approve Option #6 to advance refund the 2010 Certificates of Participation debt issuance along with adding \$8 million of new money using existing debt service levels, utilizing the negotiated sale structure.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

At the November 21, 2016 meeting of the Finance Committee, the Board received a presentation about potential options to refinance and/or pay off certain unfunded pension costs and outstanding Certificates of Participation (COPs) obligations.

Due to recent historically low current municipal bond interest rates, Mesa Water is seeking to achieve financial savings by looking at current market opportunities related to its outstanding liabilities. Mesa Water's Financial Advisor, Fieldman, Rolapp & Associates (Fieldman Rolapp), has analyzed the potential savings which could be realized by refinancing, restructuring, or earlier repayment of Mesa Water's pension liability and 2010 COPs.

Fieldman Rolapp created nine different options for the Board of Directors to consider when contemplating whether to refund the 2010 COPs and/or to provide a plan to reduce or eliminate pension obligations. It was recommended that Mesa Water move forward with refunding the 2010 COPs and consider adding new money borrowing to the transaction for upcoming capital improvements, given the historically low cost of capital in the current municipal bond market, detailed in Option #6.

The Board requested the following additional information:

- Interest rate sensitivity analysis to the Net Present Value (NPV) savings levels presented in terms of lower CalPERS investment returns
- Combined Issuance synergies analysis detailing execution cost synergies and impact if transactions are done separately (refunding versus new money transactions)
- Comprehensive pension cost analysis, including Mesa Water's "normal cost"



DISCUSSION

The initial financial savings scenarios presented on November 21, 2016 included certain interest rate assumptions in the municipal bond market as of November 10, 2016. The summary is provided for reference below:

Mesa Water Goals / Scenario Outcomes

SCENARIOS / OPTIONS	Maximize Total NPV Savings	Near Term (9 yr) Cost Impacts	Rate Increases	600 Days Cash	Debt Free Date	Unfunded Pension in 2017?
0 Current COP and Unfunded Pension Repayments (No actions)	0	Breakeven	NA	NA	2046	Yes
1 2010 COPs Refunding Only	852,000	Savings each year	No	Yes	2046	Yes
2 Refunding + new money based on savings applied to Pensions	1,487,000	Breakeven	No	Yes	2046	Yes
3 Refunding + Amortization shortened (20 yr)	1,468,000	Savings each year	No	Yes	2036	Yes
4 Refunding + Amortization shortened (15 yr)	2,710,000	-668,000	No	No	2031	Yes
5 Refunding + \$8 million new money - same COP final date	5,363,000	-2,192,000	No	No	2025	No
6 Refunding + \$8 million new money - \$0 near-term impact	5,243,000	Breakeven	No	Yes	2026	No
7 Refunding + \$7.6 mm Cash payments in FY2026 - 2028	2,759,000	Savings each year	No	No	2028	Yes
8 Refunding + \$8 mm Cash payments in FY2017	5,593,000	-1,643,000	No	No	2025	No

Subsequent to November 10, 2016, municipal bond interest rates have increased significantly (although stabilized and decreased between December 5 – 7). The results of the scenarios, as of December 8, 2016 are provided in the table below:

Mesa Water Goals / Scenario Outcomes

SCENARIOS / OPTIONS	Maximize Total NPV Savings	Near Term (9 yr) Cost Impacts	Rate Increases	600 Days Cash	Debt Free Date	Unfunded Pension (in 2017)
0 Current COP and UAL Repayments (No actions)	0	Breakeven	NA	NA	2046	Yes
1 2010 COPs Refunding Only	387,000	Savings each year	No	Yes	2046	Yes
2 Refunding + Savings upfront new \$ ->UAL	655,000	Breakeven	No	Yes	2046	Yes
3 Refunding + Amortization shortened (20 yr)	1,004,000	Savings each year	No	Yes	2036	Yes
4 Refunding + Amortization shortened (15 yr)	2,245,000	-1,148,000	No	No	2031	Yes
5 Refunding + \$8 million new money - same COP final date	4,937,000	-2,903,000	No	No	2025	No
6 Refunding + \$8 million new money - \$0 near-term impact	4,790,000	Breakeven	No	Yes	2026	No
7 Refunding + \$7.6 mm Cash payments in FY2026 - 2028	2,294,000	Savings each year	No	No	2028	Yes
8 Refunding + \$8 mm Cash payments in FY2017	5,128,000	-2,123,000	No	No	2025	No

Based on the changes in the market, the all-in borrowing cost increased approximately 0.35%, to 2.15%. This reduced the NPV savings on the 2010 COPs refunding opportunity by \$465,000. The higher interest rates also notably impacted Scenarios #5 and #6 due to higher repayment costs.



The first component of savings from recommended Option #6 relates to refunding the 2010 COPs, from a simple economic standpoint, from a current coupon cost of 4.8% to approximately 2.15% all-inclusive cost in the current market.

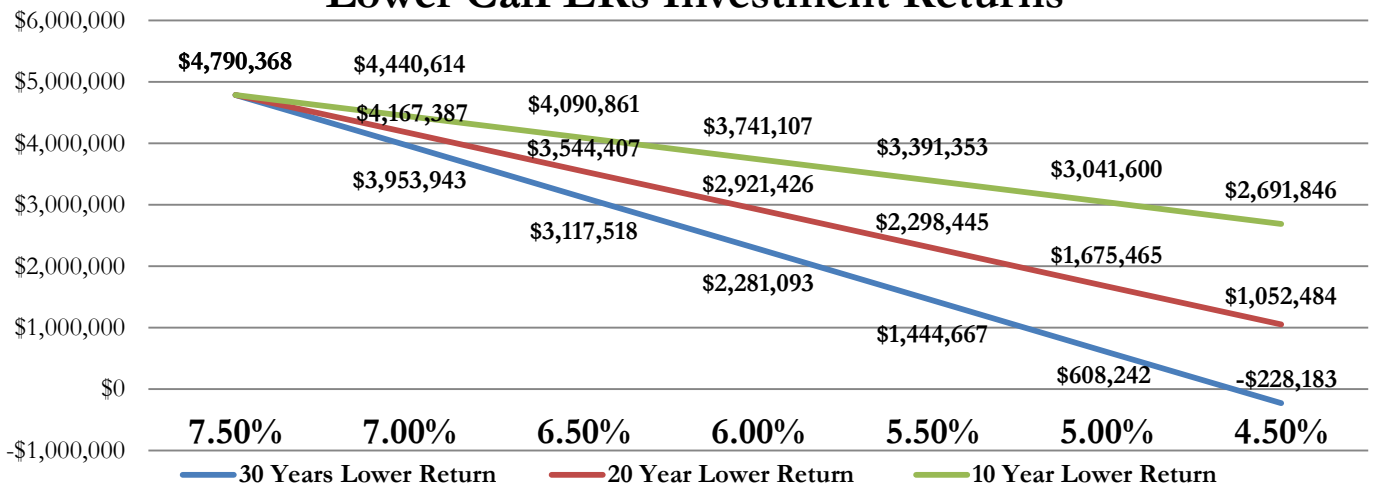
The second component related to pension savings, from a simple economic standpoint, is refinancing a current cost of 7.5% to approximately 2.15% all-inclusive cost in the current municipal bond market. In addition, this NPV savings is more than 50% of the Unadjusted Actuarial Liability (UAL) being refinanced.

Interest Rate Sensitivity Analysis

A sensitivity analysis was performed to assess the impact to the NPV savings presented, given lower CalPERS investment returns. CalPERS assumes it will return an average of 7.5% in determining Mesa Water’s \$8 million unfunded pension amount and repayment schedule. Since the Scenario NPV savings are based on the “avoided cost” of the current repayment schedule, the Scenario NPV savings also imply CalPERS earns a 7.5% return.

Based on the sensitivity analysis conducted, each 1% reduction from the 7.5% rate of return has an impact of \$1.7 million on a NPV basis over 30 years. The chart below shows lower returns for varying periods of time – 10 years, 20 years, and 30 years. The chart shows the resulting NPV savings for Scenario #6 given various lower CalPERS rates of return.

**Sensitivity Analysis - Scenario #6 NPV Savings
Lower CalPERs Investment Returns**



Combined Issuance Synergies vs. Two Separate Issuances

Recommended Option #6 contains both the Refunding of the 2010 COPs and \$8 million new money contains a NPV savings of \$4,790,000.

However, the sum of the NPV savings, if each transaction was done separately, equals \$4,473,000. This amount represents the sum of the NPV savings of \$387,000 to separately refund



the 2010 COPs plus the NPV savings of \$4,086,000 to separately issue \$8 million of new money.

Therefore, the NPV of synergies realized by combining the two issuance transactions saves Mesa Water approximately \$317,000. This amount is detailed below:

Synergy from non-duplicative Issuance Costs	\$250,000
Synergy from lower interest expense	<u>67,000</u>
Total NPV Synergy Savings	<u>\$317,000</u>

By combining issuances, Mesa Water saves \$250,000 of issuance costs by only having a single bond issuance along with achieving \$67,000 of interest savings due to new money principal repayments being completed slightly sooner at a marginally lower interest rate.

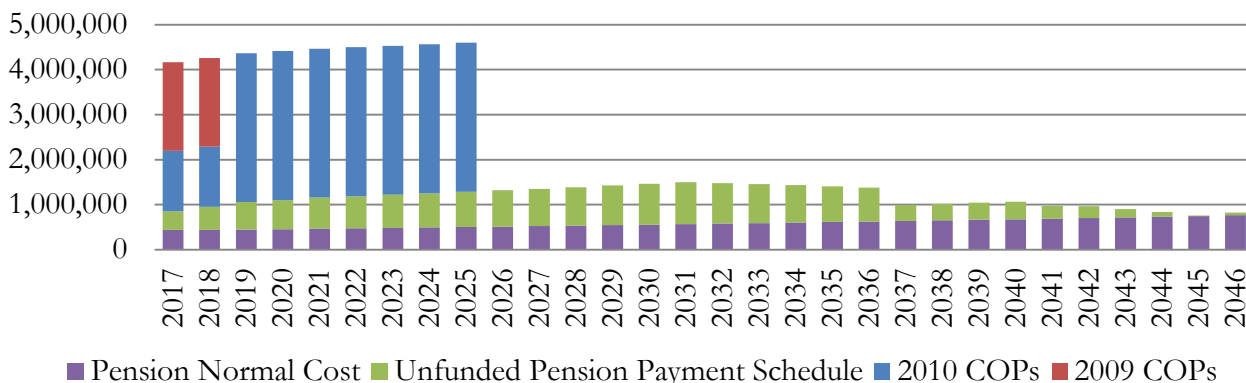
Comprehensive Pension Cost Analysis

Mesa Water’s unfunded pension costs (which total over \$17.6 million over the next 30 years), is \$418,000 for Fiscal Year (FY) 2017. The unfunded pension costs will increase to \$805,000 per year in FY26.

Mesa Water’s pension normal cost is \$436,000 for FY17 and \$438,000 for FY18 (these are actual amounts per CalPERS’ report/requirements for Classic employees), and amount to 9.6% of payroll. Based on an assumed 2% annual payroll growth (and holding all other actuarial assumptions constant), pension normal costs, by comparison would be \$513,000 in FY26. Further, pension normal cost over the next 30 years totals \$17.4 million.

On a combined basis, normal and unfunded pension costs make up 2.7% of Mesa Water’s total expenses currently, assuming expenses of approximately \$32 million. Estimated pension normal costs have been added to the chart which combines Mesa Water’s COPs and unfunded pension costs. As shown graphically, the unfunded pension cost will increase at a much greater rate over the next 20 years than pension normal cost, before ramping down significantly after 2036.

Existing COP's, Unfunded Pension, and Pension Normal Cost Payment Schedule*





As was discussed at the Finance Committee on November 21, 2016, Option #6 is recommended to refund the 2010 COPs along with adding \$8 million of new money borrowing to the transaction, given least cost impact to ratepayers over the next nine years, maintaining the Board's goal of maintaining 600 Days Cash, realizing a shorter debt free date, and historically low estimated cost of capital in the current municipal bond market.

FINANCIAL IMPACT

Refunding the 2010 COPs along with \$8 million of new money borrowing is expected to realize \$4,790,000 of Total Net Present Value Savings based on current market conditions as of December 8, 2016.

ATTACHMENTS

None.

MEMORANDUM



*Dedicated to
Satisfying our Community's
Water Needs*

TO: Finance Committee
FROM: Andrew Hamilton, Chief Financial Officer
DATE: December 19, 2016
SUBJECT: Debt Management Policy

RECOMMENDATION

Recommend that the Board of Directors adopt Resolution No. XXXX Debt Management Policy.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

At the November 21, 2016 meeting of the Finance Committee, the Board directed staff to bring back to a future meeting, a Debt Management Policy similar to one adopted by the Orange County Water District (OCWD).

Due to recently enacted state legislation, it is required to adopt a formal Debt Management Policy to document current practices when issuing new debt or refunding existing debt.

Currently, local governments who are debt issuers are required under existing state law to submit reports of proposed and final debt issuances to the California Debt and Investment Advisory Commission (CDIAC) within certain timeframes. Effective January 21, 2017, California Senate Bill No. 1029 additionally requires a certification be added to current reporting requirements that the local government has adopted a debt management policy with specific provisions.

OCWD's financial advisor, Fieldman Rolapp & Associates, and bond Counsel, Stradling, Yocca, Carlson and Rauth, have reviewed OCWD's proposed Debt Management Policy for legal conformance.

DISCUSSION

As Mesa Water District has a long history of conservative, prudent financial practices relating to debt issuance, it is recommended that the Board of Directors establish a Debt Management Policy to document past and current practices while incorporating best practices to ensure policies exist when debt is issued and that debt is wisely managed.

The principal goal in issuing debt is to provide for the infrastructure and capital project needs of Mesa Water's customers, while ensuring that debt is issued and managed prudently in order to maintain a sound financial position and maintain a AAA credit rating. Also, debt can provide an equitable means of financing projects and providing access to new capital needed for infrastructure and project needs.



The proposed Debt Management Policy establishes the following items:

1. Policy overview
2. Purposes for which debt may be issued
3. Types of debt structures
4. Debt structure features
5. Credit objectives
6. Methods of sale
7. Roles of consultants
8. Disclosure compliance
9. Market communication, debt administration and internal controls

Therefore, it is recommended to adopt the attached Debt Management Policy in order to document past and current practices while incorporating best practices and complying with state law.

FINANCIAL IMPACT

None.

ATTACHMENTS

Attachment A – Debt Management Policy

RESOLUTION NO. XXXX

**RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ESTABLISHING A DEBT MANAGEMENT POLICY**

WHEREAS, the Mesa Water District (Mesa Water®) is a county water district organized and operating according to California law; and

WHEREAS, Mesa Water has a long history of conservative, prudent financial practices relating to debt issuance and desires to memorialize these past and current practices in a formal debt management policy; and

WHEREAS, the Board of Directors of Mesa Water strives to adopt and follow recommended best practices in managing the District’s debt and resources, serving as custodian of the District’s assets; and

WHEREAS, the District’s principal goal in issuing debt is to provide for the infrastructure and capital project needs of its customers, while ensuring that debt is issued and managed prudently in order to maintain a sound financial position and maintain a AAA credit rating; and

WHEREAS, the District believes that debt can provide an equitable means of financing projects for the District’s customers and provide access to new capital needed for infrastructure and project needs.

NOW, THEREFORE, THE BOARD OF DIRECTORS OF THE MESA WATER DISTRICT DOES HEREBY RESOLVE, DETERMINE, AND ORDER AS FOLLOWS:

Section 1. The Board of Directors of the Mesa Water District hereby adopts the attached Debt Management Policy (Appendix A) as set forth in this Resolution.

ADOPTED, SIGNED, and APPROVED this <DATE> day of <MONTH> <YEAR> by a roll call vote.

AYES: DIRECTORS:
NOES: DIRECTORS:
ABSENT: DIRECTORS:
ABSTAIN: DIRECTORS:

Ethan Temianka
President, Board of Directors

Coleen L. Monteleone
District Secretary

RESOLUTION NO. XXXX

APPENDIX A

RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS ESTABLISHING A DEBT MANAGEMENT POLICY

Debt Management Policy

1. POLICY OVERVIEW

This Debt Management Policy of the Mesa Water District (Mesa Water® or District) sets forth the parameters for issuing debt and managing outstanding debt and provides guidance to decision makers regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt, and method of sale that may be used. Adherence to a debt policy helps to ensure debt is issued and managed prudently in order to maintain a sound fiscal position and AAA credit ratings.

2. PURPOSES FOR WHICH DEBT MAY BE ISSUED

Debt financing is normally used for capital construction, improvements, expansion of facilities and other infrastructure improvements not funded from current revenues or capital reserves. The preferred means of financing projects is the pay-as-you-go (PAYGO) method of using current revenues or cash reserves to pay for capital projects. Use of debt financing rather than PAYGO funding of capital projects can distribute the cost of a project over its useful life. Debt can also be used in conjunction with PAYGO financing to pay for only a portion of the project if insufficient funds are available from non-debt sources.

A. Five Year Capital plan

- i. The District prepares a five year Capital Plan (Capital Plan) as a financial planning and management tool, which is updated in conjunction with five year water rate studies. The Capital Plan lists all proposed capital projects and capital acquisitions for the five year period. For each project/acquisition, the Capital Plan contains a project description, justification, documentation, and amount of funding that is expected to be needed.
- ii. It is important to match capital needs with economic resources to ensure that the proposed level of debt issuance does not place a constraint on maintenance of the District's AAA credit rating. In this regard, the Capital Plan process includes a complete analysis of the anticipated sources of funds for future capital projects, as well as the resulting impact of long-term financing on the District's debt position.

- iii. The District may plan long and short-term debt issuance to finance its capital program based on its cash flow needs, sources of revenue, capital construction periods, available financing instruments and market conditions. The Chief Financial Officer (CFO) oversees and coordinates the timing and issuance process of the District's borrowing and capital funding activities required in support of the Capital Plan.
- iv. As part of the Capital Plan, the District sets aside sufficient current revenues to finance ongoing maintenance needs and to provide periodic refurbishment and replacement consistent with its philosophy of keeping its capital facilities and infrastructure systems in good repair and to maximize a capital asset's useful life.
- v. It should be recognized that changing circumstances require flexibility and revision. Anticipating every future contingency is unrealistic. When adjustments to debt plans become necessary, the reasons will be well documented to demonstrate that the District's commitment to sound debt management remains unchanged.

B. Refundings

A refunding is generally the underwriting of a new bond issue whose proceeds are used to redeem an outstanding issue. Key definitions are described as follows:

- i. **Advance Refunding** – The issuance of a new refunding bond occurs to pay the debt service of an existing bond issuance that remains outstanding for more than ninety days after the issuance of new refunding bonds. Bond proceeds from an advance refunding are invested in an escrow account in a portfolio of U.S. government securities structured to provide enough cash flow to pay debt service on the refunded bonds until the bonds mature or are called.
- ii. **Current Refunding** – If an existing bond issuance has less than ninety days prior to maturity or a call date, a current refunding is used to issue new bonds. During a current refunding, the duration of the escrow is ninety days or less. Bond proceeds from a current refunding directly pay the outstanding balance of the existing bonds.

A critical IRS restriction limits an issuer to no more than one advance refunding for each issue after August 1986. As a result, the District must carefully evaluate the appropriateness of an advance refunding when an opportunity arises because there will be only one chance to reduce interest cost of the refunded bond until the call date, if any.

Considering this, the District will generally consider refunding issuances as follows: (i) completing a Current Refunding of outstanding bonds only if the present value savings are at least 3 percent of the par amount of the refunded bonds; (ii) completing an Advance Refunding of outstanding bonds only if the present value savings are at least 5 percent of the par amount of the refunded bonds; and (iii) completing a refunding if the bonds to be refunded have restrictive or outdated covenants, or if restructuring debt is deemed in the best interest of the District.

The following factors shall be assessed to determine the minimum savings guideline is sufficient in each instance:

- Meaningfulness of annual cash flow savings
- Remaining time to maturity
- Current interest rate environment and shape of yield curve
- Existing coupons versus current market yields
- The value of the call option
- Whether the refunding escrow will be invested longer than three months

3. TYPES OF DEBT STRUCTURES

A. Certificates of Participation (COP) and Revenue Refunding Bonds

COPs and Revenue refunding bond obligations issued through the District or financing corporation should be used to finance capital projects, certain equipment, and property where it is determined to be cost effective and fiscally prudent. Long-term debt will not be used to fund operations of the District. The scope, requirements, and demands of the budget, reserve levels, the five year forecast, and the ability or need to expedite or maintain the schedule of approved projects, will also be factors in the decision to issue long-term debt. Debt obligations will be structured to achieve the lowest possible net cost to the District given market conditions while balancing risks and considering the five year financial forecast.

The District debt capacity will not exceed legal or contractual limitations, such as rate covenants or Additional Debt Tests imposed by existing financing covenants. Prior to the issuance of any new revenue obligations, the impact of debt service payments on total annual fixed costs will be analyzed.

As users of the District facilities will benefit from long-term capital investments in future years, it is appropriate that future revenues pay a share of the costs and more closely match the term of repayment to the expected economic useful life of the project being financed.

B. California State Revolving Fund Loans, other Loans or Direct Lending Structures

The District may, from time to time, with Board approval, borrow through a loan with the state revolving loan program. Each loan will have a specific purpose.

The District may opt to utilize loans or other direct lending structures in lieu of COPs or Revenue Refunding Bonds in the event that such options offer a lower cost of borrowing or other more favorable terms than traditional, publicly issued COPs or Revenue Refunding Bonds. Utilizing any such loans or direct lending structures shall be based on the same conceptual framework and constraints as required by COPs or Revenue Refunding Bonds.

C. Taxable Bonds

The cost of taxable debt is higher than for tax exempt debt. However, the issuance of taxable debt may allow valuable flexibility in the timing and nature of a bond sale.

Additionally, it may be mandated in some circumstances. Unless mandated, the District will usually issue tax-exempt obligations.

4. DEBT STRUCTURAL FEATURES

A. Maturity

The term of District debt issues should not extend beyond the useful life of the project or equipment financed. The repayment of principal should generally not extend beyond thirty years unless there are compelling factors that make it necessary to extend the term beyond this point.

B. Repayment

The District should strive to structure debt to provide for level annual debt service repayment. However, the District may choose to structure debt repayment so as to wraparound existing obligations or to achieve other financial planning goals. Deferring the repayment of principal should be avoided except in select instances where it will take a period of time before project revenues are sufficient to pay debt service. Ascending debt service should generally be avoided unless other objectives are met.

If the sale includes obligations that allow for the compounding of interest, including, but not limited to, capital appreciation bonds, or negative amortization, the resolution of the Board of Directors authorizing the obligations shall disclose the financing terms and time of maturity of such obligations and the agenda item shall identify that obligations that allow for the compounding of interest or negative amortization are proposed and the Board of Directors shall be presented with all of the following:

- i. An analysis from the District Financial Advisor containing the total overall cost of the obligations that allow for the compounding of interest or negative amortization.
- ii. A comparison prepared by the District Financial Advisor of the overall cost of comparable current interest bonds.

- iii. A recommendation from the District Financial Advisor for the issuance of obligations that allow for the compounding of interest or negative amortization, including the specific reasons therefore.

C. Credit Enhancement

The District shall procure credit enhancement for a sale of bonds if the District, in consultation with the Financial Advisor and the Underwriters, determines that it is cost effective to do so. Credit enhancement consists primarily of insuring the bonds over the life of their term, or obtaining a letter of credit for variable rate debt.

D. Reserve Fund

A debt service reserve fund is created from the proceeds of a bond issue and/or the excess of applicable revenues to provide a reserve to meet debt service payments. This provides a measure of added security to bond holders and may improve the credit rating and thus a lower borrowing cost for an issuer. Certain debt issues may require a reserve fund or the District may choose to create one if it is determined to be cost effective.

E. Call Provisions

In general, the District's bonds should include optional call provisions. The District will avoid the sale of non-callable, long-term fixed rate bonds, absent careful evaluation of the value of the call option.

F. Fixed Rate Debt/Variable Rate Debt

The District may, at its discretion, issue fixed rate debt or variable rate debt based upon District needs and market conditions. Fixed rate debt means that the coupon of the bond until its maturity remains fixed or the same as when issued. Variable rate debt means that the coupon will fluctuate throughout the life of the debt instrument. The variable rate may be based upon a number of indexes and which index will be determined at the time of issuance. The principal amount of variable rate debt products, however, shall not exceed 25 percent of total District outstanding debt, and shall at no time exceed 50 percent of the District's portfolio of unrestricted cash and investments.

G. Derivatives

A derivative product is a financial instrument which "derives" its own value from the value of another instrument, usually an underlying asset, index, or interest rate. The use of derivative products can, among other things, increase financial flexibility and provide opportunities for interest rate savings. Careful monitoring of such products is required to preserve the District's AAA credit rating and maintain budget flexibility. The District will not enter into a derivative product unless a derivatives policy is adopted by the Board and the derivative product under consideration is fully vetted with the Financial Advisor and approved by the Board.

5. CREDIT OBJECTIVES

The District has adopted a goal of maintaining strong AAA credit ratings. To that end, prudent financial management policies will be adhered to in all areas. Full disclosure of operations will be made to the bond rating agencies. The District shall maintain a line of communications with the appropriate rating agencies, informing them of major financial events as they occur. The rating agencies will be sent a copy of the District's Comprehensive Annual Financial Report after the Board of Directors has accepted it.

Standard & Poor's/ Fitch		Moody's	
AAA, AAA-	The best quality companies, reliable and stable	Aaa	Highest quality, with the "smallest degree of risk"
AA+, AA, AA-	Quality companies, a bit higher risk than AAA	Aa1, Aa2, Aa3	High quality and subject to very low credit risk, but their "susceptibility to long-term risks appears somewhat greater"
A+, A, A-	Economic situation can affect finance	A1, A2, A3	Upper-medium grade and are subject to low credit risk, but that have elements "present that suggests a susceptibility to impairment over a long term"
BBB+, BBB, BBB-	Medium class borrowers, which are satisfactory at the moment	Baa1, Baa2, Baa3	Medium-grade and "protective elements may be lacking or may be characteristically unreliable"

6. METHODS OF SALE

A. Competitive Sale

With a competitive sale, Underwriter(s) is invited to submit a proposal to purchase an issue of bonds. The bonds are awarded to the Underwriter(s) presenting the best bid according to stipulated criteria set forth in the notice of sale. The best bid is usually determined based on the lowest true interest cost. Competitive sales may be used for all issues unless circumstances dictate otherwise.

B. Negotiated Sale

When certain conditions favorable for a competitive sale do not exist, (for example, high volatility in fixed-income markets) and when a negotiated sale will provide significant benefits to the District that would not be achieved through a competitive sale, the District may elect to sell its debt obligations through negotiated sale, upon approval by the Board of Directors. Such determination may be made on an issue-by-issue basis, for a series of issues, or for part or all of a specific financing program. The underwriting team may be selected through a competitive process. The CFO will solicit proposals from underwriters who have submitted, in their own name, or as part of a syndicate, bids for previous competitive bond issues. All such firms will have an equal opportunity to be selected to the negotiated underwriting pool. Before work commences on a bond issue to be sold at negotiated sale, the Underwriter shall provide the CFO a detailed estimate of all components of their compensation. The criteria used to select an Underwriter in a negotiated sale should include the following:

- Overall experience
- Experience in transactions comparable to the District's
- Marketing capabilities and investor resources
- Experience of proposed banking team to serve the District
- Proposed fees and expenses, including the breakdown between takedown as opposed to management fees and costs, if applicable

7. ROLES OF CONSULTANTS

A. Bond Counsel

The primary role of Bond Counsel is to certify that the issuer has legal authority to issue the bonds and to issue an opinion as to the tax status of any debt issuances. Bond Counsel also advises the issuer on whether proposed borrowing is legally permitted and works with the issuer to assure compliance with all constitutional, statutory, and procedural requirements. The District will also seek the assistance of Bond Counsel in drafting bond documents, including the official statement, resolutions authorizing the sale and issuance of the bonds and other necessary documents.

B. Financial Advisor

The District will seek the advice of the Financial Advisor when necessary. The Financial Advisor will advise on the structuring of obligations to be issued, provide information on various options, give advice as to how choices will impact the marketability of the District's obligations and will provide other services as required.

8. DISCLOSURE COMPLIANCE

A. Secondary Market Disclosure

- i. In November 1994, the Securities and Exchange Commission (SEC) amended Rule 15c2-12 (the Rule) to prohibit any broker, dealer, or municipal securities dealer from acting as an underwriter in a primary offering of municipal securities unless the issuer promises in writing to provide certain ongoing information. The annual financial information is to be sent to the Municipal Securities Rulemaking Board's (MSRB) Electronic Municipal Market Access (EMMA) website as designated by the SEC.
- ii. The District will comply with the Rule by providing the secondary market disclosure as required.

The CFO will at least annually confirm that all debt issued is in compliance with Rule 15c2-12(b)(5) by required filing as covenanted in each debt issue's Continuing Disclosure Agreement. In the event that outside consultants are used to create or make filings, an internal system shall be established to review and confirm filings made.

9. MARKET COMMUNICATION, DEBT ADMINISTRATION AND INTERNAL CONTROLS

A. Administration of Bond Proceeds and Funds

- i. The CFO shall review the balances of various bond-generated or related funds held either directly at the District or by the Bond Trustee at least quarterly. Timely expenditure, to the extent possible, of bond proceeds shall be monitored and ensured. Any surplus funds identified from investment earnings or unspent items shall be applied to pay debt service, if legally permissible.
- ii. To ensure proceeds from bond sales are used in accordance with legal requirements invoices are submitted by the Engineering Department and approved by the CFO and General Manager for payment. In the case of an issue of bonds the proceeds of which will be used by a governmental entity other than the District, the District may rely upon a certification by such other governmental entity that it has adopted the policies described in SB 1029.
- iii. A separate bank account will be setup to hold proceeds from bond sales to ensure only properly approved invoices are paid as permitted per legal requirements.
- iv. Responsibility for general ledger reconciliations and records is segregated from the invoice processing, cash receipting, and cash disbursement functions.

B. Investment of Bond Proceeds – Bond proceeds will be invested in accordance with the permitted investment language outlined in the bond documents for each transaction. The District will seek to maximize investment earnings within the investment parameters set forth in the respective debt financing documentation. The reinvestment of bond proceeds will be incorporated into the evaluation of each financing decision; specifically addressing arbitrage/rebate position, and evaluating alternative debt structures and refunding savings on a “net” debt service basis, where appropriate.

C. Rating Agencies – The CFO shall be responsible for maintaining the District’s relationships with Standard & Poor’s Ratings Services, Fitch Ratings, and Moody’s Investors Service to the extent the District has ratings from such firms.

- i. The District shall, from time to time, maintain relationships with at least two of these agencies as circumstances dictate. The District may choose, based upon market conditions, the number of ratings to obtain for any individual debt issuance. In addition to general communication, the CFO should attempt to meet, in person, via phone or email, with credit analysts at least once each fiscal year. Prior to each competitive or negotiated sale, the CFO shall offer

conference calls or meeting(s) with rating agency analysts in connection with the planned sale.

- D. Observance of Debt Covenants – The CFO will at least annually ensure that the District is in compliance with all legal covenants for each debt issue.
- E. Record Keeping – Both physical and electronic copies of all debt-related records shall be retained at the District’s offices or in an approved storage facility. At minimum, these records shall include all official statements, bond legal documents/transcripts, resolutions, trustee statements, and other documents material to the financing.
- F. Arbitrage Rebate – The use of bond proceeds and their investments must be monitored to ensure compliance with all Internal Revenue Code Arbitrage Rebate Requirements. The CFO shall ensure that all bond proceeds and investments are tracked in a manner that facilitates accurate calculation; if a rebate payment is due; such payment is made in a timely manner.
- G. Policy Review – This policy should be reviewed periodically by the Board and updated as needed.



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Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Finance Committee
FROM: Andrew Hamilton, Chief Financial Officer
DATE: December 19, 2016
SUBJECT: Annual Audit Update

RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Staff will provide Annual Audit Update information at the Finance Committee meeting.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.

MEMORANDUM



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TO: Finance Committee
FROM: Andrew Hamilton, Chief Financial Officer
DATE: December 19, 2016
SUBJECT: Additional Auditing Services

RECOMMENDATION

The Ad-Hoc Audit Committee recommends an additional \$100,000.00 contract with White Nelson Diehl Evans LLP to perform additional auditing services in Fiscal Year 2017 as directed by the Ad-Hoc Audit Committee.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

At the June 20, 2016 meeting of the Finance Committee, the Board of Directors (Board) requested that the newly selected auditing firm of White Nelson Diehl Evans LLP potentially conduct additional auditing services.

At the November 21, 2016 meeting of the Finance Committee, the Board received a presentation from Mesa Water's auditor, White Nelson Diehl Evans LLP, detailing three options related to additional auditing services, either using the COSO Framework and Principles related to Fraud Prevention or Agreed Upon Procedures related to Fraud Detection. No action was taken at that time.

DISCUSSION

On December 6, 2016, the Ad-Hoc Audit Committee met with Mesa Water's auditor, White Nelson Diehl Evans LLP, and recommends a separate \$100,000 contract to perform additional auditing services at its sole discretion in Fiscal Year 2017 for services deemed necessary.

FINANCIAL IMPACT

In Fiscal Year 2017, no funds were budgeted. The requested funding will come from Cash on Hand.

ATTACHMENTS

None.

REPORTS:

8. REPORT OF THE GENERAL MANAGER:

REPORTS:

9. DIRECTORS' REPORTS AND COMMENTS: