ENGINEERING AND OPERATIONS COMMITTEE MEETING
Tuesday, June 21, 2016 at 3:30 p.m.

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.

PRESENTATION AND DISCUSSION ITEMS:
*Items recommended for approval at this meeting may be agendized for approval at a future Board meeting.*

1. 2016 Public Health Goals Report Follow-Up
2. Emerging Contaminants Update

ACTION ITEMS:

3. Mario Durante Well 9B Construction Bid Award
4. Elite Customer Service Training
5. Reservoirs 1 and 2 Improvements
6. AlertOC Participation
7. Real Estate Services for New Well Site

REPORTS:

8. Developer Project Status Report
9. Mesa Water® and Other Agency Projects Status Report
10. Water Quality Call Report
11. Committee Policy & Resolution Review or Development
12. Operations Department Status Report
13. Municipal Water District of Orange County Activities Update
14. Orange County Water District Activities Update
15. Ocean Desalination Projects
17. Directors’ Reports and Comments

INFORMATION ITEMS:
None

ADJOURNMENT
MEMORANDUM

TO: Engineering and Operations Committee
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: June 21, 2016
SUBJECT: 2016 Public Health Goals Report Follow-Up

RECOMMENDATION

Staff does not recommend any additional action at this time. However, staff is available to take Board direction on this subject as requested.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.

PRIOR BOARD ACTION/DISCUSSION

During the May 17, 2016 Engineering and Operations Committee meeting, the Board reviewed the 2016 Public Health Goals (PHG) Report and raised several questions regarding the treatment cost analyses included as part of the aforementioned report.

DISCUSSION

The 2016 PHG Report compares Mesa Water’s drinking water quality with PHG’s adopted by California Environmental Protection Agency’s Office of Environmental Health Hazard Assessment (OEHHA) and with the maximum contaminant level goals (MCLG’s) adopted by the United States Environmental Protection Agency (USEPA). The report also provides a cost estimate to treat each constituent to levels below the PHG.

To facilitate a fully informed discussion, a representative from Kennedy-Jenks, the engineering firm who helped produce the 2016 PHG Report and developed the included treatment cost estimates, will be available to answer specific questions regarding PHG, the 2016 Mesa Water® report, and the included treatment cost estimates.

Mesa Water’s system complies with all of the health-based drinking water standards and maximum contaminant levels required by the California State Water Resources Control Board Division of Drinking Water and the USEPA. No additional measures are recommended to achieve regulatory compliance.

The law requires that a public hearing be held for the purpose of accepting and responding to public comment on the report. The public hearing is scheduled for the July 14 2016 Board meeting.

FINANCIAL IMPACT

None.

ATTACHMENTS

Attachment A: 2016 Public Health Goals Report
1.0 Introduction

The Calderon-Sher Safe Drinking Water Act of 1996 requires public water systems in California serving greater than 10,000 connections to prepare a report containing information on 1) detection of any contaminant in drinking water at a level exceeding a Public Health Goal (PHG), 2) estimate of costs to remove detected contaminants to below the Public Health Goal using best available technology, and 3) health risks for each contaminant exceeding a Public Health Goal. This report must be made available to the public every three years. The initial report was due on July 1, 1998, and subsequent reports are due every three years thereafter.

This report has been prepared to address the requirements set forth in Section 116470 of the California Health and Safety Code. It is based on water quality analyses during calendar years 2013, 2014, and 2015 or, if certain analyses were not performed during those years, the most recent data available. The report has been designed to be as informative as possible, without unnecessary duplication of information contained in the Consumer Confidence Reports, which are made available to customers by July 1st of each year.

There is no regulatory guidance explaining requirements for the preparation of Public Health Goal reports. However, a workgroup of the Association of California Water Agencies Water Quality Committee has prepared suggested guidelines for water utilities to use in preparing Public Health Goal reports. These guidelines were used in the preparation of this report, and include tables of cost estimates for best available technology. The State of California provides the Association of California Water Agencies with numerical health risks and category of health risk information for contaminants with Public Health Goals. This health risk information is appended to the Association of California Water Agencies guidelines.

2.0 California Drinking Water Regulatory Process

California Health and Safety Code Section 116365 requires the State to develop a Public Health Goal for every contaminant with a primary drinking water standard or for any contaminant California is proposing to regulate with a primary drinking water standard. A Public Health Goal is the level which poses no significant health risk if consumed for a lifetime. The process of establishing a Public Health Goal is a risk assessment based strictly on human health considerations. Public Health Goals are aspirational targets that do not have to be feasible, measurable, or attainable and are not required to be met by any public water system.

The State office designated to develop Public Health Goals is the California Environmental Protection Agency’s Office of Environmental Health Hazard Assessment (OEHHA). The Public Health Goal is then forwarded to the California State Water Resources Control Board, Division
of Drinking Water (DDW) and Environmental Management for use in revising or developing a Maximum Contaminant Level (MCL) in drinking water. The MCL is the highest level of a contaminant that is allowed in drinking water. California MCLs cannot be less stringent than federal MCLs and must be as close as is technically and economically feasible to the Public Health Goals. The DDW is required to take treatment technologies and cost of compliance into account when setting a MCL. Each MCL is reviewed at least once every five years.

Section 116470(b)(1) of the Health and Safety Code requires public water systems serving more than 10,000 connections to identify each contaminant detected in drinking water that exceeded the applicable PHG.

Section 116470(f) requires that where OEHHA has not adopted a PHG for constituent, water suppliers are to use the established maximum contamination level goals (MCLGs) adopted by the United States Environmental Protection Agency (USEPA). MCLGs are the federal equivalent to PHGs.

3.0 Identification of Contaminants

The Mesa Water District (Mesa Water®) system has approximately 23,500 service connections serving 110,000 people. The following constituents were detected at one or more locations within the drinking water system at levels that exceed the applicable PHGs or MCLGs:

- **Arsenic** – Arsenic is a naturally occurring contaminant. In addition, arsenic is a waste product from many industrial production processes. Arsenic was measured above the PHG level in Mesa Water® groundwater and in surface water purchased from the Metropolitan Water District of Southern California (Metropolitan);
- **Hexavalent Chromium** – Hexavalent chromium is present in several industrial waste products. Internal corrosion of household pipes is also a source of hexavalent chromium. Hexavalent chromium was measured above the PHG level in Mesa Water® groundwater and in surface water purchased from Metropolitan;
- **Gross Alpha Particle Activity (Gross Alpha)** – Gross Alpha is naturally occurring contaminant. It is present above the PHG level in surface water purchased from Metropolitan;
- **Gross Beta Particle Activity (Gross Beta)** – Gross Beta is naturally occurring contaminant. It is present above the PHG level in surface water purchased from Metropolitan;
- **Uranium** – Uranium is naturally occurring contaminant. It was measured above the PHG level in Mesa Water® groundwater and in surface water purchased from Metropolitan;
- **Coliform** – Coliform bacteria are naturally present in the surface and groundwater, and are used as an indicator that other, potentially-harmful, microorganisms may be present.

Chart A shows the applicable PHG or MCLG and MCL for each contaminant identified above. The chart includes the maximum, minimum, and average concentrations of each contaminant in drinking water supplied by Mesa Water® in calendar years 2013 to 2015.
4.0 Numerical Public Health Risks

Section 116470(b)(2) of the Health and Safety Code requires disclosure of the numerical public health risk, determined by the OEHHA, associated with the MCLs, Action Levels, PHGs and MCLGs. Available numerical health risks developed by the OEHHA for the contaminants identified above are shown on Chart A. Only numerical risks associated with cancer-causing chemicals have been quantified by the OEHHA.

**Arsenic** – OEHHA has determined that the health risk associated with the PHG is one theoretical excess case of cancer in a million people and the risk associated with the MCL is 2 theoretical excess cases of cancer in 1,000 people exposed for a 70-year lifetime.

**Hexavalent Chromium** – OEHHA has determined that the health risk associated with the PHG is one theoretical excess case of cancer in a million people and the risk associated with the MCL is 5 theoretical excess cases of cancer in 10,000 people exposed for a 70-year lifetime.

**Gross Alpha** – The USEPA has determined that the health risk associated with the MCLG is 0 and the risk associated with the MCL is up to 1 theoretical excess case of cancer in 1,000 people over a lifetime exposure.

**Gross Beta** – The USEPA has determined that the health risk associated with the MCLG is 0 and the risk associated with the MCL is 2 theoretical excess cases of cancer in 1,000 people over a lifetime exposure.

**Uranium** – OEHHA has determined that the health risk associated with the PHG is one excess case of cancer in a million people and the risk associated with the MCL is 5 theoretical excess cases of cancer in 100,000 people over a lifetime exposure.

5.0 Identification of Risk Categories

Section 116470(b)(3) of the Health and Safety Code requires identification of the category of risk to public health associated with exposure to the contaminant in drinking water, including a brief, plainly worded description of those terms. The risk categories and definitions for the contaminants identified above are shown on Chart A.

6.0 Description of Best Available Technology

Section 116470(b)(4) of the Health and Safety Code requires a description of the best available technology, if any, that are available on a commercial basis, to remove or reduce the concentrations of the contaminants identified above. The best available technology are discussed in Section 7.0 and shown on Chart A.

7.0 Costs of Compliance Using Best Available Technologies and Intended Actions

Section 116470(b)(5) of the Health and Safety Code requires an estimate of the aggregate cost
and cost per household of utilizing the best available technologies identified to reduce the concentration of a contaminant to a level at or below the PHG or MCLG.

The following sections summarize the estimated cost of compliance and cost per Mesa Water® household to reduce the concentration of contaminants to a level at or below the PHG or MCLG. All costs estimates are adjusted to 2015 cost of construction.

**Arsenic** - The best available technologies for removal of arsenic in water for large water systems are: activated alumina, coagulation/filtration, lime softening, ion exchange, and reverse osmosis. Arsenic was detected above the Public Health Goal in treated surface water purchased from Metropolitan and in two Mesa Water® wells. One of these two wells are currently inactivated and planned to be destroyed and hence, not factored in the treatment cost estimate. Mesa Water® is in compliance with the MCL for arsenic. The estimated cost to reduce arsenic levels in Metropolitan water and in the Mesa Water® well to below the Public Health Goal of 0.004 µg/L using ion exchange was calculated. Because the Detection Limit for the purpose of Reporting (DLR; i.e., the level at which the DDW is confident about quantification being reported) for arsenic is 2 µg/L, treating arsenic to below the PHG level means treating arsenic to below the DLR of 2 µg/L. There are numerous factors, including feasibility, that may influence the actual cost of reducing arsenic levels to below the Public Health Goal. Achieving the water quality goal for arsenic could range from $2,499,000 to $2,688,000 per year, or between $106 and $114 per household per year.

**Hexavalent Chromium** – The best available technologies for removal of hexavalent chromium are reduction/coagulation/filtration, strong or weak anion exchange and reverse osmosis. Groundwater from Mesa Water® wells and surface water purchased from Metropolitan were sampled twice between 2013 and 2015 as federally required in the third Unregulated Contaminant Monitoring Rule (UCMR3). The method detection limit of 0.03 µg/L used for UCMR3 is significantly lower than the State’s DLR of 1 µg/L for hexavalent chromium compliance monitoring. Hexavalent chromium levels measured in Mesa Water® wells and Metropolitan water were below the DLR of 1 µg/L. However, at the method detection limit of 0.03 µg/L used for UCMR3, hexavalent chromium was detected above the Public Health Goal in five Mesa Water® wells and in treated surface water purchased from Metropolitan. One of these wells is since inactivated. Mesa Water® is in compliance with the MCL for hexavalent chromium. The estimated cost to reduce hexavalent chromium levels in the four groundwater wells and Metropolitan water to below the Public Health Goal of 0.02 µg/L using reduction/coagulation/filtration was calculated. There are numerous factors, including feasibility, that may influence the actual cost of reducing hexavalent chromium levels to below the Public Health Goal. Achieving the water quality goal for hexavalent chromium could range from $7,383,000 to $46,492,000 per year, or between $314 and $1,978 per household per year.
**Gross Alpha, Gross Beta, and Uranium** - The only best available technology for the removal of gross alpha in water for large water systems is reverse osmosis, which can also remove gross beta, and uranium (and arsenic). Gross alpha and beta were detected above the MCLG in surface water purchased from Metropolitan. Uranium was detected above the PHG in one groundwater well and in water purchased from Metropolitan. However, the groundwater well has since been inactivated and planned to be destroyed. The estimated cost of providing treatment using reverse osmosis to reduce radionuclide levels in Metropolitan water to the applicable MCLG or PHG was calculated. Achieving the water quality goals for all the radionuclides could range from $1,452,000 to $2,575,000 per year, or between $62 and $110 per household per year.

**Total Coliform** - During 2013 to 2015, approximately 100 to 125 samples were collected each month for coliform analysis. During four of these thirty six months, the coliform levels were found positive in 1 to 2% of the samples. The MCL for coliform is 5% positive samples of all samples per month and the MCLG is zero. The reason for the coliform drinking water standard is to minimize the possibility of the water containing pathogens which are organisms that cause waterborne disease. Because coliform is only a surrogate indicator of the potential presence of pathogens, it is not possible to state a specific numerical health risk. While USEPA normally sets MCLGs “at a level where no known or anticipated adverse effects on persons would occur”, it indicates that it cannot do so with coliforms.

Coliform bacteria are “indicator” organisms that are ubiquitous in nature and are not generally considered harmful. They are used because of the ease of monitoring and analysis. If a positive sample is found, it indicates a potential problem that needs to be investigated and follow up sampling must be completed. It is not at all unusual for a system to have an occasional positive sample. It is difficult, if not impossible, to assure that a system will never get a positive sample. Therefore, no estimate of cost has been included.

Chloramine is added at sources to assure that the water served is microbiologically safe. The chlorine residual levels are carefully controlled to provide the best health protection without causing the water to have undesirable taste and odor or increasing disinfection byproduct level. This careful balance of treatment process is essential to continue supplying our customers with safe drinking water.

Total Cost of Compliance: The estimated cost of compliance to meet PHG level for all the constituents (except coliform) identified for Mesa Water® sources can vary from approximately $9 Million to $49 Million, or between approximately $376 to $2,088 per household per year.

**8.0 Recommendations for Further Action**

Section 116470(b)(6) also requires a brief description of any actions the water purveyor intends to take to reduce the concentration of the contaminant and the basis for that decision. Mesa Water’s drinking water quality meets or exceeds all state and federal drinking water standards set to protect public health. To further reduce levels of the constituents identified in this report that are already below the health-based MCLs established to provide “safe drinking water”, additional costly treatment processes would be required. The effectiveness of the treatment
processes to provide significant reduction in constituent levels at these already low values is uncertain. The health protection benefits of these further hypothetical reductions are not at all clear and may not be quantifiable. Therefore, no action is proposed.

For additional information, please contact Ms. Kaying Lee, Water Quality and Compliance Supervisor at (949) 207-5491, or write to Mesa Water District, 1965 Placentia Avenue, Costa Mesa, CA 92627.
**Chart A**

**2016 PUBLIC HEALTH GOALS REPORT**

Mesa Water District

<table>
<thead>
<tr>
<th>PARAMETER</th>
<th>UNITS OF MEASUREMENT</th>
<th>PHG OR (MCLG)*</th>
<th>MCL</th>
<th>CONCENTRATION CATEGORY</th>
<th>Category Risk at PHG or MCLG</th>
<th>Cancer Risk at MCL</th>
<th>BEST AVAILABLE TECHNOLOGIES</th>
<th>AGGREGATE COST PER YEAR (a)</th>
<th>COST PER HOUSEHOLD PER YEAR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>INORGANIC CHEMICALS</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Arsenic</td>
<td>µg/L</td>
<td>0.004</td>
<td>10</td>
<td>ND</td>
<td>C</td>
<td>1 X 10⁻⁶</td>
<td>2.5 X 10⁻³</td>
<td>AA, C/F, IX, LS, RO</td>
<td>$2,499,000 - $2,688,000</td>
</tr>
<tr>
<td>Hexavalent Chromium</td>
<td>µg/L</td>
<td>0.02</td>
<td>10</td>
<td>0.29</td>
<td>C</td>
<td>1 X 10⁻⁶</td>
<td>5 X 10⁻⁴</td>
<td>R/C/F, IX, RO</td>
<td>$7,383,000 - $46,492,000</td>
</tr>
<tr>
<td><strong>RADIOLOGICAL</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Gross Alpha Particle Activity</td>
<td>pCi/L</td>
<td>(0)</td>
<td>15</td>
<td>1.75</td>
<td>ND- 4</td>
<td>C</td>
<td>0</td>
<td>1 X 10⁻³</td>
<td>RO</td>
</tr>
<tr>
<td>Gross Beta Particle Activity</td>
<td>pCi/L</td>
<td>(0)</td>
<td>50**</td>
<td>3.5</td>
<td>ND- 6</td>
<td>C</td>
<td>0</td>
<td>2 X 10⁻³</td>
<td>IX, RO</td>
</tr>
<tr>
<td>Uranium</td>
<td>pCi/L</td>
<td>0.43</td>
<td>20</td>
<td>2.5</td>
<td>1- 3</td>
<td>C</td>
<td>1 X 10⁻⁵</td>
<td>5 X 10⁻⁵</td>
<td>RO</td>
</tr>
<tr>
<td>All Radionuclides (and Arsenic)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total Cost of Compliance</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$8,835,000 - $49,067,000</td>
</tr>
</tbody>
</table>

* MCLGs are shown in parentheses. MCLGs are provided only when no applicable PHG exists.
**Judged by OEHHA

### RISK CATEGORIES

C (Carcinogen) = A substance that is potentially capable of producing cancer.

### ABBREVIATIONS

- AA = Activated Aluminum
- LS = Lime Softening
- C/F = Coagulation/Filtration
- IX = Ion Exchange
- R/C/F = Reduction/Coagulation/Filtration
- RO = Reverse Osmosis

### FOOTNOTES

(a) Wells that are inactivated and planned to be destroyed are not included in cost estimates.
(b) Estimated cost to remove Arsenic using Ion Exchange.
(c) Estimated cost to remove hexavalent chromium by reduction/coagulation/filtration.
(d) Estimated cost to remove radionuclides (and arsenic) by reverse osmosis.
RECOMMENDATION

This item is for information only. No action is recommended at this time.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

Perfluorooctanoic acid (PFOA) and perfluorooctanesulfonic acid (PFOS) are contaminants of emerging concern for the drinking water industry due to suspected health impacts and the persistence of both chemicals in the environment. 3M was one of the primary manufacturers of these chemicals which were used in the production of semiconductors, Teflon, stain-resistant carpeting, Scotchguard, and firefighting foams.

In May 2016, the United States Environment Protection Agency (USEPA) established a combined health advisory level of 70 parts per trillion for PFOS and PFOA based on their assessment of the latest peer-reviewed science. Health advisories are developed to provide information on contaminants that can cause human health effects and are known or anticipated to occur in drinking water. Health advisories are non-enforceable and non-regulatory. There is no Maximum Contaminant Level (MCL) for PFOA or PFOS.

Mesa Water® sources were sampled in 2014 for PFOA and PFOS as required in the federal Unregulated Contaminant Monitoring Rule (UCMR3). This sampling is done nationwide and allows regulators to determine the concentration and extent of detections to help identify and prioritize chemicals for future regulation. All Mesa Water® sources were non-detect for PFOA (<0.02 ug/L) and PFOS (<0.04 ug/L). There is no additional sampling required at this time.

A presentation will be provided to the Board at the upcoming Engineering and Operations Committee meeting by a water quality expert from the Orange County Water District.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.
MEMORANDUM

TO: Engineering and Operations Committee
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: June 21, 2016
SUBJECT: Mario Durante Well 9B Construction Bid Award

RECOMMENDATION

1. Approve the Well 9B Project.
2. Approve filing of the Notice of Categorical Exemption from the California Environmental Quality Act (CEQA).
3. Award a contract to Weber Water Resources for construction of the Well 9B Project for $834,941 plus a 10% contingency for a not-to-exceed amount of $918,435 and authorize execution of the contract.

STRATEGIC PLAN

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

PRIOR BOARD ACTION/DISCUSSION

On October 9, 2014, the Board received a Mario Durante Well 9 update presentation.

On October 21, 2014, the E&O Committee approved a contract amendment to the Well Automation and Rehabilitation Design contract in the amount of $26,813, to evaluate Mario Durante Well 9.

On November 18, 2014, the E&O Committee received a presentation on the findings of the Mario Durante Well 9 evaluation, and recommendation to rehabilitate the well and replace the pump. The E&O Committee directed staff to implement the recommendation and expend the necessary funds to expedite the recommendations, and provide regular updates to the Committee.

On February 17, 2015, the E&O Committee received an information item summarizing the status of the procurement process for Mario Durante Well 9 Rehabilitation and Pump Replacement.

On March 30, 2015, the Board received notification via email from the General Manager that a contract had been executed with General Pump for Mario Durante Well 9 Rehabilitation and Pump Replacement.

On May 19, July 17, September 15, and November 17, 2015, the E&O Committee received an update on the progress of Mario Durante Well 9 Rehabilitation Project.

BACKGROUND

Mesa Water’s design consultant evaluated the options for repairing and rehabilitating existing Mario Durante Well 9, including the associated costs of implementation, and the likelihood of success. Due to the high costs of repair and the uncertainty of ensuring a reliable water source it was recommended that the existing Mario Durante Well 9 be abandoned and a new well be
constructed.

On December 15, 2015, the E&O Committee authorized amendments to the Well Automation and Rehabilitation Contract and authorized execution of the amendments to develop a design and bid package for an amount of $190,117 for a new Well 9 and abandonment of existing Mario Durante Well 9.

DISCUSSION

Bid documents were prepared and included detailed drawings and specifications. Bid documents were released on April 25, 2016, to six well drilling contractors. Bids were received from three contractors on June 7, 2016. Bid results are as follows:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Bidder</th>
<th>Bid</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Weber Water Resources</td>
<td>$834,941</td>
</tr>
<tr>
<td>2</td>
<td>Best Drilling &amp; Pump</td>
<td>$859,395</td>
</tr>
<tr>
<td>3</td>
<td>South West Pump &amp; Drilling</td>
<td>$897,165</td>
</tr>
</tbody>
</table>

The Engineer’s Estimate of Probable Construction Cost is $1.2 million. The low bid from Weber Water Resources is approximately 30% below the Engineer’s Estimate. The bid proposal was reviewed by staff, and Mesa Water’s legal counsel and found to be compliant and complete. Reference verifications of Weber Water Resources’ prior projects were performed and found to be excellent. References verified that projects were completed within schedule, change orders were minimal, and the contractor worked proactively with the project stakeholders in resolving unforeseen field conditions. Construction is expected to start in late July and be completed by October, 2016. Therefore, it is recommended that the Board consider award of a contract in the amount of $834,941 plus a 10% contingency for a not-to-exceed amount of $918,435 to Weber Water Resources for the construction of the Mario Durante Well 9B Project.

Attachment A is the Notice of Exemption, which described the well site, layout, and planned improvements. It is recommended that the Board consider (1) Approval of the Well 9B Project; and (2) Approval of the filing of the Notice of Categorical Exemption from the CEQA process evaluation.

FINANCIAL IMPACT

$1,560,000 is budgeted in FY17 for construction of Well 9B.

ATTACHMENTS

Well 9B Notice of Categorical Exemption
Notice of Exemption

To: Office of Planning and Research
P.O. Box 3044, Room 113
Sacramento, CA 95812-3044
County Clerk
County of: Orange
12 Civic Center Plaza, Rm. 101
Santa Ana, CA 92701

From: (Public Agency): Mesa Water District
1965 Placentia Avenue
Costa Mesa, CA 92627

Project Title: Well 9B Project

Project Applicant: Mesa Water District

Project Location - Specific:
Well 9 - 1301 Sunflower Avenue, Costa Mesa, CA

Project Location - City: Costa Mesa, Project Location - County: Orange

Description of Nature, Purpose and Beneficiaries of Project:
The work includes the demolition of existing Well 9 and drilling and construction of new Well 9B. Project also includes the installation of well pump and piping for water production. Refer to Attachment A.

Name of Public Agency Approving Project: Mesa Water District

Name of Person or Agency Carrying Out Project: Mesa Water District

Exempt Status: (check one):
□ Ministerial (Sec. 21080(b)(1); 15268);
□ Declared Emergency (Sec. 21080(b)(3); 15269(a));
□ Emergency Project (Sec. 21080(b)(4); 15269(b)(c));
☑ Categorical Exemption. State type and section number: Class 1 (Section 15301(b)) and Class 2 (Section 15302(c))
□ Statutory Exemptions. State code number:

Reasons why project is exempt:
The project is an improvement to existing public utility facilities. The improvements involve the installation of a new well and equipment and tie-in to existing structures and infrastructure. The project improvements will not have a significant effect on the environment. The new well will not result in any substantial increase in capacity.

Lead Agency
Contact Person: Tim Beaman, PE (Associate Engineer) Area Code/Telephone/Extension: (949) 207-5483

If filed by applicant:
1. Attach certified document of exemption finding.
2. Has a Notice of Exemption been filed by the public agency approving the project? □ Yes □ No

Signature: _______________________________ Date: ______________ Title: ____________________________
☑ Signed by Lead Agency □ Signed by Applicant

Authority cited: Sections 21083 and 21110, Public Resources Code. Date Received for filing at OPR:
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

Revised 2011
Mesa Water District (Mesa Water®) intends to drill a new well (Well 9B) at their Well 9 site due to the failure of the existing well. The project is a small component at the existing well site and will allow for greater water production. A previous Categorical Exemption was filed for the Well 9 site for pending upgrades to the existing site, including the construction of new Chemical Storage Facilities, replacement of electrical equipment, replacement of existing mechanical equipment and piping, and controls improvements. However, during the course of Well 9 rehabilitation, the well failed and a new well must be drilled. The production capacity of the new well drilled under this project will be within the original projections used as a basis for the previous Well 9 CEQA Categorical Exemption. A brief description and proposed improvement of the well is provided below:

**WELL 9**

The Well 9 site is located at 1301 Sunflower Avenue in Costa Mesa, California.
IMPROVEMENTS

The Well 9 replacement well is required because Well 9 experienced excessive sand pumping in two separate episodes immediately following chemical well cleaning and following installation of a swage liner at casing holes. Well 9 provided good sustained production and good water quality since original construction in June 1993. Well 9 did not have a history of sanding prior to the well cleaning.

The Well 9 and 9B site is located in the coastal part of the Orange County Groundwater Basin about 1 mile east of the east end of the Talbert Groundwater Injection Barrier operated by Orange County Water District. In general, well depths in this part of the groundwater basin are limited to 600 feet to intercept the clear water aquifers and avoid the deeper amber colored water aquifers. Well 9B will be constructed to a maximum depth of 600 feet to ensure only clear water is produced from the new well.

Well No. 9 will be abandoned and will be completed prior to drilling of new well - Well No. 9B. The existing well No. 9 is located on the south side of Sunflower Street between Harbor Blvd. and Susan Street in Costa Mesa, California. The new well should be located about 40 to 50 feet from Well No. 9. The final well location will be a minimum of 50 feet from the nearest sewer line and 100 feet from the nearest manhole structure. Construction, development, and testing of the well will generally include but not be limited to the following:

1. Obtain OCHCA Well Destruction and Well Construction Permit.
2. Demolition of existing well 9 prior to drilling the replacement well.
3. Drill new well using standard drilling methods in southern California groundwater basins.
4. Meet all noise and discharge requirements.
5. Apply for discharge permit for well 9 demolition and new well drilling and construction activities.
6. Dispose of all solids and fluids not meeting NPDES requirements off site.
7. Drill a 40-inch borehole and install and grout into place a 34-inch mild steel conductor casing to a depth of 50-feet.
8. Drill a nominal 17.5-inch pilot hole and ream pilot hole to 32-inch diameter to 330 feet and 26-inch diameter to an approximate depth of 600 feet.
9. Perform Eastman drift surveys every 100 feet during the pilot hole drilling.
10. Upon completion of the pilot hole, geophysical logs will be run by a firm retained by the Contractor and approved by the Owner's Representative.
11. Perform caliper survey following pilot hole ream.
12. Complete well construction, including installation of casing, screen, gravel pack, sanitary seals, sounding tube, pump pedestal, etc. as stipulated by the Plans, Specifications, and Owner’s Representative.

13. Develop well by air-lift swabbing with the drill rig.

14. Develop well by pumping.

15. Install test pump and conduct step drawdown and constant rate pumping tests.

16. Perform color video survey of the entire well casing.

17. Perform final well and discharge piping disinfection.

18. Install existing pump including temporary electrical conduit and cable wire, wellhead piping, and seal water systems.

19. Disinfection of well pump and discharge piping.
MEMORANDUM

TO: Engineering and Operations Committee
FROM: Stacie Sheek, Customer Services Manager
DATE: June 21, 2016
SUBJECT: Elite Customer Service Training

RECOMMENDATION

Approve a professional services contract with Moran Consulting, Inc. for $99,043 plus a 10% contingency for a not-to-exceed amount of $108,947 to provide training to create an elite level of customer service at Mesa Water® and authorize execution of the contract.

STRATEGIC PLAN

Goal #5: Attract and retain skilled employees.
Goal #6: Provide outstanding customer service.

PRIOR BOARD ACTION/DISCUSSION

At the May 17, 2016 Engineering and Operations Committee meeting, an information item was submitted to the Board of Directors regarding Mesa Water’s goal to create an optimal level of customer service.

BACKGROUND

Mesa Water® is seeking to create an optimal level of customer service. The selected consultant will evaluate the current level of customer service to establish a baseline that is used to identify enhancements in delivering effective customer service standards. Based on that evaluation, appropriate training will be developed and provided to Mesa Water’s Customer Services staff members to optimize customer service performance. The Consultant will develop standard customer service monitoring metrics to ensure that the desired level of customer service continues to be provided along with the development of a post audit process to ensure the optimal level of customer service is maintained in the future. The Consultant will also be tasked with conducting a post evaluation of Mesa Water’s customer service performance level using the Customer Service Metrics Program.

The program will provide essential tools to deliver optimal customer service to approximately 40% of Mesa Water® staff, including management and leadership. The selected staff participating in the program are the gateway of all customer contact. The following benefits will be achieved as part of the training:

1. Creating a new customer service culture will improve customer satisfaction.
2. Time and money will be saved due to reduced customer complaints which require documentation, oral and written communication of high level staff and at times, the Executive Management Team.
3. The highest level of service will be implemented, improving brand image and customer loyalty.
DISCUSSION

Mesa Water® solicited proposals from 15 qualified firms to provide the required scope of work. The firms included: The Voice Customer Service Training, Antenore & Associates, Customer Focus, Inc., Business Training Works, Moran Consulting, Inc., Customer Service Advantage, Inc., Cape Consulting, Intelli Shop, Service Strategies Corp., The DiJulius Group, The Ritz-Carlton, Verint Enterprise Intelligence Solutions, Training Folks, Catalytic Management LLC, and Customer Focus Consultant. Two proposals were received on May 16, 2016. The proposing firms were Antenore & Associates and Moran Consulting, Inc.

Proposals were reviewed and evaluated by a selection panel comprised of staff from Mesa Water® and the City of Newport Beach representative. Each proposal was ranked based on qualifications, experience, and project understanding. The two firms were invited to participate in the interview process on May 31, 2016. The results of the selection process and proposal costs are as follows:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Proposer</th>
<th>Score</th>
<th>Submitted Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Moran Consulting, Inc.</td>
<td>4.82</td>
<td>$99,043</td>
</tr>
<tr>
<td>2</td>
<td>Antenore &amp; Associates</td>
<td>3.58</td>
<td>$90,300</td>
</tr>
</tbody>
</table>

Both firms are well qualified to perform the work effort. Each firm provided a unique and solid approach to the required scope of work. Based on qualifications and experience, the selection panel determined that Moran Consulting, Inc.’s approach would be the most comprehensive given their specialization in customer service training, experience and understanding of the public sector, involvement of front line staff as well as management level staff, and an innovative approach to the program. Therefore, it is recommended the Board consider awarding a contract to Moran Consulting, Inc. for $99,043 plus a 10% contingency for a not-to-exceed amount of $108,947.

Attached is Moran Consulting, Inc.’s proposal. Additional proposals are available upon request. This project is scheduled to be completed 4 months from the notice to proceed.

FINANCIAL IMPACT

$50,000 is budgeted in fiscal year 2017, no funds have been spent to date. The requested funding will come from Cash on Hand.

ATTACHMENTS

Attachment A: Moran Consulting, Inc.’s Proposal
Moran Consulting, Inc.
3712 N Broadway St.
Ste. #636
Chicago, IL 60613
800-880-0116
service@moraninc.com
www.moraninc.com

Federal Tax ID # 36-4161987
Corporation
18 Years in Business

Robert Moran, President
800-880-0116
833 W. Belle Plaine Ave #1, Chicago, IL 60613

Melissa Siemers, Director of Operations
800-880-0116

Signed, _____________________________
Robert Moran, President
**CERTIFICATE OF LIABILITY INSURANCE**

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER, THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

**PRODUCER**

<table>
<thead>
<tr>
<th>NAME</th>
<th>Moran Consulting, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREET ADDRESS</td>
<td>833 W Belle Plaine #1</td>
</tr>
<tr>
<td>CITY</td>
<td>Chicago, IL 60613</td>
</tr>
<tr>
<td>ZIP</td>
<td></td>
</tr>
</tbody>
</table>

**INSURED**

<table>
<thead>
<tr>
<th>NAME</th>
<th>Moran Consulting, Inc.</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREET ADDRESS</td>
<td>833 W Belle Plaine #1</td>
</tr>
<tr>
<td>CITY</td>
<td>Chicago, IL 60613</td>
</tr>
<tr>
<td>ZIP</td>
<td></td>
</tr>
</tbody>
</table>

**COVERAGES**

**CERTIFICATE NUMBER:**

**REVISION NUMBER:**

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

<table>
<thead>
<tr>
<th>INSURED LIABILITY</th>
<th>TYPE OF INSURANCE</th>
<th>LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>EACH OCCURRENCE</td>
</tr>
<tr>
<td>GOVERNMENTAL</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>DAMAGE TO RENTED PROPERTY (Ex. governed)</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>MEDICAL EXPENSE (Any one person)</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>PERSONAL &amp; ADJ INJURY</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>GENERAL AGGREGATE</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>PRODUCTS - COMP &amp; AGG</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMBINED SINGLE LIMIT (Per accident)</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>BODILY INJURY (Per person)</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>MEDICAL INJURY (Per accident)</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>PHYSICAL DAMAGE (Per accident)</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>EACH OCCURRENCE</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>AGGREGATE</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>DED RETENTION</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>VMS STATUTORY LIMITS</td>
</tr>
<tr>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>COMMERCIAL GENERAL LIABILITY</td>
<td>OTHER LIMITS</td>
</tr>
</tbody>
</table>

**WORKERS COMPENSATION AND EMPLOYEES LIABILITY**

<table>
<thead>
<tr>
<th>INSURED LIABILITY</th>
<th>TYPE OF INSURANCE</th>
<th>LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>ANY PROFESSIONAL OFFICER</td>
<td>EXECUTIVE OFFICER</td>
<td>E.L. EACH ACCIDENT</td>
</tr>
<tr>
<td>ANY PROFESSIONAL OFFICER</td>
<td>EMPLOYEE</td>
<td>E.L. DISEASE - EA EMPLOYEE</td>
</tr>
<tr>
<td>ANY PROFESSIONAL OFFICER</td>
<td></td>
<td>E.L. DISEASE - POLICY LIMIT</td>
</tr>
</tbody>
</table>

**A Misc. Professional Liability**

<table>
<thead>
<tr>
<th>LIMITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000,000 Each Claim</td>
</tr>
<tr>
<td>$1,000,000 Aggregate</td>
</tr>
<tr>
<td>$10,000 Deductible</td>
</tr>
</tbody>
</table>

**DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES**

Prior Acts Date: 10-04-2005

**CERTIFICATE HOLDER**

<table>
<thead>
<tr>
<th>NAME</th>
<th>Mesa Water District</th>
</tr>
</thead>
<tbody>
<tr>
<td>STREET ADDRESS</td>
<td>1965 Placentia Avenue</td>
</tr>
<tr>
<td>CITY</td>
<td>Costa Mesa, CA 92627</td>
</tr>
</tbody>
</table>

**CANCELLATION**

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

Joe Rivera

© 1988-2010 ACORD CORPORATION. All rights reserved.
# Table of Contents

Cover Page 1
Certificate of Insurance 2
Table of Contents 3

Section 1: Firm Qualifications and Experience 4
  1.1 Introduction to the Firm 4
  1.2 Strength and Stability 4
  1.3 Overview of Our Capabilities in Project Scope. 5
  1.4 Three Projects with Similar Scope 5-7
  1.5 Why Moran Consulting Would Be The Best Choice for Mesa Water 7

Section 2: Staff Experience and Availability 8
  2.1 Organizational Chart 8
  2.2 Biographical Sketches 9-10
  2.3 Current Workload of Team Members 10
  2.4 Work Breakdown Structure of Team Members 11

Section 3: Scope of Work Understanding and Schedule 12
  Scope of Work Overview and Timeline 12-13
  Task 1 – Customer Service Baseline Assessment 14
  Task 2 – Develop Training 14-15
  Task 3 – Customer Service Metrics 15
  Task 4 – Training 15-16
  Task 5 – Post Evaluation 16
  Task 6 – Meetings 16-17

Appendix A – Resumes of Key Staff 18-21
Appendix B – Professional Services Agreement Acceptance Form 22
Appendix – Additional Reference Items 23
Section 1. Firm Qualifications and Experience

1.1 INTRODUCTION TO THE FIRM

Moran Consulting is a creative, Chicago-based organization and development firm founded in 1997 specializing in enhancing customer service cultures. Our customer service division, better known as Service Essentials™, was created to give organizations essential tools to deliver excellent service at a reasonable price.

- **Our Vision** is to inspire organizations around the globe to achieve their goals.
- **Our Mission** is to partner with organizations to build a high performance culture, align strategic vision with employee behavior, and empower employees to deliver excellent service.
- **Our Values** - Integrity, flexibility, innovation, learning, action, and delivering great service.

Moran Consulting is excited to apply our values, tools, and vast experience to meet the needs of Mesa Water to create an elite level of customer service.

1.2 STRENGTH AND STABILITY

Founded in 1997 by Robert Moran, Moran Consulting has served over 500 organizations. During our 19 years of business, we have led multiple large and complex organization-wide customer service/culture change initiatives within both the public and private sectors. Public organizations include city, county, state, and federal governments. Our comprehensive approach embraces the senior and mid-level managers, supervisors and everyone on the front line. Results that our clients experience align behaviors of the staff and management with the goals of the organization. We are committed to individual and organizational growth, providing performance-improving consulting and training solutions that will create an optimal level of customer service. Led by our founder, our team of seasoned consultants and facilitators will deliver sustainable results to Mesa Water.
1.3 OVERVIEW OF OUR CAPABILITIES IN PROJECT SCOPE

Mesa Water has identified the strategic goal to further enhance the customer’s experience. With great enthusiasm, the Moran Consulting team has prepared a customized solution for Mesa Water to meet these important objectives:

- Evaluate the current level of service
- Establish a baseline measure of service delivery
- Develop and deliver a customized customer service training for staff
- Develop and implement a metric system to assure on-going service excellence
- Implement a process for continuous audit and monitoring to assure the continuous delivery of outstanding service

Moran Consulting’s core competencies, capabilities, experience and measured success are directly aligned with the objectives of Mesa Water. Measured results include significantly improved customer satisfaction scores, increased revenues, improved cycle time, reduced employee turnover, and overwhelming positive return on investment. We teach and implement service measures that assure long-lasting success. The most effective way to learn about our capabilities is to speak with our clients who have experienced desired results first hand.

(Please see appendix 1 for client case studies inclusive of specific examples of measured results)

1.4 THREE PROJECTS WITH SIMILAR SCOPE OF WORK

Federal, City, and County Projects that demonstrate firm’s track record to perform required services

City of St. Charles, Illinois (June 1998-Present)
2 E. Main Street, St. Charles, IL 60174
Contact: Jennifer Kuhn, Executive Administrative Assistant - office (630) 762-7026

Similar to the objective at Mesa Water with a comprehensive training program to optimize customer service performance, Moran Consulting was selected by the City Manager and Human Resources Director to lead a customer service training initiative for all city employees (300-400). Utilizing Our Service Essentials Training System customized for city government employees, the project included a train-the-trainer approach where multiple city leaders were trained to deliver the program to the front line staff. Following the training initiative, Moran Consulting worked with senior leadership to measure ROI on the project. As a result of the improved service levels, city business customers brought more tax dollars in to the city, quantifying a return on investment for the training initiative to be more than 933:1. Robert Moran and the City Manager published the results of this initiative in the Illinois Municipal Review (Appendix I). After the initial training performed throughout 1998-2001, Moran Consulting was contracted to perform a second organization-wide customer service refresher course in October of 2013. Currently, Moran Consulting continues to provide participant materials and guidance to the City as the training system has been incorporated into new employee orientation.
Mobile County Health Department (MCHD) (October 2015 – Present)
251 North Bayou St. Mobile, Alabama 36603
Contact: Kelly Warren; Executive Director – office (251) 690-8863

Moran Consulting was recently selected to provide an organization-wide customer service culture change process for the Mobile County Health Department headquartered in Mobile, Alabama. MCHD is a large and diverse public healthcare organization with over 430 full-time employees and 40 diversified departments/service areas in multiple locations throughout Mobile County. The project included customized customer Service Training system for all employees, managers, and senior executives. Critical aspects of the project include the development and monitoring of on-going metrics for the entire organization as well as function-specific measures. In a recent follow up meeting in April of 2016, departments reported out significant measured improvements in cycle time, satisfaction, turnover rates, and a return on investment of over 5:1 with an increase in revenue and efficiencies of $1.5 Million. Other items include the development of universal customer service standards and service standards specific to each working unit.

Internal Revenue Service – (Real Estate Mgmt. Division) (October 2009 – October 2010)
1100 Commerce St. #121, Dallas, TX 75242
Contact: Sue McLain, Learning and Development (Dallas, TX) - office (214) 912-6132

Moran Consulting was selected by the IRS to establish a service-oriented culture for the Real Estate Management Division. This division of the IRS employs over 1,200 individuals who provide real estate management services to all IRS locations in the United States. Moran Consulting’s Service Essentials for Everyone program was customized and delivered a training solution for all staff and management in over 15 locations across the United States including Memphis, Atlanta, Chicago, Cincinnati, Oakland, Dallas, Austin and Kansas City. Outcomes include service improvement across the organization to the internal customers of the IRS.

City of Houston Department of Public Works (November 2015 to present)
4501 Leeland St., Houston, TX 77023
Contact: Joe Little, Senior Staff Analyst - (Houston, TX - office (832) 395-2816

Moran Consulting was selected in a competitive RFP process by the City of Houston Department of Public Works (PWE) to enhance the customer service culture. PWE provides the water, streets, traffic, planning for the entire city and has 3,700 employees. The Moran project includes a customer service assessment, train-the-trainer process, and service training for all staff and leaders. The project is now underway and the results are beginning to manifest. Feedback from staff and trainers is tremendous. One long term staff member said “I have been with the city for 30 years and this is the most effective training I have ever experienced!” Moran is working with the mid-level managers now in the development of service metrics associated with their specific functional areas. Next steps will include process improvement and the Service Essentials reinforcement program.
1.4 CONT. A LIST OF OUR GOVERNMENT CLIENTS:

| Career Center of Lowell MA          | Mobile County Health Department                  |
| Center for Disease Control - National Center for Health Statistics | National Center for Health Statistics |
| Chisholm Trail SUD                  | Naval Base Ventura County Family Housing Office |
| City of Batavia Public School District 101 | New York City Transit                        |
| City of Shoreline                    | Northern Virginia Community College             |
| City of Spokane                      | Ohio Public Employee’s Retirement System (OPERS) |
| City of Takoma Park                  | San Mateo Police Department                     |
| Colusa One Stop Partnership          | Santa Barbara Metropolitan Transit District     |
| Cook County Bureau of Health Services | Transportation Security Administration         |
| COTA                                | US Military - Document Automation & Production Services |
| Cowlitz PUD                         | USDA Graduate School Midwest Training Center    |
| Gulf Coast Veterans Health Care System | Village of Norridge                           |
| Illinois Center for Rehab & Education | Village of Schaumburg                         |
| Internal Revenue Service            | Washington State Investment Board              |
| MERS - Michigan Employees Retirement System | White River Junction, VA Medical Center, Vermont |

1.5 WHY MORAN CONSULTING WOULD BE THE BEST CHOICE FOR MESA WATER

Moran Consulting generates measured results. We have 19 years of experience customizing solutions for service improvement with similar objectives to Mesa Water. Our team of professional experts practice what we preach in listening to our clients and providing the highest possible level of service. We have the capacity and the experience to assure desired measured results. Our participant-centered learning process creates positive behavior change and instills immediate improvement in service delivery and enhances positive work environments. Mesa Water will learn how to reinforce customer service skills over the long run, where Moran Consulting instills positive change that stands the test of time.
Section 2. Staff Experience and Availability

Under the leadership of Robert Moran, the following organizational structure has been drafted for the Mesa Water project. Our team of seasoned professionals have been selected accordingly based on the project objectives and the industry.

2.1 ORGANIZATIONAL CHART

Selected project team for Mesa Water District:

Robert Moran will serve as the project leader. He will work closely with client leadership to craft the most effective culture change strategy and training process. He will lead a team of seasoned professionals and is committed to measurable results for all his clients.

Melissa Siemers will serve as the Project Manager. As the central point of contact for all communications, she will be responsible for all project logistics and scheduling all client meetings. Melissa will design and manage the overall project plan and facilitate all follow up.

Nicolle Carfagnini will serve as a Lead Facilitator of the Customer Service Training. She will also support the facilitation of the Service Essentials for Managers Program. In addition, Nicolle will contribute to the overall master plan of the project, lending her wealth of experience working with government agencies. Nicolle will also support the development of Metrics for Mesa Water.

Donna Seal will serve as a facilitator of the Customer Service Training. She will also support the facilitation of the Service Essentials reinforcement program.

Andrew Peck will serve as A Facilitator of the Customer Service Training. Andrew’s role will also include project management support to include metrics development and program customization.

Kathleen Dolan will serve in a strategic support role on the team. She will provide behind-the-scenes oversight to the overall plan as well as support for all communications and data analysis.
Bobbi Paine's role will be to serve as a Lead facilitator of the Service Essentials for Everyone Customer Service Training. Bobbi will also support the development of metrics for Mesa Water.

2.2 BIOGRAPHICAL SKETCHES
All proposed Moran Consulting staff members are available during the proposed schedule for the tasks assigned.

ROBERT MORAN, PRESIDENT

Robert chose to lead this task because he has served over 500 organizations, large and small, with creative solutions in the area of customer service assessment, training and development, strategic planning, team development, and managing organizational change. As an expert in organization-wide culture changes, Robert works with leadership to define customer service visions, coach leaders through initiating processes to support the vision, inspire mid-level management and front line staff to establish service standards and basically impel an organization into positive action!

MELISSA SIEMERS, OPERATIONS DIRECTOR

Melissa was selected to lead because as the Operations Director for Moran Consulting, Inc., Melissa manages key functions at both a strategic and operational level to ensure seamless execution of all client projects. She works closely with both department heads and senior management to align project implementation with standards of operational excellence and superior service.

NICOLLE CARFAGNINI, CONSULTANT/FACILITATOR

Nicolle was selected to lead because as an organization and development consultant and trainer with over 22 years of experience, Nicolle has been the lead consultant on Moran Consulting projects in public/government sectors, on organization-wide culture change processes and on large-scale complex organizational projects. Her energetic style enhances learning and inspiration with all levels of staff.

DONNA SEAL, CONSULTANT/FACILITATOR

Donna Seal was selected to lead because as an expert Service Essentials trainer with a dynamic interactive style, Donna is adaptable in a wide variety of industry settings. Donna uses her natural style to train groups in an easy-to-learn manner. Using stories, personal experiences, group discussions and quotes, Donna transitions easily from objective to objective allowing trainees to make the most of their experience. Donna served as a lead consultant/facilitator in the recent organization-wide customer service culture project with the Mobile County Health Department. Her ability to connect with the people on the front line within a government organization brings tremendous synergy to the culture change process.
ANDREW PECK, PROJECT MANAGER/FACILITATOR

Andrew has been a successful project manager and facilitator with Moran consulting for seven years, serving as the primary client relationship and project manager for every Moran client. Andrew excels at managing large scale projects, complex organization-wide initiatives, and communicating the important principles behind delivering excellent customer service. His passion for service makes him an advocate for Service Essentials™ training in partner organizations, and he delivers dynamic customer service training programs for our clients, like the Aiso Library in Monterrey, California, and the Commonwealth of Virginia.

BOBBI PAINE, CONSULTANT/FACILITATOR

Bobbi is a tremendous asset to Service Essentials clients like Mesa Water. Her expertise covers a gamut of industries, which include government, medical, financial, hospitality and service support call centers. She is a high-quality trainer with a vibrant, interactive style who also possesses a natural ability of discernment.

KATHLEEN DOLAN, PROJECT MANAGER

With 15 years of large scale Project Management experience, Kathleen brings an intricate ability to handle complex projects and a global vision to Moran Consulting clients. Kathleen’s expertise exists in increasing client services while reducing costs. Having worked with hundreds of companies across the globe, she brings project management experience with a results-oriented view to her clients. Kathleen works with our clients on every aspect of training and financial enterprises; assessing initial needs, project planning, communication dynamics, strategic oversight, and continuous reinforcement programs in order to ensure success.

2.3 CURRENT WORKLOAD OF TEAM MEMBERS

All proposed Moran Consulting staff members have availability during the proposed schedule for the tasks assigned. The team is broad enough to assure resources are available when needed. Robert Moran and Nicolle Carfagnini, two of the lead consultants assigned to Mesa Water will complete tasks for a similar project with the City of Houston, TX in May of 2016.
### 2.4 WORK BREAKDOWN STRUCTURE OF TEAM MEMBERS

**Work Breakdown Structure**
Summary by hours and labor class:
- Project Management
- Consulting and instructional design

<table>
<thead>
<tr>
<th>Task</th>
<th>Bob Moran, Project Leader</th>
<th>Melissa Siemers, Project Manager</th>
<th>Andrew Peck / Instructional Design</th>
<th>Nicki Carfagnini, Lead Trainer</th>
<th>Donna Seal, Trainer / Instructional Design</th>
<th>Bobbi Paine, Trainer / Instructional Design</th>
<th>Kathleen Dolan, Senior Consultant</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Baseline Measure</td>
<td>12</td>
<td>10</td>
<td>8</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2 - Develop Training</td>
<td>20</td>
<td>15</td>
<td></td>
<td>10</td>
<td>10</td>
<td></td>
<td></td>
</tr>
<tr>
<td>3 - Customer Service Metrics</td>
<td>30</td>
<td>20</td>
<td>10</td>
<td></td>
<td></td>
<td></td>
<td>10</td>
</tr>
<tr>
<td>4 - Training</td>
<td>8</td>
<td></td>
<td>32</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>5 - Post Evaluation</td>
<td>24</td>
<td>10</td>
<td>16</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 - Meetings</td>
<td>12</td>
<td>5</td>
<td>5</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>6 - Additional Recommended Tasks</td>
<td>6</td>
<td>8</td>
<td>6</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Section 3. Scope of Work Understanding and Schedule

Moran Consulting specializes in creating customer service cultures. We clearly understand the objectives of this process as they are at the core of our company mission. We are passionate about measurement and teaching our clients to build metrics for long term success.

Based on the objectives of Mesa Water outlined in this RFP, we have developed a customized process for the initiative. We have included the key elements requested in this RFP as well as some additional steps that have proven successful in other similar projects.

While the following objectives are at the core of the process, Moran Consulting has further enhanced the tasks to reinforcement, process improvement and standards development.

Mesa Water Objectives:

- Establish a baseline measure of service delivery
- Develop and deliver a customized customer service training for staff
- Develop and implement a metric system to assure on-going service excellence
- Implement a process for continuous audit and monitoring to assure the continuous delivery of outstanding service

An illustration of the timeline is included in the body of this section of the proposal. Following the illustration, each step is outlined and described. Dates are to serve as examples of sequence and duration. Please note that the Moran team may speed up or slow down the process based on the needs of Mesa Water.

A few noted project challenges and solutions

One of the unique challenges with the Mesa Water project may be the ability to free staff from work to attend classroom training. While this may or may not be a challenge, oftentimes when a small staff is involved the organization must cover operations. Our solution to this challenge is to provide several options for delivery methods to include shorter sessions, smaller group sizes, webinar training and individual coaching.

Another challenge may be the application of the Manager’s training in building the service culture. This course is designed to build the infrastructure of service excellence. Understanding that there is one key manager position, our solution for the development associated with this content may take the form of individual coaching and or small training segments.
The Moran Approach

Mesa Water can expect a true partnership with Moran Consulting. It is our objective to not only meet the needs of Mesa Water but to exceed them. That is what you can expect from Moran Consulting – and that is what our clients experience.

Our approach is to carefully listen to your needs and understand your unique situation and goals. We are flexible in our approach to customize a solution that will meet those goals. We value the power of inclusion from front line staff from beginning to end. We understand our role to gain buy-in in order to create behavior change and process improvement. While we are experts in customer service training, we teach both service excellence behaviors and practices as well as process improvement.

Illustration – Project schedule and timeline

(A full page version of the timeline is included in the Appendix of this proposal)

<table>
<thead>
<tr>
<th>Task 1 - Customer Service Baseline Assessment</th>
<th>18 days</th>
<th>Mon 6/13/16 Wed 7/6/16</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leadership interviews</td>
<td>2 days</td>
<td>Mon 6/13/16 Tue 6/14/16</td>
</tr>
<tr>
<td>Pre-training survey</td>
<td>9 days</td>
<td>Mon 6/20/16 Thu 6/30/16</td>
</tr>
<tr>
<td>Focus groups</td>
<td>2 days</td>
<td>Mon 7/4/16 Tue 7/5/16</td>
</tr>
<tr>
<td>Senior Alignment Meeting</td>
<td>1 day</td>
<td>Wed 7/6/16 Wed 7/6/16</td>
</tr>
<tr>
<td>Task 2 - Develop Training</td>
<td>5 days</td>
<td>Mon 7/11/16 Fri 7/15/16</td>
</tr>
<tr>
<td>Data analysis correlating topics</td>
<td>2 days</td>
<td>Mon 7/11/16 Tue 7/12/16</td>
</tr>
<tr>
<td>Case study and role play development</td>
<td>2 days</td>
<td>Tue 7/12/16 Wed 7/13/16</td>
</tr>
<tr>
<td>Curriculum draft review and editing</td>
<td>2 days</td>
<td>Thu 7/14/16 Fri 7/15/16</td>
</tr>
<tr>
<td>Training curriculum approved</td>
<td>1 day</td>
<td>Fri 7/15/16 Fri 7/15/16</td>
</tr>
<tr>
<td>Task 3 - Customer Service Metrics</td>
<td>45 days</td>
<td>Mon 6/20/16 Wed 8/17/16</td>
</tr>
<tr>
<td>Data analysis and correlation</td>
<td>20 days</td>
<td>Mon 6/30/16 Fri 7/15/16</td>
</tr>
<tr>
<td>Metrics drafted</td>
<td>10 days</td>
<td>Mon 7/25/16 Fri 8/5/16</td>
</tr>
<tr>
<td>Review with subject matter experts</td>
<td>5 days</td>
<td>Mon 8/8/16 Fri 8/12/16</td>
</tr>
<tr>
<td>Implementation meeting</td>
<td>1 day</td>
<td>Wed 8/17/16 Wed 8/17/16</td>
</tr>
<tr>
<td>Task 4 - Training</td>
<td>17 days</td>
<td>Mon 7/11/16 Tue 8/2/16</td>
</tr>
<tr>
<td>Training delivery methodology and dates finalized</td>
<td>1 day</td>
<td>Mon 7/11/16 Mon 7/11/16</td>
</tr>
<tr>
<td>Logistics planning</td>
<td>1 day</td>
<td>Wed 7/13/16 Wed 7/13/16</td>
</tr>
<tr>
<td>Training sessions (dates TBD)</td>
<td>11 days</td>
<td>Tue 7/19/16 Tue 8/2/16</td>
</tr>
<tr>
<td>Staff training</td>
<td>4 days</td>
<td>Tue 7/19/16 Fri 7/22/16</td>
</tr>
<tr>
<td>Management training</td>
<td>2 days</td>
<td>Tue 7/26/16 Wed 7/27/16</td>
</tr>
<tr>
<td>Evaluation and follow up</td>
<td>1 day</td>
<td>Tue 8/2/16 Tue 8/2/16</td>
</tr>
<tr>
<td>Task 5 - Post Evaluation</td>
<td>20 days</td>
<td>Mon 10/3/16 Fri 10/28/16</td>
</tr>
<tr>
<td>Survey design and development</td>
<td>5 days</td>
<td>Mon 10/3/16 Fri 10/7/16</td>
</tr>
<tr>
<td>Survey administration</td>
<td>10 days</td>
<td>Mon 10/17/16 Fri 10/20/16</td>
</tr>
<tr>
<td>Executive summary report</td>
<td>1 day</td>
<td>Fri 10/28/16 Fri 10/28/16</td>
</tr>
</tbody>
</table>

| Task 6 - Meetings                          | 90 days | Wed 6/8/16 Tue 10/11/16 |
| Project kick off                            | 1 day   | Wed 6/8/16 Wed 6/8/16  |
| Regular meetings - (TBD weekly or bi-weekly)| 90 days | Wed 6/8/16 Wed 10/11/16 |

| Additional Recommended Tasks                | 215 days| Mon 7/11/16 Fri 5/5/17 |
| Process improvement                         | 45 days | Mon 7/11/16 Fri 9/9/16  |
| Service standards development               | 45 days | Mon 7/11/16 Fri 9/9/16  |
| Reinforcement Program                       | 180 days| Mon 8/29/16 Fri 5/5/17  |
 TASK 1 - CUSTOMER SERVICE BASELINE ASSESSMENT  

Develop core competencies for all of Mesa Water to establish a baseline

- **Determine Desired Performance-Senior Management Interviews**

  Beginning at the most senior level, Moran Consulting will interview management and other key constituents of the process to begin achieving clarity on desired customer service performance levels for Mesa Water. The goal here is to begin the process to articulate the desired culture for the organization.

- **Pre-Training Survey**

  Moran Consulting will work with Mesa Water to administer a survey capturing service improvement opportunities and establish a baseline for measured results. Moran Consulting will analyze the data and identify gaps in the current culture versus the desired state. The outcome of this analysis will have three primary applications:

  1. Serve as a baseline measure for the initiative
  2. Provide detailed content for program customization
  3. Identify opportunities for process / infrastructure improvement

- **Conduct Focus Groups**

  Moran Consulting will facilitate focus groups with employees and customers. Through a facilitated process within each focus group, relevant examples and case study content will be captured. This exercise will not only capture necessary information to design relevant customer service training, it will serve as a baseline measure and identify key areas for process improvement. The focus group process will also have tremendous impact on the overall buy-in, emotional engagement, and support for the initiative.

- **Executive Summary Session**

  Utilizing data from interviews and survey, Moran Consulting will facilitate a meeting with the senior management group to reach consensus as to the desired performance and action steps required to close the identified gaps. Senior management will determine the measures that are most critical in assuring that the organization is moving in the desired direction. A detailed executive summary of assessment results and refined project plan will be delivered.

**TASK 2 - DEVELOP TRAINING**

Moran Consulting will customize a program for all-staff customer service training, and deliver that training to the Mesa Water team of trainers for future all-staff facilitation. The curriculum will include case studies, interaction, and role-plays for customer service skill-building that are specific to Mesa Water. While Moran consulting has 19 years of history with similar projects and government case studies, every project is unique. We will not only customize fundamental training modules but we will develop standards of service to be incorporated into the daily work routines of the staff. Standards may be universal in nature or role specific.
Some of the fundamental topics that are often a high priority for government service improvement include: Attitude of Excellent Service, Identifying Customer Needs, Thoughtful Body Language and Words, Uncompromising Service Contact, Resolving Conflict, Exceeding Expectations, Essential Practices for Email, Managing the Call, Essential Functions on the Telephone, and CHAT (Live Chat, Text, IM).

(Sample curriculum is provided in appendix of this proposal.)

A special process entitled Service Essentials™ for Managers may be modified for Mesa Water. This is a more in-depth course for managers to focus on building the infrastructure for the new customer service culture. Such infrastructure items include managing feedback, measuring service, and developing customer service standards. In addition, the course builds the leadership skills of managers to create a customer service culture, and provides them with the tools needed to inspire the continued delivery of excellent customer service. Understanding that Mesa Water has a small management team – this important infrastructure content may not take the form of a course and will be weaved through the entire process.

(Sample curriculum is provided in appendix of this proposal.)

**TASK 3-CUSTOMER SERVICE METRICS**

Measurement, Process Improvement, Accountability Standards, and Reinforcement

- **Metrics System**

  Moran Consulting will build the metrics system for Mesa Water to assure long term success. The process will incorporate the data collected in the assessment phase and be extremely inclusive of front line staff. Customer experience contact points will first be identified, followed by standards of service and measures associated with each. This enjoyable and interactive process will capture buy in and support from all levels of the organization. Once metrics are determined, a system for reporting and auditing will be established to support the long term sustainability of outstanding service.

**TASK 4-TRAINING**

**About the training delivery**

Upon finalizing program curriculum, the Moran team will work with Mesa water to determine the most effective training delivery methodology. Our team will manage logistics and supplies and assure an enjoyable and highly impactful experience for the Mesa Water staff. Often a two-day curriculum is recommended. Understanding that operational needs may not allow staff to be away from work for long periods of time, training may be delivered in smaller parts or in smaller groups. We find that classroom training the most effective way to start the training process, however, we offer webinar training as well. Upon completion of our assessment, a detailed training plan will be recommended based on the operational need of Mesa Water. Applying adult learning research every step of the way, participants will have an energizing and enjoyable experience. While the primary objective is enhancing service levels, as a result of the training Mesa water can expect a huge team-building outcome.
(Sample materials description and program evaluation results are noted in the appendix of this proposal)

TASK 5-POST EVALUATION

Post-Measure of Results

Moran Consulting will work with Mesa Water to conduct a post measure of success. Such measures may include the re-surveying of managers and staff, as well as internal and external customer satisfaction levels, and specific business results which may include customer satisfaction, employee satisfaction, cycle time, turnover, and quality. The timing of the post measure will be mutually decided with Mesa Water leadership. The ideal second measure is after some time has passed, staff have been trained, new standards are in place, and process improvement work has been implemented.

(Examples of post measured results are in the appendix of this proposal)

TASK 6-MEETINGS

The Consultant shall attend coordination meetings with Mesa Water or other agencies as directed by the Project Manager. The Consultant shall budget a minimum of 10 hours for this effort.

Moran Consulting will facilitate regular meetings to manage the project from start to finish. Meeting may be scheduled based on the operational needs of the organization. Meetings may be scheduled regularly throughout the process. Agenda items will likely include project updates, timeline review, program logistics and evaluation, metrics development and review, and process improvement.

ADDITIONAL RECOMMENDED TASKS

Moran Consulting may recommend the following project tasks/items as they may further enhance the long term results for Mesa Water.

- Process Improvement

The Moran team will identify from the assessment key opportunities for process improvement. Not only do we help identify the opportunities, we establish teams and teach process improvement skills to solve the problem. This interactive and inclusive process engages the front line in helping the organization make good decisions and provide better service to customers.

- Accountability Standards

The Moran team will establish service standards and incorporate them in to the training. Service standards will include universal standards which are expected of everyone regardless of role, as well as, function-specific standards. These standards will be developed with front line involvement and blessed by management. Once implemented,
Moran Consulting will support Mesa Water with the incorporation of these standards into your performance management system.

• Reinforcement Program

Moran Consulting will develop a customized reinforcement system; a tool that will help managers be successful in the critical endeavor of reinforcing desired behavior. Comprised of 20-30 minute training segments and designed to be delivered by managers in a regular meeting, this approach to reinforcement embraces the role of the manager to lead behavior change. The reinforcement system is easy to implement, time sensitive to daily operations, action-oriented, and cost-effective.

The Moran team is extremely excited about the possibility to serve at a consulting partner with Mesa Water for this important work. Understanding that there are alternate methods to meet the needs of Mesa Water, Moran consulting is flexible in making any necessary adaptations to this process.
APPENDIX A – RESUMES OF KEY STAFF

Provide resumes of key personnel whom will be responsible for the delivery of the services/project.

ROBERT MORAN, PRESIDENT

As the founder and president of Moran Consulting, Inc., Bob has partnered with more than 500 companies around the world to inspire success within their organizations. As an expert in organizational culture change and with more than two decades of experience designing large scale development projects, Bob has built Moran into a trusted partner for organizations large and small. Specializing in organizational change initiatives, individual and team development, strategic planning, and customer service training, Moran engineers customized solutions and guides organizations through planning, transformation and reinforcement to ensure long-term success.

Bob’s career began with the Marriott Corporation as a service manager in the hospitality and healthcare divisions. After over a decade of service with the Marriott Corporation – holding multiple roles including front line manager, department head, internal consultant, new product and sales development, creator of integrated service delivery models and customer service training systems – Bob launched Moran Consulting, Inc. and the Service Essentials™ product line in 1997.

Bob’s credentials include a Bachelor’s degree in hospitality management from the University of Wisconsin – Stout; an MBA from Maryville University of St. Louis; and a Certificate of Advanced Studies in Organizational Development from Loyola University in Chicago. Bob served on the Board of Directors for The Association of Quality and Participation, and has delivered keynote speeches to multiple national organizations on the subject of customer service excellence and organization-wide culture change.

MELISSA SIEMERS, OPERATIONS DIRECTOR

As the Operations Director for Moran Consulting, Inc., Melissa manages key functions at both a strategic and operational level to ensure seamless execution of all client projects. She works closely with both department heads and senior management to align project implementation with standards of operational excellence and superior service.

Prior to joining Moran Consulting, Inc., Melissa worked for a large national insurance brokerage firm in Chicago where she was responsible for the marketing and management of large accounts. Additionally, she served as the Office Manager for the department, overseeing service staff and analyzing processes to ensure compliance with best practices. With over 10 years of experience in customer service driven environments, Melissa understands a broad variety of client industry needs and strives to ensure quality procedures and results.

Melissa earned her Bachelor’s Degree in Marketing from Elmhurst College. She is an active member in her community and enjoys volunteering at Feed My Starving Children.
ANDREW PECK, PROJECT MANAGER AND FACILITATOR

Andrew has been a successful project manager and facilitator with Moran consulting for seven years, serving as the primary client relationship and project manager for every Moran client. Andrew excels at managing large scale projects, complex organization-wide initiatives, and communicating the important principles behind delivering excellent customer service. His passion for service makes him an advocate for Service Essentials™ training in partner organizations, and he delivers dynamic customer service training programs for our clients, like the Aiso Library in Monterrey, California, and the Commonwealth of Virginia.

Andrew is an expert at crafting and analyzing client surveys, data collection and competency development processes. Recently, he orchestrated a complex organizational redesign for the Washington State Investment Board, working closely with the client’s IT department and external vendors to manage new technology integration for the organization.

Andrew holds a Bachelor’s degree in Journalism from Indiana University. Prior to joining the Moran team Andrew worked as a reporter for several media outlets including the Indianapolis Star and Chicago Daily Herald newspapers. He also served as the Community Relations Coordinator for the Johnson County Indiana Public Library system. With over 15 years of professional work experience in customer service, journalism, public relations and marketing, Andrew has become the expert case study writer for Moran Consulting, crafting thousands of case studies for client training materials.

NICOLLE CARFAGNINI, CONSULTANT/FACILITATOR

As an organization and development consultant and trainer with over 22 years of experience, Nicolle has been the lead consultant on Moran Consulting projects in public/government sectors, on organization-wide culture change processes and on large-scale complex organizational projects. Her energetic style enhances learning and inspiration with all levels of staff.

With a background as a government employee, Nicolle brings a unique hands-on perspective to the challenges faced in the day-to-day work in a public organization. Nicolle has worked closely with several government organizations to include the City of Houston, City of Shoreline, WA, the Internal Revenue Service, the Commonwealth of Virginia, the Department of Defense, the City of Schaumburg, IL, the City of St. Charles, IL, and the Village of Norridge, IL. In addition, she has served as the lead consultant/facilitator with the Cook County Bureau of Health, Rush University Medical Center and St. James Medical Center where she led a training initiative of over 2,500 employees. Nicolle is an expert “Trainer of Trainers” as she has led the Service Essentials train-the-trainer process for numerous organizations.

Nicolle’s credentials include a B.A. in Organizational Development from DePaul University and she is a certified instructor for many nationally known leadership and staff training programs.
DONNA SEAL, CONSULTANT/FACILITATOR

As an expert Service Essentials trainer with a dynamic interactive style, Donna is adaptable in a wide variety of industry settings. Donna uses her natural style to train groups in an easy-to-learn manner. Using stories, personal experiences, group discussions and quotes, Donna transitions easily from objective to objective allowing trainees to make the most of their experience. Her belief is that “the objectives are our goals and the essential practice is what we will discuss.” However, the “real” practice comes for the participants when they return to work and implement their action plan. Practice at work has much more impact and is longer-lasting than practice at a seminar. Donna served as a lead consultant/facilitator in the recent organization-wide customer service culture project with the Mobile County Health Department.

Her ability to connect with the people on the front line within a government organization brings tremendous synergy to the culture change process.

Donna Seal is a human resource consultant and a facilitator for various training programs, specializing in customer service training and consultation in the workplace as well as an accomplished public speaker and facilitator for businesses, schools, and community groups. Through her public speaking and facilitation, Donna is able to guide people from awareness to action and from ideas to results. She was a featured speaker on team building and empowerment at the Arkansas Prevention Conference.

With her experience and affiliations with distinctive training programs, Donna brings a unique blend of corporate perspective and human needs to the workplace. Donna has worked closely with McKinsey & Company, Exactech, Novartis, the U.S. Government, Beverly Enterprises, Family Counseling Center Inc., Axiom, Wal-Mart Stores Inc., and numerous school systems. For the past 10 years Donna has focused on initiatives in non-for-profit organizations.

Donna’s credentials include a B.S. in Psychology from Arkansas State University and a M.S. in Social Work from the University of Tennessee.

BOBBI PAINE, CONSULTANT/FACILITATOR

Bobbi is a tremendous asset to Service Essentials clients. Her expertise covers a gamut of industries, which include government, medical, financial, hospitality and service support call centers. She is a high-quality trainer with a vibrant, interactive style who also possesses a natural ability of discernment.

Bobbi has over 20 years of customer service, training and sales experience. Her career has included positions from Manager of Customer Relations, Sales Supervisor for an industry-leading mortgage company, and Senior Product Instructor for a world renowned software company for the call center. She is also a certified instructor for the support industry standards and holds membership in the world’s largest association for the support center industry, The Help Desk Institute.

As a Manager of Customer Relations, Bobbi was the ear of the company and the voice of the customer. She found great satisfaction in providing excellent customer service to customers at all levels. It was at this time her passion for customer service blossomed and her dream of training the philosophy was born. As a Senior Product Instructor, Bobbi was responsible for nationwide train-the-trainer sessions, mentoring and coaching. Her work included the
development and training of sales programs, value added reseller programs, and new employee product training. In addition, Bobbi has spoken at several user groups and has designed and delivered workshops on many occasions as a subject matter expert global facilitator.

Bobbi is a professional in the areas of customer service, call centers, sales training, trade shows, user groups, coaching and mentoring. She has worked with numerous Moran Consulting clients to include AHIMA, IRS, Boral Building Products, nSpire Health, Samsung SDS America, Jergens, MacLean Power Systems, National Center for Health Statistics, Casey’s Cupcakes, and Franke Foodservice Systems.

KATHLEEN DOLAN, PROJECT MANAGER

With twenty years of large scale project management experience, Kathleen brings an intricate ability to handle complex projects and a global vision to Moran Consulting, Inc. clients. Kathleen’s expertise is working with corporations around the world to increase client services while reducing costs. With global clients such as Novartis, Abbvie, and Stork Materials Testing the majority of her experience is with large organizations operating in international markets. Kathleen works with our clients on assessing initial needs; project planning; communication dynamics; strategic oversight; and developing continuous reinforcement programs to ensure organizational success.

In addition to consulting with Moran for fifteen years, Kathleen has served as the Director of multiple MBA programs, including the Moore School of Business at The University of South Carolina and the Missouri University of Science and Technology. Kathleen currently holds the position as Director of the Executive MBA and Executive Education for the Trulaske College of Business at the University of Missouri.

Kathleen earned a Bachelor’s Degree in Journalism and Communications from St. Louis University in Missouri, and went on to achieve an MBA at IESE Business School in Barcelona, Spain. Fluent in Spanish and an avid traveler, Kathleen enjoyed her time living in Europe and still travels as much as possible.

Kathleen’s credentials include a B.S. in Communications and a Master’s in Business Administration.
Appendix B: Professional Services Agreement Acceptance Form

Firm Name: Moran Consulting, Inc.

Address: 833 W. Belle Plaine #1

City Chicago State IL Zip Code 60613

Telephone: 800-980-0116 Fax: 773-388-9442

I have reviewed the RFP and Professional Services Agreement in their entirety. Our firm will execute the Professional Services Agreement with no exceptions.

Name of Authorized Representative: Robert Morgan

Signature of Authorized Representative: [Signature]

Date: 4-28-16
Service Essentials™ Training Curriculum

The following curriculum may be customized and delivered in a number of formats to meet the complex scheduling needs of Mesa Water. This dynamic, interactive process will excite participants as they work to master the practices to ensure great customer service.

Service Essentials™ for Everyone

Module 1  Attitude of Service Excellence
This module helps learners see the connection between how they feel when receiving good and bad customer service and the feelings of their customers.

Module 2  Identifying Customer Needs
Identifying the needs of customers is a skill that requires listening and probing. This module provides skill building in how to identify customer needs.

Module 3  Thoughtful Body Language and Words
Much is communicated with customers through body language and word choice. This module practices correct body language and helps participants choose proper words to deliver great service.

Module 4  Uncompromising Service Contact
Each contact point with a customer is an opportunity to delight or disappoint. This module guides learners through a comprehensive analysis of their role and the service contact points for which they are responsible.

Module 5  Resolving Conflict
Customers get angry and your staff needs the skills to handle conflict. This module provides learners with a simple process to professionally handle difficult situations without taking the customer's anger personally.

Module 6  Exceeding Expectations
It is the little things that make a big difference. This module focuses on the opportunities to exceed expectations in a way that builds customer loyalty.
Program Features

*Service Essentials™* programs are built around adult-based learning principles, and are designed to be interactive and engaging for participants. The cornerstones of the curriculum and design are:

◊ **Based on Behavior Modification.** Aligning attitudes and behavior with the intention of creating a superior customer service culture.

◊ **Link Performance with Action.** This program is designed to link to performance to detailed individual action plans which participants develop in the training. Writing down goals and creating a plan to follow-up reinforces the commitment to act and perform.

◊ **Focused on Reinforcement.** Participants receive the Essential Practices Card as a tool to keep handy for daily reinforcement of skills learned in the training.

◊ **Energizing & Enjoyable.** Participants interact in creative ways and apply their experiences as customers to each skill. The learning environment is fun and the trainer builds a high level of excitement about excellent communication.

◊ **Designed for Internal & External Customers.** All skills apply to the external customer who actually pays for services or products, as well as the internal customer who needs excellent service from co-workers.

◊ **Team Building.** Interaction during the learning process has a natural impact on improved working relationships among participants.

Results You Can Expect

◊ Customers will return because they receive excellent customer service

◊ Mesa Water will represent the highest level of service, improving brand image and customer loyalty

◊ Positive word of mouth will permeate about your service and revenue will increase

◊ Internal customer service practices will increase morale and reduce turnover

About Participant Materials

**Participant’s Manual:** The *Service Essentials™* Participant’s Manual is a step-by-step guide for the learners. The manual includes exercises, reference material, practice sessions, case studies, and action plans. A *Service Essentials™* For Everyone participant manual is required for each participant to experience the learning process.

**Essential Practices Card:** The Essential Practices Card is a pocket-sized laminated tool designed to be used as a daily reminder of the essential practices for great service.
Program Customization: Program materials may be customized to meet your special needs. Customization may include your company logo, slogan or vision in the material, as well as the development of case studies customized to include specific service examples that are real to the participants.

Reinforcement of Skills: Specific program components are designed around the reinforcement process. Each module of training includes a self-assessment rating process where participants rate themselves on the essential practices of service excellence. The ratings are compiled into the form of an action plan in the session. Action plans are designed for supervisor review 30, 60, and 90 days after the training.

Program Evaluation

Program evaluation is included in the Service Essentials™ process. When our team of expert trainers facilitates your training, evaluation surveys are sent to all program participants for feedback.

Pre-and-Post Measurement

The following process is designed for the most effective and comprehensive results. Mesa Water may choose all or part of the options outlined below, depending upon organizational goals and budgetary requirements.

1. Measurement System Design and Administration. Using existing customer service data as a base, Moran consulting will work with Mesa Water leadership to design a survey of internal and external customer service questions that apply universally across all departments. The survey will be structured with the end goal of reporting to be segmented by individual department / functional areas. Moran consulting will orchestrate the sending of electronic survey links to the Mesa Water organization and a select group of customers to include reminders. Sections of the survey as outlined in standards will include:
   - Respect
   - Professionalism
   - Attitude (genuine)
   - Responsiveness
   - Informative
   - Follow up
   - Telephone and email communication
   - Best practices for in-person, contact tracking, and service recovery

2. Managing change and communication. Understanding that the dynamic of departments measuring each other's service may be new to Mesa Water, the introduction and communication of the process is critical. Moran Consulting will provide Mesa Water with the tools and the facilitation to clearly communicate the Why, What, and How behind the process. This step in the process may include the following deliverables:

   Presentation
   - linking the internal measurement system to feedback from the organization
• Overview of the What, Why, and How the measurement system will be implemented.
• Timeline for process implementation as well as follow up measures

Service Essentials Mini-Module Reinforcement System Topics:

Modules may be selected from the Service Essentials™ Mini-Module Reinforcement System topics for Customer Service Training at Mesa Water:

1. Attitude of Service Excellence
2. Linking to your Organization's Vision
3. Identifying Customer Needs
4. Internal Customer Service
5. Thoughtful Body Language
6. Tone of Voice
7. Positive Word Choice
8. How to Say "No."
9. How Big is your Impact with Customers
10. Removing Barriers to Great Service
11. Handling Angry Customers
12. Service Recovery
13. Exceeding Expectations
14. Use Email with Care
15. Respond Promptly to Email
16. Be Aware of the Audience in Email Communication
17. Show Respect and Be Courteous in Email Communication
18. Format Email with Brevity
19. Communicate Effectively with Email Through Clarity
20. Always Proofread Email
21. Managing Email
22. The Telephone Call Process
23. Tone of voice on the Telephone
24. Asking the Caller to Hold
25. Taking a Message on the Telephone

Participant Evaluation Comments from similar Government Service Projects:

A few of the many examples of Moran Consulting's measurable results are currently at Mobile County Health Department, The City of St. Charles, and The City of Houston. Shown below are bulleted lists of comments from participants seeing noticeable, positive changes.

Mobile County Health Department

• Has become a way of life for staff! More teamwork internally, positive attitude, morale improved
• Noticeable positive changes, cohesiveness - working well together, Teamwork!
• I've seen more smiles, words of encouragement, and teamwork amongst managers.
• My department has the service excellence motto at their forefront
• Improved morale, improved customer service, increased trust, increase openness in communication, improved recognition
• Departments working more efficiently together
• MCHD leaders are a Team, communicating effectively, supporting others
• Attitude improved with employees, patients seen happier when they have
• Improved telephone etiquette, more attention to referral process
• Clients/customers recognizing that there is a change in staff and processes, employees more willing to step out of their comfort zone to assist and help others

The City of St. Charles

• I enjoyed the review and the highlight that was placed on the importance of providing excellent customer service. The City scores very well on surveys that reference customer service and I think that it is critical for the organization to make sure that this continues into the future.

• I enjoyed the group discussions and hearing the comments and responses on how my team would handle a particular situation.

• Hopefully others will benefit from having this fresh in their mind as they interact with internal and external customers. If doing this changes a few complaints into compliments, or avoids a few complaints, the time spent was worth it.

• I firmly believe the positive interaction between the different departments and employees from all levels in the organization will bring increased understanding and respect for the work we all do.

• While trying to provide good service to outside customers on a daily basis, I have to remember to not let service slip with internal customers.

• It was good to be made more mindful of how we are perceived by others, either by the tone of our voice or by our body language, and to realize that our fellow employees are our customers too.

The City of Houston

• Everything in the handout was very valuable. I am looking forward to getting back and start utilizing some of the things we learned.

• The information and discussion with respect to email was very useful. It was also a good step back to discuss how to be "cheerful" in communications. I tend to be "just the facts", but simple salutations do not belabor the communication.

• I enjoyed the equal balance in focus between internal and external customers.

• We will continue to stress customer service and become even better at providing a high level of service.

• It has completely changed how I view my role and those that I serve.

• I have already started being more friendly and responsive internally via email and phone.

• It is helping to build relationships, which will help the organization run more smoothly.

• I know now that Customer Service is not only spoken about, but it is also demonstrated by training employees to implement the Department’s Vision.

Appendix Page 5
• When we intentionally make an effort to get to know one another we will improve customer service and create a seamless process.

• I think the organization will really benefit from the focus on customers. I believe that this will really enhance morale and give our work extra meaning.

Government Project Case Studies:

Each module includes a case study that may be customized to reflect the key learning of the mini-module topic. Moran Consulting also offers the service to customize your case studies to reflect real life situations with internal and external customers of your organization. In addition, the materials may include logos, slogans, and any other desired corporate identity to personalize them to your organization.
Government Finance Organization

Situation:
Moran Consulting was selected as the consulting partner to assist a state government financial organization with the specific need to improve internal customer service between departments. The organization provides retirement, disability and survivor benefits, and administers health care programs to residents of the state.

Problem:
- Negative relationships between employees both within the same department and in other departments.
- General lack of understanding for other’s job functions.
- Poor inter-department communications throughout the entire organization.
- Internal service failures causing negative external customer experience.

Solution:
- **Service Essentials for Everyone by Moran Consulting**: Customer service training for all staff to include fundamental skill building around attitude, identifying needs, thoughtful body language and words, service contact points, handling difficult and angry customers and exceeding expectations.
- **Service Essentials for Managers by Moran Consulting**: Training for all organization leaders. Skill building includes creating an environment of service excellence, managing communication and feedback, measuring service and recognizing excellence.
- Designed and implemented internal customer service standards, created employee satisfaction surveys to measure success rate for meeting new standards. The Moran process for standards development involves collaboration and consensus among both the front line staff and leaders; clarifying goals and expectations to assure buy-in and successful implementation.

Results:
Pre- and post-measurement survey of employees throughout the organization showed the following increases in important areas of measurement:

- **31%** in the positive “attitude displayed by the staff” toward the individual employee.
- **16%** in the “quality of service I receive from other departments”.
- **16%** in hearing “coworkers speak positively about the organization”.
- **15%** in the area of “exceeding other departments expectations”.

MORAN Consulting, Inc.

Case Study
Government – Healthcare Facility (Community Hospital)

Situation:
Moran Consulting was selected as the consulting partner to assist a 300-bed community hospital with improving customer service and their image within the community. The hospital is a part of a large county government healthcare system, and is located in an underprivileged community. Many patients are on government assistance programs, such as welfare, and use Medicare and Medicaid to pay for healthcare services.

Problem:
- Patient satisfaction scores were at an all-time low while complaints were at an all-time high.
- Morale was low among the hospital employees – negative job satisfaction scores and lack of pride in individual work was driving the hospital culture.
- Hospital leadership was concerned with the image in the community – surveys showed a very poor perception of the quality of care provided by the hospital.

Solution:
- Consulting Service – Senior Management Alignment: Moran worked with leaders to assure clarity and consistency around the vision and goals of the service improvement process. Leaders committed to their role around improving communication, engaging in the day-to-day activities in their departments, measuring and rewarding success, and providing resources for employees.
- A Train-the-Trainer program for customer service training: Internal staff were trained by Moran to deliver the Service Essentials for Everyone program to approximately 800 employees. An “audition” process for trainers was used to help uncover hidden talent within the organization, identify a talent pipeline within the existing rank, and create ambassadors for change in the hospital.
- Service Essentials for Everyone by Moran Consulting: Customer service training for all staff to include fundamental skill building around attitude, identifying needs, thoughtful body language and words, service contact points, handling difficult and angry customers, and exceeding expectations.

Results:
A three-year post-measurement survey revealed a
- Dramatic reduction in patient complaints.
- 32% increase in the positive image of the quality of care provided by the hospital.
- Employee culture survey revealed a 54.6% increase in the quality of the reputation of the hospital as providing good patient care.
Situation:
Moran Consulting was selected as the consulting partner to assist a large, multi-dimensional county health department with an organization-wide culture improvement initiative. The project included the development of department-specific service standards and design of measurement systems for over 40 clinical and non-clinical service areas. One of the departments was a state-funded program for Women, Infants and Children (WIC) whose diverse staff members include nurses, nutritionists, lab technicians, receptionist and other high-functioning support roles.

Problem:
The WIC group was experiencing the following issues within their department:
- Concerns that the declining caseload, patient participation rates and show rate for appointments would adversely affect the amount of discretionary funding received by the group.
- A multitude of complaints about poor service, long wait times and extended processing times for patient results.

Solution:
- Service Essentials for Everyone by Moran Consulting: Customer service training for all staff to include fundamental skill building around attitude, identifying needs, thoughtful body language and words, service contact points, handling difficult and angry customers and exceeding expectations.
- Development and implementation of department-specific customer service standards. The Moran process for standards development involved collaboration and consensus among both the front line staff and leaders – clarifying goals and expectations to assure buy-in and successful implementation across the organization.

Results:
Over a period of three months, WIC experienced:

- 4.6% increase in case load
- 4% increase in participation rate
- 13% increase in show rate

The amount of time it took for a patient to get through the system – from check-in through discharge – was reduced by 25%
Noticeable reduction in complaints
Located forty five miles west of Chicago, Illinois, the beautiful setting, convenient location and abundant natural resources provided by the Fox River and its surroundings allowed the City of St. Charles to evolve from a small river settlement in 1833 to the proud community it is today. St. Charles has become a dynamic, prosperous city with a strong economic base and quality schools, parks and services. St. Charles' attractiveness and location create pressures for growth in housing, retail and employment as more people seek to become part of the community. This growth challenges the city to create new ways to preserve character, manage direct impacts such as increased traffic, and maintain quality services. The city has adopted six core values as the base of their planning and action steps to serve the community:

- Customer Focused
- Excellence
- Future Oriented
- Integrity
- Openness
- Lead by Example

**Background**

The city government has two primary external customers, the residential community and the business community. In 1997, the city administration took action on complaints they were receiving from the business community regarding service. In order to better understand customer needs, the city administered a citywide survey entitled the "Priorities Survey" as well as "The Business Retention" survey for the manufacturing community. Based on customer feedback, the perception of many customers was that the city was difficult to work with at times. Also expressed by the customers were observations that certain requests, i.e., obtaining building permits, were delayed because they required multiple-department involvement in the process. The customers felt that internal communication was a challenge for the city and caused costly delays to building projects. A new mayor was elected in 1997 on a platform of making the city more "business friendly." The city administrator clearly recognized that training the staff on the fundamental skills of excellent service was needed. In addition, it was becoming clear to the administrator that the employees of the city must be brought to the forefront to deliver excellent service to the external customers. The satisfaction of the employees, the way they serve each other, their involvement in improving processes, and their adherence to customer service standards were identified as critical components of the customer service challenge. The city adopted the balanced scorecard process to measure performance in the areas of finance, operations, customer service, and employee satisfaction.

**Training Pilot**

The city administration identified the need to train city inspectors on the fundamental skills of providing excellent service to the community. The primary goal of the training was to give the inspectors the tools they needed to handle difficult situations as well as allow them leeway to make decisions in the favor of the customer. The overall desired change was to encourage staff to work with people versus focus only on the regulations. Service Essentials™ For Everyone - a comprehensive customer service training process, published by Moran Consulting, Inc., was selected as the tool for training. After an extremely successful training pilot with the city inspectors, the city made the decision in 1998 to provide training to every employee, supervisor and manager employed by the city.

The organization-wide training process began in 1998 with the selection of 10 individuals from various
departments to deliver the training. Once certified, each trainer delivered the course to groups of ten to twelve employees. In addition, the training process has become an essential component of the new employee orientation at the city. The curriculum included the six essential practices for great customer service:

Module 1  Attitude of Excellent Service
Module 2  Identifying Customer Needs
Module 3  Thoughtful Body Language and Words
Module 4  Uncompromising Service Contact
Module 5  Resolving Conflict
Module 6  Exceeding Expectations

The city has adopted a report card of measures to monitor the results of their customer service initiative. Such measures include: Customer Satisfaction, Internal Customer Satisfaction, and Employee Satisfaction. A pre and post training survey for the participant’s perception of the change in the working environment was also provided. In addition, the city keeps an eye on the number of customer complaints as well as success stories. Other measures that are reviewed include the quantifiable value of customer retention efforts.

In a recent interview with the City Administrator, Larry Maholland, and the Human Resources Director, Kathy Livernios, some questions were asked regarding the results of the training process. Here are a few of their comments:

What are some results you have experienced regarding external customer service?

"The city often receives letters about people who work for the city that gave great service to customers; annual customer satisfaction surveys are starting to show results. We have customer service process improvement teams working on processes that are important to our customers and new standards are being developed as a result," Maholland reports.

Strategies to achieve that objective include increasing distribution and quality of "The Resident Guide," adding features and information to the city's web site and increasing he awareness and participation in the St. Charles Cooperative web site. Results of this process are currently being measured by tabulating the number of calls for information into the city offices.

What are some results you have experienced regarding internal customers?

"Employee satisfaction surveys and internal customer service surveys are administered every other year. We are starting to see positive results. Employees are choosing to remain working for the city because of the positive working environment; departments are working well together; people are still talking about the training that was conducted over two years ago," reports Livernios.

The city has implemented a tracking system indicating why people leave the organization. Data indicates that people who leave the city are leaving for very personal reasons as opposed to reasons regarding dissatisfaction with the employer.

One Quantifiable Example of Customer Service Recovery

The city has experienced multiple success stories as a result of the training. One story shared by Maholland involved a customer who was hesitant to bring business into St. Charles based on word of mouth reports of bad service in the community prior to the training. Larry Swanson, the St. Charles Fire Chief, was involved in the service recovery effort writes...

A potential new business, owned by a local resident, considers moving into the community. It is a quality, well established business and deemed very desirable for the community. There is a problem. The owner approaches the city administrator and says he would really like to build his new facility in the community, but he's been advised by a number of contractors that the city is impossible to deal with, especially the fire department, which is extremely tough and difficult to satisfy.

The administrator suggests the owner contact the fire chief and advises that he is sure the owner will discover far less difficulty than he imagines. The contact is made and it is suggested that the owner bring in his design team and sit down for a meeting so any issues he may have can be brought forth and resolved. The meeting occurs, the owner and his team seems very surprised at how easily it moves through matters about the site and the facility construction. A number of suggestions are made as to alternate ways to do some things, which in fact saves the owner money and will speed the construction process as well. The meeting ends and the team leaves still seeming surprised at how well things went.

Plans are developed, reviewed; some minor changes are needed and made in a timely manner. The construction goes forth and the owner meets his project schedule completely and opens his new facility somewhat
ahead of time, and much quicker than he thought based on prior misconceptions. The owner called the city administrator and tells him the project was well done and congratulates him on the cooperative attitude of the city staff in the whole process, then follows up with a letter affirming their conversation. The business had become a successful part of the community.

This is not only CUSTOMER SERVICE, but has changed the perception of a number of persons as to what can be expected from the community.

Government, especially in the public safety field, has two customers at all times. The one we are dealing with in this example, and the customer that is the entire community at large made up of all the citizens and businesses. It can be a very fine line in meeting the needs of both customers simultaneously, but one that needs to be walked.

The customer in the situation above wrote a letter to Mayor Klinkhammer of St. Charles. Noted here are a few quotes from the customer letter:

"When we first considered moving to St. Charles, we expressed concern over the city's reputation of being difficult to work with on construction projects. During the construction process, I can say with all honesty that the interaction we experienced with every city department was professional, courteous and respectful of our needs and time constraints. After the project was completed, the many staff members we worked with left me with the impression that St. Charles was a community that would welcome our business and work with us to achieve our goals."

What is the dollar value to the City for the customer in this story?
Maholland responded: "Approximately $140,000 a year in taxes." When asked how long the city would like to keep the customer, Larry's response was "Forever!"
For the sake of the math, let's assume the customer stays in the city for 20 years.
$140,000 x 20 years = $2.8 Million
Research says that the average happy customer shares their experience with about 10 others. In this example, the value may be:
$2.8 Million x 10 = $28 Million
Research says that the average angry customer shares their experience with about 20 others. In this example, the cost of losing this customer might have been:
$2.8 Million x 20 = $56 Million

What were some obstacles in creating a customer focused culture in your organization?

Obstacle #1 - Typical Cynicism
"We are finally overcoming the 'nay-sayers'," says Maholland. "Those are the people who are negative in the organization and would not support such an initiative. Some of them are leaving; others are slower to change. We had to get past the novelty phase where the staff does not know how to react and might consider such an initiative a flavor of the week."

Why are the 'nay-sayers' coming around?
"Because they know we are going to follow-up and live up to what we said we were going to do." People generally don't like change. The 'nay-sayers' will likely say they have tried this before and it didn't work."

Obstacle #2 - Implementing a New Initiative
"Overcoming the status quo of people who are busy and work hard with little time for anything new. I think if you really believe in the concepts of Customer Service Excellence, you will overcome all obstacles. We realized that a new initiative takes time to gain the buy-in from staff. Our experience is that if you keep plugging away and do what you say you are going to do, people will eventually buy-in to the change. Once the concepts are ingrained in the organization, they are accepted as a part of the culture."

What other strategies have you implemented to reinforce the Service Culture?

Breakfast with the Employees
"We started a program where we randomly select 7 employees twice a month to go out to breakfast with administration. We rarely even talk about work; it is simply an opportunity to get to know each other. This is an example of a new initiative that was awkward at first, but now is an accepted part of our culture."

Listen and Learn
"This is a new initiative where supervisors with more than one level of authority will meet one on one with
employees under their span of authority who do not report directly to them. For example, I will meet with every employee of the city except department directors and my assistant. Often when we, the administration, spend time with front line staff, it is in a formal setting like an all-staff meeting. In such settings we don't really learn much from the employees. The objective of "Listen and Learn" is to generate dialogue about difficulties that may be caused by decisions we make. I don't expect this to be effective right away. Real change takes time. I expect that several months down the road, this new method of feedback will be effective.

The city's employee survey includes the following question. "My department's management shows a great deal of respect for my skills and abilities." The city developed an initial goal to improve this score from a 4.89 to a 5.00 in one year on a seven-point scale, and they expect to see greater improvement thereafter. The "Listen and Learn" program is a strategy in place to make that goal a reality.

Soliciting Feedback From Customers

"We have a part time individual assigned to go out and talk to developers and get feedback. This is not a formal quantitative survey; it is more of an informal interview to attain open-ended feedback. We find this extremely helpful to find out better ways to meet our customer's needs."

Soliciting feedback from customers was developed in response to customers indicating a need for better communication between internal departments. This process was instrumental in creating the standard to do more pre-planning with the business customers.

Process Improvement

Are there specific processes that have improved as a result of this process improvement effort?

"I believe process improvement and customer service go hand in hand. You can't have one without the other. Customers expect great service and they expect the process to go well. We are training our staff on process improvement. Our ultimate goal is to have the front line staff completely empowered with process improvement. Participants on process improvement teams are evolving to be coaches to other teams and are participating on the steering committee."

The city has developed a new process that the city believes will make a huge impression. The city departments involved in a project will meet with businesses and architects prior to the development of drawings for construction. By doing this, the city can anticipate their needs and the problem areas to watch out for. This should have a huge impact on cycle time for approval for the plans. This process builds quality into the system where the city is partnering with its customers to help them succeed and meet their needs.

In addition, behavioral standards have been built into the employee evaluation process. These standards include the behaviors that turned this customer situation around.

One process team was assigned to work on Accounts Payable, specifically the length of time for invoice payment to vendors. The newly developed standard is that 90% of bills will be paid within 30 days.

"We are just starting to see results. One example is in the area of Accounts Payable. The team developed a report that is distributed to inform all departments of payments outstanding.

Data indicates at the beginning of the process 68.4% of the bills were paid within 30 days. Currently 93% of the bills are paid within 30 days.

Do you believe the Training Process has an impact on the process improvement initiative?

"Absolutely, process improvement is simply the next step in giving great service to our customers."

In what ways have you built accountability into the customer service initiative?

"As a result of the customer service focus, we hold ourselves accountable to improve the customer satisfaction scores. The areas needing improvement are incorporated into our performance goals."

Summary Survey of Service Essential Training

Process and Results

- Pilot training program with inspector group
  12/97
- Train the trainer program for selected trainers
  2/98
- Organization-wide training program roll out
  3/98 through 12/98

Employee Opinion Survey:

Scale: Each statement can be rated on a scale of "1" to "7" with "7" being the best possible score. Thus, on average, the closer a rating is to "7" the better it is. The numbers are equivalent to the following scale: 7= Strongly Agree, 6=Agree, 5=Slightly Agree, 4=Neutral, 3=Slightly Disagree, 2=Disagree, 1=Strongly Disagree.

Two questions that may be relevant regarding employee satisfaction are noted below:

1. The city's management holds a common philosophy that provides me with a real understanding of what the city stands for.

   Average score (7 point scale):
   1999  2000
   4.46  4.62

2. I understand the city's mission and goals.

   Average score (7 point scale):
   1999  2000
   4.86  5.10

Internal Customer Satisfaction

In a recent internal customer satisfaction survey report, employees shared the following commentary:

"I can see a difference: less blind transfers, more sharing of department information, more interdepartmental communication. Not everyone gets it, but they are a minority."

"Customer service in all divisions has been improved this year."

"I do feel the city is pushing forward in all aspects to improve the system and make each and every employee a better productive person, at the job as well as on a personal level." I have never worked for any company who has gone the extra mile to educate and train their
employees. My only regret is I didn't come to the city ten years ago."

**Pre and Post Training Survey - Opinion of the participants**

A pre and post-survey was conducted as a part of the measuring the process and participants responded to the following questions:

The percentages noted here represent average scores based on 100%. The higher the averages score the more positive the overall response.

**Pre-training** | **Post-training**
---|---
The city employees in my department... | 
Have an attitude that represents excellent customer service. | 73% | 78% |
Practice effective listening skills to identify customer needs. | 71% | 75% |
Practice body language that delivers a positive message to customers. | 65% | 72% |
Take advantage of all opportunities to deliver excellent service. | 68% | 74% |
Effectively resolve conflict with customers. | 73% | 76% |
Go the extra mile to delight customers. | 65% | 74% |

**Return on Investment (ROI)**

ROI is a tough measure when it comes to training. Many of the city’s focused initiative are affecting the bottom line. Let’s look again at the one example shared by Larry Swanson.

The saved business customer will pay taxes to the city in the amount of $140,000 per year. The customer was so delighted with the excellent service that he wrote a letter of thanks to the city administration. Statistically he will share his experience with 10 others who may bring businesses into the city.

$2.8 Million * 10 = $28 Million

Return on investment = 933:1

**Conclusion**

Pressures from the economy and special needs of customers continue to challenge the city. However, what has been learned is that providing customer service skill building training to the entire organization has achieved positive measured results. Now that the staff has been trained and results have been measured, the reinforcement of standards and behaviors that represent a customer-focused organization is a critical part of the city’s daily work.

---

**An ounce of prevention is worth a pound of cure**

Many communities are finding the challenges of being in the water business increasingly challenging.

Stricter environmental and health regulations, along with aging infrastructure, are concerns that can’t be ignored.

Partnering with Illinois-American Water Company can be a long-term solution to your community’s water challenges.

We understand the changing water and wastewater business... because we live it every day.

We offer a wide range of water and wastewater services. Please contact us to see if we can offer solutions to your community’s water challenges. Contact: Kevin Caveny 618-239-2255, kcaveny@illinoisamerican.com

**Water Solutions.**

Illinois-American Water Company
Creating a customer service culture will excite your organization, engage your staff and leaders, and ultimately delight your customers!

**Here’s how Moran Consulting can help.**

- **Feedback**
  - Organizations that provide great service manage feedback well. Moran Consulting teaches supervisors how to manage feedback effectively on a daily basis.

- **Vision & Values**
  - Everything we do starts with your vision and values. It’s at the heart of culture change and development.

- **Behaviors**
  - Employee behavior must match the vision and values of your organization. Service Essentials for Everyone is designed to help get your team on board.

- **Accountability**
  - By establishing standards, behaviors, measurement, and accountability, we teach your organization to reward and recognize great service.

- **Reward & Recognition**
  - Delivering exceptional service is no longer a choice. Moran works with your team to establish accountability systems that can link to your performance management system.

- **Communication**
  - Communication brings it all together. Through established behaviors, standards, systems, training, and feedback, your organization will be able to deliver better service.

- **Standards**
  - Standards of service are the keys to consistency. Moran works with your team to develop customized standards of service for your organization.

- **Measurement**
  - We teach managers and supervisors what to measure and how to measure it, allowing your organization to determine the effectiveness of your systems and procedures.

- **Systems & Procedures**
  - Providing excellent service is more than behavior. The process must also work for the customer. Moran helps your organization identify where improvements are needed and trains your staff to lead process improvement initiatives.

Learn more about how Moran Consulting can help your organization create a customer service culture. Visit moraninc.com.
Reinforce Customer Service in 30 Minutes a Week

Great organizations know that the customer service challenge never ends. It's a manager's responsibility to communicate the skills and behavior expected of staff. Reinforce behavior in just 30 minutes a week with the Service Essentials Mini-Module Reinforcement System.

What is the Mini-Module Reinforcement System?

It's a tool to help managers lead teams that deliver great customer service. The Mini-Module Reinforcement System includes 25 modules. These training sessions are designed for managers to conduct at their regular meetings. It's easy to implement, time-sensitive to daily operations, action-oriented, and cost-effective.

Get Results

- Bring your customers back.
- Improve your company image.
- Increase staff morale and decrease turnover.
- Ensure continuous reinforcement of excellent customer service.

Learn more about Moran Consulting services at moraninc.com.

Top 10 Mini-Module Topics

- **Attitude of Service Excellence**
  Discover the connection between how learners feel when receiving good and bad customer service and how their customers feel.

- **Positive Word Choice**
  Some words are fight-starters and some are bridges of speech. This mini-module covers word choices to stay away from and practice the words that delight customers.

- **Linking to Your Organization’s Vision**
  Make the connection — how do you bring the organizations vision to life through your daily work? This mini-module shows you how.

- **How to Say “No”**
  Teach users how to say ‘no’ when the answer is not ‘yes.’

- **Identifying Customer Needs**
  Explore how to identify customer needs for both the internal and external customer.

- **Handling Angry Customers**
  Give learners a simple process to professionally handle difficult situations without taking customers’ anger personally.

- **Thoughtful Body Language**
  Practice demonstrating good body language when communicating face-to-face with customers.

- **Service Recovery**
  Identify how to turn disappointed customers into delighted customers.

- **Tone of Voice**
  Help your employees perfect their tone of voice and customize their tone based on the customers’ needs.

- **Exceeding Expectations**
  Focus on opportunities to exceed expectations so customers speak highly of your business to others.

Customize the Mini-Module Reinforcement System to Fit Your Organization’s Service Standards

Appendix Page 16
<table>
<thead>
<tr>
<th>ID</th>
<th>Task Name</th>
<th>Duration</th>
<th>Start</th>
<th>Finish</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Task 1 - Customer Service Baseline Assessment</td>
<td>18 days</td>
<td>Mon 6/13/16 Wed 7/6/16</td>
<td></td>
</tr>
<tr>
<td>2</td>
<td>Leadership interviews</td>
<td>2 days</td>
<td>Mon 6/13/16 Tue 6/14/16</td>
<td></td>
</tr>
<tr>
<td>3</td>
<td>Pre-training survey</td>
<td>9 days</td>
<td>Mon 6/20/16 Thu 6/30/16</td>
<td></td>
</tr>
<tr>
<td>4</td>
<td>Focus groups</td>
<td>2 days</td>
<td>Mon 7/4/16 Tue 7/5/16</td>
<td></td>
</tr>
<tr>
<td>5</td>
<td>Senior Alignment Meeting</td>
<td>1 day</td>
<td>Wed 7/6/16 Wed 7/6/16</td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Task 2 - Develop Training</td>
<td>5 days</td>
<td>Mon 7/11/16 Fri 7/15/16</td>
<td></td>
</tr>
<tr>
<td>7</td>
<td>Data analysis correlating topics</td>
<td>2 days</td>
<td>Mon 7/11/16 Tue 7/12/16</td>
<td></td>
</tr>
<tr>
<td>8</td>
<td>Case study and role play development</td>
<td>2 days</td>
<td>Tue 7/12/16 Wed 7/13/16</td>
<td></td>
</tr>
<tr>
<td>9</td>
<td>Curriculum draft review and editing</td>
<td>2 days</td>
<td>Thu 7/14/16 Fri 7/15/16</td>
<td></td>
</tr>
<tr>
<td>10</td>
<td>Training curriculum approved</td>
<td>1 day</td>
<td>Fri 7/15/16 Fri 7/15/16</td>
<td></td>
</tr>
<tr>
<td>11</td>
<td>Task 3 - Customer Service Metrics</td>
<td>43 days</td>
<td>Mon 6/20/16 Wed 8/17/16</td>
<td></td>
</tr>
<tr>
<td>12</td>
<td>Data analysis and correlation</td>
<td>20 days</td>
<td>Mon 6/20/16 Fri 7/15/16</td>
<td></td>
</tr>
<tr>
<td>13</td>
<td>Metrics drafted</td>
<td>10 days</td>
<td>Mon 7/25/16 Fri 8/5/16</td>
<td></td>
</tr>
<tr>
<td>14</td>
<td>Review with subject matter experts</td>
<td>5 days</td>
<td>Mon 8/8/16 Fri 8/12/16</td>
<td></td>
</tr>
<tr>
<td>15</td>
<td>Implementation meeting</td>
<td>1 day</td>
<td>Wed 8/17/16 Wed 8/17/16</td>
<td></td>
</tr>
<tr>
<td>16</td>
<td>Task 4 - Training</td>
<td>17 days</td>
<td>Mon 7/11/16 Tue 8/2/16</td>
<td></td>
</tr>
<tr>
<td>17</td>
<td>Training delivery methodology and dates finalized</td>
<td>1 day</td>
<td>Mon 7/11/16 Mon 7/11/16</td>
<td></td>
</tr>
<tr>
<td>18</td>
<td>Logistics planning</td>
<td>1 day</td>
<td>Wed 7/13/16 Wed 7/13/16</td>
<td></td>
</tr>
<tr>
<td>19</td>
<td>Training sessions (dates TBD)</td>
<td>11 days</td>
<td>Tue 7/19/16 Tue 8/2/16</td>
<td></td>
</tr>
<tr>
<td>20</td>
<td>Staff training</td>
<td>4 days</td>
<td>Tue 7/19/16 Fri 7/22/16</td>
<td></td>
</tr>
<tr>
<td>21</td>
<td>Management training</td>
<td>2 days</td>
<td>Tue 7/26/16 Wed 7/27/16</td>
<td></td>
</tr>
<tr>
<td>22</td>
<td>Evaluation and follow up</td>
<td>1 day</td>
<td>Tue 8/2/16 Tue 8/2/16</td>
<td></td>
</tr>
<tr>
<td>23</td>
<td>Task 5 - Post Evaluation</td>
<td>20 days</td>
<td>Mon 10/3/16 Fri 10/28/16</td>
<td></td>
</tr>
</tbody>
</table>

Project: Mesa Water timeline
Date: Wed 4/27/16

<table>
<thead>
<tr>
<th>Task</th>
<th>Inactive Summary</th>
<th>Manual Task</th>
<th>External Tasks</th>
<th>External Milestone</th>
<th>Deadline</th>
<th>Progress</th>
<th>Manual Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>Split</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Milestone</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project Summary</td>
<td>Manual Summary</td>
<td>Exterior Milestone</td>
<td>Deadline</td>
<td>Progress</td>
<td>Manual Progress</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inactive Task</td>
<td>Start-only</td>
<td>Finish-only</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Inactive Milestone</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>ID</td>
<td>Task Name</td>
<td>Duration</td>
<td>Start</td>
<td>Finish</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----</td>
<td>------------------------------------------</td>
<td>----------</td>
<td>---------------------</td>
<td>----------------------</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>24</td>
<td>Survey design and development</td>
<td>5 days</td>
<td>Mon 10/3/16</td>
<td>Fri 10/7/16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>25</td>
<td>Survey administration</td>
<td>10 days</td>
<td>Mon 10/17/1</td>
<td>Fri 10/28/16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>26</td>
<td>Executive summary report</td>
<td>1 day</td>
<td>Fri 10/28/16</td>
<td>Fri 10/28/16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>27</td>
<td><strong>Task 6 - Meetings</strong></td>
<td>90 days</td>
<td>Wed 6/8/16</td>
<td>Tue 10/11/16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>28</td>
<td>Project kick off</td>
<td>1 day</td>
<td>Wed 6/8/16</td>
<td>Wed 6/8/16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>29</td>
<td>Regular meetings - (TBD weekly or bi-weekly)</td>
<td>90 days</td>
<td>Wed 6/8/16</td>
<td>Tue 10/11/16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>30</td>
<td><strong>Additional Recommended Tasks</strong></td>
<td>215 days</td>
<td>Mon 7/11/16</td>
<td>Fri 5/5/17</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>31</td>
<td>Process improvement</td>
<td>45 days</td>
<td>Mon 7/11/16</td>
<td>Fri 9/9/16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>32</td>
<td>Service standards development</td>
<td>45 days</td>
<td>Mon 7/11/16</td>
<td>Fri 9/9/16</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>33</td>
<td>Reinforcement Program</td>
<td>180 days</td>
<td>Mon 8/29/16</td>
<td>Fri 5/5/17</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Engineering and Operations Committee
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: June 21, 2016
SUBJECT: Reservoirs 1 and 2 Improvements

RECOMMENDATION

Recommend that the Board of Directors award a contract to Schuler Constructors, Inc. for $516,000 and a 10% contingency for a not-to-exceed amount of $567,600 to perform the Reservoirs 1 and 2 Improvements Project and authorize execution of the contract.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #2: Practice perpetual infrastructure renewal and improvement.
Goal #6: Provide outstanding customer service.

BACKGROUND

Mesa Water’s 2014 Master Plan recommended several improvements to Reservoirs 1 and 2 as part of the condition assessment. The following findings and recommendations were provided:

1. To reduce the noise produced by the engines the exhaust of each engine is equipped with a silencer. The assessment recommended that the silencers are in need of replacement due to excessive corrosion and deterioration (installed in 1990 at Reservoir 1).
2. The thermoplastic polyolefin (TPO) roofing membrane revealed that the membrane is well past the end of its useful service life. The assessment recommended replacing the existing roof membrane, flashings, and cracked and deteriorated skylights.
3. The addition of gas meters on each natural gas engine will allow automated data collection of the total flow and quantity of natural gas used. Installation of these new meters will provide compliance with the South Coast Air Quality Management District (SCAQMD) permit monitoring requirements and routine reporting of quantities of gas used.
4. The air vent covers on Reservoir 1 exhibit signs of moderate corrosion and deterioration. The evaluation of the covers indicated that new covers are not necessary at this time. However, the existing four air vent covers need to be removed, localized corrosion repaired, and reconditioned to meet Division of Drinking Water (DDW) criteria.

To address the condition assessment findings and recommendations, stay in compliance with SCAQMD and DDW requirements, and ultimately provide a safer working environment for staff, Mesa Water® initiated the design of the following improvements:

Reservoir 1
- Removal and replacement of existing exhaust silencers,
- Installation of 3 automated gas meters on each natural gas engine including new associated valves and bypass lines,
- Installation of 2 automated gas meters on the backup generators including new associated valves and bypass lines,
• Removal and replacement of the TPO roofing membrane, counter flashing, and skylights on the pump house building and reservoir,
• Repair and coating of the deteriorating vent covers.

**Reservoir 2**
• Replacement of 5 automated gas meters on the natural gas engines and backup generator including new associated valves and bypass lines.

**DISCUSSION**

In October 2016, the Design and Specifications for Reservoirs 1 and 2 Improvements were completed.

Ten prospective contractors (Pascal & Ludwig Constructors, R.C. Foster, Stephen Doreck Equipment, Schuler Constructors, Pacific Hydrotech Corp., S.S. Mechanical, Inc., J.A. Salazar Construction, Mike Bubalo Construction, J.R. Filanc Construction Company, and Jamison Engineering) were contacted for a site visit (April 20, 2016) and requested to submit a bid for the aforementioned project. Three contractors (J.R. Filanc Construction Company, Schuler Constructors, and Pacific Hydrotech Corp.) attended the site visit. Two bids were received on May 10, 2016, from the following contractors:
  • Schuler Constructors ($516,000), and
  • Pacific Hydrotech Corp. ($556,000)

The engineering estimate for the Project is $503,705. The low bid from Schuler Constructors is approximately 2.4% above the engineer’s estimate.

The proposed project bids have been evaluated and found to be compliant with all the bid package requirements. Schuler Constructors have provided construction services for Mesa Water on other similar projects (Reservoir 2 Silencer Replacements) and have provided excellent work, minimized change orders, and are proactive at working with Mesa Water® to resolve unforeseen issues. Construction is scheduled to last 170 calendar days from notice to proceed. Therefore, it is recommended that a construction contract be awarded to Schuler Constructors for $516,000 plus a 10% contingency for a not-to-exceed amount of $567,600 to perform the Reservoirs 1 and 2 Improvements Project.

**FINANCIAL IMPACT**

$548,000 is budgeted in fiscal year 2017. No funds have been spent to date. The requested funding will come from Cash on Hand.

**ATTACHMENTS**

None.
MEMORANDUM

TO: Engineering and Operations Committee
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: June 21, 2016
SUBJECT: AlertOC Participation

RECOMMENDATION

Authorize execution of a new Memorandum of Understanding between the County of Orange and Mesa Water District for use of AlertOC, a countywide emergency mass notification system.

STRATEGIC PLAN

Goal # 6: Provide Outstanding Customer Service.

PRIOR BOARD ACTION/DISCUSSION

On July 11, 2013 the Mesa Water® Board of Directors authorized the General Manager to enter into a Memorandum of Understanding (MOU) between the County of Orange and Mesa Water District for use of AlertOC.

BACKGROUND

AlertOC is Orange County’s (County) public mass notification system utilized to notify the public of emergency events and actions that should be taken in response to those events. AlertOC is currently used by the County, most Orange County cities, and many of the water and wastewater districts. AlertOC is managed by the Orange County Sheriff’s Department Emergency Management Division and is funded by the County’s Chief Executive Office. Mesa Water® would use AlertOC in the event of an emergency requiring immediate public notification per the California State Water Resources Control Board, such as a boil water notice or a do not drink order or to notify staff of an Emergency Operations Center activation.

DISCUSSION

In following the County contracting requirements, the County Emergency Management Division was required to go through a Request for Qualifications and Request for Proposals process in order to renew or select a new vendor for the provision of the AlertOC software systems. Through this proposal process a new vendor, Everbridge, Inc. was selected and approved by the County Board of Supervisors on May 24, 2016.

Due to the new provider and the expiration of the current MOU on July 6, 2016, the County of Orange is requiring that all administrative users of the AlertOC system sign a new Memorandum of Understanding with the County. The MOU is largely the same as previous MOU’s between Mesa Water District and the County for this service, with minor changes regarding the service provider and related details.

In order to utilize the system each agency is required to sign a MOU with the County and authorized users are required to attend training on the use of the system. The MOU is largely to
ensure the proper use of the system and more specifically the E911 data. E911 data can only be used for emergency notifications and cannot be used for any other purpose.

Currently, out of fourteen special water districts, eleven have chosen to participate in the program. City Water Departments are covered by City-wide participation in the program. Mesa Water’s legal counsel has reviewed the agreement and approves execution. Therefore, it is recommended that the Board consider execute the AlertOC MOU.

FINANCIAL IMPACT

None; there is no cost for participation in this program.

ATTACHMENTS

Attachment A – MOU AlertOC Mass Notification 2016
Attachment B – AlertOC Policy
MEMORANDUM OF UNDERSTANDING
BETWEEN
THE COUNTY OF ORANGE
AND
PARTICIPANTS
FOR USE OF COUNTYWIDE MASS NOTIFICATION SYSTEM

This Memorandum of Understanding, hereinafter referred to as “MOU,” dated July 1, 2016, which date is stated for purposes of reference only, is entered into by and between the County of Orange, a political subdivision of the State of California, hereinafter referred to as “COUNTY,” and the undersigned municipalities, public universities and water agencies responsible for protecting a resident population and maintaining a dedicated public safety answering point (PSAP) within the County of Orange, hereinafter referred to individually as “PARTICIPANT” or collectively as “PARTICIPANTS.”

This MOU is intended to establish governance and terms of use for a Countywide Public Mass Notification System.

RECITALS

WHEREAS, COUNTY is sponsoring a Countywide Public Mass Notification System (“System”) for the primary intent of providing timely communication to the public during times of emergency; and

WHEREAS, the County is making use of the System available to all cities and agencies within the County of Orange who have the responsibility for protecting a resident population and maintaining a dedicated public safety answering point (PSAP); and

WHEREAS, COUNTY entered into Orange County Agreement No. MA-060-16011934 (“Agreement”) with Everbridge, Inc., for the provision of Public Mass Notification System Services, on or about May 24, 2016, attached hereto as Exhibit A, to disseminate critical, time-sensitive emergency information to COUNTY’s citizens and businesses through phone and e-mail devices for emergency notification purposes; and

WHEREAS, COUNTY agrees to provide to PARTICIPANTS access to the services provided by Everbridge, Inc. as contained in the Agreement in exchange for abiding by the terms set forth in this MOU; and

WHEREAS, PARTICIPANTS agree to uphold the same terms and conditions of the Agreement, to use the System in compliance with all usage agreements, including but not limited to the End User License Agreement, identified and incorporated herein as Exhibit A (Orange County Agreement No. MA-060-16011934, Exhibit B (Countywide Public Mass Notification System Policy and Guideline) and Exhibit C (Nondisclosure Document), and the terms of this MOU to receive the benefits under the Agreement.

NOW, THEREFORE, the parties agree as follows:
I. Definitions:

“Agreement” shall refer to Orange County Agreement No. MA-060-16011934 between COUNTY and Everbridge, Inc. The Agreement is attached to this MOU as Exhibit A.

“Countywide” shall mean all geographic locations in Orange County, California.

“Contact information” shall mean PARTICIPANT and public contact data stored in the System for the purpose of disseminating communication in accordance with this MOU and its Exhibits.

“Confidential Information” shall include but not be limited to personal identifying information about an individual such as address, phone number, Social Security number, or any other identifier protected from disclosure by law, and/or any other information otherwise protected from disclosure by law, for example, the identity of a victim of a sex crime or a juvenile.

“Emergency” shall include, but not be limited to, instances of fire, flood, storm, epidemic, riots, or disease that threaten the safety and welfare of the citizens and property located within the boundaries of the COUNTY and PARTICIPANTS’ respective jurisdictions.

“Emergency information” shall mean information relevant to the safety and welfare of recipients in the event of an Emergency. Such information shall include but not be limited to instructions and directions to alleviate or avoid the impact of an emergency.

“Emergency notification situation” shall mean instances when emergency information is to be distributed through the System.

“Individual User” shall mean an agent, officer, employee or representative of PARTICIPANT that has been granted access to the System as set forth in this MOU.

“Non-emergency information” shall refer to information that is not relevant to the safety and welfare of recipients, but has been deemed to be of significant importance to a PARTICIPANT’s jurisdiction to justify the use of the System to distribute such information.

“Non-emergency notification situation” shall mean instances when a PARTICIPANT deems non-emergency information to be of significance to a PARTICIPANT’S jurisdiction and the PARTICIPANT uses the System to distribute such information.

“System” shall mean the Public Mass Notification System as provided by Everbridge, Inc. to COUNTY under the Agreement. The System is designed to disseminate information by utilizing common communications, i.e. telephone and e-mail communications to citizens and businesses as permitted under the Agreement.
II. **Hold Harmless:** PARTICIPANT will defend, indemnify and save harmless COUNTY, its elected officials, officers, agents, employees, volunteers and those special districts and agencies which COUNTY’s Board of Supervisors acts as the governing Board ("COUNTY INDEMNITIES") from and against any and all claims, demands, losses, damages, expenses or liabilities of any kind or nature which COUNTY, its officers, agents, employees or volunteers may sustain or incur or which may be imposed upon them for injury to or death of persons, or damages to property as a result of, or arising out of the acts, errors or omissions of PARTICIPANT, its officers, agents, employees, subtenants, invitees, or licensees. COUNTY will defend, indemnify and save harmless PARTICIPANT, its officers, agents, employees and volunteers from and against any and all claims, demands, losses, damages, expenses or liabilities of any kind or nature which PARTICIPANT, its officers, agents, employees or volunteers may sustain or incur or which may be imposed upon them for injury to or death of persons, or damages to property as a result of, or arising out of the acts, errors or omissions of COUNTY, its officers, agents, employees, subtenants, invitees, or licensees.

III. **Term:** This MOU shall be in effect from July 1, 2016 and shall expire on June 30, 2021, unless COUNTY funding of the System becomes unavailable at which time PARTICIPANTS will be given six-month advance notice per the termination terms found in Paragraph IX. Termination, below.

IV. **Scope of Services:** PARTICIPANTS shall receive from COUNTY access to the same services being provided by Everbridge, Inc. to the COUNTY under the Agreement. COUNTY’s involvement in this MOU is limited only to extending the availability of the terms and conditions of the Agreement to the PARTICIPANTS.

V. **Use:** Use of the System and its data, including but not limited to contact information, is governed by the terms, conditions and restrictions set forth in the terms provided in Exhibit A, B and C. All PARTICIPANTS agree to the terms and conditions contained in Exhibits A, B, and C. COUNTY retains the right to update Exhibits A, B, and C as needed, in whole or in part, during the life of this MOU. Any and all revised Exhibits will be distributed to PARTICIPANTS within five business days of the revision date and shall be incorporated into this MOU. Such modifications to the Exhibits shall not be deemed an amendment for the purposes of Paragraph X. Amendments, below.

PARTICIPANT, including each of its agents, officers, employees, and representatives who are given access to the System, agrees to abide by the individual terms of each agreement and the additional conditions incorporated herein. Breach of use may result in individual user or PARTICIPANT access account termination.

PARTICIPANT agrees to require each Individual User to execute an Individual User Agreement (Exhibit D) regarding their obligations to maintain the confidentiality of login and password information; ensure that they will use the System in accordance with all applicable laws and regulations, including those relating to use of personal information; that they may be responsible for any breach of the terms of the Agreement with
Everbridge and/or this MOU; and the confidentiality provisions of this MOU. PARTICIPANT further agrees to provide a copy of the signed Individual User Agreement to COUNTY and notify COUNTY if an individual user withdraws their consent to the Individual User Agreement at anytime during the term of this MOU.

The scope of services under the Agreement is limited to using the System to distribute business communication to PARTICIPANT inter-departmental resources and/or emergency information to the public in emergency notification situations.

All PARTICIPANTS have read and accept the terms and conditions found in COUNTY’s “Countywide Public Mass Notification System Policy and Guideline (June 30, 2008)”, attached hereto as Exhibit B.

VI. Notice: Any notice or notices required or permitted to be given pursuant to this MOU shall be submitted in writing and delivered in person, via electronic mail or via United States mail as follows:

COUNTY:
County of Orange – Sheriff-Coroner Department
Emergency Management Division
Attn: Donna Boston / Emergency Management
2644 Santiago Canyon Road
Silverado, CA 92676

PARTICIPANTS: Each PARTICIPANT shall provide to COUNTY a contact person and notice information upon entering into this MOU.

Notice shall be considered tendered at the time it is received by the intended recipient.

VII. Confidentiality: Each party agrees to maintain the confidentiality of confidential records and information to which they have access a result of their use of the System and pursuant to all statutory laws relating to privacy and confidentiality that currently exist or exist at any time during the term of this MOU. All information and use of the System shall be in compliance with California Public Utilities Code section 2872. No party shall post confidential information as part of a mass notification unless the law allows such information to be released.

VIII. Termination: The COUNTY or any PARTICIPANT may terminate its participation in this MOU at any time for any reason whatsoever. If any PARTICIPANT chooses to terminate its participation in this MOU, the terminating PARTICIPANT shall provide written notification in accordance with Paragraph VII. Notice, above. Such notice shall be delivered to the COUNTY 30 days prior to the determined termination date. A terminating PARTICIPANT shall uphold the obligations contained in Paragraph II. Hold Harmless in its entirety and Paragraph VIII. Confidentiality, above. Upon termination, PARTICIPANT agrees to inform each PARTICIPANT user to stop using the System and to relinquish all System access, user accounts, passwords and non-PARTICIPANT data
to COUNTY immediately. PARTICIPANT may choose to delete and/or export non-public PARTICIPANT (aka inter-departmental) owned contact information, as well as, export resident provided contact information prior to termination. Resident provided contact information acquired through PARTICIPANT sources shall remain in the System and available to the County for regional or multi-jurisdictional notification use as needed.

Should COUNTY discontinue its funding for the System, which shall be grounds for COUNTY’s termination of its participation, COUNTY shall give PARTICIPANTS six-month advance courtesy notice prior to terminating the Agreement. All other reasons for terminating by COUNTY shall be valid upon providing notice to the PARTICIPANTS. Upon termination by COUNTY, this MOU shall no longer be in effect.

Termination by a PARTICIPANT shall not be deemed an amendment to this MOU as defined in Paragraph X. Amendments, below.

IX. Amendments: This MOU may be amended only by mutual written consent of the parties involved unless otherwise provided for in this MOU. The modifications shall have no force and effect unless such modifications are in writing and signed by an authorized representative of each party. Termination by a PARTICIPANT or adding a new PARTICIPANT to this MOU shall not be deemed an amendment.

IN WITNESS WHEREOF, the parties hereto have caused this Memorandum of Understanding to be executed by their duly authorized representatives as of the dates opposite the signatures.

COUNTY OF ORANGE

By: ____________________________ Date: __________________________
Sandra Hutchens, Sheriff-Coroner
County of Orange

PARTICIPANT: __Mesa Water District

By: ____________________________ Date: __________________________
Authorized Signature

Print Name and Title
I. PURPOSE

The purpose of this document is to outline the Standard Operating Procedures for the use and administration of AlertOC, the Orange County Public Mass Notification System, hereinafter referred to as “System”. This document will provide more specific step-by-step procedures and roles and responsibilities at the regional level including describing expectation of participants. Individual jurisdictions/agencies should create and maintain and regional concepts. The step-by-step procedures for activation and use will be maintained in a separate document maintained by each jurisdiction/agency as a part of their emergency response plans for overall planning and response efforts. A copy of these procedures shall be maintained in PrepareOC.

This document does not supersede any policy and procedures outlines in the Memorandums of Understandings signed by participating agencies, but should be used to support the use of the Orange County Mass Notification System.

II. SYSTEM DESCRIPTION

The primary intent of the Countywide Public Mass Notification System is to disseminate early warning and time sensitive information to county businesses and residents during time of an emergency event. The Public Mass Notification System is only one component of the County of Orange Public Warning System. As deemed fit by local authorities, the System should be used in conjunction with the other public warning mechanisms including, but not limited to, route alerting, the Emergency Alert System, sirens, and press releases.

The Mass Notification System is available 24/7 and has been pre-loaded with Orange County landline phone numbers (including unlisted) and countywide geographic maps. Additionally, citizens have the option to provide additional contact information via self-registration portal www.alertoc.com with link access from county and all participating entity websites. Upon local authority decision to activate, the System will be used to send a message, describing the situation and recommended action the public should take, to affected businesses and households via telephone, e-mail and/or text.

The County of Orange, Orange County Sheriff’s Department is the sponsor of the Countywide Public Mass Notification System initiative and will take appropriate measures to ensure that the System is in a state of operational readiness at all times. It is the responsibility of all participating Agencies to maximize citizen benefits from the System.

While the County’s intent for implementing and maintaining the System is for “emergency” use, upon consent from local authorities, cities may optionally use the System to disseminate “government-related” non-emergency notifications to citizens and organization resources within its jurisdiction. See Section V. Authorized Use and Section VIII. Cost for policy guidelines relating to non-emergency use.
III. GOVERNANCE

The Orange County Sheriff’s Department Emergency Management Division will manage the Mass Notification System as a countywide asset under the Policy and Guidance approved and recommended by the Orange County AlertOC Working Group, and agreed upon by each individual Agency when they opt into the system.

Use of the System by each Agency is contingent upon that Agency abiding by the contract with the mass notification vendor, and the protocols established by the Emergency Management Council and Operational Area Executive Board.

The System utilizes the 9-1-1 database to complete the notifications. The use of the 9-1-1 database is regulated by the California Public Utilities Code (CPUC) sections 2872 and 2891.1. The information contained in the 9-1-1 database is confidential and proprietary and shall not be disclosed or utilized except by authorized personnel for the purpose of emergency notifications. Any agency in violation of this regulation is subject to criminal charges as described in the CPUC.

The Orange County Sheriff’s Department Emergency Management Division is responsible to ensure that the provisions of the contract are implemented properly. Authorized users must respect the integrity of the database, understand the privacy issues and fully comply with the policies and protocols outlined in this document. If violations of the MOU and this approved policy document are made by any individual or Agency, the Orange County Sheriff’s Department reserves the right to disable that individual’s or Agency’s login(s).

IV. OVERVIEW OF GENERAL SYSTEM FEATURES

At minimum, the Orange County Sheriff’s Department shall acquire and maintain a Public Mass Notification System capable of meeting the following requirements.

A. Licensed for use throughout the County’s entire region
B. Capacity to send a 45 second message to 10,000 residents and businesses within 10 minutes
C. Capacity to send messages via phone, e-mail and text
D. Accessible via the public Internet
E. Provides audit trail logging and reporting
F. GIS map interface for geographic call list generation
G. Citizen self-registration web portal (available in English, Spanish and Vietnamese)
H. Interactive phone survey technology and reporting
I. IVR based notification setup and execution
J. Capable of identifying constituents preferred language and sending message in English, Spanish and Vietnamese
V. AUTHORIZED USE

The Mass Notification System is designed to be a countywide asset, available to all Agencies that have a dedicated public safety answering point (PSAP) and/or a resident population they are responsible for making protective action recommendations.

An Agency may participate in the countywide System at no charge when used for emergency purposes until June 2021.

Agencies authorized to join the system at no cost are limited to the incorporated cities in the Orange County Operational Area, County agencies and departments, the Municipal Water District of Orange County and Orange County Retail Water Agencies. Each participating Agency must sign a MOU and will maintain, at minimum, a Local Agency Administrator responsible for implementing and administering use of the System at the local level.

Cities

Cities wishing to participate may do so by having an authoritative representative sign the “Orange County Public Mass Notification System” MOU. Upon signing the agreement, the Agency will be provided a local administrator account, a vendor provided user manual and initial training. Throughout the term of the agreement, the Agency may use the System to send an unlimited number of emergency notifications to the public as well as an unlimited number of emergency and non-emergency inter-department messages. Each participating City shall develop and maintain written procedures to identify and address the Agency’s specific use of the System within the scope of this policy guide.

County Users

Unincorporated areas of Orange County will have emergency messaging to the public launched by the Orange County Sheriff’s Department. All other county agencies may have access to utilize the system for interdepartmental use. Each participating County agency shall develop and maintain written procedures to identify and address the Agency’s specific use of the System within the scope of this policy guide and provide this guideline to the Orange County Sheriff’s Department Emergency Management Division.

Water Retail Water Agencies

The Municipal Water District of Orange County and Orange County Retail Water Agencies wishing to participate may do so by having an authoritative representative sign the “Orange County Water Retail Agency Public Mass Notification System” MOU. Upon signing the agreement, the Agency will be provided a local administrator account, and the Orange County Sheriff’s Department, Emergency Management Division in collaboration with the Municipal Water District of Orange County – Water Emergency response Organization of Orange County (WEROC) will provide a user manual and initial training. Throughout the term of the agreement, the Agency may use the System to send emergency notifications to the public by utilizing pre-established GIS shape files or the system’s interactive map feature to identify their water users. Each participating agency shall develop and maintain written procedures to identify and address the Agency’s specific use of the System within the scope of this policy guide.
Emergency Use
Use of the Mass Notification System for emergency activity contains two components: (1) the need to disseminate critical, safety-related information to individuals regarding emergency events occurring now, follow up information regarding the event and termination of the emergency event., and (2) communicating with safety-responder staff, volunteers and involved parties about the emergency event.

As a general rule, the System is to be used when the public is being asked to take some action (e.g. evacuate, prepare to evacuate, shelter in place, boil tap water before drinking, local assistance centers and other follow up information, rentry to an areas after evacuation orders have been lifted or termination of the emergency because the danger has passed).

Emergency Public Notifications are limited to:

1. Imminent or perceived threat to life or property
2. Disaster notifications
3. Evacuation notices
4. Public health emergencies
5. Public safety emergencies
6. Any notification to provide emergency information to a defined community

The following criteria should be utilized to assist with determining the need to issue an alert:

1. Severity. Is there a significant threat to public life and safety?
2. Public Protection. Is there a need for members of the public to take a protective action in order to reduce loss of life or substantial loss of property?
3. Warning. Will providing warning information assist members of the public in making the decision to take proper and prudent action?
4. Timing. Does the situation require immediate public knowledge in order to avoid adverse impact?
5. Geographical area. Is the situation limited to a defined geographical area? Is that area of a size that will allow for an effective use of the system, given the outgoing call capacity?
6. Are other means of disseminating the information inadequate to ensure proper and time delivery of the information?
7. Is the message being sent follow up information to an emergency event in progress?

If the answer to ALL of these questions is “Yes”, then an activation of the Mass Notification System for emergency purposes may be warranted.
To assist with trigger points for potential message use topics refer to Attachment A

Emergency Responder Notifications are limited to:

1. Contacting first responders to advise of an emergency
2. Contacting first responders to report for duty due to an emergency
3. Contacting key staff regarding an emergency or crisis situation
4. Contacting agency employees/DSWs to report at a different time or location (or provide an update) due to an emergency

5. Exercises

Emergency considerations:
1. Notification shall clearly state situation is an emergency
2. Message length shall not exceed 60 seconds
3. It is highly recommended all messages are recorded using a real voice and not the computer transcriber.
4. It is highly recommended to provide a phone number or website where the public can obtain additional or updated information
5. An all clear notification should be sent when applicable

A. Inter-Department Communication
City and County Agencies may use the Mass Notification System for non-emergency inter-departmental business communication as needed, without cost. It is recommended that individual Agencies identify where this would add value to their operations and establish separate written protocols and procedures for this use.

B. Non-Emergency Public Use
No agency shall use the Mass Notification System for non-emergency public announcements unless a separate contract with the vendor is established. Non-emergency use shall be consistent and in compliance with the non-emergency guidelines included within. Any agency in violation of this term may have their use of the system suspended. Additionally, E 911 data is not allowed to be utilized for non emergency use according to the law California Public Utilities Code (CPUC) sections 2872 and 2891.1 and violators may be subject to criminal enforcement. Jurisdictions will be limited to utilizing the self-registering portal entry data only when launching non-emergency messages.

Agencies who contract to use the countywide System for non-emergency activity agree to give precedence to emergency notification call-outs by delaying or terminating non-emergency notification sessions if needed to increase emergency message success. The primary concern for point of failure in this situation is not the Mass Notification System, but the telephone port capacity of local phone providers responsible for delivering calls to residents. Cost associated with non-emergency public notifications is the responsibility of the local Agency, See section VIII.

Non-emergency public notification use is prohibited for any of the following purposes:

1. Any message of commercial nature
2. Any message of a political nature
3. Any non-official business (e.g. articles, Retirement announcements, etc.)
4. To send a message to an E911 obtained data source; see Section III, Governance, for additional information relating to E911 data use restrictions
C. Confidentiality
Agencies shall be responsible for: (i) ensuring that users maintain the confidentiality of all user login and password information; (ii) ensuring that users use the service in accordance with all applicable laws and regulations, including those relating to use of personal information; (iii) any breach of the terms of this policy or the vendor agreement by any user; and (iv) all communications by users using the service. Agencies shall promptly notify the Orange County Sheriff’s Department and the vendor if it becomes aware of any user action or omission that would constitute a breach or violation of this policy or the vendor agreement.

Through the “Memorandum of Understanding between the County of Orange and Participants for use of Countywide MassNotification System,” each agency is bound in writing to the confidentiality obligations sufficient to permit agencies to fully perform its obligations under this policy or the vendor agreement.

VI. AUTHORIZED SYSTEM USERS
A. Public Notifications
In general, use of the system in most cities is the responsibility of the local law enforcement agency. Since law is responsible to make alert, notification and evacuation orders. However, others may also be authorized to make notifications will be officials including, emergency management, fire and city manager departments.

County Administrator: The Orange County Sheriff’s Department will act as the Countywide Public Mass Notification System County Administrator. County Administrator responsibilities are covered in section IX. System Administration and Operation.

County User: Orange County Sheriff’s Department Emergency Communication Division (9-1-1 dispatch), Control One and Emergency Management Division personnel will be setup as “County” users. County Users will have permission to access and launch emergency notifications to all jurisdictions within Orange County consistent with County Operational Area public safety response guidelines. All other county agencies will have permission to execute inter department notifications.

The Orange County Emergency Operations Center, when activated will be responsible for all public notifications to unincorporated areas during an emergency. For day to day use of the system for public safety incidents including but not limited to hazmats, felony crimes with suspects still at large, the Orange County Sheriff’s Department Commander will be responsible for execution of messages.

Local Agency Administrator: A minimum of one designated Local Agency Administrator will be required for each Agency participating in the countywide System. Local Agency Administrator responsibilities are covered in section IX. System Administration and Operation.

Local Agency User: Participating Agencies may have an unlimited number of Local Agency Users. Local Agency Users will have access to resident contact records within their
jurisdiction as well as neighboring jurisdictions with an established MOU agreement. Local Agency Users will be authorized and managed by the Local Agency Administrator and may have varied system permissions.

Any City jurisdiction who has contracted police services shall grant and provide access to their jurisdictions system in order to launch messages in a timely manner.

- Water agencies are identified as local users under the Orange County Sheriff’s Department Emergency Management Division.

Inter-Department User: Inter-departmental users will have permission to inter-departmental contact information only and are authorized to use the system solely for inter-departmental communication including but limited to first responder or volunteer call-outs. Additional user for special contact groups including In House Special Services (IHSS), access and functional need cliental may be established with prior authorization from the Orange County Sheriff’s Department to ensure no vendor contract violations are occurring.

VII. ACTIVATION OF THE SYSTEM

Each City Jurisdiction is responsible for launching messages to affected citizens and businesses within their jurisdiction. Determination of authority to request activation of the Mass Notification System rests with local officials, not with the County of Orange or the Orange County Sheriff’s Department Emergency Management Division. Water agencies are responsible for launching messages to affected citizens and businesses as identified in their service district. The following is protocol to be followed when an emergency message is launched anywhere in Orange County.

A. Public Notifications

1. The County of Orange is authorized to use the System to send notifications of regional emergencies to any and all residents within the Operational Area (example: Countywide quarantine order for a health alert). Upon sending a countywide notification, Orange County Sheriff’s Department Emergency Management Division will, as soon as possible, advise the appropriate local Agency that mass notifications have been sent by the County to residents of their cities. Pre-notification to emergency managers by email or WebEOC of this AlertOC activation before actual delivery of the message will occur if possible.

2. Other than regional emergency notifications, public notifications are the responsibility of the individual City/Local Government. In the event that the geographical location of an incident requires a message to be delivered to multiple jurisdictions, the responsible Agency will inform each individual Agency so that they can send the message to those affected within their own jurisdiction. Exception: Small unincorporated neighborhoods embedded within City limits will receive mass notification of local city emergency activity from City Officials. This does not include the unincorporated areas of Rossmoor, Midway City, Cowan Heights, Lemon Heights, all canyons, Coto de Caza and Trabuco Canyon areas. Any of the fore mentioned unincorporated areas by names, coordination will have to occur with the Orange County Sheriff’s Department/Watch Commander when the EOC is not activated.
3. For a City wishing to send or receive messages to or from a neighboring Agency during time of a multi-jurisdictional incident, an MOU should be established between both parties that grants permission for the handling Agency to send emergency notification to residents within the affected Agency. (Exception will be made for cities who have contracted law enforcement services. No MOU will be required and access SHALL be granted).
   a. In the event no MOU has been established, the local city agency will contact the Police Watch Commander who is the 24 hour warning point for all cities for approval and coordination.

4. Water agencies sending information to the public will do so only to pre-loaded GIS shape files containing their service areas. This procedure must occur due to the overlapping jurisdictional boundary areas. Water agencies will launch messages under the Orange County user account. Pre-notification to the Water Emergency Response of Orange County (WEROC) emergency manager, and impacted city emergency managers will occur prior to the lunch of the message by email containing the AlertOC message before actual delivery of the message will occur.
   a. The WEROC Emergency Manager is responsible to notify and provide the information to the OA/County Emergency Manager since the identification information will show the County of Orange as the initiator.

5. In the event a participating Agency is unable to send out an emergency message, the Orange County Control One Coordinated Communications Center is available to act on the local Agency’s behalf. Agencies that do not have a current MOU with the County may also request Control One to send out an emergency message. Control One will not be available to send internal notifications. All rules and guidelines are applicable. It is still the responsibility of the local agency with the primary responsibility of the incident to receive approval for adjacent jurisdictions on multi-jurisdictional events. Attachment B is the launch form containing all information required in order to launch a message. Authority to request mutual aid assistance from Control One must be requested by a Lieutenant or above (same protocols as requesting a Code Alex).

6. If the Operational Area EOC is activated, agencies may request to utilize the Orange County Information Hotline 714-628-7085 as the identification phone number for residents and businesses to call to obtain additional information. Agencies are requested to send a copy of the AlertOC script to the OA EOC before the message is launched, if possible.

7. Participating Agencies are authorized to develop pre-established notification lists and messages to meet their individual needs. These lists may include special populations (e.g. in-home care, schools, etc) or those susceptible to certain risks (e.g. homes within dam inundation zone). It is the responsibility of the participating Agency to create, maintain and update these lists.

B. Emergency Response and Inter-Department Notifications:
1. Each participating Agency is authorized to create employee/volunteer and department call lists and pre-recorded messages.
2. Any non-city agency wishing to create specialty groups which still contain public contact information (ex: special needs callouts) may do so with prior consent. However, any activation of information to any of these groups needs to be coordinated to ensure clear, concise and accurate information is being dispersed. During emergencies, messages
will be coordinated with the Operational Area, Orange County Sheriff's Department Emergency Management Division.

3. It is the sole responsibility of each participating Agency to maintain these lists and to launch notifications as deemed necessary.

VIII. COSTS
The County of Orange agrees to fund the System for notifications classified as “emergency use”. The County of Orange also agrees to continue to purchase updated E911 telephone data and geographic maps.

Costs associated with use of the System for non-emergency activity is the responsibility of the local Agency through separate contract with the mass notification Vendor.

IX. SYSTEM ADMINISTRATION/OPERATIONS
Individual Agencies are responsible for providing logins and procedural training to key individuals within their Agency responsible for using the Mass Notification System.

A. County Administrator
The Orange County Sheriff's Department will assign and maintain a designated Mass Notification Program Administrator responsible for overall acquisition, accessibility, maintenance, compliance and management of all components required to provide an effective countywide mass notification system.

The County Administrator is responsible for:

1. System acquisition and contract management.
2. Policy management and as needed modification (in consultation with public safety, emergency management and emergency response personnel.)
3. Audit compliance: routine monitoring of System use to insure policy and contract compliance.
4. Access management: record management of signed MOU from each participating Agency, distribution of local administrator accounts and updated local administrator contact list.
6. Testing: facilitate routine System-wide test exercise, document overall test results and recommend and execute, as needed, corrective action at the County level.
7. Public education campaign: initiate and facilitate public education campaign aimed at making the public aware of the countywide public mass notification system initiative and citizen web portal.
8. System support: provide support to Local Agency Administrators.

B. Local Agency Administrator
Participating Agencies agree to appoint a designated Mass Notification Local Administrator responsible for leading, coordinating, monitoring and optimizing use of the Mass Notification
System at the local level. Local Agency Administrator shall act as the Agency’s central point of contact and will work collaboratively with the County Administrator to insure local use of the system is within policy and MOU guidelines.

Local Agency Administrator is responsible for:

1. Contract acquisition if Agency will use the system for non-emergency purposes.
2. Local Agency Mass Notification Operating Procedure development and management.
3. Use compliance: routine monitoring to ensure System is used within the conditions and terms of this document and associated MOU.
4. Access management: local user account distribution and management, record management of MOU(s) and signed end user P&P.
5. Data management: perform routine data management, error-correcting and data integrity updates to System contact and geo-coded map data.
6. Testing: facilitate routine local System test exercise, document local test results and recommend and execute, as needed, corrective action at the local level.
7. Public education campaign: initiate and facilitate public education campaign aimed at making the local community aware of the intended use of the Mass Notification System and citizen web portal.
8. System support: provide support to local Agency end-users.

X. INFORMATION SYSTEMS AND SUPPORT
The Orange County Sheriff’s Department will acquire and maintain 24x7x365 vendor support for the Mass Notification System. Participating Agencies are authorized to contact vendor support as needed.

XI. ROUTINE TESTING
The Mass Notification System will be tested quarterly. Test exercises will be geared towards insuring that use of the System in an emergency is optimized. This includes testing operational readiness, activation procedures and system effectiveness as well as validating data and system processes. Through test exercises, System administrators and users will be able to observe the mode of operation to augment and refresh System and process knowledge.

Specific test exercise routines, roles, responsibilities and schedule will be detailed in the Operational Area Standard Operating Procedure document.

By signing the Mass Notification System MOU, participating Agencies agree to take part in quarterly Mass Notification countywide test exercises.

XII. DEFINITIONS

1. System – All components of the Mass Notification System including hardware, software, access portals, contact data and GIS maps.

2. Resident – Comprises households and businesses.
3. **IVR** – Interactive Voice Response is a phone technology that allows a computer to detect voice and touch tones using a normal phone call. This technology will allow a user of the Mass Notification System to launch a message to a pre-defined call list when a pc or internet connection is not available.

4. **Emergency** - “Emergency” shall include, but not be limited to, instances of fire, flood, storm, epidemic, riots, or disease that threaten the safety and welfare of the citizens and property located within the boundaries of the county and participants’ respective jurisdictions.
Revision History:

<table>
<thead>
<tr>
<th>Revision Date</th>
<th>Author</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>April 18, 2008</td>
<td>PMNS Policy Committee</td>
<td>Document originated</td>
</tr>
<tr>
<td>May 19, 2008</td>
<td>PMNS Executive Review Team</td>
<td>Non-emergency session termination in Section V., Item C.</td>
</tr>
<tr>
<td>May 2010</td>
<td>Vicki Osborn</td>
<td>Revision of all sections</td>
</tr>
<tr>
<td>June 2012</td>
<td>Raymond Cheung</td>
<td>Revision for OCSD transition</td>
</tr>
<tr>
<td>May 2013</td>
<td>Raymond Cheung</td>
<td>Revision for new vendor contract</td>
</tr>
<tr>
<td>May 2016</td>
<td>Raymond Cheung</td>
<td>Added confidentiality item to Section V., Item C. and allowed non-emergency use in Section V., Item B. and Section VIII.</td>
</tr>
</tbody>
</table>
### Attachment A – Alert OC Trigger Points Guidelines *(Placeholder)*

<table>
<thead>
<tr>
<th>Type of Incident</th>
<th>Description</th>
<th>Meets Public Safety Criteria</th>
</tr>
</thead>
<tbody>
<tr>
<td>Active Shooter</td>
<td>A shooting with armed individual or individuals is occurring in a known area.</td>
<td>Yes</td>
</tr>
<tr>
<td>Boil Water Orders</td>
<td>An unsafe water supply issue requiring the public to boil water before use.</td>
<td>Yes</td>
</tr>
<tr>
<td>Building Fire</td>
<td>A fire occurring in an urban area requiring evacuation or shelter in place for the immediate area.</td>
<td>Yes</td>
</tr>
<tr>
<td>Violent Crimes</td>
<td>Violent crimes that just occurred such as robbery, assault, murder, etc.</td>
<td>Yes</td>
</tr>
<tr>
<td>Felony Suspect at Large</td>
<td>Law enforcement is currently searching for a felony suspect that is suspected to be in a certain area.</td>
<td>Yes</td>
</tr>
<tr>
<td>HazMat</td>
<td>Hazardous Materials incidents that require a fire/hazmat response and may include evacuations or shelter-in-place orders.</td>
<td>Yes</td>
</tr>
<tr>
<td>Health Orders</td>
<td>Any public health order made pursuant to County Health Officer recommendations.</td>
<td>Yes</td>
</tr>
<tr>
<td>Missing Adult (920A) with special circs</td>
<td>12-17 yrs with decreased mental capacity or medical condition</td>
<td>Yes</td>
</tr>
<tr>
<td>Missing Child (920C)</td>
<td>12 yrs or younger ***Discussion add Amber alert triggers</td>
<td>Yes</td>
</tr>
<tr>
<td>Missing Juvi (920J) with special circs</td>
<td>18 yrs and older 12-17 yrs with decreased mental capacity or medical condition</td>
<td>Yes</td>
</tr>
<tr>
<td>Severe Weather Related</td>
<td>Weather warnings that forecast an occurring or imminent threat to public safety or coincide with protective action recommendations such as voluntary or mandatory evacuation orders.</td>
<td>Yes</td>
</tr>
<tr>
<td>Evacuation or Shelter-in-Place</td>
<td>Voluntary or mandatory evacuation or shelter-in-place orders.</td>
<td>Yes</td>
</tr>
<tr>
<td>Wildland Fire</td>
<td>A fire occurring in a wildland urban interface area requiring immediate evacuation or shelter-in-place.</td>
<td>Yes</td>
</tr>
<tr>
<td>Road Closures</td>
<td>Unplanned road closures due to an emergency situation.</td>
<td>Yes</td>
</tr>
<tr>
<td>Planned Events</td>
<td>Road closures due to community events planned in advance.</td>
<td>No</td>
</tr>
</tbody>
</table>
## AlertOC Activation Form
(for emergency use only)
(Attachment B)

### Request Received

<table>
<thead>
<tr>
<th>Date/Time:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>By: (Name/Title)</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Jurisdiction Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jurisdiction Name:</td>
</tr>
<tr>
<td>Requestor: (Name/Title)</td>
</tr>
<tr>
<td>Contact Phone Numbers:</td>
</tr>
<tr>
<td>Authorizing Official: (Name/Title)</td>
</tr>
</tbody>
</table>

### Message Specifics

<table>
<thead>
<tr>
<th>Date/Time Message to Be Sent:</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Targeted Recipients:</td>
<td></td>
</tr>
<tr>
<td>Type of Message:</td>
<td>☐ Phone</td>
</tr>
<tr>
<td>SMS Content:</td>
<td></td>
</tr>
<tr>
<td>Message Content:</td>
<td></td>
</tr>
</tbody>
</table>

### Staff Executing Message

<table>
<thead>
<tr>
<th>Initiator Name (printed):</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Authorizing Sheriff Official:</td>
<td></td>
</tr>
<tr>
<td>Date and Time Sent:</td>
<td></td>
</tr>
<tr>
<td>Name, Date and Time Results provided to jurisdiction</td>
<td></td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Engineering and Operations Committee
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: June 21, 2016
SUBJECT: Real Estate Services for New Well Site Change Order

RECOMMENDATION

Recommend that the Board of Directors award a contract change order to Voit Real Estate Services (Voit) for $50,000, for a total contract not-to-exceed amount of $75,000, for real estate acquisition services for two new well sites, and authorize execution of the change order.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.

PRIOR BOARD ACTION/DISCUSSION

On November 25, 2014, the Committee voted on recommendations from the 2014 Water Systems Master Plan Update to direct staff to plan water supply to meet 115% of projected demands, and explore the development of two new well sites while abandoning Well 8.

On January 20, 2015, the Board approved a motion to retain professional real estate services for acquisition for two new well sites for an amount not to exceed $25,000. The contract was awarded to Voit Real Estate.

DISCUSSION

Mesa Water’s Board has directed staff to explore new sites for two new wells, and authorized a $25,000 expenditure for professional real estate services. The real estate contract was awarded to Voit. Voit has been instrumental in identifying listed commercial sites that could be considered for future well sites. However, site acquisition in the current real estate market has been challenging. Industrial sites on the market in the area targeted for the new wells have asking prices of $2.5 million and higher. These sites tend to be several times larger than the 12,000 square feet needed for a well site, and have value-added improvements such as buildings that are not needed for the well site. In addition to the on-market properties, Voit has been strategically pursuing underutilized property on Mesa Water’s behalf. These underutilized properties are not listed for sale. Voit has been researching sites and their ownership, and making contacts and inquires to generate interest from the property owner in subdividing and selling the underutilized portion to Mesa Water®. Voit has identified 13 potential underutilized sites, and has made contact with the owners of four of the properties. Mesa Water® has made an offer to purchase one of the properties and is awaiting an acceptance or counter-offer. This approach appears to be the most promising for acquiring two well sites that meet the criteria for location, hydrogeology, size, and shape.

The real estate acquisition effort has required extensive involvement by Voit, and will require additional budget to create, negotiate, and close two acquisitions. Therefore, it is recommended that the Board authorize a change order in the amount of $50,000 to Voit’s contract for professional real estate services.
FINANCIAL IMPACT

No funds are budgeted in FY2017 for new well site acquisition. The requested funding will come from cash on hand.

<table>
<thead>
<tr>
<th>Project Estimate Amounts</th>
<th>Project Cost Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Project Estimate (FY 2016)</td>
<td>$ 25,000</td>
</tr>
<tr>
<td>Original Contracts</td>
<td>$ 25,000</td>
</tr>
<tr>
<td>Change orders</td>
<td>$ 0</td>
</tr>
<tr>
<td>Requested funding</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>Revised Contracts</td>
<td>$ 75,000</td>
</tr>
<tr>
<td>Actual spent to date</td>
<td>$ 19,250</td>
</tr>
<tr>
<td>Revised Project Estimate</td>
<td>$ 75,000</td>
</tr>
</tbody>
</table>

ATTACHMENTS

None.
<table>
<thead>
<tr>
<th>FILE NO.</th>
<th>PROJECT ADDRESS</th>
<th>PROJECT DESCRIPTION</th>
<th>PROJECT NOTES/STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MC 2118</td>
<td>220 E. 16th St.</td>
<td>Home Remodel</td>
<td>Plans received and plan check fees paid 08/27/14. Plan check complete 8/28/14. Following plan check, and while awaiting corrected plans, inaccuracies in Mesa Water records were discovered, and inspector was requested to field verify the actual conditions. 2nd set of plans were revised to reflect actual conditions, and plan check finalized on 10/02/14. Mylars received and fees paid on 10/14/14. Permit issued on 10/21/14, and issued inspection checklist on 10/27/14. Mesa Water inspector reported no activity onsite 5/5/15. Contractor came into Mesa Water Plan Check Desk to discuss project status on 8/25/15. Pre-construction meeting held on 10/7/15. Inspector checked status of the project on 12/2/15. 1” water service installed on 2/24/16. 2 - 1” meters and boxes installed on 2/29/16. Site was inspected and contractor was given a punchlist of remaining items. (6/9/16)</td>
</tr>
</tbody>
</table>
# PROJECT STATUS - DEVELOPER PROJECTS

<table>
<thead>
<tr>
<th>FILE NO.</th>
<th>PROJECT ADDRESS</th>
<th>PROJECT DESCRIPTION</th>
<th>PROJECT NOTES/STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MC 2119</td>
<td>236 E. 16th St.</td>
<td>Home Remodel (Complete Remodel)</td>
<td>Plans received and fees paid 08/27/14. Plan check complete 8/28/14. Following plan check, and while awaiting corrected plans, inaccuracies in Mesa Water records were discovered, and inspector was requested to field verify the actual conditions. 2nd set of plans were revised to reflect actual conditions, and plan check finalized on 10/2/14. Mylars received and fees paid on 10/14/14. Permit issued on 10/21/14, and issued inspection checklist on 10/27/14. Contractor contacted on 8/10/15 to obtain status of project. Contractor scheduled to complete work, waiting for inspection to be scheduled. Pre-construction meeting held on 10/7/15. 1&quot; water service installed on 2/24/16. 2 - 1&quot; meters and boxes installed on 2/29/16. (5/4/16)</td>
</tr>
</tbody>
</table>
### PROJECT STATUS - DEVELOPER PROJECTS

<table>
<thead>
<tr>
<th>FILE NO.</th>
<th>PROJECT ADDRESS</th>
<th>PROJECT DESCRIPTION</th>
<th>PROJECT NOTES/STATUS</th>
</tr>
</thead>
<tbody>
<tr>
<td>MC 2149</td>
<td>1620-1644 Whittier Ave and 970 16th St</td>
<td>89 Single Family Homes</td>
<td>Plans received and plan check fees paid 2/2/14. Working with developer to receive more information about the floor plans and irrigation as of 2/3/15. Hydraulic model is being performed by RBF. Conceptual Plan Check Completed and returned to customer 4/20/15. Second plan check returned to customer on 5/1/15. Third plan check returned to customer on 5/21/15. Permit issued on 7/23/15. Pre-con meeting held on 7/27/15. Pipeline installation on 10/21/15. Pressure test and chlorination on 11/5/15. Bac-T testing completed on 11/24/15 and 11/25/15. Waterline tied-in at Whittier, Newhall, and West 16th Street and angle-stops locked on 12/14/15. 4 - 1&quot; meters installed on model homes on 2/25/16. 1 - 1.5&quot; irrigation meter and 1 - 1&quot; domestic meter installed on 4/5/16. (6/9/16)</td>
</tr>
<tr>
<td>MC 2165</td>
<td>341 16th Place</td>
<td>2 Single Family Homes</td>
<td>Plans received and plan check fees paid 4/22/15. First plan check completed and returned to developer 4/30/15. Mylars received on 8/6/15. Permit issued on 8/13/15. Installed 1 - 1&quot; service on 9/28/15. Installed 2 - 1&quot; meters on 10/1/15. Second home in process of being built. (6/9/16)</td>
</tr>
<tr>
<td>MC 2176</td>
<td>3059 Country Club Drive</td>
<td>Single Family Home - Addition</td>
<td>Plans received and plan check fees paid on 6/5/15. Second submittal received on 7/15/15. Second plan check returned on 7/31/15. Permit issued 8/13/15. USA call out on 11/30/15. Inspector issued work order to check status. (6/9/16)</td>
</tr>
<tr>
<td>FILE NO.</td>
<td>PROJECT ADDRESS</td>
<td>PROJECT DESCRIPTION</td>
<td>PROJECT NOTES/STATUS</td>
</tr>
<tr>
<td>----------</td>
<td>-----------------------</td>
<td>-----------------------</td>
<td>-----------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>MC 2181</td>
<td>250 Flower Street</td>
<td>Remodel</td>
<td>Plans received and plan check fees paid on 6/22/15. Comments returned on 7/22/15. Second submittal received on 10/29/15 and returned on 11/6/15. Final submittal and fees submitted on 11/30/15. Permit and mylar drawings signed on 12/10/15. Inspector issued work order to check status. (6/9/16)</td>
</tr>
<tr>
<td>MC 2184</td>
<td>1670 Tustin Ave</td>
<td>Remodel</td>
<td>Plans received and plan check fees paid on 7/1/15. Comments were not picked-up at Plan Check Desk until 10/6/15. Final plans and fees submitted on 11/6/15. Permit issued on 11/17/15. Inspector issued work order to check status. (6/9/16)</td>
</tr>
<tr>
<td>MC 2199</td>
<td>225 Ogle St.</td>
<td>Single Family Home</td>
<td>Plans received and plan check fees paid on 7/30/15. Mylars and fees submitted on 9/17/15. Permit issued on 9/21/15. Project ownership changed and new agreement signed on 12/8/15. Pre-con meeting on 4/12/16. 1 - 1 inch meter and box installed on 4/18/16. (6/9/16)</td>
</tr>
<tr>
<td>MC 2202</td>
<td>2880 Mesa Verde Drive East</td>
<td>10 Single Family Homes</td>
<td>Plans received and plan check fees paid on 8/19/15. First submittal returned on 9/11/15. Second submittal received 10/29/15 and returned on 11/6/15. Permit issued on 12/10/15. 6&quot; manifold installed on 1/19/16. Services installed on 1/20/16. 10 - 1&quot; meters and 1 - 5/8&quot; meter installed and locked on 1/28/16. (6/9/16)</td>
</tr>
<tr>
<td>FILE NO.</td>
<td>PROJECT ADDRESS</td>
<td>PROJECT DESCRIPTION</td>
<td>PROJECT NOTES/STATUS</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------</td>
<td>--------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>MC 2207</td>
<td>1654 Oahu Pl</td>
<td>Single Family Home</td>
<td>Plans received and plan check fees paid on 9/22/15. Permit issued on 10/1/15. (6/9/16)</td>
</tr>
<tr>
<td>MC 2210</td>
<td>3086 Warren Lane</td>
<td>Single Family Home</td>
<td>Plans received and plan check fees paid on 9/22/15. First submittal picked up on 10/23/15. Project architect contacted on 12/17/15. Project does not require fire sprinklers. Awaiting irrigation drawings. Inspector issued work order to check status. (6/9/16)</td>
</tr>
<tr>
<td>MC 2213</td>
<td>847 W 16th St</td>
<td>Tenant Improvement / Fireline Installation</td>
<td>Plans received and plan check fees paid on 9/29/15. First submittal picked up on 10/23/15. Second submittal received on 3/22/16 and returned on 4/4/16. Awaiting mylar submittal and final fee payment. Inspector issued work order to check status. (6/9/16)</td>
</tr>
<tr>
<td>MC 2214</td>
<td>1944 Church St</td>
<td>2 Single Family Homes</td>
<td>Plans received and plan check fees paid on 10/5/15. First submittal returned on 10/26/15. Fees paid on 12/15/15. Final mylars and payment received and permit issued on 1/29/16. Inspector issued work order to check status. (6/9/16)</td>
</tr>
<tr>
<td>MC 2215</td>
<td>119 Cecil Pl</td>
<td>3 Single Family Homes</td>
<td>Plans received and plan check fees paid on 10/5/15. First submittal returned on 10/26/15. Fees paid on 12/15/15. Final mylars and payment received and permit issued on 1/29/16 Inspector issued work order to check status. (6/9/16)</td>
</tr>
<tr>
<td>FILE NO.</td>
<td>PROJECT ADDRESS</td>
<td>PROJECT DESCRIPTION</td>
<td>PROJECT NOTES/STATUS</td>
</tr>
<tr>
<td>---------</td>
<td>-----------------------</td>
<td>---------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>MC 2216</td>
<td>320 E 18th St</td>
<td>4 Single Family Homes</td>
<td>Plans received and plan check fees paid on 10/5/15. First submittal returned on 10/26/15. Fees paid on 12/15/15. Permit issued on 1/29/16. Inspector issued work order to check status. (6/9/16)</td>
</tr>
<tr>
<td>MC 2224</td>
<td>286-288 15th Street</td>
<td>2 Single Family Homes</td>
<td>Plans received and plan check fees paid on 11/18/15. Plans were determined to be incomplete and additional information was requested on 11/19/15 and provided on 12/28/15. First plan check returned on 12/30/15. Second plan check submitted on 1/25/16. Second plan returned on 2/24/16. (6/9/16)</td>
</tr>
<tr>
<td>MC 2225</td>
<td>215 Knox Place</td>
<td>2 Single Family Homes</td>
<td>Plans received and plan check fees paid on 11/18/15. Plans were determined to be incomplete and additional information was requested on 11/19/15 and provided on 12/28/15. First plan check returned on 12/30/15. Second plan check submitted on 1/25/16. Second plan check returned on 2/12/16. (6/9/16)</td>
</tr>
<tr>
<td>MC2232</td>
<td>189-191 Merrill Place</td>
<td>2 Single Family Homes</td>
<td>Plans received and plan check fees paid on 2/1/16. Plan check completed on 2/12/26 and picked up on 2/29/16. Second plan check received on 3/10/16. Awaiting pick up at the plan check desk. (6/9/16)</td>
</tr>
<tr>
<td>MC2234</td>
<td>338 Hanover Drive</td>
<td>Meter Upgrade</td>
<td>Plans received and plan check fees paid on 1/21/16. Plan check completed 1/28/16. Fees paid and permit issued on 4/22/16. 1 - 1 inch meter and ball valve installed on 5/3/16. (6/9/16)</td>
</tr>
<tr>
<td>FILE NO.</td>
<td>PROJECT ADDRESS</td>
<td>PROJECT DESCRIPTION</td>
<td>PROJECT NOTES/STATUS</td>
</tr>
<tr>
<td>---------</td>
<td>---------------------</td>
<td>---------------------</td>
<td>--------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>MC2237</td>
<td>2245 Santa Ana Avenue</td>
<td>Meter Upgrade</td>
<td>Plans received and plan check fees paid on 2/29/16. Plan check completed 3/24/16. Fee paid and permit issued on 5/16/16. (6/9/16)</td>
</tr>
<tr>
<td>MC2240</td>
<td>222 E 15th Street</td>
<td>Meter Upgrade</td>
<td>Plans received and plan check fees paid on 3/25/16. Plan check picked up on 4/20/16. Fee paid and permit issued on 5/10/16. (6/9/16)</td>
</tr>
<tr>
<td>MC2243</td>
<td>165-171 22nd Street</td>
<td>2 Single Family Homes</td>
<td>Plans received and plan check fees paid on 4/20/16. Plan check picked up on 5/17/16. (6/9/16)</td>
</tr>
<tr>
<td>MC2245</td>
<td>522-526 Bernard Street</td>
<td>10 Single Family Homes</td>
<td>Plans received and plan check fees paid on 5/11/16. Plan check awaiting pick up. (6/9/16)</td>
</tr>
<tr>
<td>MC2247</td>
<td>1808-1810 Pomona Ave</td>
<td>2 Single Family Homes</td>
<td>Plans received and plan check fees paid on 5/20/16. Plan check awaiting pick up. (6/9/16)</td>
</tr>
<tr>
<td>MC2252</td>
<td>1100 South Bristol Street</td>
<td>Ganahl Lumber</td>
<td>Plans received and plan check fees paid on 6/1/16. Plan check in process. (6/9/16)</td>
</tr>
</tbody>
</table>
**Project Title:** OC-44 Transmission Main Leak  
**File No.:** MC 1977  
**Description:** Replace damaged section of pipeline  

**Status:** Notice of intent to issue permit was granted by California Coastal Commission on 3/14/13. Staff is working on preparing a plan to monitor the disturbed area. Requested RBF to review the Habitat Restoration Plan and provide recommendations 7/2/14. Working with MBI on developing Permit Application and CEQA documents for OC-44 repair and proposed slip-lining project (see below OC-44 Replacement and Rehabilitation Evaluation and Cathodic Protection Study MC 2034).

---

**Project Title:** MWRF Finished Water Quality Polishing Project  
**File No.:** MC 2039  
**Description:** Enhance finished water quality at the MWRF via Pilot Scale test  

MWRF held on December 7, 2015. 90% design submitted on 2/1/16. Staff reviewed the submittal, provided comments and discussed the comments and project requirements at the meeting held on 3/2/16. Design completed on 4/1/16. Project sent out to bid on 4/4/2016. Two bids received on 5/4/16. Staff recommended that the Board of Directors award a contract to the lowest bidder J.R. Filanc. E & O Committee recommended approval on 5/17/16. Board approved the project on 7/9/16. Staff is finalizing the contract. (6/13/16)

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

**File No.:** MC 2034

**Description:** Evaluate potential repair and replacement options

**Status:** Contract awarded to RBF Consulting 2/12/13. Kick-off meeting held on 2/21/13. TM 1, 2 and 3 reviewed by Mesa Water® and City of Huntington Beach. Revised TM 1 and 3 submitted 6/12/13. Final study report due 7/31/13. Staff requested RBF to perform hydraulic modeling and habitat assessment to supplement original SOW. A meeting with MWDOC, MET and RBF to analyze possible new service connections on the OC Feeder held on 6/25/13. Workshop to discuss TM’s held on 7/2/13. Meeting to discuss PDR, permitting, work plan and design concerns held on 7/16/13. Draft PDR and final design scope proposal received 8/6/13. Hydraulic studies “Evaluation of MWD Water Supply Facilities” and “Analysis of Emergency Supply from OC-44 and OCF” received 8/8/13. Staff reviewed the PDR and Hydraulic Study reports and submitted comments to RBF 9/12/13. Received proposal for design of OC-44 Pipeline Rehabilitation Project 9/24/13. Proposal approved by E&O Committee 11/19/13 and by Board on 12/12/13. Staff prepared change order to RBF. Kick-off meeting held on 01/22/14. Project on progress. Outreach coordination meetings with project stakeholders took place on 2/14/2014.

RBF is working with City of Newport Beach, County of Orange, and Irvine Company on receiving permits for surveying and geotechnical boring work. Orange County Health Care Permit issued 3/24/2014. Geotechnical boring conducted on 3/28/14. The county of Orange permit was issued April 7, 2014. Biological and Topographic Survey started in mid-April and will continue through the end of July. Scour analysis completed on May 29, 2014. Jurisdictional Delineation completed on 6/30/2014. Project progress meeting with RBF and City of Huntington Beach held on 7/2/14 to review environmental assessment and predesign requirements. The design of the pipeline rehabilitation started on 7/8/2014. 60% plans and specifications submitted for review 9/8/2014. Staff is coordinating with City of Huntington Beach and finalizing review of the design package. Initial Study and Mitigated Negative Declaration submitted 11/2/14. Staff is reviewing the submittal (11/6/14). 60% review meeting with City of Huntington Beach and RBF held on 12/1/14. 90% design submittal received on 2/5/15. Notice of Intent (NOI) posted at County Clerk and State Clearinghouse on 1/29/15. Initial Study/Mitigated Negative Declaration (IS/MND) posted on Mesa Water® website and
distributed to agencies/parties identified on distribution list on 1/29/15. Permit applications submitted to the regulatory agencies, legal notice posted in the Daily Pilot, and hard copy of IS/MND posted at front counter on 1/29/15 for public review. The review period concluded 2/27/15. Three comment letters received. Prepared written responses to the comments and held public hearing at the Board Meeting on 4/9/15. 90% design submittal comments sent back to RBF on 3/26/15. Additional questions from RBF analyzed in coordination with the City of Huntington Beach and comments provided to RBF on 6/1/15. Progress meeting with RBF and City of Huntington Brach held 7/1/15. RBF is working with the regulatory agencies on obtaining encroachment permits and/or certifications. On 7/16/15 the consultant is scheduled to meet with the US Army Corps of Engineers (USACE) to discuss initial comments and obtain additional directions. Due to USACE staff shortage the permit is anticipated to be issued in March 2016. RBF is working with Regional Water Quality Control Board (RWQCB) on drafting the 401 Water Quality Certification for the project. The 401 Water Quality Certification was issued on 9/29/15. Comments to the California Department of Fish and Wildlife (CDFW) draft agreement were sent by RBF on 7/17/15. The CDFW permit is predicted to be issued in late October, 2015. In mid-June, 2015 RBF provided response to the California Coastal Commission’s (CCC) comments. The comments from CCC were received in the late July, 2015 and the permit is expected to be issued in mid-November, 2015. Permit from Caltrans obtained on August 17, 2015. 100% design package submitted on 7/21/15. Scour protection evaluation and recommendations submitted on 11/5/15. The CDFW should be issued by 12/18/15. The USACE has indicated that their permit should be issued in mid-January 2016. The Habitat Mitigation and Monitoring Plan (HMMP) has been updated by Michael Baker (former RBF) to reflect the USACE’s process and submitted to Mesa Water® for review on 1/8/16. Once the HMMP is revised and approved (1/19/16) it will be forward to all agencies, including Coastal Commission. Draft 1602 Streambed Permit obtained on 12/18/15. Final 1602 Streambed Permit pending CDFW will be issued while HMMP is accepted. U.S. Army Corps of Engineers’ 404 permit received on 2/10/16. Revised HMMP sent to CCC for review and approval. Project is pending CCC’s approval at an upcoming hearing. On 2/29/16 a meeting with Fletcher Jones Motorcars, City of Newport Beach, MBI (former RBF), and City of Huntington Beach was held to discuss issues associated with proposed construction activities. Per request of CCC a dewatering plan was prepared and submitted for approval. It is anticipated that the project will be presented to the CCC on the July 2016 public hearing in San Diego. Final bid set will be completed once all permits are issued. Project in progress (6/13/16).
<table>
<thead>
<tr>
<th>Project Title: Well Automation and Rehabilitation</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>File No.: MC 2101</td>
<td></td>
</tr>
<tr>
<td>Description: Rehabilitate all clear water wells and add remote control SCADA capabilities</td>
<td></td>
</tr>
<tr>
<td>Status: Design: RFP for Design Services released on 7/1/2014. Pre-proposal meeting held on 7/9/2014. 6 proposals received on 7/28/2014; interviewed 3 shortlisted firms on 8/6/2014. Recommendation to award contract to Carollo Engineers approved by E&amp;O on 8/19/2014; Board approval requested on 9/11/2014. Project kickoff meeting held on 10/1/2014. Draft Permit plan received for review on 11/3/14. Well Standardization workshop held on 11/21/14 to align on site layouts, chemical tank sizing, and instrumentation. Draft Preliminary Design Report received on 1/12/2015, and reviewed in workshops on January 21, 2015 and February 3, 2015, and March 3, 2015. 60% received on April 13, 2015. Meeting to resolve review comments scheduled for April 27, 2015. Construction Management (CM) Services: Released and RFP for CM services on December 30, 2014 Preproposal meeting held on January 12, 2015. Four (4) proposals were received on January 26, 2015. Three proposers were interviewed on February 4, 2015, and the recommended Contract with RBF was approved by the Board on March 12, 2015. 60% design received on April 13, 2015. General 60% Design Review workshop held on April 27, 2015 and electrical/instrumentation review workshop held on May 11, 2015. Working on optimizing construction sequence. Electrical design workshop scheduled for June 25, 2015. 90% design submittal received on July 15, 2015. Engineer’s Estimate of probable cost at 90% is approximately $10.1. Workshop to review and address 90% comments held on July 29, 2015. Contractor prequalification package sent to eight (8) General Contractors on July 18, 2015. Four prequalification applications were received on August 17, 2015. 100% Design received on September 16, 2015. Notice Inviting Sealed Bids was released to four prequalified contractors on October 5, 2015. Job Walks were conducted on October 13, 2015 for prequalified Prime Contractors and on November 3, 2015. Addenda and clarifications in response to bidder’s questions have been issued. Bid opening was extended to January 7, 2016 to allow for recent changes for new Well 9 layout. Four bids were received on January 7, 2016. An action item to award a contract to the lowest bidder was approved by the Engineering and Operations Committee on January 16, 2016 and by the full Board on February 11, 2016. Notice to proceed was sent on April 4, 2016. Preconstruction meeting held on April 12, 2016. Three Requests for Information have been received from the Contractor and reviewed by the Design Engineer. The Contractor’s Schedule of Values and Submittal Schedule were received on May 9, 2016. Pre-submittal meeting for the Well 5 gas engine system is scheduled for June 14, 2016.</td>
<td></td>
</tr>
</tbody>
</table>
Project Title: Two New Wells
File No.: MC 2158
Description: New wells and real estate services to identify and acquire property

Status: Change Order to Well Rehabilitation and Automation approved at January 20, 2015 E&O to retain Carollo and subconsultant Geotechnical Consultants Inc. (GTC) to provide typical well site layout and hydrogeological investigation to identify promising locations for two new 2,000-gpm clear wells. Met with Real Estate Professionals on February 2, 2015, to discuss scope of work for well site property identification and acquisition. Met with OCWD Chief Hydrogeologist on March 24, 2015, to identify study area for new well sites. Gave Notice to Proceed to Real Estate company on May 4, 2015, and provided consultant report on preferred well site property characteristics. Real Estate consultant developed an advertisement postcard to describe the type of property needed, and sent it to over 1,000 commercial and industrial property owners in the study area. Three sites have been presented for evaluation. Also met with the Laguna Beach County Water District (LBCWD) Manager of Engineering & Operations on October 13, 2015, to discuss development of a jointly-owned well on property in Fountain Valley owned by LBCWD. An offer to purchase one site was presented to the property owner on November 16, 2016. The owner has not responded, and the offer time frame has expired. An offer for a different property was prepared and presented on January 6, 2016. Owner has decided to lease the property rather than selling. A third property is being evaluated by staff and OCWD for potential interference from the OCWD mid-basin injection. Travel time analysis results from OCWD showed that the property is inside the six month travel time window. A meeting was held on February 22, 2016, with OCWD and DDW to discuss the travel time analysis, and DDW determined that it would not issue a permit for a drinking water well at the site. A meeting with the City of Santa Ana Water Department was held to discuss the possibility of a jointly-owned well on a City of Santa Ana-owned site. An offer to purchase was presented to a property owner for an underutilized portion of a property on May 4, 2016. The offer was rejected. A revised offer was submitted on June 7, 2016. A response from the owner is expected by June 21, 2016. Staff is working with Voit Real Estate to identify and evaluate underutilized sites in the study area.

Project Title: Well 9B
File No.: MC 2229
Description: Replacement of Well 9

Status: Kickoff meeting was held on January 22, 2016. Well design criteria for depth, expected screen intervals, and expected pumping rate were established. Well design decisions include a continuous diameter of 18 inches with stainless steel casing and wire wrapped screen. Detailed design is in process. Draft bid documents reviewed and returned on March 25, 2016. Bid documents were released on April 22, 2016. The pre-
bid site meeting was held on May 18, 2016 and attended by four bidders. Three bids were received by the deadline of June 7, 2016. The low bid from Weber Water Resources is approximately 30% below the Engineer’s Estimate.

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>MWRF Parking Project</th>
</tr>
</thead>
<tbody>
<tr>
<td>File No.:</td>
<td>MC 2052</td>
</tr>
<tr>
<td>Description:</td>
<td>Conduct parking layout design</td>
</tr>
</tbody>
</table>

**Status:** Parking study prepared by Onward Engineering in November 2013. The Board approved alternative #3 Parking Along the MWRF Frontage on Gisler Ave. on 3/15/2014. RFP for the parking design in consultants’ review (11/6/14). RFP sent out to consultants 11/25/14. Proposals due 12/19/14. Interview with three consultants held on 1/7/15. Recommendation brought to January E and O for consideration of approval and will be brought to the Board on 2/12/15 for approval. Project approved 2/12/15.

Kick-off meeting held on 2/19/15. Design in progress. 30% design submittal submitted 3/23/15. Staff met with C.J. Segerstrom and discussed concept and details of the proposed parking layout. Segerstrom verbally approved the project. City of Costa Mesa approved the concept and currently consultant is evaluating the landscape requirements with the City of Costa Mesa. E and O Committee accepted the conceptual design and provided comments on 5/19/15. The condition approval from Segerstrom received on 6/29/15. Staff is working with the designer (CivilSource), Mesa Water’s attorney, and City of Costa Mesa on addressing Segerstrom’s comments. Staff is reviewing the Initial Study/Summary of Findings Report received on 8/3/15. Staff has addressed all Segerstrom’s requests included in their 6/29/15 letter and prepared a response letter. Approved construction plans were received from the City of Costa Mesa on 12/29/15. The final bid package completed 3/15/16. Encroachment Permit Application submitted to the City on 3/6/16. Hold Harmless Agreement for the Installation of Off-Site Parking Improvements within Public Right-of-Way received on 5/4/16. Staff reviewed the Agreement and sent comments to the City of Costa Mesa on 5/27/16. Permit anticipated to be issued by mid July 2016. (6/13/16)

---

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>OC 44 Import Stations Flow Meter Replacement</th>
</tr>
</thead>
<tbody>
<tr>
<td>File No.:</td>
<td>MC 2088</td>
</tr>
<tr>
<td>Description:</td>
<td>Provide design for replacement of Flow Meters in the OC 44 Import Turnouts No. TO-2, TO-4, and TO-5</td>
</tr>
</tbody>
</table>

**Status:** Task Order No. RBF-3 for preparing construction drawings, technical specifications, and bid documents for the flow meter replacements in the import turnouts No. TO-2, TO-4, and TO-5 issued to RBF Consulting on July 23, 2014. 75% plans and specifications submitted for review 10/7/2014. Staff is reviewing the submittal (10/9/2014). The review comments returned back to the consultant 11/4/14. Design of new pressure gauges, pressure transmitters, and related improvements were added to the scope in December 2014. Design in progress. 90% design package submitted for
review on 2/20/15. Working with consultant and CLA-VAL on reviewing the design (3/6/15). 100% design submitted on 3/10/15. The comments to the 100% design sent back to the designer 4/30/15. Final design package received on 5/27/15. Mesa Water® staff is reviewing the package and working with RBF on addressing final comments 6/8/15. Project solicited 6/17/15 and pre-bid walk held on 6/29/15. Bids opened on 7/10/15. Staff recommended that the Board of Directors award a contract to the lowest bidder Jamison Engineering. E & O Committee recommended approval on 7/21/15. Board approved the project on 8/10/15. The kick-off meeting held on 8/17/15. Staff has finalized the contract and issued Notice to Proceed on 9/16/15. Project team is in the submittal review process. Progress meetings held on 2/2/16 and 3/2/16. Construction begun on April 4, 2016. The Contactor replaced 16” valve in Santa Ana Pressure Reducing Station on April 6, 2016 and meters in TO-2, TO-4, and TO-5 on April 29, 2016. Contractor continues working on remaining punch list tasks of the project including programming valve controls and integrating with SCADA. (6/13/16)

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>Reservoir 1 and 2 Improvements</th>
</tr>
</thead>
<tbody>
<tr>
<td>File No.:</td>
<td>MC 2111</td>
</tr>
<tr>
<td>Description:</td>
<td>Installation of gas flow meters at Reservoir 1 and Reservoir 2,</td>
</tr>
<tr>
<td>Status:</td>
<td>Staff prepared Scope of Work and sent a request for quote to on-call Engineering consultant (As-Needed Design Consultant) to provide:</td>
</tr>
<tr>
<td></td>
<td>Design and specifications for installation of gas meters for Res 1, Res 2, and Well 5. Evaluation and design of Res 1 Air Vent Covers and Roof Membrane, and design for replacement of Res 1 silencers. Request for quote sent out 3/5/15. Brady Engineers selected for the project. Kickoff meeting held on 4/7/15. 30% design package submitted 5/27/15. Designer is working on addressing the review comments and continuing the design (7/10/15). Well 5 gas meter moved into the well automation and rehabilitation project scope of work. 100% Design Package received on 8/4/15. Meeting with the designer to discuss reviewers’ comments held on 8/10/15. The designer is revising the design and final bid package is anticipated to be submitted on 9/4/15. The final bid package submitted on 10/12/15. Staff has reviewed the submittal (11/5/15). Project advertised for bid on April 6, 2016. Pre-Bid meeting held on 4/20/16. Bids opened on 5/17/16. Two bids received for $516,000 and $556,600. Staff reviewed the bids and recommended E&amp;O Committee to approve of the lower bid. (6/13/16)</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Title:</th>
<th>Pipeline Testing Program</th>
</tr>
</thead>
<tbody>
<tr>
<td>File No.:</td>
<td>MC 2112</td>
</tr>
<tr>
<td>Description:</td>
<td>Implement Resolution No. 1442 Replacement of Assets to annually perform non-destructive testing of 1% of the distribution system, and destructive testing of segments that are shown to have less than 70% of original wall thickness by non-destructive testing.</td>
</tr>
</tbody>
</table>
Status: Identifying segments for FY 2015 non-destructive testing and arranging for excavation and removal of segments that tested below 70% remaining wall thickness in FY 2014 non-destructive testing. Released a Request for Proposal for a consultant to administer the program and develop standard operating processes on February 6, 2015. Three proposals were received on February 26, 2015, and interviews conducted on March 4, 2015. A contract with RBF was approved by the Board on April 9, 2015. Kickoff meeting held on April 21, 2015. Project status meeting held on June 8, 2015. Draft deliverable of prioritization of asbestos concrete pipe (ACP) for non-destructive testing received on June 26, 2015; updated draft received on August 7, 2015. Draft deliverable with recommendations for non-destructive testing technologies for metallic pipe received on August 7, 2015. Draft evaluation of destructive testing laboratories and tests received on August 21, 2015; final report received on September 16, 2015. Echologics performed non-destructive testing of 3 miles of ACP from July 13-17, 2015. Draft report received on August 14, 2015; final report received on September 1, 2015. Based on the Echologics reports from 2013 and 2015, ten ACP segments were selected for sampling and destructive testing. Three ferrous material pipelines with a history of repairs were also selected for field sampling and destructive testing. Draft bid documents for field sampling received on October 16, 2015. Final bid documents were released to three on-call contractors on November 23, 2015, for bids. Pre-bid meeting was held on December 7, 2015 and attended by all three of the bidders. Three bids were received on December 16, 2015. All bids exceeded the budget and the General Manager’s signing authority. An action item to approve a contract with the low bidder was approved by the Engineering and Operations Committee on January 19, 2016, and by the Board on February 11, 2016. Notice to Proceed with field sampling was given on March 7, 2016. An encroachment permit from the City of Costa Mesa was received on April 25, 2016. Field sampling began on May 16, 2016 with 5 of the 11 samples collected. Work is expected to be complete by July 1, 2016. Samples will be sent to MEIC Lab in Portland, Oregon, for destructive testing. Lab results, including estimates of remaining useful life, are expected in August 2016. Non-destructive testing of the next 3 miles of ACP is scheduled for the week of September 12, 2016.

Project Title: MWRF Outreach Center

File No.: MC 2147

Description: Report on the feasibility of reconfiguring and potentially expanding the functional uses of the MWRF Operations and Administration Building to include a multi-purpose room and educational forum.

Status: Mesa Water® is coordinating with IBI Group (designer) on the feasibility of implementing an education and outreach center at the MWRF. Kick-off meeting was held on 6/1/2015. Program Requirement Questionnaire meetings were held on 6/9/2015 and 6/17/15. Program Report delivered to Mesa Water® for review on 7/7/2015. 60% design concepts are scheduled for submittal on 08/14/15. 100% concept design received on 09/29/15. Virtual rendering received on 10/6/15. Concept
designs presented at the October Board Workshop. A follow-up planning session was held at the November Engineering and Operations Committee Meeting to capture the Board’s input on evaluating reduced cost options and to revisit the existing Boardroom improvements. Board directed staff to develop a scope of work to evaluate scaled down layouts of the MWRF Outreach Center and revisit expanded layouts of the main Boardroom. Engineering and Operations Committee approved a contract amendment with IBI Group to reflect the revised scope of work. Item was approved by the Board February 11, 2016. IBI Group performed an inspection of the existing Boardroom on February 25, 2016 and are in the process of developing conceptual layouts. Staff review and meeting occurred on April 11, 2016. IBI Group is in the process of finalizing cost estimates.

<table>
<thead>
<tr>
<th>Project Title: Mesa Water® Main Office HVAC Study</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>File No.:</strong> MC 2171</td>
</tr>
<tr>
<td><strong>Description:</strong> Evaluate the existing HVAC system and provide recommendations for improved efficiency and operations of the system.</td>
</tr>
<tr>
<td><strong>Status:</strong> Mesa Water® has contracted with Goss Engineering Inc. to perform this study. Kick off meeting was held January 13, 2016. Goss Engineering performed a field survey of both main campus buildings over the course of three days. Draft report with results and recommendations was reviewed by staff. A final report is expected at the end of June.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project Title: Reservoirs 1 &amp; 2 Pumps, Controls, and Chemical System Assessment Project</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>File No.:</strong> MC 2173</td>
</tr>
<tr>
<td><strong>Description:</strong> Evaluate the existing Pumps, Controls, and Chemical Systems at Reservoirs 1 &amp; 2. The project includes lab testing of pump efficiency, physical assessment of pumps and pipework, assessment of the existing control system, and preliminary design of a chemical dosing system. Recommendations for improved efficiency and operations of the system will be included in a final report.</td>
</tr>
</tbody>
</table>
| **Status:** Mesa Water® has contracted with Hazen & Sawyer to perform this study. Kick off meeting was held September 30, 2015. The consultant performed a field survey of both Reservoirs 1 & 2 over two days. A preliminary outline of technical memo 1 was provided on December 11, 2015. Initial data requests were responded to by December 7, 2015, with follow up responses provided on January 7, 2016 (SCADA Data) and February 9, 2016 (Jockey Pump Data). Pump testing scope of work has been reviewed by Mesa Water® and returned to the Consultant for revision. TM-1 has been reviewed by staff and returned to the consultant. Pump extraction plan and bid documents are currently being reviewed by staff. The Consultant has begun the
preliminary design of a chemical dosing system.

**Project Title:** South Coast Plaza Pipeline Repair  
**File No.:** MC 2218  
**Description:** Water main repair due to failed 12" main.

**Status:** On October 19, 2015, a 50-year old waterline near the western end of the interior roadway of South Coast Plaza at Bristol Street (across from Anton Boulevard), ruptured and impacted the soils supporting the pavement. At the rupture location the pavement caved-in resulting in a deep sinkhole (approximately 30 feet by 20 feet at the ground surface) undermining a South California Edison (SCE) high voltage (12 KVA) duct bank and roadway infrastructure (sidewalk, light poles, palm trees, etc.). Beyond the immediate location of the waterline rupture, the asphaltic concrete pavement was uplifted under the water pressure and the base course was filled with water, soaking the upper parts of the clay subgrade. Mesa Water® used its on-call contractor and consulting resources to facilitate the work. The project was completed on Thursday, October 29, 2015. Staff reviewed the contractors’ invoicing and recommended approval. The Finance Committee approved payment of the invoices on 12/21/15 and the claim was submitted to ACWA JPIA. Staff is coordinating with ACWA JPIA and providing all back-up invoicing detail necessary to finalize the claim. (6/13/16)

**Project Title:** Other Agency Project Coordination  
**File No.:** 
**Description:** Median construction in Placentia Ave. between Wilson St. and Adams Ave.

**Status:** Mesa Water® 16” main runs 5’ East of the street center line. Mesa Water® is coordinating with designer and City on design of necessary protection and root barrier for the water main. 85% design plans received on (12/22/14). Plan review in progress 1/8/15. Plan review comments sent to the City 2/6/15. Mesa Water® provided update comments to landscaping plans on 6/17/15. Mesa Water® continuing to coordinate with the City, Stivers and Associates, Inc., and City Designer on layout of project. Revised final plans submitted for Mesa Water® review on 11/19/15. Staff reviewed the submittal in cooperation with Mesa Water® landscape consultant (Stivers Associates) and submitted comments to the City Designer on 12/28/15. The comments have been accepted by the Designer and Final Plans were submitted on 2/9/16. New comments sent to the designer on 2/18/16. The revised final plans received on 3/21/16 and approved by Mesa Water® on 3/31/16. (6/13/16)
**Project Title:** Other Agency Project Coordination  

**File No.:**  

**Description:** Water main relocation in New Hampshire Ave. due to Greenville-Banning Channel Improvements by County of Orange.  

**Status:** Relocation of 12” water main is required due to enlarged box culvert on Greenville-Banning Channel. Task Order No. RBF-2 issued to RBF Consulting on June 24, 2014 for design of the relocation. Mesa Water® is coordinating with County of Orange and RBF. Design in progress. Hydraulic analysis received from RBF 9/12/14 indicated that taking the New Hampshire pipeline out of service during construction of the Greenville-Banning Channel will have no adverse impacts on the distribution system (8/9/14). Mesa Water® is working with OCFCD on finalizing the cooperative agreement. E&O Committee approved the agreement 11/18/14. Pipeline relocation design package submitted to Mesa Water® on 1/31/15. Mesa Water® is coordinating with OCFCD and consultant to address final comments. Plans and specifications for the pipeline relocation completed 3/3/15 and forwarded to OCFCD on 3/5/15. Project was delayed until Spring of 2016. Attended the pre-construction meeting on 7/21/15. Construction meeting with OCFCD’s contractor Sukut Construction held on 4/7/16. Staff is coordinating with OCFCD and Sukut on project schedule. (6/13/16)
Water Quality Call Report May 2016

Date: 5/9/2016
Source: Phone
Address: 3350 California St.
Description: Customer wanted information about why the arsenic, cadmium, and chlorine levels are rising in his pool. Customer stated that the water is “bad” and has eaten his pool cover in a matter of months.

Outcome: Customer was assured that the tap water is analyzed by a state certified laboratory and the water quality meets state and federal drinking water standards. Also explained that the water quality can change based on the plumbing, filtration system and chemicals added, etc. Customer stated he has not added any chemicals and only covers the pool with a pool cover. Attempted to explain to the customer that pools need maintenance and certain chemicals added to keep it in balance but customer was not satisfied and went on to suggest that Mesa Water® desalinate its sources.

Date: 5/18/2016
Source: Phone/Visit
Address: 801 Paularino
Description: Filmy residue from water.

Outcome: Water sample was taken from kitchen sink and water appears to be clear with no residue present.
## Policy Assignments for 2016

<table>
<thead>
<tr>
<th>Policy Name</th>
<th>Resolution</th>
<th>Date Adopted</th>
<th>Revision Schedule</th>
<th>Next Review</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rules and Regulations for Water Services (will include review of meter capacity charges and easement procedures)</td>
<td>Resolution No. 1470</td>
<td>02/09/16</td>
<td>Review and update as needed</td>
<td></td>
</tr>
<tr>
<td>Standard Specifications and Drawings</td>
<td>Resolution No. 1449</td>
<td>08/14/14</td>
<td>Review and update as needed</td>
<td></td>
</tr>
</tbody>
</table>
## Water Operations Status Report
### July 1, 2015 - May 31, 2016

### Operations Department Status Report

<table>
<thead>
<tr>
<th>Program</th>
<th>Wk Unit</th>
<th>Plan Days</th>
<th>Act Days</th>
<th>Plan Qty</th>
<th>Act Qty</th>
<th>Cost Plan</th>
<th>Cost Actual</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>01 - HYDRANTS</strong></td>
<td>HYDRANTS</td>
<td>200</td>
<td>154</td>
<td>137</td>
<td>3079</td>
<td>$131,698</td>
<td>$88,358</td>
</tr>
<tr>
<td>WD-0101 - HYDRANT MAINTENANCE</td>
<td>HYDRANTS</td>
<td>12</td>
<td>9</td>
<td>100</td>
<td>389</td>
<td>$9,738</td>
<td>$4,141</td>
</tr>
<tr>
<td>WD-0103 - HYDRANT REPAIR</td>
<td>HYDRANTS</td>
<td>48</td>
<td>38</td>
<td>49</td>
<td>55</td>
<td>$50,731</td>
<td>$27,273</td>
</tr>
<tr>
<td>WD-0104 - DAMAGED HYDRANT</td>
<td>HYDRANTS</td>
<td>0</td>
<td>20</td>
<td>0</td>
<td>7</td>
<td>$0</td>
<td>$16,660</td>
</tr>
<tr>
<td><strong>Program 01 TOTAL</strong></td>
<td></td>
<td>214</td>
<td>200</td>
<td>$192,167</td>
<td>$136,422</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>02 - VALVES</strong></td>
<td>VALVES</td>
<td>0</td>
<td>109</td>
<td>110</td>
<td>2338</td>
<td>$94,821</td>
<td>$74,556</td>
</tr>
<tr>
<td>WD-0201 - DISTRIBUTION VALVE MAINTENANCE</td>
<td>VALVES</td>
<td>0</td>
<td>11</td>
<td>0</td>
<td>129</td>
<td>$0</td>
<td>$6,808</td>
</tr>
<tr>
<td>WD-0203 - REPLACE VALVE BOX</td>
<td>BOXES</td>
<td>23</td>
<td>3</td>
<td>28</td>
<td>3</td>
<td>$21,471</td>
<td>$2,151</td>
</tr>
<tr>
<td><strong>Program 02 TOTAL</strong></td>
<td></td>
<td>132</td>
<td>124</td>
<td>$116,292</td>
<td>$83,515</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>03 - METERS</strong></td>
<td>METERS</td>
<td>0</td>
<td>9</td>
<td>17</td>
<td>46</td>
<td>$23,630</td>
<td>$60,900</td>
</tr>
<tr>
<td>WD-0301 - NEW METER INSTALLATION</td>
<td>Meters</td>
<td>28</td>
<td>11</td>
<td>28</td>
<td>9</td>
<td>$29,175</td>
<td>$7,955</td>
</tr>
<tr>
<td>WD-0303 - METER LEAK INVESTIGATE/REPAIR</td>
<td>INV/REP</td>
<td>18</td>
<td>29</td>
<td>138</td>
<td>197</td>
<td>$16,958</td>
<td>$25,222</td>
</tr>
<tr>
<td>WD-0305 - ANGLE STOP/BALL VALVE REPLACE</td>
<td>TESTS</td>
<td>55</td>
<td>109</td>
<td>114</td>
<td>55</td>
<td>$55,671</td>
<td>$39,458</td>
</tr>
<tr>
<td>WD-0306 - LARGE METER TEST/REPAIR - C</td>
<td>LOCATIONS</td>
<td>8</td>
<td>11</td>
<td>55</td>
<td>45</td>
<td>$19,083</td>
<td>$8,055</td>
</tr>
<tr>
<td><strong>Program 03 TOTAL</strong></td>
<td></td>
<td>118</td>
<td>124</td>
<td>$145,289</td>
<td>$141,590</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>04 - MAIN LINES</strong></td>
<td>REPAIRS</td>
<td>0</td>
<td>10</td>
<td>0</td>
<td>3</td>
<td>$0</td>
<td>$37,892</td>
</tr>
<tr>
<td>WD-0400 - MAIN LINE REPAIR - C</td>
<td>REPAIRS</td>
<td>66</td>
<td>64</td>
<td>11</td>
<td>13</td>
<td>$62,765</td>
<td>$45,467</td>
</tr>
<tr>
<td>WD-0403 - AIR VAC MAINTENANCE/REPAIR</td>
<td>AIR VACS</td>
<td>14</td>
<td>21</td>
<td>72</td>
<td>155</td>
<td>$13,194</td>
<td>$13,258</td>
</tr>
<tr>
<td>WD-0404 - DEAD END FLUSHING</td>
<td>LOCATIONS</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$0</td>
<td>$0</td>
</tr>
<tr>
<td><strong>Program 04 TOTAL</strong></td>
<td></td>
<td>80</td>
<td>95</td>
<td>$75,959</td>
<td>$96,617</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>05 - SERVICE LINES</strong></td>
<td>SERVICES</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>0</td>
<td>$7,118</td>
<td>$104</td>
</tr>
<tr>
<td>WD-0501 - SERVICE LINE REPAIR</td>
<td>SERVICES</td>
<td>23</td>
<td>37</td>
<td>126</td>
<td>126</td>
<td>$193,834</td>
<td>$72,970</td>
</tr>
<tr>
<td>WD-0503 - RELOCATE SERVICE LINE</td>
<td>SERVICES</td>
<td>8</td>
<td>4</td>
<td>0</td>
<td>5</td>
<td>$49,997</td>
<td>$27,721</td>
</tr>
<tr>
<td><strong>Program 05 TOTAL</strong></td>
<td></td>
<td>70</td>
<td>40</td>
<td>$67,624</td>
<td>$27,825</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>06 - CAPITAL</strong></td>
<td>AIR VACS</td>
<td>3</td>
<td>1</td>
<td>3</td>
<td>1</td>
<td>$3,620</td>
<td>$612</td>
</tr>
<tr>
<td>CAP AV - CAPITAL AIR VACUUM REPLACE</td>
<td>REPLACE</td>
<td>23</td>
<td>3</td>
<td>2</td>
<td>1</td>
<td>$3,313</td>
<td>$6,843</td>
</tr>
<tr>
<td>CAP BI - CAPITAL BYPASS &amp; METER INSTALL</td>
<td>HYDRANTS</td>
<td>253</td>
<td>93</td>
<td>37</td>
<td>14</td>
<td>$140,949</td>
<td>$105,839</td>
</tr>
<tr>
<td>CAP BH - CAPITAL HYDRANT VALVE</td>
<td>VALVES</td>
<td>18</td>
<td>56</td>
<td>9</td>
<td>6</td>
<td>$25,964</td>
<td>$47,749</td>
</tr>
<tr>
<td>CAP LM - CAPITAL LARGE METERS</td>
<td>METERS</td>
<td>49</td>
<td>37</td>
<td>126</td>
<td>126</td>
<td>$193,834</td>
<td>$72,970</td>
</tr>
<tr>
<td>CAP MV - CAPITAL MAINLINE VALVE REPLACE</td>
<td>VALVES</td>
<td>212</td>
<td>174</td>
<td>46</td>
<td>27</td>
<td>$300,128</td>
<td>$148,255</td>
</tr>
<tr>
<td>CAP SL - CAPITAL SERVICE LINE REPLACE</td>
<td>SERVICES</td>
<td>23</td>
<td>60</td>
<td>9</td>
<td>14</td>
<td>$273,759</td>
<td>$43,835</td>
</tr>
<tr>
<td>CAP SS - CAPITAL SMALL METERS</td>
<td>Meters</td>
<td>127</td>
<td>102</td>
<td>1268</td>
<td>1082</td>
<td>$189,417</td>
<td>$136,451</td>
</tr>
<tr>
<td>CAP SS - CAPITAL SAMPLE STATION REPLACE</td>
<td>STATIONS</td>
<td>9</td>
<td>21</td>
<td>9</td>
<td>5</td>
<td>$10,731</td>
<td>$14,494</td>
</tr>
<tr>
<td><strong>Program 06 TOTAL</strong></td>
<td></td>
<td>717</td>
<td>547</td>
<td>$1,125,131</td>
<td>$577,048</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td>717</td>
<td>547</td>
<td>$1,722,462</td>
<td>$1,063,017</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
RECOMMENDATION

This report is for information only. No action is recommended at this time.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #3: Be financially responsible and transparent.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

This report on Municipal Water District of Orange County (MWDOC) issues is intended to brief the Committee and Board on activities relevant to Mesa Water District (Mesa Water®). The first section, “On-Going Issues”, is a status update on current studies, reports, and/or policy work groups that staff are involved with. The second section, “Last Month’s Issues”, is a report on noteworthy items that were covered at the last month’s MWDOC Board and Committee meetings. The last section, “Upcoming Issues”, is a preview of new and forthcoming issues important to Mesa Water®. This format is intended to keep the Committee and Board informed about current and future items at MWDOC in order to provide direction to staff and its MWDOC representatives in a timely manner, if required.

ON-GOING ISSUES

SWRCB EXTENSION OF DROUGHT REGULATIONS

MWDOC staff presented the State Water Resource Control Board (SWRCB) certification process. Staff pointed out that the new regulations are in effect until January 31, 2017. There are (3) major elements of the SWRCB’s action.

1. Self-certification.
2. Self-certification replaces State Target Goals. If an agency wishes to stay with the State goal, there is no need to self-certify. The only reason an agency would do this is if self-certification gave them a more stringent goal.
3. SWRCB’s new rules are in effect June 1, 2016 through January 31, 2017.

Agencies, both retail and wholesale must certify their supplies, assuming demands from 2013, 2014 and 2015. They are to project their demands for the next (3) years. These figures must be submitted to the State no later than June 22, 2016. MWDOC and OCWD will
survey all of their agencies to obtain their projected demands. Once MWDOC receives the data from their members, they must send the figures to MWD, and MWD will then submit their figures to the State. Once MWD sets their projected demands and indicate what percentage of demand they can meet, the agencies will use that data to self-certify. As an example, MWD has already stated that they can meet demands for the next (3) years under the new demand requirements developed by the State. OCWD has also stated they can meet demands at 70% BPP for the next (3) years using the demand requirements developed by the State. With that said member agencies conservation goals will be set at (0).

The State will require all wholesalers to post this information on their webpage.

The State has noted that this is a test for all water providers to continue with the good conservation efforts. However, if demands increase over the projected demand management (2013 demands), the State could return to statewide mandates when they meet in early 2017 to set their permanent water supply management restrictions.

LAST MONTH’S ISSUES

ORANGE COUNTY’S DROUGHT PERFORMANCE – MARCH 2016 REPORT: Orange County’s conservation target was lowered to 19.55% due to revisions by the State Board that allows credits for OCWD’s Groundwater Replenishment System (GWRS).

ORANGE COUNTY MONTHLY % SAVINGS VS. SWRCB TARGET: For the month of March 2016, Orange County retail water agencies reported total water saving of 26.63% (note: this is compared to March 2013 water usage). This exceeds Orange County’s monthly conservation target of 19.55% by 7.08%.

OTHER INFORMATION:
- Orange County has a 5-year precipitation deficit of 28.47” (2011-12 to present).
- Between June 2015 and March 2016, Orange County has conserved 103,843 AF.

APPROVAL OF MWDOC’S BUDGET FOR 2016-17
The Board approved the following resolutions:

1. A budget total of $153,590,571 (expenses) and a consolidated general fund budget of $8,914,735 (Revenue).

2. The total revenue amount for the consolidated operating budget (CORE + CHOICE) represents an increase of 5.8% ($490,782).

3. The potential election expense is $592,000 for all four divisions. The budget includes a planned draw on the Election Reserve of approximately $475,000.

4. The building improvements expense is estimated at $495,000 including a draw on the Building Reserve.
(5) The total amount of Water Use Efficiency (WUE) outside funding for rebates and grants will decrease from a FY2015-16 budget of approximately $22.8 million to a proposed budget of almost $4.3 million.

(6) The total outside funding from WUE and Local Resource Project (LRP) sources will be approximately $20.3 million in FY2016-17.

(7) OPEB will be funded at the annual level pay amount of $155,000.

(8) Pension Liability staff contributions will continue by 1% each year, until a total of 7% has been achieved. This year, the budget was developed assuming the staff contribution is 5%.

(9) Staffing levels include a marginal increase. The total Full-Time Equivalent (FTE) staff by 0.14 FTEs with the total number of full-time MWDOC and WEROC employees increasing from 30 to 31.

(10) The proposed budget for FY2016-17 incorporates the current 100% fixed rate structure which was implemented for the current fiscal year for the Core Budget, as well as Option A from the Rate Study.

(11) The proposed increase in the fixed rate is $0.10 per retail meter (.92%).

(12) Significant project activities in FY2015-16 will include: Metropolitan activities and communication of those activities to our Member Agencies including policy issues from the Integrated Resource Plan, groundwater allocation and delivery models, business and investment models, the Carson IRP project, Local Resource Program (LRP) funding, and water reuse and groundwater recharge and storage issues including cyclic storage; Orange County Reliability Study continuing actions; Communication outreach programs related to drought, the California Water Fix (Bay Delta) and Met activities; Water Use Efficiency efforts on water savings potential and cost-efficient programs; Rebuilding the MWDOC website and implementation of communication surveys; Government Affairs activities at the local, state and federal level.

(13) The CHOICE Activities for this year will include: School Program; Water Use Efficiency; Communications Plan (Public Affairs); Doheny Desal Site Closure; Poseidon; Water Loss Control Program.

**PROPOSED MWDOC WATER RATE RESOLUTION FOR FISCAL YEAR 2016-17**

The Board approved the following resolutions:

(1) Increase the MWDOC Retail Meter Charge from $10.85 to $10.95 per meter, and (2) Assess a new Groundwater Customer Charge of $392,666 to Orange County Water District, effective July 1, 2016, and (3) Adopt the Water Rate Resolution setting forth rates and charges to be effective July 1, 2016 and January 1, 2017 as identified in the Water Rate Resolution for Fiscal Year 2016-17.
UPCOMING ISSUES

None.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.
MEMORANDUM

TO: Engineering and Operations Committee
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: June 21, 2016
SUBJECT: Orange County Water District Activities Update

RECOMMENDATION

This report is for information only. No action is recommended at this time.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #3: Be financially responsible and transparent.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

This report on Orange County Water District (OCWD) issues is intended to brief the Committee and Board on activities relevant to Mesa Water District (Mesa Water®). The first section, “On-Going Issues”, is a status update on current studies, reports, and/or policy work groups that staff are involved with. The second section, “Last Month’s Issues”, is a report on noteworthy items that were covered at the last month’s OCWD Board and Committee meetings. The last section, “Upcoming Issues”, is a preview of new and forthcoming issues important to Mesa Water®. This format is intended to keep the Committee and Board informed about current and future items at OCWD in order to provide direction to staff and its OCWD representatives in a timely manner, if required.

ON-GOING ISSUES

POSEIDON CONFIDENTIALITY AGREEMENT

The Board approved the following resolution:

Authorize execution of the Poseidon Confidentiality Agreement Amendment No. 2; Poseidon is requesting the confidentiality for the financial model as it relates to this project. This is information Poseidon is providing to OCWD that they would like to keep confidential from their competitors.

WATER QUALITY STUDY FOR POSEIDON DESALINATION PROJECT

- Staff solicited a proposal from Trussell Technologies for a water quality study.
- The Scope of Work included; 1) assess potential for corrosion in distribution system, 2) assess disinfectant issues, 3) identify potential end user impacts for direct delivery, 4) predict water quality impacts under three operating scenarios, and 5) provide recommendations.
• The three operating scenarios are; 1) winter operations, 2) summer operations and 3) 100% Desalination (during GWRS shutdown).

POSEIDON RESOURCES CALIFORNIA ENVIRONMENTAL QUALITY ACT (CEQA) REIMBURSEMENT AGREEMENT

The Board approved the following resolution:

1) Commence preparation of CEQA documents for the project;
2) Execute Poseidon CEQA Reimbursement Agreement; and
3) Issue necessary agreements with CEQA consultants to assist with this effort.

This CEQA is for the pipeline distribution portion of the project. Poseidon is advancing the funds for this study. If the project goes forward, the cost is passed on to OCWD. If the project does not go forward then Poseidon bears the costs but OCWD still gets the benefits of the study.

OCWD PARTICIPATION IN UPPER SANTA ANA RIVER HABITAT CONSERVATION PLAN

OCWD staff updated the Water Issues Committee (WIC) on this project and recommended that the District participate and become a funding partner in this endeavor. The project will develop a plan for Habitat Conservation that would be used to help expedite future projects and permitting issues. It is the desire of the group to develop a plan that would not be challenged by the environmental community, but rather be embraced by the environmental community. OCWD has spent considerable funds on environmental issues and mitigation measures near Prado Dam and has a vested interest in the development of the plan so there are no adverse conditions required within the plan. OCWD staff believes it is in the District's best interest to be part of the study so they will have input on the development of projects that may reduce base flows. The budget for this project is set at $118,400 for OCWD’s participation. This item was moved for consideration at a future Board Meeting.

LAST MONTH’S ISSUES

GREEN ACRES PROJECT FUTURE DIRECTION

RECOMMENDATION:

1. Authorize issuance of Request for Proposals for Green Acres Project (GAP) Hydraulic Modeling;
2. Authorize issuance of Request for Proposals for GAP Treatment Options; and
3. Authorize General Manager and General Counsel to negotiate and execute new GAP Sales and Distribution Agreements with five water retail agencies: City of Fountain Valley, Mesa Water®, City of Newport Beach, City of Santa Ana, and City of Huntington Beach.

* The Board had questions and concerns regarding costs and allocations. A motion was made to send this issue back to WIC. Motion passed 9-0. Director Brandman abstained.
UPCOMING ISSUES

- Board Direction Regarding Green Acres Project
- GWRS Final Expansion Effluent Reuse Study, Final Draft
- Desalination Distribution Scenarios for Costal Groundwater Producers

FINANCIAL IMPACT

None.

ATTACHMENTS

None.
There are no support materials for this item.
REPORTS AND INFORMATION ITEMS:

16. REPORT OF THE GENERAL MANAGER:
REPORTS AND INFORMATION ITEMS:

17. DIRECTORS’ REPORTS AND COMMENTS: