



*Dedicated to
Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Monday, October 22, 2018
1965 Placentia Avenue, Costa Mesa, CA 92627
3:30 p.m. Special Board Meeting**

**LEGISLATIVE & PUBLIC AFFAIRS COMMITTEE MEETING
Monday, October 22, 2018 at 3:30 p.m.**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

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

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

CONSENT CALENDAR ITEMS:

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

1. State Advocacy Update
2. Outreach Update

ACTION ITEMS:

3. Administration Building and HVAC Improvements Project

PRESENTATION AND DISCUSSION ITEMS:

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

4. Orange County Update

REPORTS:

5. Report of the General Manager
6. Directors' Reports and Comments

INFORMATION ITEMS:

None



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

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

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

ADJOURNMENT



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: October 22, 2018
SUBJECT: State Advocacy Update

RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated for the bimonthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Staff will provide a verbal report to the Board.

FINANCIAL IMPACT

In Fiscal Year 2019, \$89,000 is budgeted; \$28,000 has been spent to date.

ATTACHMENTS

None.



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Sara Fahy, Public Affairs Manger
DATE: October 22, 2018
SUBJECT: Outreach Update

RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

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

This item is updated for the bimonthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Mesa Water District's (Mesa Water®) outreach program aims to connect Mesa Water with its constituents in order to achieve Goal #4 of the District's Strategic Plan. Outreach activities are also designed to achieve the Strategic Plan goals related to human resources, customer service, and/or regional water issues involvement by educating and informing the District's constituents about Mesa Water, water issues, and water in general. Mesa Water's constituents include external audiences – such as customers; community members; elected officials; industry colleagues, water districts and special districts; and media – as well as internal audiences such as staff, retirees and Board members.

Upcoming Fiscal Year 2019 Events

1. [Annual Fall Faire & Pumpkin Patch](#) - [Environmental Nature Center](#), 1601 E. 16th Street, Newport Beach, CA 92663: Sunday, October 14, 10:00 a.m. to 3:00 p.m.
2. [Vanguard University's Annual Christmas Fantasia](#) – [Segerstrom Center for the Arts](#), 600 Town Center Drive, Costa Mesa, CA 92626: Monday, December 10, 8:00 p.m.
3. 5th Grade Assembly - Whittier Elementary School, 1800 Whittier Avenue, Costa Mesa, CA 92627: Tuesday, November 20, 9:30 a.m.

The benefits of Mesa Water's outreach program include:

- Informing constituents about Southern California's perpetual drought, the historical drought facing California, and the importance of developing local and cost-effective sources of safe, reliable water for Mesa Water's service area and the region at large;
- Educating constituents about the importance of water and water stewardship, in order to sustain Southern California's population, quality of life, business, and economy;



- Educating constituents about Mesa Water’s stewardship of ratepayer funds and financial responsibility to fund, invest in, and save for the current and future provision of safe and reliable water for the District’s service area;
- Informing constituents of the District’s infrastructure improvements to ensure water quality and water reliability for its service area;
- Learning from constituents and evolving as a well-informed Board of Directors (Board);
- Promoting water use efficiency to Mesa Water’s customers and community members to help them save water, money, and the environment;
- Ensuring, for public health and safety reasons, that Mesa Water customers and community members identify the District as their water provider and as the source of information about water in emergency situations;
- Supporting Mesa Water’s service area as an actively involved participant in programs that provide added value and benefits to the community;
- Informing the media of Mesa Water’s activities that benefit the District’s customers and community;
- Empowering Mesa Water’s Board and staff with information that will help them provide the best possible service to the District’s customers and community members; and,
- Strengthening Mesa Water’s industry relations to provide opportunities for improving the District’s business and operations -- including the areas of financial and human resources strength, infrastructure and technological innovation, and setting/supporting policies that have a positive impact on Mesa Water’s service area -- so that the District can continue to provide safe, high-quality, reliable, and affordable water to its customers.

FINANCIAL IMPACT

In Fiscal Year 2019, \$292,000 is budgeted for the District’s Public Affairs department expenses; \$80,529.95 has been spent to date.

ATTACHMENTS

None.



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: October 22, 2018
SUBJECT: Administration Building and HVAC Improvements Project

RECOMMENDATION

Recommend that the Board of Directors reject all bids for the Administration Building and HVAC Improvements Project; and authorize the General Manager, or his designees, to negotiate with one or more contractors to complete the project, and bring the negotiated contract(s) back to the Board for approval.

STRATEGIC PLAN

Goal #2: Practice perpetual infrastructure renewal and improvement.

PRIOR BOARD ACTION/DISCUSSION

On November 24, 2015 a contract was signed with Goss Engineering, Inc. (GEI) to perform a heating, ventilation, and air conditioning (HVAC) system building analysis.

At its August 11, 2016 meeting, the Board of Directors (Board) awarded a contract to GEI for \$72,620 and a 10% contingency for a not-to-exceed amount of \$79,882 to perform design of a new HVAC system for the Administration and Operation Buildings.

At its June 20, 2017 meeting, the Engineering and Operations (E&O) Committee received an information item that a Request for Proposals was being solicited.

At its September 14, 2017 meeting, the Board approved a contract amendment to GEI in the amount of \$52,467 to provide design and documentation for a new roof and skylight on the Administration and Operations Buildings as part of the HVAC Systems Design Project, and authorized execution of the contract amendment.

At its December 19, 2017 meeting, the E&O Committee received an information item that GEI had completed the design drawings, specifications, and contract documents.

At its October 11, 2018 meeting, the Board awarded a contract to Jett Construction Management, LLC in the amount of \$134,582 and a 10% contingency for a not-to-exceed amount of \$148,040 to provide Construction Management Services for the Administration Building and HVAC Improvements Project, and authorized execution of the contract.

BACKGROUND

Mesa Water District's (Mesa Water®) current HVAC system has provided 24 years of service. The HVAC system is a roof top mounted fan-coil type system consisting of seven units placed atop the Operations and Administration Buildings. The system has been periodically maintained throughout the years and various repairs made to accommodate changing office configurations. With an increasing frequency in repairs, a need for more systematic control to address varying



thermal conditions within the office environment, changing code compliance requirements, and the age of the current system, Mesa Water engaged GEI in July 2015 to perform an assessment of Mesa Water's HVAC system.

The assessment recommended that Mesa Water replace the rooftop units with a new variable refrigerant flow (VRF) system. VRF systems provide more flexibility with improved zoning ability with the installation of individual cooling units in each occupant's space. VRF systems consist of interior fan-coil units that can be ducted, ceiling-mounted or wall-mounted configurations. The most appropriate fan-coil solution would include a ceiling-mounted approach. Ceiling-mounted units are preferred as they simplify condensate pipe installation and provide a cleaner appearance once installed. Installing a fan-coil unit in each space would allow individual occupant control of temperature in each office or workspace. On August 11, 2016, GEI was awarded a contract to complete the design of a new VRF system.

In the spring of 2016, a series of rain storms revealed several roof leaks in both the Operations and Administration buildings. Additionally, these storm events revealed leaking of the Administration Building skylight system which had been previously repaired over several years due to leaking. It was determined that replacement of both the roofing and skylight systems would be the most cost efficient and beneficial during the HVAC system installation in order to take advantage of the roofing construction that would occur at that time. On September 14, 2017, GEI was awarded a contract amendment to include the design for replacing the roof and skylight in the Administration Building and roof in the Operations Building.

The design and specifications for the Administration Building and HVAC Improvements Project were completed and put out to bid on September 6, 2018.

Selection Process

14 vendors were invited to participate in the selection process and were requested to submit a bid for the aforementioned project. Eight of the 14 vendors (Bayley Construction Build Group, Del Amo Construction, Dempsey Construction, DriverSPG, OC Services, Smith and Serverson Builders, Swinerton Builders, and Turelk, Inc.) were not interested in even receiving the Request for Bids. On September 11, 2018, staff conducted a pre-bid meeting and site visit with the six remaining vendors (Couts Heating & Cooling, Inc., Hanna Construction, Howard Building Coporation, KPRS Construction, Inc., Los Angeles Air Conditioning, and Snyder Langston Construction Company). From those six vendors, three bids were received on October 4, 2018. Bid results are as follows:

Vendor	Cost
Snyder Langston Construction Company	\$2,844,220
Hanna Construction	\$3,013,000
Los Angeles Air Conditioning, Inc.	\$5,260,000



The lowest responsive bid is approximately \$1M over the Engineer’s Estimate (\$1,780,000). Analysis has determined that increased costs of the bids is a result of:

- A high demand contractor’s market;
- Increase in material pricing due to limited supply; and
- The necessity for a phased construction schedule resulting in a decrease in contractor efficiency and economies of scale.

Staff recommends that the Board reject all bids for the Administration Building and HVAC Improvements Project; and authorize the General Manager, or his designees, to negotiate with one or more contractors to complete the project, and bring back the negotiated contract(s) for Board approval. This approach will allow an opportunity to explore potential cost saving options that could address some of the pricing pressure points and to develop a contract proposal that will better conform with the project budget.

FINANCIAL IMPACT

In Fiscal Year 2019, \$1,808,000 is budgeted for the Administration Building and HVAC Improvements Project:

	<u>Project Estimate Amounts</u>	<u>Project Cost Amounts</u>
Initial Project Estimate (FY 2018)	\$ 970,000	
Original Contracts		
1. GEI		\$ 102,600
- Change Orders		\$ 52,467
2. Jett Construction Management		\$ 144,344
- Change Orders		\$ 0
Requested Funding		<u>\$ 0</u>
Revised Contracts		<u>\$ 299,411</u>
Actual Spent to Date		\$ 146,322
Revised Project Estimate	\$2,600,000	

ATTACHMENTS

None.



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MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Stacy Taylor, External Affairs Manager
DATE: October 22, 2018
SUBJECT: Orange County Update

RECOMMENDATION

This item is provided for information only.

STRATEGIC PLAN

Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

This item is updated for the bimonthly meeting of the Legislative & Public Affairs Committee.

DISCUSSION

Mesa Water District's (Mesa Water®) government relations program includes monitoring local and regional political issues and policy-setting authorities (i.e., County of Orange, Orange County Local Formation Commission, etc.). Mesa Water's consulting firm, Lewis Consulting Group, will provide an update to the Board.

FINANCIAL IMPACT

In Fiscal Year 2019, \$50,000 is budgeted; \$12,025 has been spent to date.

ATTACHMENTS

None.

REPORTS:

5. REPORT OF THE GENERAL MANAGER:

REPORTS:

6. DIRECTORS' REPORTS AND COMMENTS: