CALL TO ORDER

PLEDGE OF ALLEGIANCE

RECESS FROM BOARD MEETING FOR PLANNED GROUP PHOTO

PUBLIC COMMENTS

Non-Agdendized 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.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA
At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed as an Action Item, may be deliberated and may be subject to action by the Board.

ACTION ITEMS:
1. REGIONAL WATER ISSUES UPDATE:
   Recommendation: This item is for information only.

2. STRATEGIC PLAN UPDATE:
   Recommendation: Identify new strategic goals, objectives and outcomes for Mesa Water, thereby updating the Strategic Plan for 2015 and beyond.

3. FINANCIAL GOALS:
   Recommendation: Approve Option 1: Status Quo, moving forward in time needed capital projects, keeping open Options #2, #3 and #4 at the end of the five-year rate cycle.

4. ORDINANCE NO. 23 – DIRECTORS' FEES:
   Recommendation: Discuss Directors’ fees and if appropriate, direct staff to schedule a public hearing for the April 9, 2015 Board meeting.
5. GUIDELINES FOR PROCUREMENT OF GOODS AND SERVICES AND CASH DISBURSEMENTS:

Recommendation: Approve Resolution No. 1458 – Providing Guidelines for the Procurement of Goods and Services and Cash Disbursements increasing the approval authority amounts to $112,000 for Capital Construction Projects, $75,000 or 30% percent whichever is lower for Capital Construction Projects-Change Orders and $40,000 for Professional Services Providers; in addition, increase the limit for competitive procurement and written agreements to $10,000.

6. BOARD GOVERNANCE:

Recommendation:
1. Approve Resolution No. 1456, amending Procedures for Meetings of the Board and superseding Resolution No.1427.
2. Approve Resolution No. 1457, amending Protocols of the Board and superseding Resolution No.1428.

7. MESA WATER SUPPORT SERVICES:

Recommendation: Direct staff to administer a competitive selection process for the services provided by the identified vendors within the next year.

8. MESA WATER RELIABILITY FACILITY SIGNAGE PROJECT:

Recommendation: Discontinue evaluation and development of the Mesa Water Reliability Facility Signage Project.

9. MESA WATER RELIABILITY FACILITY OUTREACH CENTER:

Recommendation: This item is for discussion only.

10. FISCAL YEAR 2016 STAFFING PLAN:

Recommendation: Discuss and take action as the Board desires.

REPORTS:

11. REPORT OF THE GENERAL MANAGER:

12. DIRECTORS’ REPORTS AND COMMENTS:
INFORMATION ITEMS:

13. OTHER (NO ENCLOSURE):

ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR THURSDAY, APRIL 9 2015 AT 6:00 P.M.
MEMORANDUM

TO: Board of Directors
FROM: Phil Lauri, P.E., Engineering and Operations Manager
DATE: March 21, 2015
SUBJECT: Regional Water Issues Update

RECOMMENDATION

This item is for information only.

STRATEGIC PLAN

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

DISCUSSION

There are numerous regional water supply issues currently under assessment and development. The following regional water supply topics will be presented and discussed at the March 20, 2015, Board workshop:

1. **Ocean Desalination Update**: This update will include a summary of the status on the development of the State Water Resources Control Board (SWRCB) Ocean Desalination Policy, Huntington Beach Ocean Desalination Project, an overview on the status of the Carlsbad Ocean Water Desalination Project, and a presentation on water infrastructure financing.

2. **Metropolitan Water District (MWD) Allocation Update**: This update will discuss the proposed Water Supply Allocation Plan proposed by MWD and the timing of implementation.

3. **Shared Services**: This update will include a discussion on proposed shared services.

ATTACHMENTS

None.
MEMORANDUM

TO:       Board of Directors
FROM:     Paul E. Shoenberger, P.E., General Manager
DATE:     March 21, 2015
SUBJECT:  Strategic Plan Update

RECOMMENDATION

Identify new strategic goals, objectives and outcomes for Mesa Water, thereby updating the Strategic Plan for 2015 and beyond.

STRATEGIC PLAN

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

PRIOR BOARD ACTION

Every year the Mesa Water Board provides staff with direction regarding Mesa Water’s goals, objectives and outcomes for the coming year. Based on this direction, priorities are established, resources are allocated, and staff works to accomplish the goals and objectives’ as directed.

DISCUSSION

As a starting point for this discussion, it is instructive to review the current Strategic Plan. This document was last reviewed and updated by the Board in 2014.

This workshop provides a forum to discuss the potential opportunities and long-term Strategic Initiatives for the District. Staff has prepared an update to the current Strategic Plan. The status of each goal, objective, and outcome is signified using the following three color system:

- Green - completed/on schedule
- Yellow - pending/behind schedule
- Red - not achieved

Staff has also prepared a “strawman” list of potential new goals, objectives and outcomes for the Board to use in considering future opportunities and potential new initiatives for Mesa Water in 2015 and beyond.

The intent of this agenda item is for the Board to discuss additions, modifications and deletions to the plan in a “brainstorming” forum. In discussing both reports, the General Manager will act in a facilitator role for this discussion. Based on input received from the Board, staff will incorporate any revisions to the Strategic Plan and the District’s Mission and Vision Statements and further analyze opportunities and constraints associated with the list of proposed initiatives. Staff will
discuss the modifications with the Board to determine the feasibility of the proposed initiatives and develop work plans and schedules. Staff will further incorporate this material into a new Strategic Plan document for review and potential adoption at a subsequent Board meeting.

FINANCIAL IMPACT

There is no financial impact for discussion; financial impact will depend on the direction from the Board.

ATTACHMENTS

Attachment A: 2014 Strategic Plan Update
Attachment B: Strawman 2015 Strategic Plan
Attachment C: Draft 2015 Strategic Plan
Mission Statement

“Dedicated to satisfying our community’s water needs”

Vision

“To be a top performing public water agency”

Strategic Goals

1. Provide a safe, abundant, and reliable water supply.

2. Practice perpetual infrastructure renewal and improvement.

3. Be financially responsible and transparent.

4. Increase public awareness about Mesa Water® and about water.

5. Attract and retain skilled employees.

6. Provide outstanding customer service.

7. Actively participate in regional water issues.
Strategic Goal #1

Provide a safe, abundant, and reliable water supply.

Objective A: Continue to meet and surpass water quality standards.
- Meet and surpass primary water quality standards
- Meet and surpass secondary water quality standards
- Perform required water quality tests annually

Objective B: Maintain and protect a high quality water supply.
- Efficiently maintain backflow, cross-connection, and recycled water programs to protect the water system from contamination

Objective C: Continue to ensure a reliable and abundant supply of water.
- Provide a 100 percent local and reliable water supply portfolio
- Report on our ability to supply 100 percent local water with a marginal capacity

Objective D: Ensure emergency operations.
- Finalize and submit Emergency Operations Plan (EOP) to state
- Train staff on EOP
- Conduct regular testing of all backup power and communications systems
- Evaluate, identify, and implement emergency power plan needs at Operations and Administrative facilities

Outcome 1: Meet all water quality standards both health and aesthetics.

Outcome 2: Drought proof local water supply in all conditions.

Outcome 3: Maintain the ability to serve 100 percent imported water supply.
Strategic Goal #2

Practice perpetual infrastructure renewal and improvement.

Objective A: Manage water infrastructure assets to assure reliability.
- Complete Water System Master Plan
- Complete condition and risk assessments to prioritize assets for refurbishment and replacement
- Complete and implement an Asset Management Plan
- Develop a 5-year Capital Improvement and Replacement Plan
- Implement groundwater well improvements
- Provide operational training for the Mesa Water Reliability Facility (MWRF)

Objective B: Efficiently manage our water system.
- Develop efficient operational protocols for production and distribution systems for various water supply portfolio scenarios
- Fully utilize Mesa Water’s Computerized Maintenance Management System (MWCMS)
- Load well improvements into MWCMS and Asset Model

Objective C: Manage Mesa Water's information technology infrastructure assets to assure reliability.
- Implement Business Process Evaluation
- Implement Information Technology Master Plan

Outcome 1: Orderly infrastructure refurbishment and replacement.

Outcome 2: Develop, fund and expend a 5-year Capital Improvement and Replacement Plan for each fiscal year.

Outcome 3: Train and fully use Mesa Water's Computerized Maintenance Management System.


Outcome 5: Achieve world class water loss status.
Strategic Goal #3

Be financially responsible and transparent.

Objective A: Maintain AAA financial goals and meet the appropriate designated fund level goals.
  ✦ Report quarterly on AAA goals and designated funds

Objective B: Maintain competitive rates and efficiency in per capita expenditures.
  ✦ Evaluate true cost of water to the customer compared to benchmark agencies
  ✦ Administer investment portfolio consistent with policies
  ✦ Support rates that are fair, understandable, and prudent for the District’s financial stability and sustainability as a perpetual agency

Objective C: Fund the Board’s and District’s priorities.
  ✦ Prepare a balanced budget that funds Board and District priorities
  ✦ Produce timely and accurate financial reports including Comprehensive Annual Financial Report and State Controllers Report
  ✦ Prepare quarterly financial reports and accurately projected year end results
  ✦ Conduct accurate and timely monthly close accounting

  ✦ Provide key financial documents on the website
  ✦ Provide Board and staff total compensation, salary, and benefits structure on the website
  ✦ Provide Board meeting agendas, meeting packets, and meeting minutes on the website
  ✦ Prohibit evergreen contracts
  ✦ Develop and operate Fraud Hotline

Outcome 1: Maintain cash on hand and days cash ratio.

Outcome 2: Maintain debt service ratio.

Outcome 3: Comprehensive organizational transparency.
Strategic Goal #4
Increase public awareness about Mesa Water® and about water.

Objective A: Enhance Mesa Water’s visibility and positive recognition.
- Facilitate accolades/awards for and from Mesa Water®
- Operate Mesa Water’s News Bureau

Objective B: Increase awareness of Mesa Water® and of water in general, among key audiences.
- Manage Mesa Water’s community relations campaign
- Extend Mesa Water’s water education and ambassador programs
- Update and implement Mesa Water® Speaker’s Bureau
- Leverage Mesa Water Reliability Facility (MWRF) for outreach opportunities

Objective C: Unify Mesa Water® messaging and publications.
- Continue industry relations to promote correct use of District’s name, nickname, and facility name
- Strengthen Mesa Water’s communications consistency by using one look, one voice
- Provide Mesa Water Board and staff with key messages and information

Outcome 1: Updated Public & Government Affairs Plan.
Outcome 2: Conduct Mesa Water’s FY 2015 customer survey.
Outcome 3: Unified look and voice for Mesa Water®.
Strategic Goal #5

Attract and retain skilled employees.

Objective A: Attract and retain a qualified, skilled, and capable workforce.
- Prepare Annual Salary Survey of benchmark positions
- Prepare Annual Employee Turnover Report

Objective B: Build employee skills.
- Provide project management training
- Fully train a minimum of two employees in key processes to ensure accountability and sustainability
- Develop and implement an operational and institutional knowledge transfer plan

Objective C: Enhance employee relations.
- Report on employee recognition and events
- Implement Human Resources information system

Outcome 1: Fully staffed organization.

Outcome 2: Minimize turnover.

Outcome 3: Provide quarterly training report.
Strategic Goal #6

*Provide outstanding customer service.*

**Objective A:** Provide outstanding internal and external customer service in a timely, courteous, and effective manner.
- Create and maintain a good relationship with each customer
- Service the customer, not the project
- Maintain positive interactions with customers

**Objective B:** Exceed current customer service standards and expectations.
- Listen and respond to customers’ needs
- Be proactive – don’t wait to do something if it can be done now
- Be collaborative in problem solving

**Objective C:** Incentivize positive actions.
- Empower employee decision making
- Develop mentoring program
- Recognize proactive ideas and decisions

**Objective D:** Service to the community.
- Provide measurable results in maintaining customer satisfaction

<table>
<thead>
<tr>
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Strategic Goal #7

Actively participate in regional water issues.

Objective A: Actively engage in regional water issues.
- Attend OCWD and MWDOC meetings and engage in regional issues
- Develop Board’s Policy Positions for issues that impact Mesa Water®

Objective B: Facilitate Board and staff participation in water, governance, community and environmental organizations.
- Support current Board and staff participation in regional organizations such as LAFCO, OCWA, ACWA, WACO, ACWA/JPIA, CalDesal, SAWPA and Groundwater Producers. Proactively seek opportunities for additional participation
- Support Board and staff participation in non-governmental associations, as appropriate

Objective C: Accomplish Board’s Water Policy Priorities.
- Develop Board’s regional water priorities
- Work to achieve Board’s water policy priorities

Outcome 1: Positively influence regional water issues important to Mesa Water®.

Outcome 2: Increase Awareness of Mesa Water® in the Water Industry and Community.

Outcome 3: Be a leader of Regional Water Issues.
Mission Statement

“Dedicated to satisfying our community’s water needs”

Vision

“To be a top performing public water agency”

Strategic Goals

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

Objective A: Continue to meet and surpass water quality standards.
- Meet and surpass primary water quality standards
- Meet and surpass secondary water quality standards
- Perform required water quality tests annually
- Design and construct MWRF finished water quality polishing project

Objective B: Maintain and protect a high quality water supply.
- Efficiently maintain backflow, cross-connection, and recycled water programs to protect the water system from contamination

Objective C: Continue to ensure a reliable and abundant supply of water.
- Provide a 100 percent local and reliable water supply portfolio
- Report on our ability to supply 100 percent local water with a marginal capacity

Objective D: Ensure emergency operations.
- Finalize and submit Emergency Operations Plan (EOP) to state
- Train staff on EOP
- Conduct regular testing of all backup power and communications systems
- Evaluate, identify, and implement emergency power plan needs at Operations and Administrative facilities
- Upgrade EOC equipment and facilities as needed

Outcome 1: Meet all water quality standards both health and aesthetics.

Outcome 2: Drought proof local water supply in all conditions.

Outcome 3: Maintain the ability to serve 100 percent imported water supply.
Strategic Goal #2

Practice perpetual infrastructure renewal and improvement.

**Objective A:** Manage water infrastructure assets to assure reliability.
- Complete Water System Master Plan
- Develop condition and risk assessments program to prioritize assets for refurbishment and replacement
- Complete and implement an Asset Management Plan
- Develop a 5-year Capital Improvement and Replacement Plan
- Implement groundwater Complete well rehabilitation and automation construction project improvements
- Provide operational training for the Mesa Water Reliability Facility (MWRF)
- Obtain permits for OC-44 pipeline rehabilitation project

**Objective B:** Efficiently manage our water system.
- Develop efficient operational protocols for production and distribution, and water quality systems for various water supply portfolio scenarios
- Fully utilize Mesa Water’s Computerized Maintenance Management System (MWCMS/MWCMMS)
- Load well improvements into MWCMS and Asset Model

**Objective C:** Manage Mesa Water’s information technology infrastructure assets to assure reliability.
- Implement Business Process Evaluation
- Implement Information Technology Master Plan

**Outcome 1:** Orderly infrastructure refurbishment and replacement.

**Outcome 2:** Develop, fund and implement the 5-year Capital Improvement and Replacement Plan for each fiscal year.

**Outcome 3:** Train and fully use Mesa Water’s Computerized Maintenance Management System.

**Outcome 4:** Implement Business Process Evaluation recommendations.

**Outcome 5:** Achieve world class water loss status.
**Strategic Goal #3**

*Be financially responsible and transparent.*

**Objective A:** Maintain AAA financial goals and meet the appropriate designated fund level goals.
- Report quarterly on AAA goals and designated funds

**Objective B:** Maintain competitive rates and efficiency in per capita expenditures.
- Evaluate true cost of water to the customer compared to benchmark agencies
- Administer investment portfolio consistent with policies
- Support rates that are fair, understandable, and prudent for the District’s financial stability and sustainability as a perpetual agency

**Objective C:** Fund the Board’s and District’s priorities.
- Prepare a balanced budget that funds Board and District priorities
- Produce timely and accurate financial reports including Comprehensive Annual Financial Report and State Controllers Report
- Prepare quarterly financial reports and accurately projected year end results
- Conduct accurate and timely monthly close accounting

**Objective D:** Encompass Financial Responsibility and Transparency.
- Provide key financial documents on the website
- Provide Board and staff total compensation, salary, and benefits structure on the website
- Provide Board meeting agendas, meeting packets, and meeting minutes on the website
- Prohibit evergreen contracts
- Develop and operate Fraud Hotline

| Outcome 1: Maintain Board’s annual targets for cash on hand and days cash ratio. |
| Outcome 2: Maintain debt service ratio. |
| Outcome 3: Comprehensive organizational transparency. |
Strategic Goal #4

*Increase public awareness about Mesa Water® and about water.*

**Objective A: Enhance Mesa Water’s visibility and positive recognition.**
- Facilitate accolades/awards for and from Mesa Water®
- Operate Mesa Water’s News Bureau and social media
- Update MesaWater.org
- Develop Mesa Water Reliability Facility (MWRF) outreach design concepts

**Objective B: Increase awareness of Mesa Water® and of water in general, among key audiences.**
- Manage Mesa Water’s community relations campaign
- Extend Mesa Water’s water education and ambassador programs
- Update and implement Mesa Water® Speaker’s Bureau
- Leverage Mesa Water Reliability Facility (MWRF) for outreach opportunities

**Objective C: Unify Mesa Water® messaging and publications.**
- Continue industry relations to promote correct use of District’s name, nickname, and facility name
- Strengthen Mesa Water’s communications consistency by using one look, one voice
- Provide Mesa Water Board and staff with key messages and information

**Outcome 1:** Updated Public & Government Affairs Plan.

**Outcome 2:** Conduct Mesa Water’s FY 2015 customer survey. Design concept for MWRF outreach center

**Outcome 3:** Unified look and voice for Mesa Water®.
HUMAN RESOURCES

Strategic Goal #5

Attract and retain skilled employees.

Objective A: Attract and retain a qualified, skilled, and capable workforce.
- Prepare Annual Salary Survey of benchmark positions
- Prepare Annual Employee Turnover Report

Objective B: Build employee skills.
- Provide project management training
- Fully train a minimum of two employees in key processes to ensure accountability and sustainability
- Develop and implement an operational and institutional knowledge transfer plan

Objective C: Enhance employee relations.
- Report on employee recognition and events
- Implement Human Resources information system

Objective D: Provide annual safety program audit

Outcome 1: Fully staffed organization.
Outcome 2: Minimize turnover.
Outcome 3: Provide quarterly training report.
Strategic Goal #6

*Provide outstanding customer service.*

**Objective A:** Provide outstanding internal and external customer service in a timely, courteous, and effective manner.
- Create and maintain a good relationship with each customer
- Service the customer, not the project
- Maintain positive interactions with customers

**Objective B:** Exceed current customer service standards and expectations.
- Listen and respond to customers’ needs
- Be proactive – don’t wait to do something if it can be done now
- Be collaborative in problem solving

**Objective C:** Incentivize positive actions.
- Empower employee decision making
- Develop mentoring program
- Recognize proactive ideas and decisions

**Objective D:** Service to the community.
- Provide measurable results in maintaining customer satisfaction

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**Outcome 1:** Conduct 2015 District-wide sample survey.

**Outcome 2:** Answer telephone calls in less than 10 seconds (average).

**Outcome 3:** Respond to internal and external electronic inquiries by the end of the next business day.

**Outcome 4:** All staff attend annual customer service seminar.

**Outcome 5:** Document and present employees with recognition awards.
Strategic Goal #7

Actively participate in regional water issues.

Objective A: Actively engage in regional water issues.
- Attend OCWD and MWDOC meetings and engage in regional issues
- Develop Update Board’s Policy Positions policy positions and legislative platforms for issues that impact Mesa Water®

Objective B: Facilitate Board and staff participation in water, governance, community and environmental organizations.
- Support current Board and staff participation in regional organizations such as LAFCO, OCWA, ACWA, WACO, ACWA/JPIA, CalDesal, SAWPA and Groundwater Producers. Proactively seek opportunities for additional participation
- Support Board and staff participation in non-governmental associations, as appropriate

Objective C: Accomplish Board’s Water Policy Priorities.
- Develop Board’s regional water priorities
- Work to achieve Board’s water policy priorities

Outcome 1: Positively influence regional water issues important to Mesa Water®.
Outcome 2: Increase Awareness of Mesa Water® in the Water Industry and Community.
Outcome 3: Be a leader of Regional Water Issues.
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4. Increase public awareness about Mesa Water® and about water.
5. Attract and retain skilled employees.
6. Provide outstanding customer service.
7. Actively participate in regional water issues.
Strategic Goal #1 
*Provide a safe, abundant, and reliable water supply.*

**Objective A:** Continue to meet and surpass water quality standards.
- Meet and surpass primary water quality standards
- Meet and surpass secondary water quality standards
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**Outcome 1:** Meet all water quality standards both health and aesthetics.

**Outcome 2:** Drought proof local water supply in all conditions.

**Outcome 3:** Maintain the ability to serve 100 percent imported water supply.
Strategic Goal #2  
*Practice perpetual infrastructure renewal and improvement.*

**Objective A: Manage water infrastructure assets to assure reliability.**
- Develop condition and risk assessments program to prioritize assets for refurbishment and replacement
- Complete and implement an Asset Management Plan
- Complete well rehabilitation and automation construction project
- Obtain permits for OC-44 pipeline rehabilitation project

**Objective B: Efficiently manage our water system.**
- Develop efficient operational protocols for production distribution, and water quality systems
- Fully utilize Mesa Water’s Computerized Maintenance Management System (MWCMMS)
- Load well improvements into MWCMS and Asset Model

**Objective C: Manage Mesa Water’s information technology infrastructure assets to assure reliability.**
- Implement Business Process Evaluation
- Implement Information Technology Master Plan

**Outcome 1:** Orderly infrastructure refurbishment and replacement.

**Outcome 2:** Fund and implement the 5-year Capital Improvement and Replacement Plan for each fiscal year.

**Outcome 3:** Train and fully use Mesa Water’s Computerized Maintenance Management System.

**Outcome 4:** Implement Business Process Evaluation recommendations.

**Outcome 5:** Achieve world class water loss status.
Strategic Goal #3

Be financially responsible and transparent.

Objective A: Maintain AAA financial goals and meet the appropriate designated fund level goals.

- Report quarterly on AAA goals and designated funds

Objective B: Maintain competitive rates and efficiency in per capita expenditures.

- Evaluate true cost of water to the customer compared to benchmark agencies
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Objective C: Fund the Board’s and District’s priorities.

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- Provide Board and staff total compensation, salary, and benefits structure on the website
- Provide Board meeting agendas, meeting packets, and meeting minutes on the website
- Prohibit evergreen contracts
- Develop and operate Fraud Hotline

Outcome 1: Meet Board’s annual targets for cash on hand and days cash ratio.

Outcome 2: Maintain debt service ratio.

Outcome 3: Comprehensive organizational transparency.
Strategic Goal #4
Increase public awareness about Mesa Water® and about water.

**Objective A: Enhance Mesa Water’s visibility and positive recognition.**
- Facilitate accolades/awards for and from Mesa Water®
- Operate Mesa Water’s News Bureau and social media
- Update MesaWater.org
- Develop Mesa Water Reliability Facility (MWRF) outreach design concepts

**Objective B: Increase awareness of Mesa Water® and of water in general, among key audiences.**
- Manage Mesa Water’s community relations campaign
- Extend Mesa Water’s water education and ambassador programs
- Update and implement Mesa Water® Speaker’s Bureau
- Leverage MWRF for outreach opportunities

**Objective C: Unify Mesa Water® messaging and publications.**
- Continue industry relations to promote correct use of District’s name, nickname, and facility name
- Strengthen Mesa Water’s communications consistency by using one look, one voice
- Provide Mesa Water Board and staff with key messages and information

**Outcome 1:** Updated Public & Government Affairs Plan.

**Outcome 2:** Design concept for MWRF outreach center

**Outcome 3:** Unified look and voice for Mesa Water®.
Strategic Goal #5

Attract and retain skilled employees.

Objective A: Attract and retain a qualified, skilled, and capable workforce.
- Prepare Annual Salary Survey of benchmark positions
- Prepare Annual Employee Turnover Report

Objective B: Build employee skills.
- Provide project management training
- Fully train a minimum of two employees in key processes to ensure accountability and sustainability
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Objective C: Enhance employee relations.
- Report on employee recognition and events
- Implement Human Resources information system

Objective D: Provide annual safety program audit

Outcome 1: Fully staffed organization.

Outcome 2: Minimize turnover.

Outcome 3: Provide quarterly training report.
Strategic Goal #6

*Provide outstanding customer service.*

**Objective A:** Provide outstanding internal and external customer service in a timely, courteous, and effective manner.
- Create and maintain a good relationship with each customer
- Service the customer, not the project
- Maintain positive interactions with customers

**Objective B:** Exceed current customer service standards and expectations.
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- Be proactive – don’t wait to do something if it can be done now
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**Objective C:** Incentivize positive actions.
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- Develop mentoring program
- Recognize proactive ideas and decisions

**Objective D:** Service to the community.
- Provide measurable results in maintaining customer satisfaction

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**Outcome 1:** Conduct 2015 District-wide sample survey.

**Outcome 2:** Answer telephone calls in less than 10 seconds (average).

**Outcome 2:** Respond to internal and external electronic inquiries by the end of the next business day.

**Outcome 3:** All staff attend annual customer service seminar.

**Outcome 4:** Document and present employees with recognition awards.
Strategic Goal #7

**Actively participate in regional water issues.**

**Objective A:** Actively engage in regional water issues.
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**Objective B:** Facilitate Board and staff participation in water, governance, community and environmental organizations.
- Support current Board and staff participation in regional organizations such as LAFCO, OCWA, ACWA, WACO, ACWA/JPIA, CalDesal, SAWPA and Groundwater Producers. Proactively seek opportunities for additional participation
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**Objective C:** Accomplish Board’s Water Policy Priorities.
- Develop Board’s regional water priorities
- Work to achieve Board’s water policy priorities

**Outcome 1:** Positively influence regional water issues important to Mesa Water®.

**Outcome 2:** Increase Awareness of Mesa Water® in the Water Industry and Community.

**Outcome 3:** Be a leader of Regional Water Issues.
MEMORANDUM

TO: Board of Directors
FROM: Andrew Hamilton, Chief Financial Officer
DATE: March 21, 2015
SUBJECT: Financial Goals

RECOMMENDATION

Approve Option 1: Status Quo, moving forward in time needed capital projects, keeping open Options #2, #3 and #4 at the end of the five-year rate cycle.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

In 2009, the Board of Directors (Board) of Mesa Water District (Mesa Water®) set a goal of obtaining a strong AAA rating within the succeeding seven years. As such, the Board established annual targets to achieve this goal related to Cash on Hand and Days Cash Ratio culminating with the long-term targets to obtain $39.7 million Cash on Hand and 600 Days Cash Ratio by the end of fiscal year (FY) 2016. Following is a graph representing progress toward each annual target:
As seen above, while Mesa Water® has achieved levels that exceed the Board's intermediate targets, the Board's long-term targets of $39.7 million Cash on Hand and 600 Days Cash Ratio have not yet been achieved. A variety of factors over the last few years can explain how Mesa Water® has achieved levels that exceed the Board's intermediate targets which include unexpected cash proceeds from developers, favorable water sales revenue, lower expenditures and others.

In late 2013, Mesa Water® utilized the services of Fieldman Rolapp to create a Long Range Financial Plan using a five-year financial model for fiscal years 2015-2019 that assisted the board in determining future water rates.

DISCUSSION

Fieldman Rolapp recently updated the financial model with revised financial information, and it is projected that Mesa Water® will continue to exceed the Board's targets by approximately $4.8 million at the end of FY 2019.
The Board can consider a variety of options in choosing how to deal with the projection exceeding the Board’s long-term targets. As such, five options are discussed in detail below:

- Option 1: Status Quo, moving forward in time needed capital projects
- Option 2: Reduce Water Rates
- Option 3: Reduce Pension Liability (similar to an OPEB Trust)
- Option 4: Reduce Outstanding Debt
- Option 5: Establish a Trust for future Capital Spending (similar to an OPEB Trust)

Below is a discussion on the relative merits of each option:

**Option #1: Status Quo, moving forward in time needed capital projects**

This option represents expending $4.1 million on capital projects in FY 2016 from the previously identified $4.8 million that is projected to exceed the Board’s target by the end of FY 2019. This option also contains a corresponding $4.1 million decrease in projected FY 2019 capital spending to maintain an overall $35 million five-year capital program for fiscal years 2015-2019 as detailed in Mesa Water’s five year financial model that the Board approved in late 2013.

To provide further background on the previously-discussed five-year financial model, $35 million in projected capital spending is detailed as follows:

![Original Five Year Capital Program](image)
Mesa Water’s proposed FY 2016 Capital Budget is currently planning to expend approximately $4,857,000 toward the following projects:

1. IT Infrastructure & Operations Stabilization
2. Well Automation
3. Well 9 Rehabilitation and Pump Replacement
4. New Well Site Identification
5. Reservoir 1 and 2 Pump Test & Replacement Evaluation
6. Pipeline Assessment
7. Operations Traditional Capital Replacement
8. On-Call Design, Construction, and Construction Management
9. OC44 Pipeline Rehabilitation Permitting
10. MWRF Finished Water Quality Improvements Design
11. MWRF Parking Design & Permitting
12. Nitrification Control Improvements
13. Administration Facility Improvements
14. Reservoir 1 Vent Screen Improvements
15. EOC Room Upgrades
16. Fall Protection Construction
17. Other Agency Projects
18. SCADA System Upgrades
19. Human Resources Information System
20. Fleet Truck Replacements

The focus and funding for the proposed FY 2016 Capital Budget is to complete the design of the aforementioned projects with an emphasis being placed on starting construction in FY 2017.

As it is projected that Mesa Water’s Cash on Hand will exceed the Board’s target by approximately $4.8 million at the end of FY 2019, Mesa Water has identified an additional $4.1 million of additional major projects which are recommended to be added to the proposed FY 2016 budget with a corresponding decrease to projected FY 2019 capital spending as follows:

1. Well Automation
2. New Well Site Hydrogeology Investigation
3. Reservoir 1 and 2 Improvements
4. OC44 Pipeline Meter Replacements
5. MWRF Finished Water Quality Improvements
6. Well 8 Demolition
7. MWRF Outreach Center (Design)

This would not result in a change of the $35 million amount in the forecasted capital expenditures; rather, the timing of capital expenditures within fiscal years 2015 to 2019 would be shifted between FY 2016 and FY 2019 as follows:
Analysis: This option is recommended as the timely start of construction and completion of the above additional major projects provide cost efficiencies and improve reliability for Mesa Water’s customers. This option would result in a temporary decrease in Mesa Water’s Cash on Hand balance of approximately $4.1 million to better align with the Board’s targets until FY 2019 when projected capital spending would be reduced by a corresponding $4.1 million as discussed above. The Board could then potentially formulate additional purposes to establish successive future financial targets, choose other viable options discussed within this memo, or formulate other options to direct any remaining funds that exceed the Board’s targets at that time.

Option #2: Reduce Water Rates

Under this proposed option, Mesa Water's water rates could be reduced by amounts determined by the Board. For each penny reduction in Mesa Water's potable rate starting in FY 2016, a corresponding reduction of approximately $315,000 in overall revenue over the remaining years of the financial model is projected.

To defer the entire water rate increase of eleven cents next scheduled for January 1, 2016, approximately $3,465,000 would be required.
**Analysis:** At the Board’s discretion, this option or a variation is achievable. Deferring this option by adopting the recommended or other options would mitigate or reduce the need for future rate increases to maintain the Board’s financial targets. As the Board’s long-term targets of $39.7 million Cash on Hand and 600 Days Cash Ratio have not yet been achieved, staff does not recommend this option.

**Option #3: Reduce Pension Liability**

This option would require approximately $5.4 million to fund Mesa Water's pension fully.

For the benefit of its employees, Mesa Water participates in a defined benefit pension plan managed by the California Public Employees’ Retirement System (CalPERS). Mesa Water's pension benefits are based on a member’s years of service, age, and highest average compensation.

CalPERS has estimated Mesa Water’s Unfunded Accrued Liability (UAL) at $5.4 million as of June 30, 2014. The UAL is the difference between the funds invested with CalPERS and allocated to Mesa Water (estimated at $32 million in assets as of June 30, 2014) and the actuarial present value of future benefit payments which CalPERS must make to Mesa Water employees (estimated at $37.4 million as of June 30, 2014). The latter represents a liability consisting of future benefit payments that have accrued to date by current and former employees. CalPERS utilizes certain actuarial assumptions to estimate these future payments, and discounts them to a present value using their assumed long-term average investment rate or return (currently 7.5%).

A summary of how GASB 68 significantly altered pension accounting rules in FY 2015 is summarized below:

- Prominently shows each entity’s unfunded pension liability on their Balance Sheet (Statement of Net Position).
- Increases annual pension costs which also may become more volatile as actuarial or other assumptions change.
- Potentially impacts bond ratings for agencies with material unfunded pension liabilities.
- May surprise many agencies when unfunded pension liabilities are reported for the first time.
- Delays issuing future Comprehensive Annual Financial Reports (CAFR’s) due to CalPERS’ actuarial pension reporting schedule.

Prior to GASB 68, Mesa Water’s unfunded pension liability was not directly disclosed in the CAFR as readers were referred to CalPERS annual financial reports for relevant information.

**Analysis:** To eliminate Mesa Water’s UAL of an estimated $5.4 million as of June 30, 2014, CalPERS has implemented the following payment schedule, not including payroll based payments for current service:

![Annual UAL Payments to CalPERs PERs Default Payment Plan](chart.png)

This option would reduce a portion of ongoing CalPERS payment amounts represented in the above graph. This option is not currently recommended.
**Option #4: Reduce Outstanding Debt**

After paying off three outstanding well loans of approximately $500K toward the end of FY 2014, Mesa Water has two remaining debt obligations: 2009 COP’s and 2010 COP’s. The 2009 COP’s have a scheduled final maturity of March 2018 and are not callable. The 2010 COP’s mature in 2025 and are callable in 2020.

This option would defease or call a portion of Mesa Water’s 2009 COP’s and 2010 COP’s prior to maturity, thereby reducing overall debt levels by an amount decided by the Board. This would also reduce Mesa Water’s annual debt service amount depending on the maturity date of the portion of the debt that was defeased or called.

As requested at January’s Finance Committee meeting, below is a graph of debt and investment balances and related rates of debt expense and investment returns:

![Debt & Investments - Balances & Rates](image)

**Analysis:** Fieldman Rolapp reviewed the feasibility of paying off either issuance prior to maturity and estimated early redemption of a portion of the 2010 COPs producing a return on investment to the District of approximately 1.6%. However, defeasing any portion of the 2009 COP’s prior to maturity is estimated to generate a break-even return on investment. If selected, a more prudent approach would be to exercise the call option on the 2010 COP’s in 2020 as a means of retiring a portion of the debt prior to maturity, resulting in a 5% rate of return on the portion of the 2020 balance of $14 million that is called at that time.

However, staff does not believe this option provides Mesa Water with the most favorable long-term financial benefit when compared to other options.
Option #5: Establish a Trust for future Capital Spending (similar to an OPEB Trust)

Under this proposed option, Mesa Water® would invest funds in a Capital Trust in a manner similar to the OPEB trust that the Board created in 2014.

**Analysis:** This option is not feasible because the California Government Code only allows equity investments for trusts related to either pensions or OPEB.

**FINANCIAL IMPACT**

The financial impact varies based on the option adopted by the Board.

**ATTACHMENTS**

None.
TO: Board of Directors
FROM: Coleen L. Monteleone, Administrative Services Manager
DATE: March 21, 2015
SUBJECT: Ordinance No. 23 – Directors’ Fees

RECOMMENDATION

Discuss Directors’ fees and if appropriate, direct staff to schedule a public hearing for the April 9, 2015 Board meeting.

STRATEGIC PLAN

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

Proposed List:

None.

PRIOR BOARD ACTION

On February 23, 2013 the Board of Directors Adopted Ordinance No. 23 – Directors’ Compensation. Since then, the ordinance was updated to redefine a day of service.

At the October 31, 2008 Board Workshop, the Board directed staff to prepare an ordinance increasing Directors’ fees concurrent with the District’s budget cycle, thus changing from a calendar year to a fiscal year. The Water Code allows an increase of up to 5 percent each calendar year. Although the Water Code is silent on whether a multi-year increase can be compounded, it has been the Board’s practice not to compound any increase(s). Additionally, a public hearing must be held prior to the Board taking action to increase Directors’ fees. Prior to the date of the public hearing, Mesa Water® is required to place an advertisement once a week for two weeks, each published with at least five days intervening between publication dates in a local newspaper, announcing the public hearing. If the Board approves the ordinance, a minimum of sixty days must elapse prior to the increase becoming effective.

DISCUSSION

The current Director fee of $207 per meeting was approved October 28, 2008 and effective January 1, 2009. The Board reviewed the topic of Directors’ fees in 2010, 2011, 2012, 2013, and 2014 and recommended no change in the fee.
The Board may approve an increase of up to 30 percent. The table below shows incremental 5 percent increases. If the Board approves an increase in 2015, the next available increase could be no sooner than one year later.

<table>
<thead>
<tr>
<th>Directors’ Fee</th>
<th>Allowable Percent Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>$207</td>
<td>Current</td>
</tr>
<tr>
<td>$217</td>
<td>5%</td>
</tr>
<tr>
<td>$227</td>
<td>10%</td>
</tr>
<tr>
<td>$238</td>
<td>15%</td>
</tr>
<tr>
<td>$249</td>
<td>20%</td>
</tr>
<tr>
<td>$261</td>
<td>25%</td>
</tr>
<tr>
<td>$269</td>
<td>30%</td>
</tr>
</tbody>
</table>

The Consumer Price Index increase since July 2008 is 4.1%. If the Board directs staff to schedule the public hearing, staff will place the required advertisements in the newspaper.

FINANCIAL IMPACT

The cost of the two ads will be approximately $300, and sufficient funds are available in the Public Agency expense budget. Should the Board approve an increase; staff will include the additional cost in the FY16 budget, as well as the mandatory payroll related Social Security (FICA), Medicare, and Workers’ Compensation costs.

ATTACHMENTS

Attachment A: Agency Board of Directors’ Fees Survey
<table>
<thead>
<tr>
<th>Agency</th>
<th>Effective Date</th>
<th>Per Diem/Mtg.</th>
<th>Max Mtgs. Monthly</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yorba Linda Water District</td>
<td>01/23/03</td>
<td>$150.00</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>South Coast Water District</td>
<td>01/01/06</td>
<td>$190.00</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>El Toro Water District</td>
<td>09/27/07</td>
<td>$198.00</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Moulton Niguel Water District</td>
<td>10/18/07</td>
<td>$199.50</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Mesa Water District</td>
<td>01/01/09</td>
<td>$207.00</td>
<td>10</td>
<td>Updated policy. Last increase October 2008.</td>
</tr>
<tr>
<td>Santa Margarita Water District</td>
<td>02/01/09</td>
<td>$210.00</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Orange County Water District</td>
<td>01/01/08</td>
<td>$221.12</td>
<td>10</td>
<td>Since 2003, increases have occurred 6 out of 12 years.</td>
</tr>
<tr>
<td>Irvine Ranch Water District</td>
<td>01/01/09</td>
<td>$237.00</td>
<td>10</td>
<td></td>
</tr>
<tr>
<td>Municipal Water District of OC</td>
<td>01/01/14</td>
<td>$244.33</td>
<td>10</td>
<td></td>
</tr>
</tbody>
</table>

1 Compensation automatically increases each year on January 1 unless suspended.
MEMORANDUM

TO: Board of Directors
FROM: Andrew Hamilton, Chief Financial Officer
DATE: March 21, 2015
SUBJECT: Guidelines for Procurement of Goods and Services and Cash Disbursement

RECOMMENDATION

Approve Resolution No. 1458 – Providing Guidelines for the Procurement of Goods and Services and Cash Disbursements increasing the approval authority amounts to $112,000 for Capital Construction Projects, $75,000 or 30% percent whichever is lower for Capital Construction Projects-Change Orders and $40,000 for Professional Services Providers; in addition, increase the limit for competitive procurement and written agreements to $10,000.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

In November 2002, Resolution No. 1271 was adopted by the Board of Directors (Board) of Mesa Water District (Mesa Water®) establishing guidelines for the procurement of goods and services. The Board authorized the acquisition of goods and services in accordance with the approved budget. In addition, the Board delegated the following approval authority:

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Construction Projects</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>Capital Construction Projects-Change Orders</td>
<td>$50,000.00 or 30 percent whichever is lower</td>
</tr>
<tr>
<td>Professional Services Providers</td>
<td>$25,000.00</td>
</tr>
</tbody>
</table>

Resolution No. 1415 was subsequently adopted by the Board in January 2012 to make minor non-monetary revisions to Resolution No. 1271.

DISCUSSION

The above approval authority amounts have not changed over the past thirteen years since adoption of Resolution No. 1271 in 2002. Therefore, it is recommended to adjust these amounts due to an increase in inflation over the same period.

A reasonable method to estimate the rate of inflation is to use the Engineering News-Records (ENR) Construction Cost Index (CCI) for Orange County and Los Angeles County which reflects changes in construction purchase prices. Since the approval authority limits were stipulated by the Board approximately twelve years ago, the ENR CCI has increased from 7402.75 in December 2002 to 11003.54 in February 2015 which represents an increase of 49 percent. The new proposed amounts of approval authority reflect this increase in inflation as listed below:
<table>
<thead>
<tr>
<th>Type of Authority</th>
<th>Current Amount</th>
<th>Proposed Amount**</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Construction Projects</td>
<td>$75,000.00</td>
<td>$112,000.00</td>
</tr>
<tr>
<td>Capital Construction Projects-Change Orders</td>
<td>$50,000.00</td>
<td>$75,000.00</td>
</tr>
<tr>
<td>Professional Services Providers</td>
<td>$25,000.00</td>
<td>$40,000.00</td>
</tr>
</tbody>
</table>

**Note: The proposed amounts are rounded.

Consistent with the current resolution, items that exceed these limits will be reviewed by the appropriate Board Committee (if applicable) and approved by the Board of Directors. It is also recommended to increase the amount required for competitive procurement and written agreements for the acquisition of all goods and services to $10,000.

FINANCIAL IMPACT

There is no financial impact.

ATTACHMENTS

Attachment A: Draft Resolution No. 1456
Attachment B: Resolution No. 1415
RESOLUTION NO. 1458

RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
PROVIDING GUIDELINES FOR THE PROCUREMENT
OF GOODS AND SERVICES AND CASH DISBURSEMENTS
SUPERSEeding RESOLUTION NO. 1415

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

WHEREAS, as a county water district, Mesa Water® is not obligated to solicit competitive bids on its contracts for services or for its construction projects; and

WHEREAS, Mesa Water’s goal is to acquire needed goods and services for fair and competitive prices from reliable vendors; and

WHEREAS, the Board of Directors of the Mesa Water District desires to adopt a policy statement relative to the procurement of goods and services and funds leaving Mesa Water’s control.

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

Section 1. This Resolution establishes the guidelines for the procurement of goods and services for District use as set forth in Attachment A.

Section 2. This Resolution establishes the controls governing disbursement of funds as set forth in Attachment B.

ADOPTED, SIGNED, and APPROVED this 21st day of March 2015, and adopted by the following roll call vote:

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

____________________________________  
Shawn Dewane  
Board President

Attest:

______________________________  
Coleen L. Monteleone  
District Secretary

Resolution No. 1458  
Page 1 of 1  
Adopted: March 21, 2015
RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
PROVIDING GUIDELINES FOR THE PROCUREMENT
OF GOODS AND SERVICES AND CASH DISBURSEMENTS
SUPERSEDING RESOLUTION NO. 1415

PROCUREMENT GUIDELINES

The use of all funds is subject to Resolution No. 1263: Delegation of Authority to the
General Manager.

Mesa Water’s procurement objectives shall be to obtain the best quality materials, supplies
and services in the optimum time frame for the minimum appropriate price. Quality of
performance, as well as cost, will be considered in the selection process.

Authority

The General Manager is authorized to operate Mesa Water® in accordance with the
approved budget.

It shall be Mesa Water’s goal to obtain a minimum of three quotes, bids or proposals prior to
the procurement of goods and services. The receipt of less than three quotes, bids or
proposals shall not invalidate the solicitation process or require the solicitation of additional
quotes, bids or proposals.

Competitive procurement and written agreements will be required for the acquisition of all
goods and services that will cost $10,000 or more per year. The General Manager is
authorized to approve and execute all agreements for the acquisition of goods and services
in accordance with the approved annual budget. Written agreements within the limits set by
the annual budget may be for one-year, or multi-year with annual renewals.

CAPITAL CONSTRUCTION PROJECTS

For capital construction projects, the following procedures will apply:

Bid and Award

The Engineering and Operations Committee will review all bids on a project when staff
proposes to recommend a bid that is greater than $112,000. The Board of Directors
(Board) may award the bid and authorize an amount for the construction that may include
a contingency. The General Manager will execute the approved construction contracts.
**Change Orders**

a. The General Manager is authorized to approve change orders until the cumulative amount of those change orders is anticipated to exceed the amount authorized by the Board for construction by 30 percent or $75,000, whichever is lower.

b. If the cumulative change orders are anticipated to exceed the amount authorized for construction by 30 percent or $75,000, whichever is lower, there will be no further change orders until the Board authorizes additional funds for construction. The Engineering and Operations Committee will review all requests for additional construction funds.

c. The General Manager is authorized to approve an emergency field change order when failure to authorize the change order will cause Mesa Water to incur significant additional costs and/or significant delays, even if the change order will exceed his/her authority. The General Manager will promptly inform the Board of such action. The Engineering and Operations Committee will review the change order and the Board will ratify the General Manager’s decision.

**PROFESSIONAL SERVICES**

When professional services are required, the following procedures will apply:

a. Professional service providers are defined as attorneys, engineering consultants, water quality consultants, architects, auditors, actuarial consultants, financial advisors, human resource consultants, information systems/technology consultants, meeting facilitators and firms hired to perform construction inspection, construction management and/or engineering surveying.

b. If the work of a professional service provider is anticipated to cost more than $40,000 per year, the selection of the professional service provider will be reviewed by the appropriate board committee and approved by the Board. The Board will authorize an amount for the work. The General Manager is authorized to approve and execute the agreement between Mesa Water® and the professional service provider.

c. If the cost of the work is anticipated to exceed the amount authorized by the Board there will be no further work until the Board authorizes additional funds. The appropriate board committee will review all requests for additional funds.

In the event of an emergency, the General Manager has full authority to commit Mesa Water® funds in excess of budget limits, or reallocation of funds within those limits, in accordance with Resolution No. 1263.
RESOLUTION OF THE
MESAS WATER DISTRICT BOARD OF DIRECTORS
PROVIDING GUIDELINES FOR THE PROCUREMENT
OF GOODS AND SERVICES AND CASH DISBURSEMENTS
SUPERSEADING RESOLUTION NO. 1415

GUIDELINES FOR DISBURSEMENTS

The use of all funds is subject to Resolution 1263: Delegation of Authority to the General Manager.

All checks, wires, electronic funds transfer authorizations and other documents (except petty cash requests) containing instructions that cause funds to leave Mesa Water's control shall have two authorized signatures. Authorized signers are:

- Members of the Board of Directors
- General Manager
- District Secretary
- Treasurer/Chief Financial Officer
- Assistant Treasurer

Facsimile signatures can be used on routine payments provided adequate safeguards are used to protect the signature plates, chip or other source. An authorized manager or supervisor can approve petty cash requests subject to the limits of Mesa Water's petty cash policy. The Chief Financial Officer and Controller/Auditor can authorize inter-bank transfers for payroll.

The Finance Committee of the Board of Directors shall review and sign checks, wires and electronic fund transfer authorizations that meet the following criteria:

1. $40,000 or more will leave Mesa Water's control except when paying for:
   a. Payroll or payroll related expenses, including employee benefits
   b. Utilities
   c. Chemicals used in water treatment
   d. Water and water related costs to Orange County Water District or the Municipal Water District of Orange County

2. $1,000 or more payable to employees or Board of Directors for any purpose other than payroll, except when the reimbursement request has been previously approved through the Finance Committee process.
RESOLUTION NO. 14151458

RESOLUTION OF THE MESA CONSOLIDATED WATER DISTRICT BOARD OF DIRECTORS PROVIDING GUIDELINES FOR THE PROCUREMENT OF GOODS AND SERVICES AND CASH DISBURSEMENTS SUPERSEDING RESOLUTION NO. 12711415

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

WHEREAS, as a county water district, Mesa Water® is not obligated to solicit competitive bids on its contracts for services or for its construction projects; and

WHEREAS, Mesa Water’s goal is to acquire needed goods and services for fair and competitive prices from reliable vendors; and

WHEREAS, the Board of Directors of the Mesa Consolidated Water District desires to adopt a policy statement relative to the procurement of goods and services and funds leaving Mesa Water’s control.

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

Section 1. This Resolution establishes the guidelines for the procurement of goods and services for District use as set forth in Attachment A.

Section 2. This Resolution establishes the controls governing disbursement of funds as set forth in Attachment B.

ADOPTED, SIGNED, and APPROVED this 40th21st day of March 2015January 2012, and adopted by the following roll call vote:

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

______________________________
Fred R. Beckmiller, Jr., P.E. Shawn Dewane
Board President

Attest:

______________________________
Coleen L. Monteleone
District Secretary

Resolution No. 44451458 Page 1 of 1 Adopted: March 21, 2015January 10, 2012
ATTACHMENT A

RESOLUTION NO. 44151458

RESOLUTION OF THE
MESA CONSOLIDATED WATER DISTRICT BOARD OF DIRECTORS
PROVIDING GUIDELINES FOR THE PROCUREMENT
OF GOODS AND SERVICES AND CASH DISBURSEMENTS
SUPERSEDING RESOLUTION NO. 42711415

PROCUREMENT GUIDELINES

The use of all funds is subject to Resolution No. 1263: Delegation of Authority to the General Manager.

Mesa Water’s procurement objectives shall be to obtain the best quality materials, supplies and services in the optimum time frame for the minimum appropriate price. Quality of performance, as well as cost, will be considered in the selection process.

Authority

The General Manager is authorized to operate Mesa Water® in accordance with the approved budget.

It shall be Mesa Water’s goal to obtain a minimum of three quotes, bids or proposals prior to the procurement of goods and services. The receipt of less than three quotes, bids or proposals shall not invalidate the solicitation process or require the solicitation of additional quotes, bids or proposals.

Competitive procurement and written agreements will be required for the acquisition of all goods and services that will cost $5,000-10,000 or more per year. The General Manager is authorized to approve and execute all agreements for the acquisition of goods and services in accordance with the approved annual budget. Written agreements within the limits set by the annual budget may be for one-year, or multi-year with annual renewals.

CAPITAL CONSTRUCTION PROJECTS

For capital construction projects, the following procedures will apply:

Bid and Award

The Engineering and Operations Committee will review all bids on a project when staff proposes to recommend a bid that is greater than $75,000-112,000 or greater. The Board of Directors (Board) may award the bid and authorize an amount for the construction that may include a contingency. The General Manager will execute the approved construction contracts.
Change Orders

a. The General Manager is authorized to approve change orders until the cumulative amount of those change orders is anticipated to exceed the amount authorized by the Board for construction by 30 percent or $75,000, whichever is lower.
ATTACHMENT A

RESOLUTION NO. 1415

RESOLUTION OF THE
MESA CONSOLIDATED WATER DISTRICT BOARD OF DIRECTORS
PROVIDING GUIDELINES FOR THE PROCUREMENT
OF GOODS AND SERVICES AND CASH DISBURSEMENTS
SUPERSEDING RESOLUTION NO. 1271

a.b. If the cumulative change orders are anticipated to exceed the amount authorized for construction by 30 percent or $50,00075,000, whichever is lower, there will be no further change orders until the Board authorizes additional funds for construction. The Engineering and Operations Committee will review all requests for additional construction funds.

b.c. The General Manager is authorized to approve an emergency field change order when failure to authorize the change order will cause Mesa Water to incur significant additional costs and/or significant delays, even if the change order will exceed his/her authority. The General Manager will promptly inform the Board of such action. The Engineering and Operations Committee will review the change order and the Board will ratify the General Manager’s decision.

PROFESSIONAL SERVICES

When professional services are required, the following procedures will apply:

a. Professional service providers are defined as attorneys, engineering consultants, water quality consultants, architects, auditors, actuarial consultants, financial advisors, human resource consultants, information systems/technology consultants, meeting facilitators and firms hired to perform construction inspection, construction management and/or engineering surveying.

b. If the work of a professional service provider is anticipated to cost more than $25,00040,000 per year, the selection of the professional service provider will be reviewed by the appropriate board committee and approved by the Board. The Board will authorize an amount for the work. The General Manager is authorized to approve and execute the agreement between Mesa Water® and the professional service provider.

c. If the cost of the work is anticipated to exceed the amount authorized by the Board there will be no further work until the Board authorizes additional funds. The appropriate board committee will review all requests for additional funds.

In the event of an emergency, the General Manager has full authority to commit Mesa Water® funds in excess of budget limits, or reallocation of funds within those limits, in accordance with Resolution No. 1263.
ATTACHMENT A

RESOLUTION NO. 1415

RESOLUTION OF THE MESA CONSOLIDATED WATER DISTRICT BOARD OF DIRECTORS PROVIDING GUIDELINES FOR THE PROCUREMENT OF GOODS AND SERVICES AND CASH DISBURSEMENTS SUPERSEDING RESOLUTION NO. 1271
RESOLUTION OF THE
MESA CONSOLIDATED WATER DISTRICT BOARD OF DIRECTORS
PROVIDING GUIDELINES FOR THE PROCUREMENT
OF GOODS AND SERVICES AND CASH DISBURSEMENTS
SUPERSEADING RESOLUTION NO. 1271-1415

GUIDELINES FOR DISBURSEMENTS

The use of all funds is subject to Resolution 1263: Delegation of Authority to the General Manager.

All checks, wires, electronic funds transfer authorizations and other documents (except petty cash requests) containing instructions that cause funds to leave Mesa Water's control shall have two authorized signatures. Authorized signers are:

- Members of the Board of Directors
- General Manager
- District Secretary
- Treasurer/Chief Financial Officer
- Assistant Treasurer

Facsimile signatures can be used on routine payments provided adequate safeguards are used to protect the signature plates, chip or other source. An authorized manager or supervisor can approve petty cash requests subject to the limits of Mesa Water’s petty cash policy. The Chief Financial Officer and Controller/Auditor can authorize inter-bank transfers for payroll.

The Finance Committee of the Board of Directors shall review and sign checks, wires and electronic fund transfer authorizations that meet the following criteria:

1. $25,000 or more will leave Mesa Water's control except when paying for:
   a. Payroll or payroll related expenses, including employee benefits
   b. Utilities
   c. Chemicals used in water treatment
   d. Water and water related costs to Orange County Water District or the Municipal Water District of Orange County

2. $1,000 or more payable to employees or Board of Directors for any purpose other than payroll, except when the reimbursement request has been previously approved through the Finance Committee process.
MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E. General Manager
DATE: March 21, 2015
SUBJECT: Board Governance

RECOMMENDATION

1. Approve Resolution No. 1456, amending Procedures for Meetings of the Board and superseding Resolution No. 1427.
2. Approve Resolution No. 1457, amending Protocols of the Board and superseding Resolution No. 1428.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

Resolution Nos. 1427 and 1428 were approved by the Board on February 12, 2013.

The changes to the resolutions was suggested by the Executive Committee at its January 6, 2015 meeting in concurrence with the Board Committee and Liaison assignments.

DISCUSSION

The following is a brief summary of the amended resolutions:

1. Resolution No. 1456 – Procedures for Meetings of the Board

Appendix A

- IV. Rules of Order – B. Determination of Acting President: The first item of business in the absence of the President and Vice President, where a meeting includes a quorum of the Board was changed from the remaining three Board Members to determine to the Immediate Past President shall act as the acting President.

2. Resolution No. 1457 – Protocols of the Board

Appendix A

- III. Election of Board Officers – Added new section d. Duties: The President shall serve as the official Mesa Water® Board representative and he/she shall also have the authority to delegate such responsibility. In the absence of the President, the Vice President will act in the official capacity of the President. The Immediate Past President will assume the role in the absence of the Vice President.
Attachment 1

- References: Removed specific references to Resolution and Ordinance numbers.

FINANCIAL IMPACT

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

ATTACHMENTS

Attachment A: Final – Procedures for Meetings of the Board Resolution
Attachment B: Redline – Procedures for Meetings of the Board Resolution
Attachment C: Final – Protocols of the Board Resolution
Attachment D: Redline – Protocols of the Board Resolution
RESOLUTION NO. 1456

RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ADOPTING PROCEDURES FOR MEETINGS
OF THE BOARD OF DIRECTORS
SUPERSEeding RESOLUTION NO. 1427

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

WHEREAS, the Board of Directors (Board) is authorized, pursuant to Water Code Section 30530, to adopt procedures regarding meetings of the Board; and

WHEREAS, the Board had previously adopted Resolution No. 1427 which fixed the time, day and place of regular board meetings and set forth specific procedures regarding meetings of the Board; and

WHEREAS, the Board views it as appropriate to revise the specific meeting procedures previously adopted by the Board, keeping in mind the requirements of State law and applicable requirements.

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

Section 1. The foregoing recitals are true and correct and are incorporated herein by this reference.

Section 2. The procedures for meetings of the Mesa Water District Board of Directors, as set forth in Appendix A hereto, are hereby adopted effective, March 21, 2015.

ADOPTED, SIGNED AND APPROVED this 21st day of March 2015 by a roll call vote.

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

Shawn Dewane
President, Board of Directors

Coleen L. Monteleone
District Secretary
APPENDIX A

RESOLUTION NO. 1456

RESOLUTION OF THE
MESAN WATER DISTRICT BOARD OF DIRECTORS
ADOPTING PROCEDURES FOR MEETINGS
OF THE BOARD OF DIRECTORS
SUPERSEADING RESOLUTION NO. 1427

I. GENERAL MATTERS

A. Adoption, Application and Purpose. This policy, Meetings of the Board of Directors (Policy), is adopted pursuant to Water Code Section 30530. The content of this Policy is generally declarative of existing procedures and is intended to be integrated as part of Mesa Water's policies and directives. The purpose of this Policy is to allow the Mesa Water Board of Directors (Board) to conduct its meetings in an efficient and organized manner.

B. This Policy is enacted in accordance with existing and applicable California Law including, but not limited to, the provisions of the Ralph M. Brown Act and the County Water District Act. It is the intention of the Board, by adopting this Policy, to observe the requirements and provisions of the Brown Act. It is the intention of the Board that this Policy shall not conflict with State laws or regulations. Although State laws and regulations are not generally restated in this Policy, it is intended that this Policy will be in addition to, or clarifications of, existing California Law. To the extent of future legislative changes or judicial interpretations, applicable hereto, this Policy shall be deemed, or shall actually be, modified accordingly.

C. The Board hereby reserves the right to formally amend this Policy in the future as may be determined to be necessary or appropriate due to conditions, circumstances, future legislative changes, judicial interpretations, or laws and regulations, which may affect this Policy.

D. It should be understood that all of the provisions of this Policy are subject to determination(s) by the Board, on a case-by-case basis, and without setting or establishing any precedent, to make exceptions to this Policy where it may be determined by the Board to be necessary and desirable. Such action(s) shall occur at the direction or pleasure of the Board based upon such circumstances and factors as the Board shall determine to be appropriate.
E. **Definitions.** The following definitions shall apply for purposes of this Policy:

- **Board** – means the Board of Directors of the Mesa Water District.

- **Board Member** – means a member of the Board of Directors of the Mesa Water District once that person takes office.


- **General Manager** – shall mean the General Manager of the Mesa Water District as appointed pursuant to Water Code Section 30540(a).

- **Immediate Past President** – shall mean the person who served the prior term as President of the Board as elected pursuant to Water Code Section 30520.

- **Legal Counsel** – shall mean the Mesa Water District General Legal Counsel as retained by the Board of Directors pursuant to Water Code Section 30544.

- **May** – use of the word “may” indicates action is discretionary.

- **Mesa Water®** – shall mean the Mesa Water District, a County Water District.

- **Policy** – shall mean this Mesa Water District policy for meetings of the Board of Directors.

- **President** – shall mean the President of the Board as elected pursuant to Water Code Section 30520.

- **Public** – shall mean members of the public as that term is generally defined in the Brown Act.

- **Secretary or District Secretary** – shall mean the Secretary of the Mesa Water District as appointed pursuant to Water Code Section 30540(a).

- **Shall** – use of the word “shall” indicates action is mandatory.

- **Staff** – shall mean staff members of the Mesa Water District including, but not limited to, the General Manager, Secretary, and Treasurer.

- **Vice President** – shall mean the Vice President of the Board as elected pursuant to Water Code Section 30520.

F. References to action of the Board shall generally mean action by, or concurrence of, a majority of the Board (i.e., three Board Members).
II. TIME AND PLACE OF BOARD MEETINGS

A. Regular Meetings. Pursuant to Water Code Section 30521, the time and place for regular board meetings shall be established by resolution adopted by the Board. Regular board meetings are held on the second Thursday of each month at 6:00 p.m. at Mesa Water’s office located at 1965 Placentia Avenue, Costa Mesa, California. The Board reserves the right to change the time and place of its board meetings, in accordance with California Law, as it shall determine to be appropriate. Pursuant to Water Code Section 30529, all meetings of the Board, except as may be permitted under the Brown Act, shall be open to the public. It shall be the general policy of the Board that regular board meetings shall adjourn by 10:00 p.m.

B. Workshops. The Board may conduct meeting workshops on an as needed basis. Such workshop meetings are board meetings and action items can and shall be considered at such meetings. The date, time, and place for such workshop meetings shall be established by the Board.

C. Adjournment. Any regular meeting, or adjourned regular meeting, of the Board of Directors may be continued at a later date or time by adjournment to a date, time, and place certain as provided in the Brown Act, including, but not limited to, meeting at other locations within Mesa Water’s service area. Any such adjournment shall be at the discretion and pleasure of the Board.

D. Special Meetings. Special board meetings may be called by the President or a majority of the Board. Notice of the time, place, and date for a special board meeting shall conform to the requirements of the Brown Act.

E. Closed Sessions. The Board hereby reserves all of its rights to conduct closed sessions, at such meetings as it is determined to be appropriate and as permitted under the Brown Act.

F. Adjourn or Recess. The Board reserves for itself the right to adjourn or recess any meeting with the purpose of maintaining or restoring order, or where other circumstances make it appropriate, and reserves its rights pursuant to Government Code Section 54957.9.

G. Lack of Quorum. In the event that a quorum of the Board is not present at the time and place scheduled for a meeting, the Board Members present may adjourn such meeting to a time, place, and date specified. If all of the Board Members are absent from a regular or adjourned regular board meeting, the Secretary shall adjourn the meeting pursuant to Government Code Section 54955.
III. STRUCTURE OF BOARD MEETINGS

a. Order of Business. The Executive Committee shall determine the general order of business for board meetings, which generally includes these items:

1) Call to Order
2) Pledge of Allegiance
3) Public Comments (see paragraph (h), below)
4) Items to be Added, Withdrawn or Reordered on the Agenda
5) Consent Calendar
   • Board Schedule
6) Presentation and Discussion Items
7) Action Items
8) Reports
9) Information Items
10) Adjournment

B. Adding Items to the Agenda. The Board may add an item to the agenda after the agenda has been posted, only if the following two conditions are determined by the Board to be true:

1. The Board determines that there is a need for immediate action on an item which cannot reasonably wait for the next regularly scheduled meeting; and

2. The Board determines that the need for immediate action came to the attention of the Board after the agenda had been posted.

Upon finding the above two conditions to be true, the Board, by two-thirds of the total voting Board Members, or if two-thirds of the voting Board Members are not present, by a unanimous vote of those Board Members present, must take action to make the determination that a need for immediate action exists.

C. Removing Items from the Agenda. Any Board Member or the General Manager may remove any item of business from the agenda, unless a majority of the Board objects.

D. Change of Order of Business. Any Board Member may change the order of business at any time during the meeting, unless a majority of the Board objects.
E. **Consent Calendar.** Any item of business may be removed from the Consent Calendar by any Board Member, the General Manager or public to permit separate discussion. Such discussion and voting shall take place during the period for Consent Calendar items.

F. **Continue or Table Items.** The Board may, by action of a majority of its members, continue or table action on any particular item.

G. **Resolved Items.** Any item, which has previously been reviewed, discussed, and acted upon by the Board, by way of motion, resolution, ordinance, or assigned and completed by staff shall not be agendized for reconsideration for the period of one year, unless the item is re-agendized by the Executive Committee or by majority action of the Board.

H. **Public Comments.**

1. Pursuant to Government Code Section 54954.3(b), the Board hereby determines that reasonable limitations on public comments are necessary in order for the Board to conduct its business within a reasonable time frame. The right of the public to make comments to the Board must be balanced with the Board's need to have adequate time to consider and take action on matters before it.

2. The following procedures shall apply to public comments:
   
   a. Public comments shall be made from the podium provided.
   
   b. Public comments relating to non-agendized matters will be limited to three minutes per person.
   
   c. Public comments on non-agendized items at the beginning of the meeting will be limited to no more than 30 minutes for all speakers.
   
   d. Additional time for public comments on non-agendized items may be provided at the end of the board meeting, if time permits.
   
   e. Public comments relating to specific agenda items shall be limited to five minutes per speaker on any particular item.

3. The following notations, which may be changed from time to time, shall be set forth on the agenda:

   **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 minutes. The Board will set aside 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 minutes.

I. Minutes. The Board hereby directs that minutes of board meetings (except for closed sessions during which no minutes shall be taken unless otherwise directed by the Board) shall be prepared by the District Secretary. Such minutes shall include a record of all votes of the Board pursuant to Water Code Section 30526. Upon completion, minutes of all such meetings shall be returned to the Board for review and approval.

J. Transcribing Minutes. The Board hereby finds that additional means of preparing and transcribing the minutes, including, but not limited to, recordings, may be used by the Secretary. It is hereby the directive and determination of the Board that such recordings are not the official minutes or transcripts of the board meetings.

Any such recordings of any Board meeting made by Mesa Water® shall be subject to the provisions of Government Code Section 54953.5(b) or any successor section thereto.

Further, it shall be the directive and policy of the Board that recordings used to assist the Secretary in transcribing the minutes of board meetings shall be deleted following the occurrence of both the following events:

1. The transcribed minutes shall have been approved by the Board; and

2. At least 30 days shall have elapsed since the date of the meeting at which such recording was made.

K. Agendizing of Board Matters. The Secretary shall maintain, and present to the Board on a regular basis, an advance schedule of board meeting topics. The Executive Committee and staff shall determine the agenda for each board meeting. Any request for agenda items by any Board member or member of the public shall be addressed to the Board President who shall bring the item to the Executive Committee for scheduling. The item shall be scheduled for the next available Board meeting unless the Executive Committee determines otherwise and notifies the Board member of the reason. The Board specifically reserves the right to change that schedule, or to direct that a matter be agendized for a particular meeting. The agendizing of any matter for the Board's consideration is subject to override by majority action of the Board.

L. Reports from Closed Session. The Board reserves its right to conduct closed sessions, as permitted by the provisions of the Brown Act. The Board also reserves its right to give directives and make decisions in closed sessions as
permitted by the Brown Act. Notwithstanding paragraph M. below, Closed Sessions Regarding Personnel Matters, it shall be the policy of the Board to make reports of decisions made in closed sessions in open session as permitted and/or required under the provisions of the Brown Act. For matters or issues where decisions cannot be made in closed session, or where the Board so determines, such decisions shall be made in open session. Where reports are made from closed session pursuant to the Brown Act, or where action(s) is taken in open session, a record of such report(s) made, or action(s) taken, shall be set forth in the minutes of such meeting.

M. Closed Sessions Regarding Personnel Matters. It shall be the policy of the Board that matters relating to Mesa Water personnel generally shall not be discussed in open session in regard to performance evaluations and reviews, personnel records, disciplinary proceedings, and similar matters. In the event the Board conducts a closed session pursuant to the applicable provisions of the Brown Act for the evaluation of performance, or similar matters relating to Mesa Water personnel, Mesa Water will not make a report from closed session in regard to such personnel matters unless, and until, required under State law.

IV. RULES OF ORDER

A. President. It shall be the policy of the Board that the President shall preside over meetings of the Board where he or she is present. The public, Board Members, the General Manager, and staff shall direct questions and comments to the President.

B. Determination of Acting President. In the absence of the President, the Vice President shall preside over the meeting. In such case, the Vice President shall be the acting President and shall have all powers vested in the President.

In the absence of both the President and the Vice President at a board meeting, where a meeting includes a quorum of the Board, the Immediate Past President shall act as the acting President for purposes of that board meeting. The Immediate Past President will have the power of acting President for that meeting,

C. Actions of the Board. Pursuant to Water Code Section 30523, the Board shall take formal action by way of ordinance, resolution, or motion. The Board may also act informally as to matters of procedure, scheduling and similar matters by directive to staff or by concurrence of the Board with Board or staff recommendations.

D. Robert’s Rules of Order. The Board hereby references, without adopting, Robert’s Rules of Order as a general guide for procedural matters where such
rules may help it more efficiently conduct its business at board meeting. However, these Rules of Order shall not be binding on the proceedings of the Board.

V. DOCUMENTATION

A. Posting Agendas. Pursuant to the requirements of Government Code Section 54954.2, the District Secretary shall post, or cause to be posted, agendas for all regular, adjourned regular, and special meetings of the Board at Mesa Water’s business office located at 1965 Placentia Avenue, Costa Mesa, California. The Secretary may also post agendas, as time permits, at other publicly accessible locations within Mesa Water’s service area.

B. Disability-Related Modifications or Accommodations. The following notation shall be set forth on the agendas for all meetings open to the public:

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

C. Distribution of Documentation. Documentation and other materials relating to the board meeting agenda items shall be distributed to all Board Members in advance of the board meeting whenever possible. In such regard, Mesa Water® shall comply with the requirements of Government Code Section 54957.5.

1. The following notation shall be set forth on the agendas for all meetings open to the public:

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

2. It shall be the general policy of the Board that documentation furnished to any one Board Member shall also be furnished to, or offered to, all of the remaining Board Members.

3. Documentation furnished to Board Members relative to agenda items may be furnished without cost to members of the public upon request.
However, the Board specifically reserves the right, in accordance with California Law, including, but not limited to, Government Code Sections 6257 and 54957.5, to impose reasonable and necessary charges relative to the furnishing of such documentation at such time as the Board determines that it is appropriate or necessary to do so.

D. Introduced Documents. On occasion, a member of the public or a Board Member introduces a document during a board meeting. To the extent that it is possible and reasonable to do so, the Board may, at its discretion, after consulting with the District Secretary, provide for redistribution of such documents to other interested members of the public during such meeting. However, it is specifically noted that redistribution of such documentation may not be feasible or practical during such meeting. The Board reserves its right, by way of a majority vote of the Board, on a case-by-case basis, to take such action or to make such documentation available after the conclusion of the meeting pursuant to Mesa Water's Public Records Act Policy.

E. Public Records Requests. It is the Board's policy to respond to informational requests in a reasonable manner and to comply with the provisions of the California Public Records Act. Further, it is the finding and determination of the Board that Mesa Water's business needs be conducted in an efficient manner in terms of allocation of staff time and other resources.

Confidential or privileged records that by law may not be disclosed are not subject to disclosure under the California Public Records Act.

F. Disclosure of Closed Session Information.

1. Confidential information (e.g., all hand-written, printed, copied, electronic files or documents, and data, as well as spoken information) received, acquired by, or made available to anyone that pertains to closed sessions held pursuant to the Brown Act, shall not be disclosed to anyone not entitled to receive it. (Government Code Sections 1098 and 54963)

2. Any Board or staff member shall not willfully and knowingly disclose for pecuniary gain, to any other person, confidential information acquired by him or her in the course of his or her official duties. (Government Code Section 1098)
RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ADOPTING PROCEDURES FOR MEETINGS
OF THE BOARD OF DIRECTORS
SUPERSEeding RESOLUTION NO. 43941427

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

WHEREAS, the Board of Directors (Board) is authorized, pursuant to Water
Code Section 30530, to adopt procedures regarding meetings of the Board; and

WHEREAS, the Board had previously adopted Resolution No. 4394-1427 which
fixed the time, day and place of regular board meetings and set forth specific
procedures regarding meetings of the Board; and

WHEREAS, the Board views it as appropriate to revise the specific meeting
procedures previously adopted by the Board, keeping in mind the requirements of State
law and applicable requirements.

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

Section 1. The foregoing recitals are true and correct and are incorporated herein by
this reference.

Section 2. The procedures for meetings of the Mesa Water District Board of Directors,
as set forth in Appendix A hereto, are hereby adopted effective February 18,
2013

ADOPTED, SIGNED AND APPROVED this 12th day of February 2013

AYES: DIRECTORS: Temianka, Bockmiller, Dewane, Fisler
NOES: DIRECTORS: Atkinson
ABSENT: DIRECTORS:
ABSTAIN: DIRECTORS:

James R. Fisler
Shawn Dewane
President, Board of Directors
APPENDIX A

RESOLUTION NO. 14271456

RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ADOPTING PROCEDURES FOR MEETINGS
OF THE BOARD OF DIRECTORS
SUPERSEDING RESOLUTION NO. 13941427

I. GENERAL MATTERS

A. Adoption, Application and Purpose. This policy, Meetings of the Board of Directors (Policy), is adopted pursuant to Water Code Section 30530. The content of this Policy is generally declarative of existing procedures and is intended to be integrated as part of Mesa Water’s policies and directives. The purpose of this Policy is to allow the Mesa Water® Board of Directors (Board) to conduct its meetings in an efficient and organized manner.

B. This Policy is enacted in accordance with existing and applicable California Law including, but not limited to, the provisions of the Ralph M. Brown Act and the County Water District Act. It is the intention of the Board, by adopting this Policy, to observe the requirements and provisions of the Brown Act. It is the intention of the Board that this Policy shall not conflict with State laws or regulations. Although State laws and regulations are not generally restated in this Policy, it is intended that this Policy will be in addition to, or clarifications of, existing California Law. To the extent of future legislative changes or judicial interpretations, applicable hereto, this Policy shall be deemed, or shall actually be, modified accordingly.

C. The Board hereby reserves the right to formally amend this Policy in the future as may be determined to be necessary or appropriate due to conditions, circumstances, future legislative changes, judicial interpretations, or laws and regulations, which may affect this Policy.

D. It should be understood that all of the provisions of this Policy are subject to determination(s) by the Board, on a case-by-case basis, and without setting or establishing any precedent, to make exceptions to this Policy where it may be determined by the Board to be necessary and desirable. Such action(s) shall occur at the direction or pleasure of the Board based upon such circumstances and factors as the Board shall determine to be appropriate.
E. Definitions. The following definitions shall apply for purposes of this Policy:

**Board** – means the Board of Directors of the Mesa Water District.

**Board Member** – means a member of the Board of Directors of the Mesa Water District once that person takes office.


**General Manager** – shall mean the General Manager of the Mesa Water District as appointed pursuant to Water Code Section 30540(a).

**Immediate Past President** – shall mean the person who served the prior term as President of the Board as elected pursuant to Water Code Section 30520.

**Legal Counsel** – shall mean the Mesa Water District General Legal Counsel as retained by the Board of Directors pursuant to Water Code Section 30544.

**May** – use of the word “may” indicates action is discretionary.

**Mesa Water®** – shall mean the Mesa Water District, a County Water District.

**Policy** – shall mean this Mesa Water District policy for meetings of the Board of Directors.

**President** – shall mean the President of the Board as elected pursuant to Water Code Section 30520.

**Public** – shall mean members of the public as that term is generally defined in the Brown Act.

**Secretary** or **District Secretary** – shall mean the Secretary of the Mesa Water District as appointed pursuant to Water Code Section 30540(a).

**Shall** – use of the word “shall” indicates action is mandatory.

**Staff** – shall mean staff members of the Mesa Water District including, but not limited to, the General Manager, Secretary, and Treasurer.

**Vice President** – shall mean the Vice President of the Board as elected pursuant to Water Code Section 30520.

F. References to action of the Board shall generally mean action by, or concurrence of, a majority of the Board (i.e., three Board Members).
II. **TIME AND PLACE OF BOARD MEETINGS**

A. **Regular Meetings.** Pursuant to Water Code Section 30521, the time and place for regular board meetings shall be established by resolution adopted by the Board. Regular board meetings are held on the second Thursday of each month at 6:00 p.m. at Mesa Water’s office located at 1965 Placentia Avenue, Costa Mesa, California. The Board reserves the right to change the time and place of its board meetings, in accordance with California Law, as it shall determine to be appropriate. Pursuant to Water Code Section 30529, all meetings of the Board, except as may be permitted under the Brown Act, shall be open to the public. It shall be the general policy of the Board that regular board meetings shall adjourn by 10:00 p.m.

B. **Workshops.** The Board may conduct meeting workshops on an as needed basis. Such workshop meetings are board meetings and action items can and shall be considered at such meetings. The date, time, and place for such workshop meetings shall be established by the Board.

C. **Adjournment.** Any regular meeting, or adjourned regular meeting, of the Board of Directors may be continued at a later date or time by adjournment to a date, time, and place certain as provided in the Brown Act, including, but not limited to, meeting at other locations within Mesa Water’s service area. Any such adjournment shall be at the discretion and pleasure of the Board.

D. **Special Meetings.** Special board meetings may be called by the President or a majority of the Board. Notice of the time, place, and date for a special board meeting shall conform to the requirements of the Brown Act.

E. **Closed Sessions.** The Board hereby reserves all of its rights to conduct closed sessions, at such meetings as it is determined to be appropriate and as permitted under the Brown Act.

F. **Adjourn or Recess.** The Board reserves for itself the right to adjourn or recess any meeting with the purpose of maintaining or restoring order, or where other circumstances make it appropriate, and reserves its rights pursuant to Government Code Section 54957.9.

G. **Lack of Quorum.** In the event that a quorum of the Board is not present at the time and place scheduled for a meeting, the Board Members present may adjourn such meeting to a time, place, and date specified. If all of the Board Members are absent from a regular or adjourned regular board meeting, the Secretary shall adjourn the meeting pursuant to Government Code Section 54955.
III. STRUCTURE OF BOARD MEETINGS

a. Order of Business. The Executive Committee shall determine the general order of business for board meetings, which generally includes these items:

1) Call to Order
2) Pledge of Allegiance
3) Public Comments (see paragraph (h), below)
4) Items to be Added, Withdrawn or Reordered on the Agenda
5) Consent Calendar
   • Board Schedule
6) Presentation and Discussion Items
7) Action Items
8) Reports
9) Information Items
10) Adjournment

B. Adding Items to the Agenda. The Board may add an item to the agenda after the agenda has been posted, only if the following two conditions are determined by the Board to be true:

1. The Board determines that there is a need for immediate action on an item which cannot reasonably wait for the next regularly scheduled meeting; and

2. The Board determines that the need for immediate action came to the attention of the Board after the agenda had been posted.

Upon finding the above two conditions to be true, the Board, by two-thirds of the total voting Board Members, or if two-thirds of the voting Board Members are not present, by a unanimous vote of those Board Members present, must take action to make the determination that a need for immediate action exists.

C. Removing Items from the Agenda. Any Board Member or the General Manager may remove any item of business from the agenda, unless a majority of the Board objects.

D. Change of Order of Business. Any Board Member may change the order of business at any time during the meeting, unless a majority of the Board objects.
E. Consent Calendar. Any item of business may be removed from the Consent Calendar by any Board Member, the General Manager or public to permit separate discussion. Such discussion and voting shall take place during the period for Consent Calendar items.

F. Continue or Table Items. The Board may, by action of a majority of its members, continue or table action on any particular item.

G. Resolved Items. Any item, which has previously been reviewed, discussed, and acted upon by the Board, by way of motion, resolution, ordinance, or assigned and completed by staff shall not be agendized for reconsideration for the period of one year, unless the item is re-agendized by the Executive Committee or by majority action of the Board.

H. Public Comments.

1. Pursuant to Government Code Section 54954.3(b), the Board hereby determines that reasonable limitations on public comments are necessary in order for the Board to conduct its business within a reasonable time frame. The right of the public to make comments to the Board must be balanced with the Board's need to have adequate time to consider and take action on matters before it.

2. The following procedures shall apply to public comments:
   a. Public comments shall be made from the podium provided.
   b. Public comments relating to non-agendized matters will be limited to three minutes per person.
   c. Public comments on non-agendized items at the beginning of the meeting will be limited to no more than 30 minutes for all speakers.
   d. Additional time for public comments on non-agendized items may be provided at the end of the board meeting, if time permits.
   e. Public comments relating to specific agenda items shall be limited to five minutes per speaker on any particular item.

3. The following notations, which may be changed from time to time, shall be set forth on the agenda:

   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 minutes. The Board will set aside 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 minutes.

**I. Minutes.** The Board hereby directs that minutes of board meetings (except for closed sessions during which no minutes shall be taken unless otherwise directed by the Board) shall be prepared by the District Secretary. Such minutes shall include a record of all votes of the Board pursuant to Water Code Section 30526. Upon completion, minutes of all such meetings shall be returned to the Board for review and approval.

**J. Transcribing Minutes.** The Board hereby finds that additional means of preparing and transcribing the minutes, including, but not limited to, recordings, may be used by the Secretary. It is hereby the directive and determination of the Board that such recordings are not the official minutes or transcripts of the board meetings.

Any such recordings of any Board meeting made by Mesa Water® shall be subject to the provisions of Government Code Section 54953.5(b) or any successor section thereto.

Further, it shall be the directive and policy of the Board that recordings used to assist the Secretary in transcribing the minutes of board meetings shall be deleted following the occurrence of both the following events:

1. The transcribed minutes shall have been approved by the Board; and

2. At least 30 days shall have elapsed since the date of the meeting at which such recording was made.

**K. Agendizing of Board Matters.** The Secretary shall maintain, and present to the Board on a regular basis, an advance schedule of board meeting topics. The Executive Committee and staff shall determine the agenda for each board meeting. Any request for agenda items by any Board member or member of the public shall be addressed to the Board President who shall bring the item to the Executive Committee for scheduling. The item shall be scheduled for the next available Board meeting unless the Executive Committee determines otherwise and notifies the Board member of the reason. The Board specifically reserves the right to change that schedule, or to direct that a matter be agendized for a particular meeting. The agendizing of any matter for the Board's consideration is subject to override by majority action of the Board.

**L. Reports from Closed Session.** The Board reserves its right to conduct closed sessions, as permitted by the provisions of the Brown Act. The Board also reserves its right to give directives and make decisions in closed sessions as
permitted by the Brown Act. Notwithstanding paragraph M. below, Closed Sessions Regarding Personnel Matters, it shall be the policy of the Board to make reports of decisions made in closed sessions in open session as permitted and/or required under the provisions of the Brown Act. For matters or issues where decisions cannot be made in closed session, or where the Board so determines, such decisions shall be made in open session. Where reports are made from closed session pursuant to the Brown Act, or where action(s) is taken in open session, a record of such report(s) made, or action(s) taken, shall be set forth in the minutes of such meeting.

M. Closed Sessions Regarding Personnel Matters. It shall be the policy of the Board that matters relating to Mesa Water personnel generally shall not be discussed in open session in regard to performance evaluations and reviews, personnel records, disciplinary proceedings, and similar matters. In the event the Board conducts a closed session pursuant to the applicable provisions of the Brown Act for the evaluation of performance, or similar matters relating to Mesa Water® personnel, Mesa Water® will not make a report from closed session in regard to such personnel matters unless, and until, required under State law.

IV. RULES OF ORDER

A. President. It shall be the policy of the Board that the President shall preside over meetings of the Board where he or she is present. The public, Board Members, the General Manager, and staff shall direct questions and comments to the President.

B. Determination of Acting President. In the absence of the President, the Vice President shall preside over the meeting. In such case, the Vice President shall be the acting President and shall have all powers vested in the President.

In the absence of both the President and the Vice President at a board meeting, where a meeting includes a quorum of the Board, the first item of business at such meeting will be for the remaining three Board Members Immediate Past President to determine who shall act as the acting President for purposes of that board meeting. Once such determination has been made, the designated Board Member Immediate Past President will have the power of acting President for that meeting.

C. Actions of the Board. Pursuant to Water Code Section 30523, the Board shall take formal action by way of ordinance, resolution, or motion. The Board may also act informally as to matters of procedure, scheduling and similar matters by directive to staff or by concurrence of the Board with Board or staff recommendations.
D. Robert’s Rules of Order. The Board hereby references, without adopting, Robert’s Rules of Order as a general guide for procedural matters where such rules may help it more efficiently conduct its business at board meeting. However, these Rules of Order shall not be binding on the proceedings of the Board.

V. DOCUMENTATION

A. Posting Agendas. Pursuant to the requirements of Government Code Section 54954.2, the District Secretary shall post, or cause to be posted, agendas for all regular, adjourned regular, and special meetings of the Board at Mesa Water’s business office located at 1965 Placentia Avenue, Costa Mesa, California. The Secretary may also post agendas, as time permits, at other publicly accessible locations within Mesa Water’s service area.

B. Disability-Related Modifications or Accommodations. The following notation shall be set forth on the agendas for all meetings open to the public:

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

C. Distribution of Documentation. Documentation and other materials relating to the board meeting agenda items shall be distributed to all Board Members in advance of the board meeting whenever possible. In such regard, Mesa Water® shall comply with the requirements of Government Code Section 54957.5.

1. The following notation shall be set forth on the agendas for all meetings open to the public:

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

2. It shall be the general policy of the Board that documentation furnished to any one Board Member shall also be furnished to, or offered to, all of the remaining Board Members.
3. Documentation furnished to Board Members relative to agenda items may be furnished without cost to members of the public upon request. However, the Board specifically reserves the right, in accordance with California Law, including, but not limited to, Government Code Sections 6257 and 54957.5, to impose reasonable and necessary charges relative to the furnishing of such documentation at such time as the Board determines that it is appropriate or necessary to do so.

D. Introduced Documents. On occasion, a member of the public or a Board Member introduces a document during a board meeting. To the extent that it is possible and reasonable to do so, the Board may, at its discretion, after consulting with the District Secretary, provide for redistribution of such documents to other interested members of the public during such meeting. However, it is specifically noted that redistribution of such documentation may not be feasible or practical during such meeting. The Board reserves its right, by way of a majority vote of the Board, on a case-by-case basis, to take such action or to make such documentation available after the conclusion of the meeting pursuant to Mesa Water's Public Records Act Policy.

E. Public Records Requests. It is the Board’s policy to respond to informational requests in a reasonable manner and to comply with the provisions of the California Public Records Act. Further, it is the finding and determination of the Board that Mesa Water’s business needs be conducted in an efficient manner in terms of allocation of staff time and other resources. Confidential or privileged records that by law may not be disclosed are not subject to disclosure under the California Public Records Act.

F. Disclosure of Closed Session Information.

1. Confidential information (e.g., all hand-written, printed, copied, electronic files or documents, and data, as well as spoken information) received, acquired by, or made available to anyone that pertains to closed sessions held pursuant to the Brown Act, shall not be disclosed to anyone not entitled to receive it. (Government Code Sections 1098 and 54963)

2. Any Board or staff member shall not willfully and knowingly disclose for pecuniary gain, to any other person, confidential information acquired by him or her in the course of his or her official duties. (Government Code Section 1098)
RESOLUTION NO. 1457

RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ADOPTING PROTOCOLS OF THE BOARD OF DIRECTORS
SUPERSEDING RESOLUTION 1428

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

WHEREAS, the Board of Directors desires to adopt specific protocols and procedures of the Board of Directors and to integrate such within the District’s general policies and the requirements of State law and applicable requirements.

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

Section 1. The foregoing recitals are true and correct and are hereby incorporated by this reference.

Section 2. The Protocols of the Board of Directors, as set forth in Appendix A, are hereby adopted effective as of the date of adoption of this Resolution.

Section 3. As the detailed References for the Protocols of the Board of Directors are updated, Attachment 1 of Appendix A shall be revised and distributed without further Board action.

Section 4. This Resolution shall be effective immediately upon adoption.

ADOPTED, SIGNED AND APPROVED this 21st day of March 2015 by a roll call vote.

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

________________________________________
Shawn Dewane
President, Board of Directors

Coleen L. Monteleone
District Secretary
APPENDIX A

RESOLUTION NO. 1457

RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ADOPTING PROTOCOLS OF THE BOARD OF DIRECTORS
SUPERCEding RESOLUTION 1428

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I. GENERAL MATTERS:

a) Adoption, Application, and Purpose. This policy, Protocols of the Board of Directors (Policy), is adopted by the Mesa Water District (Mesa Water®) Board of Directors (Board) and is applicable only to Mesa Water®. The content of this Policy is generally declarative of existing procedures and is intended to be integrated as part of Mesa Water’s policies and directives. The purpose of this Policy is to allow the Board to conduct certain activities in an efficient and organized manner, and in accordance with applicable California Law.

The Board hereby reserves the right to formally amend this Policy in the future as may be determined to be necessary or appropriate due to conditions, circumstances, future legislative changes, judicial interpretations or laws, and regulations which may affect this Policy.

It should be understood that all of the provisions of this Policy are subject to determination(s) by the Board, on a case-by-case basis, and without setting or establishing any precedent, to make exceptions to this Policy where it may be determined by the Board to be necessary and desirable. Such action(s) shall occur at the direction or pleasure of the Board based upon such circumstances and factors as the Board shall determine to be appropriate.

b) Definitions. The following definitions shall apply for purposes of this Policy:

**Board** - means the Board of Directors of the Mesa Water District.


**Director** – shall mean a member of the Board of Directors of the Mesa Water District once that person takes office pursuant to state law.

**Elections Code** – shall mean the California Elections Code.

**Fiscal Year** – shall mean the fiscal year beginning July 1st and ending June 30th.

**General Manager** – shall mean the General Manager of the Mesa Water District as appointed by the Board pursuant to Water Code Section 30540(a).

**Government Code** – shall mean the California Government Code.

**Immediate Past President** – shall mean the person who served the prior term as President of the Board as elected pursuant to Water Code Section 30520.

**May** – use of the word “may” indicate action is discretionary.
**Mesa Water®** – shall mean the Mesa Water District, a County Water District.

**Policy** – shall mean this Mesa Water District policy for Protocols of the Board of Directors.

**President** – shall mean the President of the Board as elected pursuant to Water Code Section 30520.

**Secretary or District Secretary** – shall mean the Secretary of the Mesa Water District as appointed by the Board pursuant to Water Code Section 30540(a).

**Shall** – use of the word shall indicate action is mandatory.

**Staff** – shall mean employees of the Mesa Water District including, but not limited to, the General Manager, Secretary, and Treasurer.

**Standards** – shall mean Mesa Water's requirements for the construction of water facilities within Mesa Water's service area.

**Treasurer or District Treasurer** – shall mean the Treasurer of the Mesa Water District as appointed pursuant to Water Code Section 30540(b).

**Vice President** – shall mean the Vice President of the Board as elected pursuant to Water Code Section 30520.

**Water Code** – shall mean the California Water Code.

**********
II. ACTIONS OF THE BOARD:

a) General Requirements. Pursuant to Water Code Section 30523, the Board shall take official action by means of ordinances, resolutions, or motions. The majority vote requirements of Water Code Section 30524 shall be applicable to all Board actions under this Section II. The Water Code also allows the Board to act informally by providing direction to staff, or deciding informal or procedural matters by consensus of the Board.

The adoption of an ordinance is the most formal action that may be taken by the Board. Certain sections of the Water Code specify when the adoption of an ordinance is mandatory.

A motion is the least formal official action that the Board may take. Motions are generally used to act on decisions about basic policy matters, or to make decisions on actions such as issuing contracts or providing direction to staff.

Proclamations and letters from the Board are not in and of themselves official acts of the Board unless action on them is taken by ordinance, resolution, or motion.

b) Ordinance. The Board shall take action by way of the adoption of an ordinance when the Water Code specifies the adoption of an ordinance is required. In the absence of such requirement, the Board may choose to act by way of an ordinance when the Board, by majority action, determines that it desires to do so because of the importance or significance of the subject matter being considered. In accordance with the Water Code, all ordinances shall be signed by the President and attested by the District Secretary. The District Secretary, pursuant to Mesa Water’s Records Retention Schedule, shall keep all original ordinances on file.

c) Resolution. The Board shall take action by way of the adoption of a resolution when the language in a statute, or other legal requirement, indicates or states that action by the adoption of a resolution is required. In the absence of such requirement, and in the absence of a requirement to take action by way of the adoption of an ordinance, the Board may choose to act by way of a resolution when the Board, by majority action, determines that it desires to do so because of the importance or significance of the subject matter being considered. All resolutions shall be signed by the President and attested by the District Secretary unless otherwise specified by regulation or directed by the Board. The District Secretary, pursuant to Mesa Water’s Records Retention Schedule, shall keep all original resolutions on file.

d) Motion. The Board may choose to take action by way of a motion in the absence of a requirement to take action by way of an ordinance or resolution.

e) Consensus of the Board. In the absence of a requirement to take action by way of an ordinance, resolution, or motion, the Board may choose to take action on
informal or procedural matters by way of consensus of the Board. If consensus of the Board cannot be reached in a matter, the Board may decide the matter by motion of the Board.

f) **Proclamation.** Proclamations may be used by the Board to recognize a public agency, individual(s) or staff for distinguished service or special achievement, unless the Board chooses to perform the recognition by adoption of a resolution. Proclamations shall be approved by motion of the Board and unless directed otherwise by the Board, shall be signed by all Directors of the Board.

g) **Letters from the Board.** The Board of Directors may direct staff to prepare letters on their behalf. The Board may adopt policy positions, which may be updated from time to time. The President is authorized to sign letters on approved policy positions as well as congratulatory letters on behalf of the Board. For all other letters, the Board shall indicate its preference on the content and whether the letter shall require Board approval prior to distribution. Unless specifically directed by the Board, the President or Acting President of the Board shall sign all letters from the Board. Directors shall receive a copy of all letters from the Board prepared pursuant to this subsection.
III. **Election of Board Officers:**

a) **General Requirements.** Within 30 days after taking office following each general election (conducted in November of even-numbered years), the Directors shall elect one of its members as President of the Board and one of its members as Vice President.

b) **Conducting the Election.** The process of conducting the election of Board officers shall be performed by the District Secretary during a regular or adjourned regular meeting of the Board. Unless otherwise directed by the Board, the election shall be the first item of business considered by the Board at such meeting. The general procedural steps for conducting the election of Board officers shall include the following:

1. The current President turns the meeting over to the District Secretary.
2. The District Secretary describes the process to be followed.
3. The District Secretary calls for nominations and seconds for the office of President.
4. The District Secretary continues the call for nominations for President until there are no further nominations.
5. The District Secretary accepts a roll call vote on the first nomination placed for the office of President.
6. If the vote on the first nomination fails to receive a majority, the District Secretary continues to accept roll call votes on each of the nominations placed for the office of President, in the order of the placement of the nominations, until a majority vote is attained and a new President is elected by a majority vote.
7. The District Secretary repeats the call for nominations and accepts roll call votes, in the order of the placement of such nominations, for the office of Vice President until a new Vice President is elected.
8. The District Secretary declares the election of Board officers complete and turns the meeting over to the newly elected Board President. In the absence of the newly elected Board President, the District Secretary turns the meeting over to the newly elected Vice President.

c) **Term of Office.** The term of office for each of the newly elected officers of the Board is on every even-numbered year for a two year term and begins as soon as the District Secretary declares the election complete. The newly elected President, or in the absence of the newly elected President the newly elected Vice President, may assume the function of the presiding officer at the conclusion of the election, or may ask the Immediate Past President to act as presiding officer for the remainder of the Board meeting.

Should the need arise, the Board at any time, with a majority vote, may agendize and reconsider the selection or term of the Board officers.
d) **Duties.** The President shall serve as the official Mesa Water® Board representative and he/she shall also have the authority to delegate such responsibility. In the absence of the President, the Vice President will act in the official capacity of the President. The Immediate Past President will assume the role in the absence of the Vice President.

**********
IV. COMMITTEE APPOINTMENTS:

a) General Committee Information. The Board has formed certain committees in order to manage the flow of information, devote specific attention to particular matters, and more efficiently employ the available time of each Director. Pursuant to the requirements of the Brown Act, Board committees shall fall into one of two categories, Standing Committee or Ad Hoc Committee.

b) Standing Committees. A Standing Committee shall be a committee of long-term standing with continuing subject matter jurisdiction assigned by the Board. The Board reserves its right to form or dissolve Standing Committees by action of the Board. Standing Committees shall comply with the requirements of the Brown Act.

c) Ad Hoc Committees. An Ad Hoc Committee shall be a committee formed for a limited purpose and for a limited time, which shall not meet on a designated schedule. Pursuant to Government Code Section 54952 Ad Hoc Committees shall not be subject to the requirements of the Brown Act.

d) Formation and Dissolution of Committees. The Board reserves its right to form or dissolve Standing Committees by action of the Board. The President of the Board shall appoint Directors to each committee. The appointments shall consist of the Chair of the committee and a regular member of the committee. The President may appoint one or more alternates to the committee. The appointment of Directors to committees shall be subject to confirmation or override by a vote of a majority of the Board. The Board cannot require one of its members to attend a committee meeting.

Committee meetings will be noticed Board meetings and held as joint meetings of the Committee and entire Board. All members of the Board may attend and participate in the discussion. Items recommended for approval at the new Committee format meetings are then placed on the Consent Calendar at the next Board meeting. Each Committee has designated Committee members, and other members of the Board are designated alternate Committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned due to a lack of a quorum and such meeting may proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as such Committee. The Executive Committee is excluded from this Committee format.

e) Committee Meeting Schedule. It is the policy of the Board that the Directors appointed to a committee shall determine the committee meeting schedule and location.

f) Order of Business. The following shall be the general order of business for Standing Committees:
1. Action Items
2. Discussion Items
3. Standing Items
4. Information Items

The Directors appointed to an Ad Hoc Committee shall establish the general order of business for the committee.

g) **Agenda Items.** Items of business shall support the Board’s advance schedule of agenda topics, support the Board assigned responsibilities of the committee, and fulfill the direction of the Board.

h) **Posting Agendas.** Pursuant to the requirements of Government Code Section 54954.2, the District Secretary shall post, or cause to be posted, agendas for all Standing Committee meetings of the Board at Mesa Water's business office located at 1965 Placentia Avenue, Costa Mesa, California.

i) **Committee Talking Points.** Talking Points will constitute as minutes of the Committee meeting.

**********
V. LIAISON APPOINTMENTS:

a) General Information. Mesa Water’s Board has determined that it is essential to develop and maintain strong working relationships and communications with various agencies, including other water agencies, and water-related and government organizations for the purpose of promoting its mission. In an effort to develop and maintain essential relationships, Directors are appointed as liaison representatives to various agencies and organizations. Liaison representatives are responsible for conveying information from agencies and organizations to Mesa Water’s Board, and on behalf of Mesa Water’s Board, conveying information to such agencies and organizations.

b) Formation and Dissolution of Liaison Assignments. The Board reserves the right to form or dissolve Liaison assignments by action of the Board.

c) Liaison Reports to the Board. Reports should have relevance to Mesa Water® and be provided to the Board at the next Board meeting following the attendance of a liaison meeting.

**********
VI. **ELECTION POLICY:**

a) **General Information.** Mesa Water’s service area consists of five political Divisions; each Division is represented by a Director elected by the voters within that Division.

In accordance with Elections Code Section 23302.1 and a Mesa Water® resolution, Mesa Water® holds its election for Directors on the same day as the statewide general election held on the first Tuesday after the first Monday in November of even-numbered years.

Directors for Divisions 4 and 5 are elected concurrently, beginning in 1990 and every four years thereafter, and the Directors for Divisions 1, 2 and 3 are elected concurrently, beginning in 1992 and every four years thereafter.

b) **Term of Office.** In accordance with Water Code Section 30502, the term of office of each Director, other than Directors first elected or Directors appointed to fill an unexpired term, shall be four years.

If an incumbent Director is unchallenged in an election, the Orange County Board of Supervisors appoints the Director to a new term. Appointed Directors and elected Directors shall take office at noon on the first Friday in December following the general election. Prior to taking office, each elected Director shall take the official oath, which shall be administered by the District Secretary.

c) **Vacancy between Elections.** In accordance with Water Code Section 30508 and Government Code 1770, Mesa Water’s Board may appoint a new Director to fill a vacancy on the Board. If the vacancy is allowed to exist for more than 60 days, the Orange County Board of Supervisors becomes the appointing authority.

d) **Division Boundaries.** Pursuant to Water Code Section 30734, the Board may at any time, but not less than 85 days before a general election, by resolution change the boundaries of the divisions to keep them nearly as equal in population size as practicable.

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VII. REQUESTS FOR INFORMATION AND ASSIGNMENTS TO STAFF:

a) General Information. The Board has adopted a resolution that provides for the delegation of authority to the General Manager. The resolution defines the authority and duties of the General Manager, which includes the authority to prescribe the duties of Mesa Water® staff.

b) Assignments to the General Manager. Other than minor requests for information or assistance, Directors shall endeavor to provide direction, assignments, and requests for information to the General Manager through the Board. The Board may consider established policies and priorities and may direct the General Manager accordingly.

c) Staff Assistance. To ensure efficient allocation of resources, Directors shall request information or assistance from staff through the General Manager. The General Manager shall review the request and shall allocate appropriate resources. Should sufficient resources be unavailable, or should the request conflict with other Board direction or policies, the matter shall be presented to, discussed, and decided by the Board.

d) Copies of Information. The Board shall specify at the time of request to the General Manager, whether information requested shall be provided to the entire Board, and the manner in which the information shall be provided.

Should the General Manager receive a direct request for information from a Director, the General Manager shall either provide the information to the entire Board, or shall inform the other Directors of the request and provide the information to them upon request.

Board committee members shall specify at the time of request to the General Manager, whether a request for information related to a committee item shall be provided to the entire Board. If the information is to be provided to the entire Board, the committee members shall specify the manner in which the information will be provided. Any board member may receive any information provided to any board or committee member.

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VIII. POLICY AND PLANNING DOCUMENTS:

a) General Information. Mesa Water® maintains various policy and planning documents that the Board has determined it shall review and approve on a regular basis. There are additional policies and planning documents that the Board has determined it shall review and approve when the policy or document is revised or updated to meet Mesa Water’s current needs. The Board reserves the right to review any policies and documents it determines is appropriate.

b) Fiscal Year Budget. Annually the General Manager shall present a fiscal year budget to the Board. The Board may review the budget and may by motion, approve the proposed revenues and expenditures for the succeeding fiscal year. The Board may by motion make any modifications to the proposed expenditures and revenues it deems necessary or desirable.

c) Statement of Investment Policy. Annually the General Manager shall review the resolution delegating authority to the Treasurer/Auditor and shall present the Statement of Investment Policy to the Board for consideration. Upon consideration, the Board may revise or reaffirm the delegation of authority to the Treasurer/Auditor and may revise or reaffirm the Statement of Investment Policy.

d) Fees and Charges for Miscellaneous Services. Annually, or more frequently as determined by the Board, the Board may review the resolution regarding fees and charges for miscellaneous services and may adjust any fees and charges to recover the fair cost of providing such services.

e) Establishing Financial Policies and Guidelines in Establishing Rates. Beginning in November 2002, and at least once every five years, the Board shall review the resolution establishing financial policies and guidelines for establishing rates for water services.


g) Standard Specifications and Standard Drawings for the Construction of Mesa Water® Water Facilities (Standards). Standards are prepared and provided to contractors as a means of communicating Mesa Water’s requirements for the construction of water facilities within its service area. Revisions to the Standards shall be reviewed and approved by motion of the Board.

h) Rules and Regulations for Water Service. In accordance with Water Code Section 31024, the Board establishes rules and regulations for the sale, distribution, and use of water. The Rules and Regulations are periodically reviewed and if necessary revised. The Board, through the adoption of a resolution, shall approve revisions to the Rules and Regulations.

Resolution No. 1457: Appendix A

Adopted: March 21, 2015
i) **Employee Rules and Regulations.** The Board establishes rules and regulations for Mesa Water® staff. The Board, through the adoption of a resolution, shall approve additions, deletions, amendments, and other changes to the Employee Rules and Regulations.

j) **Water System Master Plan.** The Water System Master Plan is a report that provides guidance for the orderly expansion and improvement of infrastructure, specifically production, treatment, transmission, distribution, and storage systems. Updates to the Water System Master Plan shall be reviewed periodically and approved by motion of the Board.

k) **Communications Strategic Plan.** The Communications Strategic Plan (Plan) address strategies to ensure a consistent, unified, and open approach to both internal and external communications. Revisions to the Plan shall be reviewed and approved by motion of the Board.

**********
IX. DIRECTORS’ COMPENSATION AND BENEFITS:

a) Compensation. Pursuant to Water Code Section 30507 Directors shall receive compensation for each day’s service rendered as a member of the Board, by request of the Board.

The Board periodically reviews the amount of compensation to Directors and adjusts it pursuant to Water Code Sections 20201 and 20202 et seq. Increases in compensation received by members of the Board require the adoption of an ordinance, preceded by a public hearing. Directors may receive compensation for no more than one meeting per each day of service, and the maximum number of days in any calendar month is ten.

b) Benefits. The Board determines benefits provided for its members after consideration of appropriateness, eligibility, and cost of participation. Such programs may be amended from time to time.

By resolution the Board discontinued participation by Directors in Mesa Water’s retirement plan.

In accordance with various plan documents, Directors are not eligible to participate in the following benefit programs:

1. Deferred compensation program
2. Long-term disability program
3. Flex credit program

c) Service Awards Program. A service award program has been created to recognize each Director for their commitment and service to the Mesa Water® community.

When first elected or appointed to the Board of Directors, a Director shall receive a lapel pin engraved with Mesa Water’s logo. Subsequent terms of office shall be recognized with the addition of alternating synthetic blue stones.

**********

Resolution No. 1457: Appendix A
Adopted: March 21, 2015
X. STANDARDS OF CONDUCT:

a) **Purpose.** This section is intended to complement Mesa Water’s Conflict of Interest Code and state conflicts of interest laws and to establish the general standards of conduct necessary for the proper and efficient operation of the District.

b) **Applicability.** The standards of conduct defined herein shall apply to all Directors.

c) **Misuse of Official Position.** No Director shall use or attempt to use his or her official position with Mesa Water® to secure unwarranted privileges or advantages for himself, herself, or others.

d) **Disqualification.** A Director, who has or may have, a conflict of interest in a matter which requires action, shall, before the matter is decided, disclose the conflict of interest or the potential conflict of interest, and shall refrain from discussing, debating, acting, or voting upon or otherwise participating in or influencing the decision-making process pertaining to the matter in which the Director has or may have a conflict of interest.

e) **Confidential Information.** No Director shall willfully disclose to any person, whether or not for personal advantage or profit, any information not generally available to a member of the public, which he or she receives or acquires in the course of and by reason of his or her official duties. No Director shall disclose confidential information that has been acquired by being present in a closed session held pursuant to the Brown Act, to a person not entitled to receive it, unless the Board authorizes disclosure of that confidential information.

f) **Use of Mesa Water Property and Resources.** Except as specifically authorized, no Director shall use or remove or permit the use or removal of property belonging to Mesa Water®, including vehicles, equipment, telephones, office supplies, and materials for personal convenience or profit. No Director shall request or require any Mesa Water staff to perform services for personal convenience or profit. Each Director must protect and properly use any Mesa Water® asset within his or her control, including information recorded on paper or in electronic form. Directors shall safeguard Mesa Water® property, equipment, monies, and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

g) **Acceptance of Gifts.** No Director shall accept from any person, whether directly or indirectly, any gift, favor, service, employment or offer of employment or any other thing of value which he or she knows or has reason to believe is offered with the intent to influence the performance of public duties and responsibilities.

h) **Other Employment.** No Director shall accept employment or act as an independent contractor for any private or public interest when that employment or contract work is incompatible or in conflict with the discharge of his or her official duties, or when
that employment or contract work may tend to impair his or her objectivity or independence of judgment in the performance of such duties.

i) **Expenses.** Directors shall not request compensation or receive expense monies from Mesa Water® to attend a seminar, convention, conference, or meeting and then fail to attend said event. If a Director receives an advance of funds for such attendance, and is unable to attend as planned, the Director shall reimburse Mesa Water® for the funds advanced.

**********
ATTACHMENT 1

RESOLUTION NO. XXXX

RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ADOPTING PROTOCOLS OF THE BOARD OF DIRECTORS
SUPERCEDING RESOLUTION 1428

References

Resolution, Requiring Consolidation of Elections of Governing Members with the Statewide General Election

Resolution, Discontinuing Director Participation in Mesa Water's Retirement Plan

Resolution, Delegation of Authority

Resolution, Rules and Regulations for Water Service

Resolution, Regarding Medical, Dental, and Vision Insurance for Members of the Board of Directors

Resolution, Employee Rules and Regulations

Resolution, Revising the Records Retention Policy

Resolution, Revising Financial Policies and Guidelines for Establishing Rates

Resolution, Delegating Authority Relative to Investment or Reinvestment of Funds, and Providing for a Revised Statement of Investment Policy

Resolution, Miscellaneous Fees and Charges

Resolution, Amending its Conflict of Interest Code

Resolution, Urban Water Management Plan

Ordinance, Director Compensation and Expense Reimbursement

Resolution No. 1457: Attachment 1   Adopted: March 21, 2015
RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ADOPTING PROTOCOLS OF THE BOARD OF DIRECTORS
SUPERCEeding SUPERSEding RESOLUTION 14091428

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

WHEREAS, the Board of Directors desires to adopt specific protocols and
procedures of the Board of Directors and to integrate such within the District’s general
policies and the requirements of State law and applicable requirements.

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

Section 1. The foregoing recitals are true and correct and are hereby incorporated by
this reference.

Section 2. The Protocols of the Board of Directors, as set forth in Appendix A, are
hereby adopted effective as of the date of adoption of this Resolution.

Section 3. As the detailed References for the Protocols of the Board of Directors
are updated, Attachment 1 of Appendix A shall be revised and
distributed without further Board action.

Section 4. This Resolution shall be effective immediately upon adoption. Notwithstanding the forgoing, Section III (c), Election of Board Officers, term of office shall be retroactive to December 11, 2012.

ADOPTED, SIGNED AND APPROVED this 2142nd -day of March 2015February 2013
by a roll call vote.

AYES DIRECTORS: Temianka, Bockmiller, Dewane, Fisler
NOES: DIRECTORS:
ABSENT: DIRECTORS:
ABSTAIN: DIRECTORS: Atkinson

______________________________
James R. FislerShawn Dewane
President, Board of Directors

Coleen L. Monteleone
District Secretary
Protocols of the Board of Directors
Resolution No. 14281457: Appendix A

Resolution of the Mesa Water District Board of Directors
Adopting Protocols of the Board of Directors
Superceding Resolution 14091428

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I. GENERAL MATTERS:

a) Adoption, Application, and Purpose. This policy, Protocols of the Board of Directors (Policy), is adopted by the Mesa Water District (Mesa Water®) Board of Directors (Board) and is applicable only to Mesa Water®. The content of this Policy is generally declarative of existing procedures and is intended to be integrated as part of Mesa Water’s policies and directives. The purpose of this Policy is to allow the Board to conduct certain activities in an efficient and organized manner, and in accordance with applicable California Law.

The Board hereby reserves the right to formally amend this Policy in the future as may be determined to be necessary or appropriate due to conditions, circumstances, future legislative changes, judicial interpretations or laws, and regulations which may affect this Policy.

It should be understood that all of the provisions of this Policy are subject to determination(s) by the Board, on a case-by-case basis, and without setting or establishing any precedent, to make exceptions to this Policy where it may be determined by the Board to be necessary and desirable. Such action(s) shall occur at the direction or pleasure of the Board based upon such circumstances and factors as the Board shall determine to be appropriate.

b) Definitions. The following definitions shall apply for purposes of this Policy:

**Board** - means the Board of Directors of the Mesa Water District.


**Director** – shall mean a member of the Board of Directors of the Mesa Water District once that person takes office pursuant to state law.

**Elections Code** – shall mean the California Elections Code.

**Fiscal Year** – shall mean the fiscal year beginning July 1st and ending June 30th.

**General Manager** – shall mean the General Manager of the Mesa Water District as appointed by the Board pursuant to Water Code Section 30540(a).

**Government Code** – shall mean the California Government Code.

**Immediate Past President** – shall mean the person who served the prior term as President of the Board as elected pursuant to Water Code Section 30520.

**May** – use of the word “may” indicate action is discretionary.
Mesa Water® – shall mean the Mesa Water District, a County Water District.

Policy – shall mean this Mesa Water District policy for Protocols of the Board of Directors.

President – shall mean the President of the Board as elected pursuant to Water Code Section 30520.

Secretary or District Secretary – shall mean the Secretary of the Mesa Water District as appointed by the Board pursuant to Water Code Section 30540(a).

Shall – use of the word shall indicate action is mandatory.

Staff – shall mean employees of the Mesa Water District including, but not limited to, the General Manager, Secretary, and Treasurer.

Standards – shall mean Mesa Water's requirements for the construction of water facilities within Mesa Water's service area.

Treasurer or District Treasurer – shall mean the Treasurer of the Mesa Water District as appointed pursuant to Water Code Section 30540(b).

Vice President – shall mean the Vice President of the Board as elected pursuant to Water Code Section 30520.

Water Code – shall mean the California Water Code.

**********
II. ACTIONS OF THE BOARD:

a) General Requirements. Pursuant to Water Code Section 30523, the Board shall take official action by means of ordinances, resolutions, or motions. The majority vote requirements of Water Code Section 30524 shall be applicable to all Board actions under this Section II. The Water Code also allows the Board to act informally by providing direction to staff, or deciding informal or procedural matters by consensus of the Board.

The adoption of an ordinance is the most formal action that may be taken by the Board. Certain sections of the Water Code specify when the adoption of an ordinance is mandatory.

A motion is the least formal official action that the Board may take. Motions are generally used to act on decisions about basic policy matters, or to make decisions on actions such as issuing contracts or providing direction to staff.

Proclamations and letters from the Board are not in and of themselves official acts of the Board unless action on them is taken by ordinance, resolution, or motion.

b) Ordinance. The Board shall take action by way of the adoption of an ordinance when the Water Code specifies the adoption of an ordinance is required. In the absence of such requirement, the Board may choose to act by way of an ordinance when the Board, by majority action, determines that it desires to do so because of the importance or significance of the subject matter being considered. In accordance with the Water Code, all ordinances shall be signed by the President and attested by the District Secretary. The District Secretary, pursuant to Mesa Water’s Records Retention Schedule, shall keep all original ordinances on file.

c) Resolution. The Board shall take action by way of the adoption of a resolution when the language in a statute, or other legal requirement, indicates or states that action by the adoption of a resolution is required. In the absence of such requirement, and in the absence of a requirement to take action by way of the adoption of an ordinance, the Board may choose to act by way of a resolution when the Board, by majority action, determines that it desires to do so because of the importance or significance of the subject matter being considered. All resolutions shall be signed by the President and attested by the District Secretary unless otherwise specified by regulation or directed by the Board. The District Secretary, pursuant to Mesa Water’s Records Retention Schedule, shall keep all original resolutions on file.

d) Motion. The Board may choose to take action by way of a motion in the absence of a requirement to take action by way of an ordinance or resolution.

e) Consensus of the Board. In the absence of a requirement to take action by way of an ordinance, resolution, or motion, the Board may choose to take action on
informal or procedural matters by way of consensus of the Board. If consensus of
the Board cannot be reached in a matter, the Board may decide the matter by
motion of the Board.

f) **Proclamation.** Proclamations may be used by the Board to recognize a public
agency, individual(s) or staff for distinguished service or special achievement,
unless the Board chooses to perform the recognition by adoption of a resolution.
Proclamations shall be approved by motion of the Board and unless directed
otherwise by the Board, shall be signed by all Directors of the Board.

g) **Letters from the Board.** The Board of Directors may direct staff to prepare letters
on their behalf. The Board may adopt policy positions, which may be updated from
time to time. The President is authorized to sign letters on approved policy
positions as well as congratulatory letters on behalf of the Board. For all other
letters, the Board shall indicate its preference on the content and whether the letter
shall require Board approval prior to distribution. Unless specifically directed by the
Board, the President or Acting President of the Board shall sign all letters from the
Board. Directors shall receive a copy of all letters from the Board prepared
pursuant to this subsection.

**********
III. **Election of Board Officers:**

a) **General Requirements.** Within 30 days after taking office following each general election (conducted in November of even-numbered years), the Directors shall elect one of its members as President of the Board and one of its members as Vice President.

b) **Conducting the Election.** The process of conducting the election of Board officers shall be performed by the District Secretary during a regular or adjourned regular meeting of the Board. Unless otherwise directed by the Board, the election shall be the first item of business considered by the Board at such meeting. The general procedural steps for conducting the election of Board officers shall include the following:

1. The current President turns the meeting over to the District Secretary.
2. The District Secretary describes the process to be followed.
3. The District Secretary calls for nominations and seconds for the office of President.
4. The District Secretary continues the call for nominations for President until there are no further nominations.
5. The District Secretary accepts a roll call vote on the first nomination placed for the office of President.
6. If the vote on the first nomination fails to receive a majority, the District Secretary continues to accept roll call votes on each of the nominations placed for the office of President, in the order of the placement of the nominations, until a majority vote is attained and a new President is elected by a majority vote.
7. The District Secretary repeats the call for nominations and accepts roll call votes, in the order of the placement of such nominations, for the office of Vice President until a new Vice President is elected.
8. The District Secretary declares the election of Board officers complete and turns the meeting over to the newly elected Board President. In the absence of the newly elected Board President, the District Secretary turns the meeting over to the newly elected Vice President.

c) **Term of Office.** The term of office for each of the newly elected officers of the Board is on every even-numbered year for a two year term and begins as soon as the District Secretary declares the election complete. The newly elected President, or in the absence of the newly elected President the newly elected Vice President, may assume the function of the presiding officer at the conclusion of the election, or may ask the Immediate Past President to act as presiding officer for the remainder of the Board meeting.

Should the need arise, the Board at any time, with a majority vote, may agendize and reconsider the selection or term of the Board officers.
d) **Duties.** The President shall serve as the official Mesa Water® Board representative and he/she shall also have the authority to delegate such responsibility. In the absence of the President, the Vice President will act in the official capacity of the President. The Immediate Past President will assume the role in the absence of the Vice President.
IV. COMMITTEE APPOINTMENTS:

a) General Committee Information. The Board has formed certain committees in order to manage the flow of information, devote specific attention to particular matters, and more efficiently employ the available time of each Director. Pursuant to the requirements of the Brown Act, Board committees shall fall into one of two categories, Standing Committee or Ad Hoc Committee.

b) Standing Committees. A Standing Committee shall be a committee of long-term standing with continuing subject matter jurisdiction assigned by the Board. The Board reserves its right to form or dissolve Standing Committees by action of the Board. Standing Committees shall comply with the requirements of the Brown Act.

c) Ad Hoc Committees. An Ad Hoc Committee shall be a committee formed for a limited purpose and for a limited time, which shall not meet on a designated schedule. Pursuant to Government Code Section 54952 Ad Hoc Committees shall not be subject to the requirements of the Brown Act.

d) Formation and Dissolution of Committees. The Board reserves its right to form or dissolve Standing Committees by action of the Board. The President of the Board shall appoint Directors to each committee. The appointments shall consist of the Chair of the committee and a regular member of the committee. The President may appoint one or more alternates to the committee. The appointment of Directors to committees shall be subject to confirmation or override by a vote of a majority of the Board. The Board cannot require one of its members to attend a committee meeting.

Committee meetings will be noticed Board meetings and held as joint meetings of the Committee and entire Board. All members of the Board may attend and participate in the discussion. Items recommended for approval at the new Committee format meetings are then placed on the Consent Calendar at the next Board meeting. Each Committee has designated Committee members, and other members of the Board are designated alternate Committee members. If less than a quorum of the full Board is in attendance, the Board meeting will be adjourned due to a lack of a quorum and such meeting may proceed as a meeting of the Committee with those Committee members and alternate members in attendance acting as such Committee. The Executive Committee is excluded from this Committee format.

e) Committee Meeting Schedule. It is the policy of the Board that the Directors appointed to a committee shall determine the committee meeting schedule and location.

f) Order of Business. The following shall be the general order of business for Standing Committees:
1. Action Items
2. Discussion Items
3. Standing Items
4. Information Items

The Directors appointed to an Ad Hoc Committee shall establish the general order of business for the committee.

g) **Agenda Items.** Items of business shall support the Board’s advance schedule of agenda topics, support the Board assigned responsibilities of the committee, and fulfill the direction of the Board.

h) **Posting Agendas.** Pursuant to the requirements of Government Code Section 54954.2, the District Secretary shall post, or cause to be posted, agendas for all Standing Committee meetings of the Board at Mesa Water's business office located at 1965 Placentia Avenue, Costa Mesa, California.

i) **Committee Talking Points.** Talking Points will constitute as minutes of the Committee meeting.

**********
V. LIAISON APPOINTMENTS:

a) General Information. Mesa Water’s Board has determined that it is essential to develop and maintain strong working relationships and communications with various agencies, including other water agencies, and water-related and government organizations for the purpose of promoting its mission. In an effort to develop and maintain essential relationships, Directors are appointed as liaison representatives to various agencies and organizations. Liaison representatives are responsible for conveying information from agencies and organizations to Mesa Water’s Board, and on behalf of Mesa Water’s Board, conveying information to such agencies and organizations.

b) Formation and Dissolution of Liaison Assignments. The Board reserves the right to form or dissolve Liaison assignments by action of the Board.

c) Liaison Reports to the Board. Reports should have relevance to Mesa Water® and be provided to the Board at the next Board meeting following the attendance of a liaison meeting.

**********
VI. ELECTION POLICY:

a) General Information. Mesa Water’s service area consists of five political Divisions; each Division is represented by a Director elected by the voters within that Division.

In accordance with Elections Code Section 23302.1 and a Mesa Water® resolution, Mesa Water® holds its election for Directors on the same day as the statewide general election held on the first Tuesday after the first Monday in November of even-numbered years.

Directors for Divisions 4 and 5 are elected concurrently, beginning in 1990 and every four years thereafter, and the Directors for Divisions 1, 2 and 3 are elected concurrently, beginning in 1992 and every four years thereafter.

b) Term of Office. In accordance with Water Code Section 30502, the term of office of each Director, other than Directors first elected or Directors appointed to fill an unexpired term, shall be four years.

If an incumbent Director is unchallenged in an election, the Orange County Board of Supervisors appoints the Director to a new term. Appointed Directors and elected Directors shall take office at noon on the first Friday in December following the general election. Prior to taking office, each elected Director shall take the official oath, which shall be administered by the District Secretary.

c) Vacancy between Elections. In accordance with Water Code Section 30508 and Government Code 1770, Mesa Water’s Board may appoint a new Director to fill a vacancy on the Board. If the vacancy is allowed to exist for more than 60 days, the Orange County Board of Supervisors becomes the appointing authority.

d) Division Boundaries. Pursuant to Water Code Section 30734, the Board may at any time, but not less than 85 days before a general election, by resolution change the boundaries of the divisions to keep them nearly as equal in population size as practicable.

**********
VII. REQUESTS FOR INFORMATION AND ASSIGNMENTS TO STAFF:

a) **General Information.** The Board has adopted a resolution that provides for the delegation of authority to the General Manager. The resolution defines the authority and duties of the General Manager, which includes the authority to prescribe the duties of Mesa Water® staff.

b) **Assignments to the General Manager.** Other than minor requests for information or assistance, Directors shall endeavor to provide direction, assignments, and requests for information to the General Manager through the Board. The Board may consider established policies and priorities and may direct the General Manager accordingly.

c) **Staff Assistance.** To ensure efficient allocation of resources, Directors shall request information or assistance from staff through the General Manager. The General Manager shall review the request and shall allocate appropriate resources. Should sufficient resources be unavailable, or should the request conflict with other Board direction or policies, the matter shall be presented to, discussed, and decided by the Board.

d) **Copies of Information.** The Board shall specify at the time of request to the General Manager, whether information requested shall be provided to the entire Board, and the manner in which the information shall be provided.

    Should the General Manager receive a direct request for information from a Director, the General Manager shall either provide the information to the entire Board, or shall inform the other Directors of the request and provide the information to them upon request.

    Board committee members shall specify at the time of request to the General Manager, whether a request for information related to a committee item shall be provided to the entire Board. If the information is to be provided to the entire Board, the committee members shall specify the manner in which the information will be provided. Any board member may receive any information provided to any board or committee member.

**********
VIII. POLICY AND PLANNING DOCUMENTS:

a) General Information. Mesa Water® maintains various policy and planning documents that the Board has determined it shall review and approve on a regular basis. There are additional policies and planning documents that the Board has determined it shall review and approve when the policy or document is revised or updated to meet Mesa Water’s current needs. The Board reserves the right to review any policies and documents it determines is appropriate.

b) Fiscal Year Budget. Annually the General Manager shall present a fiscal year budget to the Board. The Board may review the budget and may by motion, approve the proposed revenues and expenditures for the succeeding fiscal year. The Board may by motion make any modifications to the proposed expenditures and revenues it deems necessary or desirable.

c) Statement of Investment Policy. Annually the General Manager shall review the resolution delegating authority to the Treasurer/Auditor and shall present the Statement of Investment Policy to the Board for consideration. Upon consideration, the Board may revise or reaffirm the delegation of authority to the Treasurer/Auditor and may revise or reaffirm the Statement of Investment Policy.

d) Fees and Charges for Miscellaneous Services. Annually, or more frequently as determined by the Board, the Board may review the resolution regarding fees and charges for miscellaneous services and may adjust any fees and charges to recover the fair cost of providing such services.

e) Establishing Financial Policies and Guidelines in Establishing Rates. Beginning in November 2002, and at least once every five years, the Board shall review the resolution establishing financial policies and guidelines for establishing rates for water services.


g) Standard Specifications and Standard Drawings for the Construction of MCWD Mesa Water® Water Facilities (Standards). Standards are prepared and provided to contractors as a means of communicating Mesa Water’s requirements for the construction of water facilities within its service area. Revisions to the Standards shall be reviewed and approved by motion of the Board.

h) Rules and Regulations for Water Service. In accordance with Water Code Section 31024, the Board establishes rules and regulations for the sale, distribution, and use of water. The Rules and Regulations are periodically reviewed and if necessary revised. The Board, through the adoption of a resolution, shall approve revisions to the Rules and Regulations.
i) **Employee Rules and Regulations.** The Board establishes rules and regulations for Mesa Water® staff. The Board, through the adoption of a resolution, shall approve additions, deletions, amendments, and other changes to the Employee Rules and Regulations.

j) **Water System Master Plan.** The Water System Master Plan is a report that provides guidance for the orderly expansion and improvement of infrastructure, specifically production, treatment, transmission, distribution, and storage systems. Updates to the Water System Master Plan shall be reviewed periodically and approved by motion of the Board.

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2. Long-term disability program
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b) **Applicability.** The standards of conduct defined herein shall apply to all Directors.

c) **Misuse of Official Position.** No Director shall use or attempt to use his or her official position with Mesa Water® to secure unwarranted privileges or advantages for himself, herself, or others.

d) **Disqualification.** A Director, who has or may have, a conflict of interest in a matter which requires action, shall, before the matter is decided, disclose the conflict of interest or the potential conflict of interest, and shall refrain from discussing, debating, acting, or voting upon or otherwise participating in or influencing the decision-making process pertaining to the matter in which the Director has or may have a conflict of interest.

e) **Confidential Information.** No Director shall willfully disclose to any person, whether or not for personal advantage or profit, any information not generally available to a member of the public, which he or she receives or acquires in the course of and by reason of his or her official duties. No Director shall disclose confidential information that has been acquired by being present in a closed session held pursuant to the Brown Act, to a person not entitled to receive it, unless the Board authorizes disclosure of that confidential information.

f) **Use of Mesa Water Property and Resources.** Except as specifically authorized, no Director shall use or remove or permit the use or removal of property belonging to Mesa Water®, including vehicles, equipment, telephones, office supplies, and materials for personal convenience or profit. No Director shall request or require any Mesa Water staff to perform services for personal convenience or profit. Each Director must protect and properly use any Mesa Water® asset within his or her control, including information recorded on paper or in electronic form. Directors shall safeguard Mesa Water® property, equipment, monies, and assets against unauthorized use or removal, as well as from loss due to criminal act or breach of trust.

g) **Acceptance of Gifts.** No Director shall accept from any person, whether directly or indirectly, any gift, favor, service, employment or offer of employment or any other thing of value which he or she knows or has reason to believe is offered with the intent to influence the performance of public duties and responsibilities.

h) **Other Employment.** No Director shall accept employment or act as an independent contractor for any private or public interest when that employment or contract work is incompatible or in conflict with the discharge of his or her official duties, or when
that employment or contract work may tend to impair his or her objectivity or independence of judgment in the performance of such duties.

i) **Expenses.** Directors shall not request compensation or receive expense monies from Mesa Water® to attend a seminar, convention, conference, or meeting and then fail to attend said event. If a Director receives an advance of funds for such attendance, and is unable to attend as planned, the Director shall reimburse Mesa Water® for the funds advanced.

**********
RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ADOPTING PROTOCOLS OF THE BOARD OF DIRECTORS
SUPERCEDED RESOLUTION 14091428

References

Resolution No. 1027, Requiring Consolidation of Elections of Governing Members with the Statewide General Election, adopted January 22, 1988

Resolution No. 1163, Discontinuing Director Participation in Mesa Water’s Retirement Plan, adopted June 13, 1996

Resolution No. 1263, Delegation of Authority, adopted February 14, 2002


Resolution No. 1342, Regarding Medical, Dental, and Vision Insurance for Members of the Board of Directors, adopted March 27, 2007

Resolution No. 1357, Employee Rules and Regulations, adopted February 12, 2008

Resolution No. 1425, Revising the Records Retention Policy, adopted November 27, 2012

Resolution No. 1387, Revising Financial Policies and Guidelines for Establishing Rates, adopted February 9, 2010

Resolution No. 1422, Delegating Authority Relative to Investment or Reinvestment of Funds, and Providing for a Revised Statement of Investment Policy, adopted August 28, 2012

Resolution No. 1423, Miscellaneous Fees and Charges, adopted October 23, 2012

Resolution No. 1424, Amending its Conflict of Interest Code, adopted November 13, 2012

Resolution No. 1407, Urban Water Management Plan, adopted May 24, 2011

Ordinance No. 22, Director Compensation and Expense Reimbursement, adopted November 8, 2010
MEMORANDUM

TO: Board of Directors
FROM: Phil Lauri, P.E., Engineering and Operations Manager
DATE: March 21, 2015
SUBJECT: Mesa Water Support Services

RECOMMENDATION

Direct staff to administer a competitive selection process for the services provided by the identified vendors within the next year:

<table>
<thead>
<tr>
<th>Service</th>
<th>Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Services</td>
<td>Liebert Cassidy Whitmore</td>
</tr>
<tr>
<td>Legal Services</td>
<td>Bowie, Arneson, Wiles &amp; Giannone</td>
</tr>
<tr>
<td>Water Industry Advocates</td>
<td>Townsend Public Affairs</td>
</tr>
<tr>
<td>Reproduction Services</td>
<td>Orange County Printing</td>
</tr>
<tr>
<td>Electrical Maintenance/Repair</td>
<td>Stout &amp; Burg Electrical</td>
</tr>
<tr>
<td>Electrical Maintenance</td>
<td>Brithinee Electric</td>
</tr>
</tbody>
</table>

STRATEGIC PLAN

Goal #2: Be financially responsible and transparent.

DISCUSSION

Mesa Water® is highly effective in managing its business functions and practices. The approach that allows Mesa Water® to be effective is the use of a robust business model that focuses on managing the core processes of the District with internal staff and the use of supplemental support services for activities that are not performed on a routine basis or that require expertise that internal staff cannot provide. This approach accomplishes the following objectives:

1. **Enhanced Management:** Enhanced management is achieved through use of support services that allows Mesa Water® to concurrently manage multiple projects, business processes, and maintenance activities that would normally take a much larger staff to perform. As an example, Mesa Water’s Engineering Group is able to actively manage over 30 plus capital engineering projects with two Senior Engineers with Consultant support for the planning, design, and construction management activities of these projects. Conversely, the management of the same 30 capital engineering projects would take a considerably larger staff than 2 Senior Engineers.

2. **Industry Expertise:** Mesa Water® recognizes industry specific expertise when using support services for non-routine maintenance and business functions. Mesa Water® uses support services in work functions that internal staff do not perform frequently enough to be efficient at nor have the specialized expertise. For example, Mesa Water® uses an outside support company to perform Southern California Air Quality Management District (SCAQMD) compliance monitoring. SCAQMD compliance monitoring is extraordinarily complicated with ever-changing regulations. This approach allows Mesa Water® to recognize a more cost effective, resource efficient, and compliantly accurate solution when using a company with the required expertise.
3. **Work Force Stabilization**: Work force stabilization is recognized through use of support services for optimization of a stable work force by balancing peak workloads for capital program project management, routine maintenance efforts, and financial services. Peak work load balancing is crucial to ensure that Mesa Water® does not over staff with permanent employees when insufficient work occurs during reduced work periods.

4. **Streamlining of Costs**: Use of strategic support services minimizes costs to Mesa Water’s rate payers. Mesa Water staff is highly cost efficient with routine work efforts. However, specialized work efforts not performed on a regular basis or that require industry specific expertise are more cost effectively implemented through use of support services as demonstrated in the previous example involving SCAQMD compliance monitoring.

The attached is a listing of vendors who provided specialized support services over $25,000 for Fiscal Year 2014 that Mesa Water® used in conjunction with the aforementioned objectives.

Upon further analysis, it was noted that a few vendors may have been originally competitively selected, but not within the last 5 years. As such, it is recommended that vendors that provide various specialty services are periodically competitively selected. Therefore, it is recommended that the following services will be competitively selected within the following year:

<table>
<thead>
<tr>
<th>Service</th>
<th>Vendor</th>
</tr>
</thead>
<tbody>
<tr>
<td>Legal Services</td>
<td>Liebert Cassidy Whitmore</td>
</tr>
<tr>
<td>Legal Services</td>
<td>Bowie, Arneson, Wiles &amp; Giannone</td>
</tr>
<tr>
<td>Water Industry Advocates</td>
<td>Townsend Public Affairs</td>
</tr>
<tr>
<td>Reproduction Services</td>
<td>Orange County Printing</td>
</tr>
<tr>
<td>Electrical Maintenance/Repair</td>
<td>Stout &amp; Burg Electrical</td>
</tr>
<tr>
<td>Electrical Maintenance</td>
<td>Brithinee Electric</td>
</tr>
</tbody>
</table>

**FINANCIAL IMPACT**

Mesa Water® used approximately $4,656,744 with vendors who provided specialized support services over $25,000 in fiscal year 2014.

**ATTACHMENTS**

Attachment A: Vendor Contract List
<table>
<thead>
<tr>
<th>Vendor Name</th>
<th>Purpose</th>
<th>Recommended Competitive Selection Process</th>
<th>Initial Contract/PO Date</th>
<th>Initial Authority</th>
<th>Competitively Selected</th>
<th># of Contracts/ Renewals</th>
<th>Total Contract Cost</th>
<th>Fiscal Year 2014 Cost</th>
<th>Comments</th>
</tr>
</thead>
<tbody>
<tr>
<td>LILBERT CASSIDY WHITMORE</td>
<td>Legal Services</td>
<td>Yes</td>
<td>5+ years</td>
<td>GM</td>
<td>Unknown</td>
<td>5 contracts / 0 renewals</td>
<td>$353,969.00</td>
<td>$439,990.00</td>
<td>Mesa Water's special counsel</td>
</tr>
<tr>
<td>BOWIE, ARNISON, WILES &amp; GIANNONE</td>
<td>Legal Services</td>
<td>Yes</td>
<td>5+ years</td>
<td>Board</td>
<td>Unknown</td>
<td>1 contract / 0 renewals</td>
<td>253,039.00</td>
<td>59,438.00</td>
<td>Mesa Water's legal counsel</td>
</tr>
<tr>
<td>TOWNSEND PUBLIC AFFAIRS INC</td>
<td>Water Industry Advocates</td>
<td>Yes</td>
<td>5+ years</td>
<td>Board</td>
<td>No</td>
<td>4/4 w/1 renewal each</td>
<td>216,594.00</td>
<td>36,000.00</td>
<td></td>
</tr>
<tr>
<td>ORANGE COUNTY PRINTING</td>
<td>Reproduction Services</td>
<td>Yes</td>
<td>5 years</td>
<td>GM</td>
<td>Yes</td>
<td>1 contract / 1 renewal</td>
<td>168,949.00</td>
<td>28,125.00</td>
<td></td>
</tr>
<tr>
<td>STOUT &amp; BURG ELECTRICAL INC</td>
<td>Electrical Maintenance/Repair</td>
<td>Yes</td>
<td>1/10/2011</td>
<td>GM</td>
<td>No</td>
<td>Multiple</td>
<td>124,520.00</td>
<td>25,509.00</td>
<td>Emergency repairs</td>
</tr>
<tr>
<td>BRITHEE ELECTRIC</td>
<td>Electrical Maintenance</td>
<td>Yes</td>
<td>5+ years</td>
<td>GM</td>
<td>Unknown</td>
<td>Multiple</td>
<td>85,899.00</td>
<td>56,856.00</td>
<td>Approx. $50K = Well 7 VFD panel (emergency)</td>
</tr>
<tr>
<td>CAROLLO ENGINEERS</td>
<td>Capital Engineering Services</td>
<td>Yes</td>
<td>5 years</td>
<td>Board</td>
<td>Yes</td>
<td>7/1 contract w/0 renewals</td>
<td>3,016,173.00</td>
<td>940,713.00</td>
<td></td>
</tr>
<tr>
<td>MURCAL, INC</td>
<td>Gas Engine Controller Services</td>
<td>Yes</td>
<td>5+ years</td>
<td>GM</td>
<td>No</td>
<td>Multiple</td>
<td>672,217.00</td>
<td>29,079.00</td>
<td>Proprietary maintenance support &amp; replacements</td>
</tr>
<tr>
<td>INFOSEND INC</td>
<td>Customer Service Billing</td>
<td>Yes</td>
<td>5 years</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 0 renewals</td>
<td>608,520.00</td>
<td>143,413.00</td>
<td></td>
</tr>
<tr>
<td>PRIME SYSTEMS INDUSTRIAL</td>
<td>SCADA Integration</td>
<td>Yes</td>
<td>12/5/2011</td>
<td>Board</td>
<td>Yes</td>
<td>2 contract / 0 renewals</td>
<td>607,447.00</td>
<td>171,181.00</td>
<td></td>
</tr>
<tr>
<td>GENERAL PUMP COMPANY</td>
<td>Well Maintenance/Repair</td>
<td>Yes</td>
<td>5 years</td>
<td>Board</td>
<td>Yes</td>
<td>2 contracts / 0 renewals</td>
<td>606,515.00</td>
<td>30,138.00</td>
<td></td>
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<tr>
<td>EORM</td>
<td>Safety Compliance</td>
<td>Yes</td>
<td>9/20/2012</td>
<td>Board</td>
<td>Yes</td>
<td>4/1 contract w/2 renewals</td>
<td>599,923.00</td>
<td>314,532.00</td>
<td></td>
</tr>
<tr>
<td>RBP CONSULTING</td>
<td>Capital Engineering Services</td>
<td>Yes</td>
<td>2/2/2013</td>
<td>Board</td>
<td>Yes</td>
<td>4/1 w/1 renewal w/1 renewal</td>
<td>557,400.00</td>
<td>305,553.00</td>
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<tr>
<td>HACH COMPANY</td>
<td>Instrumentation Maintenance</td>
<td>Yes</td>
<td>5 years</td>
<td>GM</td>
<td>No</td>
<td>1 annually</td>
<td>287,432.00</td>
<td>90,678.00</td>
<td>Maintenance for proprietary Hach Instruments</td>
</tr>
<tr>
<td>LA CONSULTING INC</td>
<td>Building Improvements</td>
<td>Yes</td>
<td>7/15/2012</td>
<td>Board</td>
<td>Yes</td>
<td>5/1 w/renewal, 0 w/0 renewals</td>
<td>272,500.00</td>
<td>46,661.00</td>
<td></td>
</tr>
<tr>
<td>MWH AMERICAS INC</td>
<td>Capital Engineering Services</td>
<td>Yes</td>
<td>5 years</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 0 renewals</td>
<td>252,782.00</td>
<td>46,661.00</td>
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<tr>
<td>ORANGE COAST CONSULTANCY</td>
<td>Temporary Staffing Services</td>
<td>Yes</td>
<td>3/26/2013</td>
<td>GM</td>
<td>No</td>
<td>1 contract / 7 renewals</td>
<td>227,475.00</td>
<td>188,325.00</td>
<td>Temporary staffing services</td>
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<tr>
<td>INSIGHT PUBLIC SECTOR</td>
<td>IT Equipment &amp; Software Support</td>
<td>Yes</td>
<td>5 years</td>
<td>GM</td>
<td>Yes</td>
<td>Multiple</td>
<td>216,970.00</td>
<td>188,568.00</td>
<td>Federal Gov. (GSA) contract pricing</td>
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<tr>
<td>PAULUS ENGINEERING INC</td>
<td>On-call Pipeline Contractor</td>
<td>Yes</td>
<td>7/1/2010</td>
<td>Board</td>
<td>Yes</td>
<td>3 contracts / 0 renewals</td>
<td>213,773.00</td>
<td>79,654.00</td>
<td></td>
</tr>
<tr>
<td>T2 TECHNOLOGY GROUP</td>
<td>Information Technology</td>
<td>Yes</td>
<td>9/1/2013</td>
<td>Board</td>
<td>Yes</td>
<td>3 / 1 contract w/1 renewal</td>
<td>213,219.00</td>
<td>213,219.00</td>
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<tr>
<td>TETRA TECH, INC</td>
<td>Capital Engineering Services</td>
<td>Yes</td>
<td>5 years</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 0 renewals</td>
<td>188,932.00</td>
<td>78,860.00</td>
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<tr>
<td>FIELDMAN, ROLAPP &amp; ASSOCIATES</td>
<td>Financial Advising</td>
<td>Yes</td>
<td>5+ years</td>
<td>Board</td>
<td>Yes</td>
<td>2 contracts / 0 renewals</td>
<td>180,311.00</td>
<td>79,950.00</td>
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<tr>
<td>SEPARATION PROCESSES, INC</td>
<td>Membrane Performance</td>
<td>Yes</td>
<td>11/16/2012</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 0 renewals</td>
<td>178,056.00</td>
<td>132,622.00</td>
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<tr>
<td>LEE &amp; RO INC</td>
<td>Capital Engineering Services</td>
<td>Yes</td>
<td>12/13/2012</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 0 renewals</td>
<td>174,670.00</td>
<td>132,622.00</td>
<td></td>
</tr>
<tr>
<td>RSM MCCLADREY</td>
<td>Great Plains Software Support</td>
<td>Yes</td>
<td>5+ years</td>
<td>GM</td>
<td>Support</td>
<td>No</td>
<td>1 annually</td>
<td>154,753.00</td>
<td>30,763.00</td>
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<tr>
<td>EUROFINS EATON ANALYTICAL</td>
<td>Water Quality Lab Testing</td>
<td>Yes</td>
<td>7/1/2011</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 3 renewals</td>
<td>136,200.00</td>
<td>70,946.00</td>
<td></td>
</tr>
<tr>
<td>CLA-VAL</td>
<td>Distribution System Maintenance</td>
<td>No</td>
<td>2/4/2010</td>
<td>GM</td>
<td>No</td>
<td>1 contract / 0 renewals</td>
<td>123,024.00</td>
<td>92,703.00</td>
<td>Proprietary maintenance support</td>
</tr>
<tr>
<td>TRUSSELL TECHNOLOGIES INC</td>
<td>Water Quality Analysis</td>
<td>No</td>
<td>3/19/2013</td>
<td>Board</td>
<td>Yes</td>
<td>No contracts / 0 renewals</td>
<td>118,101.00</td>
<td>94,094.00</td>
<td>Engineering staffing &amp; temporary staffing services</td>
</tr>
<tr>
<td>OCONNELL LANDSCAPE</td>
<td>Landscape Maintenance</td>
<td>Yes</td>
<td>10/14/2009</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 3 renewals</td>
<td>116,301.00</td>
<td>35,814.00</td>
<td></td>
</tr>
<tr>
<td>SA ASSOCIATES</td>
<td>Plan Check Services</td>
<td>Yes</td>
<td>12/13/2013</td>
<td>GM</td>
<td>Yes</td>
<td>1 contract / 3 renewals</td>
<td>116,301.00</td>
<td>35,814.00</td>
<td></td>
</tr>
<tr>
<td>CCS ORANGE COUNTY JANITORIAL INC.</td>
<td>Facility Cleaning Services</td>
<td>Yes</td>
<td>5+ years</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 5 renewals</td>
<td>100,343.00</td>
<td>32,256.00</td>
<td></td>
</tr>
<tr>
<td>ARCADIUS US INC</td>
<td>Capital Engineering Services</td>
<td>Yes</td>
<td>4/12/2013</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 3 renewals</td>
<td>98,176.00</td>
<td>27,388.00</td>
<td></td>
</tr>
<tr>
<td>TYCO INTEGRATED SECURITY</td>
<td>Facility Security</td>
<td>Yes</td>
<td>5 years</td>
<td>GM</td>
<td>No</td>
<td>quarterly/annual</td>
<td>96,621.00</td>
<td>71,958.00</td>
<td>Maintenance/monitoring for Tyco equipment</td>
</tr>
<tr>
<td>MAYER HOFFMAN MCCANN P C</td>
<td>Auditing Services</td>
<td>Yes</td>
<td>5/11/2011</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 1 renewal</td>
<td>90,835.00</td>
<td>29,216.00</td>
<td></td>
</tr>
<tr>
<td>GOV PUBLISHING</td>
<td>IT Server Support</td>
<td>Yes</td>
<td>5/1/2013</td>
<td>GM</td>
<td>No</td>
<td>1 contract / 0 renewals</td>
<td>89,509.00</td>
<td>61,556.00</td>
<td>Minor hardware &amp; software</td>
</tr>
<tr>
<td>RICHARD BRADY &amp; ASSOCIATES</td>
<td>Water Resource Services</td>
<td>Yes</td>
<td>2/12/2013</td>
<td>Board</td>
<td>Yes</td>
<td>1 / 2 w/1 renewal</td>
<td>87,572.00</td>
<td>69,915.00</td>
<td></td>
</tr>
<tr>
<td>LEDGENT</td>
<td>Temporary Staffing Services</td>
<td>Yes</td>
<td>8/27/2010</td>
<td>GM</td>
<td>No</td>
<td>1</td>
<td>80,849.00</td>
<td>72,846.00</td>
<td>Temporary staffing services</td>
</tr>
<tr>
<td>CULTIVATOR GROUP INC</td>
<td>Employee Training Services</td>
<td>Yes</td>
<td>8/31/2012</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 0 renewals</td>
<td>76,714.00</td>
<td>28,744.00</td>
<td></td>
</tr>
<tr>
<td>SONDRING MACHINERY</td>
<td>Field Operations Support</td>
<td>Yes</td>
<td>8/8/2013</td>
<td>GM</td>
<td>Yes</td>
<td>1</td>
<td>73,814.00</td>
<td>73,413.00</td>
<td>Backhoe</td>
</tr>
<tr>
<td>ORANGE COUNTY FLEET</td>
<td>Fleet Maintenance</td>
<td>Yes</td>
<td>1/1/2012</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 1 renewal</td>
<td>60,046.00</td>
<td>35,609.00</td>
<td></td>
</tr>
<tr>
<td>YORK ENGINEERING, LLC</td>
<td>Environmental Compliance Services</td>
<td>Yes</td>
<td>3/5/2013</td>
<td>Board</td>
<td>Yes</td>
<td>2 contracts / 0 renewals</td>
<td>49,032.00</td>
<td>27,979.00</td>
<td></td>
</tr>
<tr>
<td>INTELBRIDGE PARTNERS</td>
<td>Temporary Staffing Services</td>
<td>Yes</td>
<td>7/15/2013</td>
<td>GM</td>
<td>No</td>
<td>1</td>
<td>47,670.00</td>
<td>47,670.00</td>
<td>Temporary staffing services</td>
</tr>
<tr>
<td>SBS GROUP</td>
<td>Great Plains Software Support</td>
<td>Yes</td>
<td>5/22/2013</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 0 renewals</td>
<td>43,140.00</td>
<td>39,628.00</td>
<td></td>
</tr>
<tr>
<td>LEONETTI PROMOS</td>
<td>Outreach Promotions</td>
<td>Yes</td>
<td>11/28/2012</td>
<td>GM</td>
<td>Yes</td>
<td>Multiple</td>
<td>39,628.00</td>
<td>39,628.00</td>
<td></td>
</tr>
<tr>
<td>ULTIMATE STAFFING SERVICES</td>
<td>Temporary Staffing Services</td>
<td>Yes</td>
<td>12/5/2013</td>
<td>GM</td>
<td>No</td>
<td>3</td>
<td>34,738.00</td>
<td>34,738.00</td>
<td>Temporary staffing services</td>
</tr>
<tr>
<td>SCHULER ENGINEERING CORP.</td>
<td>Capital Project Construction</td>
<td>Yes</td>
<td>4/14/2014</td>
<td>Board</td>
<td>Yes</td>
<td>1 contract / 1 renewal</td>
<td>33,725.00</td>
<td>33,725.00</td>
<td></td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Board of Directors
FROM: Phil Lauri, P.E., Engineering and Operations Manager
DATE: March 21, 2015
SUBJECT: Mesa Water Reliability Facility Signage Project

RECOMMENDATION

Discontinue evaluation and development of the Mesa Water Reliability Facility (MWRF) Signage Project.

STRATEGIC PLAN

Goal #2: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

At the January 24, 2012 Board Workshop, the Board directed staff to explore opportunities for signage at the MWRF.

At the April 3, 2012, Engineering and Operations Committee meeting, the Committee directed staff to further explore the opportunities and contract with Arcway for the conceptual design services.

At the December 17, 2012, Engineering and Operations Committee meeting, Arcway provided a presentation of the MWRF signage project to the Committee for consideration. No action was taken.

At the February 5, 2013, Engineering and Operations Committee meeting, the Committee directed staff to bring the MWRF Signage Project to a future meeting.

At the February 19, 2013, Engineering and Operations Committee meeting, the Committee discussed potential opportunities and challenges of installing a MWRF Signage Project. No action was taken.

At the January 8, 2015, Board Meeting, the Board requested staff to include the subject project for further discussion and consideration at the March 20, 2015, Board Workshop.

DISCUSSION

Attached is the Executive Summary of the MWRF Signage Report dated September 12, 2012, which was presented at the December 17, 2012, Engineering and Operations Committee Meeting. The Executive Summary includes a high level overview of the proposed property description, potential business opportunities, financial projections, market advantages, improvement options, potential project risks, and summary and conclusions.

The MWRF Signage Report and numerous Board meetings dialogue provide the following observations:
1. Electronic signage is not part of Mesa Water’s core business function;

2. It appears that an electronic signage project would be outside of the City of Costa Mesa’s zoning and general plan ordinances and any deviations of approval would be difficult to obtain;

3. Considerable opposition would be raised over installation of such a sign given experience from other similar electronic sign installations along the I-405 Freeway; and

4. Estimated revenue projections are variable and could yield much lower revenue than indicated in the MWRF Signage Report.

Therefore, given the aforementioned observations it is recommended that the MWRF Signage Project be discontinued as a future project.

FINANCIAL IMPACT

$9,600 was expended in developing the MWRF Signage Report.

ATTACHMENTS

Attachment A: MWRF Signage Project Update, 2013
Attachment B: MWRF Signage Project Report, 2012
October 29, 2013

MESA WATER DISTRICT –CWTF SIGNAGE

Dear Mr. Shoenberger:

In the past several weeks I have been in touch with a number of Major Sign Companies and a Sign Brokerage Firm (Casey Crampton) as per your request on March 25, 2013 on the above mention.

There are four major concerns for the project before these sign companies will invest any of their own resources. Therefore they have asked me to be the “sponsor “along with Casey in the earlier stages of this project.

Lease Agreement: It is imperative that there is a certain assurance that the project is under a signed Lease Agreement with terms for protecting both parties. Also see Declaration. (see attached)

Caltrans Landscape Freeway Designation: The Department of Transportation will be formally contacted and is willing to except for review and approval the request for declassification of landscape freeway designation and issue all necessary permits.

Re Zoning: To have corporation from the City Of Costa Mesa on obtaining a Re Zone of that portion of the property in which the sign structure would be located. Exhibit A (see attached).

Sign: The preference of these Sign Companies is to have a digital 14x 48 or 672 square foot sign or 30 X 33 or 990 square foot sign which are consider average freeway signs, ideally it would be double sided. The light spillage would be like a TV basically, it dims at night as not to be over distracting, this would maximize revenues. This would require a variances. The city codes are 300 square foot or10 x30, the rates as shown in the agreement are based on 30 x 33 sign. Exhibit B (see attached)

Now that the Tesco Controls Tower has been installed, the sign will need to be relocated around the tower.

All is in agreement that there is interest in utilizing such signage by advertisers and contacting additional potential clientele while securing approvals of these earlier issues.

Upon an executed Agreement conceptual drawings will be presented to the City and Caltrans in anticipation to acquire an alliance for the project approvals.

3419 Via Lido Avenue- # 412 -Newport Beach Ca. 92663
Home Phone 714-594-3977-Moblile 714-742-0138
thomasarconti@arcway.us
It is believed that to acquire a level of conformant that the major issue can be satisfied to go forward with the project will take approximately 6 months.

I hope this has been helpful to the E&O Board and if you should have any question please feel free to call me at your earliest convince.

Respectfully submitted,

Thomas Arconti
A. MWD ~ CWTF SIGNAGE PROJECT PROGRAM

PROJECT NAME: MESA WATER DISTRICT - CWTF SIGNAGE

PREPARED FOR: MESA WATER DISTRICT

PAUL SHOENBERGER, GENERAL MANAGER - 949-574-1025/ FAX 949-574-1035
1965 PLACENTIA AVE., COSTA MESA, CA 92627

PREPARED BY: ARCWAY US - PROJECT MANAGER

THOMAS ARCONTI - 714-742-0138/FAX 714-949-3977
3419 VIA LIDO AVE #412, NEWPORT BEACH, CA 92663

HUNTER MEDIA OUTDOOR ADVERTISING SPECIALISTS

CASEY CRAMPTON OFFICE 909-797-0530- CEL 909-435-5805
12033 4TH STREET, UNIT #3 YUCAIPA CA 92399

OUTDOOR DIMENSIONS, INC. - SIGN DESIGN

VALERIE HARDMAN - 714-578-9555

JENNIFER BEATON - 714-578-9555

5325 E. HUNTER AVE., ANAHEIM, CA 92807

DATE SUBMITTED: SEPTEMBER 13, 2012
LEASE AGREEMENT (hereinafter "Lease") made and entered as of the ___ day of __________, 20___ by and between [Mesa Water District], with offices at [1965 Placentia Ave, Costa Mesa, CA, 92627] (hereinafter "Lessor"), and [Thomas Arconti and Casey Crampton] (hereinafter "Lessee").

1. **Leased Premises.** Lessor hereby leases and demises to Lessee on an exclusive basis for the Term (as defined herein) any area of the property known as [1350 Gisler Ave., Costa Mesa, CA, 92626] (the "Property") as shown on the annexed Exhibit A (the "Premises"). The property is leased for the erection and maintenance of outdoor advertising display(s). Lessee is herein granted the sole and exclusive right to display advertising copy on the premises. All structures, equipment, and material placed on the premises by Lessee shall remain the property of the Lessee and may be removed by the Lessee at any time prior to or within a reasonable time after the termination of this Lease. Lessor hereby grants to Lessee, its agents, contractors, subcontractors, servants, and employees the nonexclusive right of access to and through the Property to the Premises in order for Lessee to exercise all of its rights and fulfill all of its obligations under this Lease. Lessor represents and warrants that it is the owner of the Property and has the right to grant Lessee the rights granted in this Lease.

2. **Permits.** Lessee agrees, at its sole cost and expense, to use commercially reasonable efforts to obtain all required permits, licenses, consents, approvals and other authorizations of any type or nature from the appropriate governmental authorities to erect and maintain the Sign Structure and to post advertisements thereon (the "Permits") as soon as reasonably practical after the date hereof. Lessee will obtain the Permits [including zoning permits or relief that runs with the land, and shall be obtained in the name of and be the sole property of Lessee.] Notwithstanding anything contained in this Lease to the contrary, if Lessee shall be unable to obtain the Permits within [Sixty (60) months] of the date of this Lease, Lessee or Lessor, upon written notice to the other, may terminate this Lease without any further obligations to the other.

3. **Sign Structure.** The sign structure will be defined as a [Static Display] (hereinafter "Static") a Display with up to Two(2) advertising [face(s)] or a [Digital Display] (hereinafter "Digital") a Display that can change its advertising content using addressable technology defined as a [Flip] each digital display may utilize up to 6 flips per face.

4. **Term.** The term of this Lease (the "Term") shall commence on the date of this Lease and shall expire at the end of the [Thirty (30th)] Lease Year (as defined below). The first Lease Year shall begin [thirty (30) days following the date on which the Sign Structure is first installed, operational, and available to have advertising signs posted thereon without obstruction].

5. **Rent.** Beginning in the first Lease Year, Lessee shall pay to Lessor as and for total rent ("Rent") the greater of (i) [Twelve Thousand Dollars ($12,000) per face or flip] per Lease Year ("Minimum Rent") or (ii) an amount equal to [Twenty Percent (20%)] of Net Advertising Revenue received by Lessee from the sale of advertising at the Premises ("Percentage Rent"). "Net Advertising Revenue" shall mean gross revenue actually received by Lessee from the Premises, less (i) agency commission not to exceed 16%, if and to the extent not paid by the advertiser and (ii) the cost of producing, posting and removing copy, if and to the extent not paid by the advertiser. Minimum Rent shall be paid in equal monthly installments on the first day of each month. Within forty-five (45) days after the end of each Lease Year and/or the termination date, Lessee shall deliver to Lessor a statement showing a calculation of Net Advertising Revenue during the previous Lease Year or other applicable period. If the Percentage Rent due with respect to such Lease Year or other applicable period exceeds the Minimum Rent paid for such Lease Year or period, Lessee shall pay such excess amount to Lessor on the same date as such statement is delivered to Lessor. Lessee agrees to keep and make available to Lessor, at reasonable times and on reasonable notice, true and accurate records of the Net Advertising Revenue received from the Premises. In addition, Lessee shall pay Ten Dollars ($10) upon demand of Lessor as rent for the period prior to the commencement of the first Lease Year.

6. **Construction, Repairs and Utilities.** Lessee shall, at its cost and expense, (i) construct and install the Sign Structure and (ii) maintain and repair the Sign Structure in a safe condition. Lessee reasonably cooperate with Lessor
in connection with the installation of electric metering and wiring to the Sign Structure. [Lessee] shall be responsible for, and pay all costs of, all electricity and other utilities, if any, used or consumed in illuminating the Sign Structure. Lessee shall save Lessor harmless from all damage to persons or property by reason of accidents resulting from the negligent acts of its agents, employees or others employed by the Lessee in the construction, maintenance, repair or removal of its signs on the property.

7. **Insurance.** Thirty (30) days prior to groundbreaking or construction of sign structure, Lessee, shall procure and maintain, at its sole cost and expense, a policy of public liability insurance providing for limits of at least $2,000,000 single limits combined coverage naming Lessor as an additional named insured with respect to the Sign Structure and the Premises and covering any damage or loss to the Premises. Such policy shall be issued by an insurance carrier qualified to do business in the State of California. Lessee shall deliver a certificate to Lessor evidencing such insurance coverage prior to the installation of the Sign Structure. If Lessee fails, after written notice from Lessor, to deliver such certificate of insurance or keep the policy in effect, Lessor may procure the same and the cost of premiums therefor shall be collectible as Additional Rent. Each policy or certificate of insurance procured by Lessee pursuant to this Section shall, to the extent obtainable, contain a provision that such policy shall not be canceled without at least thirty (30) days prior written notice to Lessor.

8. **Governmental Regulations.** If it shall be or become unlawful to maintain off premise outdoor advertising signs at the Premises and/or on the Sign Structure by reason of legislation or other governmental restriction or regulation or otherwise, including, but not limited to, as a result of the expiration, revocation, non-renewal or termination of the Permits, Lessee may terminate this Lease on ten (10) days prior written notice to Lessor, without any further obligations of Lessee to Lessor other than for obligations that have accrued but remain unsatisfied at the time of termination.

9. **Restrictive Covenants.** A. Lessee agrees that he or she, his or her tenants, agents, employees, or other persons acting in his, her or their behalf shall not place or maintain any object on the property or any neighboring property which would in any way obstruct or impair the view of Lessee’s sign structures. If such an obstruction or impairment occurs, the Lessee, without limiting such other remedies as may be available, has the option of requiring the Lessor to remove said obstruction or impairment, or the Lessee may itself remove the obstruction or impairment, or the Lessee may abate the rental so long as such obstruction or impairment continues. Lessor agrees Lessee may trim any or all trees and vegetation on the property as often as Lessee deems necessary to prevent obstruction.

   B. If vehicular traffic is diverted or rerouted, or the Sign Structure or signs thereon are obstructed from view, or the value of the Premises or the Sign Structure is materially diminished for any other reason beyond the control of Lessee, including, but not limited to, as a result of a Force Majeure Event (as defined below), then Lessee’s obligation to pay Minimum Rent shall be abated during and for the entire period of such diversion, obstruction or other diminution in value and, if such diversion, obstruction or diminution in value shall continue for more than [six (6) months], in addition to any other rights or remedies available to Lessee, Lessee may terminate this Lease on ten (10) days written notice to Lessor without further obligation other than obli-ga-tions which have accrued prior to and remain unsatisfied at the time of termination. For pur-pos-es hereof, a “Force Majeure Event” shall mean any act of God, fire, casualty, war, enemy act, terrorist act, strike or work stoppage, labor unrest, act or decree of government or any federal, state, local, public or administrative authority, or any other event beyond the control of Lessee.

   C. If Lessee is prevented from illuminating the signs on the Sign Structure for any reason beyond the control of Lessee including, but not limited to, as a result of a Force Majeure Event, then the amount of Minimum Rent payable during the period that such condition continues to exist shall be reduced by fifty percent (50%) and, if such condition exists for more than [three (3) months], in addition to any other rights or remedies available to Lessee, Lessee may terminate this Lease on ten (10) days written notice to Lessor without further obligation other than obligations which have accrued prior to and remain unsatisfied at the time of termination.
D. Lessee will not permit or cause to be placed on its signs to be installed at the Sign Structure advertising copy that is pornographic, obscene, lewd, indecent or otherwise offensive to public morals.

10. **End of Term.** Upon the expiration of the Term or other termination of this Lease, Lessee shall (i) quit and surrender to Lessor the Premises in good order and condition, ordinary wear excepted, (ii) remove the Sign Structure [[provided that Lessee shall not be obligated to remove the foundation of the Sign Structure that is below grade level]], all signs thereon and all related equipment and other property of Lessee, and (iii) repair and/or replace any damage to the Property incurred in connection with such removal.

11. **Notices.** All notices and communications to be given pursuant to this Lease shall be deemed sufficient if delivered in person, with written receipt therefor, or sent by Certified Mail, Return Receipt Requested, or a nationally recognized overnight courier service with written receipt therefor, to the addresses herein provided or to such other address as each of the parties may hereafter designate in writing. All such notices and communications shall be deemed given upon actual receipt or refusal thereof.

12. **Payment Information.** All payments of rent hereunder shall be paid to "[Lessor Name]" and shall be addressed as follows: [Mesa Water District, 1965 Placentia Ave., Costa Mesa, CA, 92627, Attention:

| Lessor's Federal Identification Number is | A person who can be contacted in Lessor's accounts receivable department is | whose contact information is as follows: Telephone number | Fax number | E-mail address |

13. **Miscellaneous Provisions.**

A. This Lease shall constitute the sole and entire agreement of the parties relating to the lease of the Premises.

B. Lessor represents and warrants that the above has the authority to execute this Lease. Lessee reserves the right to sell and assign all of Lessee’s right, title and interest in this Lease to any financially responsible assignee.

C. This Lease will inure to the benefit of and be binding upon the respective tenants, heirs, representatives, successors and assigns of the parties hereto.

D. This Lease may not be amended or modified except by a written instrument duly executed by each party. No waiver of any breach of any terms of this Lease shall be effective unless made in writing signed by the waiving party, and no such waiver shall be construed as a waiver of any subsequent breach of that term or of any other term of the same or different nature. The failure of either party to object to any breach of any term or condition of this Lease shall not be deemed a waiver of such term or condition and shall not be deemed a waiver of any right or remedy the nonbreaching party may have arising out of the breach nor of its right to subsequently enforce the term or condition.

E. If any provisions contained in this Lease are held invalid, illegal or unenforceable, the validity, legality and enforceability of any such provisions in every other respect and of the remaining provisions hereof shall not in any way be impaired, unless the provisions held invalid, illegal or unenforceable shall substantially impair the benefits of the remaining portions of this Lease. The parties further agree to replace any invalid, illegal or unenforceable provision of this Lease with a valid, legal and enforceable provision that will achieve, to the extent possible, the same economic, business and other purposes. This Lease shall inure to the benefit of, and be binding upon, Lessor and Lessee and their respective successors and assigns.

F. Each of the parties hereto shall cooperate and take such actions as may be reasonably requested by the other in order to carry out the provisions and purposes of this Lease.
G. This Lease may be executed in counterpart copies, each of which shall be deemed an original and all of which together shall be deemed one and the same instrument. Facsimile signatures shall have the same force and effect as originals. Section headings are for the guidance of the reader only and shall be of no effect in construing the contents of the respective Sections.

H. This Lease shall be deemed to have been made in the State of California, and any and all performance hereunder, or breach thereof, shall be interpreted and construed pursuant to the laws of the State of California without regard to conflict of laws rules applied in the State of California. EACH OF LESSOR AND LESSEE WAIVES TRIAL BY JURY IN ANY ACTION, PROCEEDING OR COUNTERCLAIM BROUGHT BY EITHER OF THE PARTIES HERETO AGAINST THE OTHER ON ANY MATTERS WHATSOEVER ARISING OUT OF OR IN ANY WAY CONNECTED WITH THIS LEASE.

I. Lessee shall have the right of first refusal of any competing outdoor advertising proposal for the subject property after the term of the agreement.

J. Notwithstanding anything herein to the contrary, neither Lessor nor Lessee shall be liable for any consequential, incidental or indirect damages (including, but not limited to, lost profits, lost revenues or loss of business opportunity whether or not such party was aware or should have been aware of the possibility of those damages) or punitive, special, exemplary or other damages that are not direct damages.

[Signature Page Follows]
Sample Digital Displays
AUTHORIZATION OF AGENT TO ACT ON PROPERTY OWNER'S BEHALF

Excluding the Notice to Property Owner, the execution of which I understand is my personal responsibility, I hereby authorize the following person(s) to act as my agent(s) to apply for, sign and file the documents necessary to obtain an Owner-Builder Permit for my project.

Scope of Construction Project (or Description of Work):

________________________________________

Project Address and Location:

________________________________________

Name of Authorized Agent:

________________________________________

Address of Authorized Agent:

________________________________________

Phone Number of Authorized Agent: ________________________________

I declare under penalty of perjury that I am the property owner for the address listed above and personally filled out the above information and certify its accuracy.

Property Owner’s Signature: _______________________________________

Property Owner’s Printed Signature: _________________________________

Property Owners Phone Number: _________________________________

Date: ____________________________

Note: A copy of the owner’s driver’s license, form notarization, or other verification acceptable to the agency is required to be presented when the permit is issued to verify the property owner’s signature.
8. I understand as an Owner-Builder if I sell the property for which this permit is issued, I may be held liable for any financial or personal injuries sustained by any subsequent owner(s) that result from any latent construction defects in the workmanship or materials.

9. I understand I may obtain more information regarding my obligations as an “employer” from the Internal Revenue Service, the United States Small Business Administration, the California Department of Benefit Payments, and the California Division of Industrial Accidents. I also understand I may contact the California Contractor’s State License Board (CSLB) at 1-800-321-CSLB (2752) or www.cslb.ca.gov for more information about licensed Contractors.

10. I am aware of and consent to an Owner-Builder building permit applied for in my name, and I understand that I am the party legally and financially responsible for proposed construction activity at the following address: [insert address here]

11. I agree that as the party legally and financially responsible for this proposed construction activity, I will abide by all applicable laws and requirements that govern Owner-Builders as well as employees.

12. I agree to notify the issuer of this form immediately of any additions, deletions, or changes to any of the information I have provided on this form.

Licensed Contractors are regulated by laws designed to protect the public. If you contract with someone who does not have a license, the Contractor’s State License Board may be unable to assist you with any financial loss you may sustain as a result of a complaint. Your only remedy against unlicensed Contractors may be in civil court. It is also important for you to understand that if an unlicensed Contractor or employee of that individual or firm is injured while working on your property, you may be held liable for damages. If you obtain a permit as Owner-Builder and wish to hire Contractors, you will be responsible for verifying whether or not those Contractors are properly licensed and the status of the workers’ compensation insurance coverage.

Before any building permit can be issued, this form must be completed and signed by the property owner and returned to the agency responsible for issuing the permit.

Note: A copy of the property owner’s driver’s license, form notarization, or other verification acceptable to the agency is required to be presented when the permit is issued to verify the property owner’s signature.

________________________________________
Signature of property owner and Printed Name

Date: ______________________________
MESA WATER DISTRICT - CWTF SIGNAGE

PREPARED FOR: MESA WATER DISTRICT

PREPARED BY: ARCWAY US - PROJECT MANAGER
THOMAS ARCONTI

KNITTER PARTNERS INTERNATIONAL, INC. - ARCHITECT
PHILLIP BUDOVEC -

OUTDOOR DIMENSIIONS INC. – SIGN DESIGN
VALERIE HARDMAN
JENNIFER BEATON

September 12, 2012
A. MWD ~ CWTF SIGNAGE PROJECT PROGRAM

PROJECT NAME: MESA WATER DISTRICT - CWTF SIGNAGE

PREPARED FOR: MESA WATER DISTRICT
PAUL SHOENBERGER, GENERAL MANAGER - 949-574-1025/FAX 949-574-1035
1965 PLACENTIA AVE., COSTA MESA, CA 92627

PREPARED BY: ARCWAY US - PROJECT MANAGER
THOMAS ARCONTI - 714-742-0138/FAX 714-949-3977
3419 VIA LIDO AVE #412, NEWPORT BEACH, CA 92663

KNITTER PARTNERS INTERNATIONAL, INC. - ARCHITECT
PHILLIP BUDOVEC - 949-752-1177/FAX 949-752-0151
1401 DOVE ST. #240, NEWPORT BEACH, CA 92660

OUTDOOR DIMENSIONS, INC. - SIGN DESIGN
VALERIE HARDMAN - 714-578-9555
JENNIFER BEATON - 714-578-9555
5325 E. HUNTER AVE., ANAHEIM, CA 92807

DATE SUBMITTED: SEPTEMBER 13, 2012
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B. TABLE OF CONTENTS

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C. EXECUTIVE SUMMARY

The executive summary provides a brief synopsis of this report. This section should give an overview of how the project was envisioned, an outline of what was revealed, and an analysis drawn from the project investigation.

The Mesa Water District has requested Arcway (Project Manager) to prepare this Project Report so their Board may evaluate the feasibility of manufacturing and installing an on-site sign (billboard) on the Mesa Water District’s property.

Property Description:

The property is located at 1350 Gisler Avenue, easterly of Harbor Boulevard in the City of Costa Mesa, California. The San Diego 405 Freeway borders the north property line of the Mesa Water District and the proposed sign shall be elevated approximately forty (40) feet above its existing grade, and will occupy a display board area of 25-feet by 25-feet on a dedicated portion of ground at the northwest corner of the property. The subject property is currently “construction active”. (See Exhibits A, B, C)

The surrounding land-uses in the City of Costa Mesa are as follows:

North: San Diego 405 Freeway (Caltrans)
East: Southern California Edison Sub Station
West: Vacant Commercial land (Segerstrom): Car Max
South: Existing Residential Housing / Gisler Avenue.

Business Opportunity:

Once the pronouncement is made to proceed with the sign project, the attainment of design approval and structure permits for construction could be granted within 24 months. In the following 18-24 months, marketing commerce from the sign’s advertising revenue could fund the entire project. Afterwards, the sign’s advertisements would continue to generate an unlimited monetary surplus.

Financial Projections:

A vital objective is to lease the proposed sign to our advertising partner; “Digital Display”. Economic commerce earned from advertising sales can be expected to yield $7,000 to $9,000 per month for a six-second loop. Conceivably, these statistics will likely add to a conservative yield of $50,000 monthly. These monetary estimates are founded on a calculated sign-face of twenty by twenty (25’x 25’) feet.
Market Advantages:

- The proposed sign will be the only sign of this type located on the south-bound San Diego 405 Freeway, between the Fountain Valley borderline and the Newport / Riverside 55 Freeway.

- There are approximate 367,000 trips per day on the south bound lanes, and 375,000 trips per day on the north bound lanes of the San Diego 405 Freeway, which borders the north side of the subject site.

- The site would have excellent exposure from both the north and south traveled lanes of the San Diego 405 Freeway.

Improvement Options:

There are four distinct design alternatives for the proposed freeway sign:

Option 1: a smaller sign-face at 25' x 25' without ticker-banner at bottom; with 2.5' static display at top and bottom.

Option 2: a smaller sign-face at 25' x 25' with ticker-banner at bottom; with 2.5' static display at top.

Option 3: a larger sign-face at 30' x 32.5' based on concept plans without ticker-banner at bottom; with 2.5' static display at top and bottom.

Option 4: a larger sign-face at 30' x 32.5' based on concept plans with ticker-banner at bottom; with 2.5' static display at top.

Primary Risks:

- Hypothesis prepared from this report are inherent without any discussion or feedback with the City of Costa Mesa or Caltrans. Discussions with these agencies have not commenced.

- City of Costa Mesa considerations and approvals with regards to re-zone, variances and building permit issues has to be determined.

- Caltrans’ approval of sign permits need clarification for the subject site.

- Obtaining a sufficient quantity of signage clients has to be absolute and unwavering.

- Public’s opposition to the project may prove insistent.
D. INTRODUCTION

The purpose of this section is to outline the underlying concepts needed to discuss the project and develop ideas for scripting this report. This section is divided into four components: *(See Exhibit D)*.

1. Determine requirements:

Review with the City of Costa Mesa and Caltrans the signage requirements in conjunction with their codes, ordinances, and regulations on file. This includes a summary of sign heights, letter heights, sign size and area. This shall be incorporated into the conceptual and preliminary designs and site plan.

2. Research:

Sign design integration will determine alternative methods of sign ownership, and leasing structures, including preliminary construction cost, revenue potential and prospective advertisers.

3. Assessment and analysis:

This PROJECT REPORT, which will be presented to the Mesa Water Board for their review and comments, will determine whether this effort is a viable and lucrative venture.

At the commencement of design approval, a “Project Work Program” will be created to monitor the preceding scope of work and schedule.

4. Project Work Program

**PART 1:** Arcway Project Manager and / or Mesa Water Program Manager, whichever is commissioned, shall be responsible for these additional services: Implementation of the Project Report, meeting attendance with agencies, potential partial re-studies of conceptual & preliminary designs and creation of final drawings for approval and permits.

**PART 2:** Mesa Water Program Manager and / or Project Manager shall be responsible for the following additional services: Construction Documents, Building Permits (including bidding), Project Budget and Schedule for Construction.

Project Work Program Schedule - *(See Exhibit E)*
E. METHODOLOGY

This section outlines implementation of the project’s design submittal process, and anticipates the designated procedures. An evaluation of the City of Costa Mesa and Caltrans’ sign requirements are essential. Conclusively, submitted design packages will include all required documents and exhibits into the Conceptual, Preliminary Design Drawings, and Project Reports.

The City of Costa Mesa Sign Codes:

The City of Costa Mesa signage codes have been reviewed and an understanding of the code indicates that all off-site signs (billboards) are illicit in any zone – although the actual code does not specifically entail this. If the City’s position is that all off-site signs are prohibited, then an application for a variance is unlikely to be considered by the City. The City’s position needs to be clarified with off-site signs verses on-site signs and which sign is permissible and which sign is prohibited.

The City has a “Planned Signing Program” which is intended to provide incentives and some flexibility to encourage a variety of attractive signage design, thus permitting a practical deviation within the City’s sign regulations, therefore yielding compliance to unconventional site circumstances. (See Exhibit F)

Commercially-zoned properties (such as the Segerstrom Family property to the west), which is within 500-feet of the San Diego 405 Freeway, are allowed to have freeway-oriented signs. This type of sign is oriented so it can be seen from the freeway; the sign’s intention must be related to the commercial enterprise within that property from which the sign is displayed. Without discussion with the City, it appears that no advertising is allowed for remote entities, business, or products as billboards do. However, it could be possible to identify a business or activity on the subject property, allowing this type of sign as suitable and compliant.

Inquisitions and investigations with the City will help better understand if it is prudentially possible to re-zone a portion of the property from its current institutional zone into a commercial zone. Such a discussion with the city officials would require an actual motive for the requested zone change to permit a freeway-oriented sign to associate such activity on the subject property. This reasoning needs to co-exist mindfully with the City’s sign standards for sizes of 325 S.F. to 800 S.F., and signage heights which exceed from the maximum height of 25-feet to the proposed signage height of 40-feet.

The sizeable property to the west of the subject property is owned by the Segerstrom family which is commercially-zoned and may have gratis-oriented signage endorsement. Conceivably, this approach could lead to an alternative to re-zone a portion of the property. (See Exhibits G, H)
Caltrans District 12 Sign Requirements:

In reviewing the Landscape Freeways and Outdoor Advertising Displays 2008, we found that Caltrans’ report will require an approval of the sign and may require a permit from Caltrans if the sign is within 660 feet from the edge of the right-of-way and viewed primarily by motorists traveling on the foremost traveled lanes of the freeway.

Some of the permit requirements include that the location must be zoned for commercial or industrial.

The applicant must have property-owner consent if the property is not owned by the applicant. The applicant must also have a building permit from a local agency, as there must be a business commerce located within 1,000-feet of the proposed sign display; and the display may not be located adjacent to any landscaped freeway or scenic highway. In addition, the signage must be 500-feet from any other permitted signage, and the maximum height for the advertising signage display area must be no more than 25-feet in height and no more than 60-feet in length, and shall not exceed an overall maximum display area of 1,200 S.F.

This following description should be noted when determining the type of sign in reference to Off-Site verses On-Site signage displays.

1. Off-Site: Caltrans may be involved in the control of off-site displays, which advertise off-site products and businesses.

2. On-Site: Caltrans does not control on-site displays, which advertise on-site commerce.

Both signs may be outside Caltrans right-of-way.

The above information is a general guideline and would need to be verified and confirmed with dialog / written exchange with the Department of Transportation. (See Exhibit I)


The sign is located in an area 25-feet x 25-feet at the northeast corner of the property. The sign will be matched with a stainless-steel tower, to be fabricated and erected. The subject site is approximately 37 feet below the top of Caltrans’ sound wall, along the southbound San Diego 405 Freeway.

Sign size is 30’ height x 32'-4” width.

Sign structure is 40’ high from the existing ground level to the bottom of the sign casing.

List of Drawings: Title Sheet (TS), Site Plan (SP) 1.1, Section (S) 1.2

(See Exhibit I)
Preliminary Design / Elevations / Rendering:

“Outdoor Dimension” Sign Designer: The attached diagram shows preliminary elevations in full color, dimensions and illustrates a virtual lifelike image of the proposed sign and how it appears to motorists traveling in the south bound lane of the San Diego 405 Freeway.

List of Drawing: D/F Electrical Reader Board (A1-3), Rendering of MWD subject site, which depicts the approximate location of the proposed sign in perspective to the overall site.

(See Exhibit K)

F. RESULTS AND DISCUSSION

This section presents the hypothesis of the project in a logical sequence based on the objectives and activities as well as a methodology stated in this project proposal.

Revenues / Comparisons:

Graphic design and configurations from Digital Space are based on information and direction provided by an experienced billboard contractor and erected on a 20’ x 20’ Static Display. The revenue comparison below reflects a decision to employ the Digital Display vs. Static Display. (See Exhibits L, M)

**Static Display** (20’ x 20’ sign) up to (2) static displays on each side

- On the San Diego 405 Freeway at Wilmington Avenue: $9,000 per 4 weeks
- On the San Diego 405 Freeway at Alameda Avenue: $12,000 per 4 weeks

**Digital Display** (20’ x 20’ sign) up to (6) digital displays & (2) static displays on each side

- On the 91 Freeway south of the I-15 Freeway: $7,000 per month per 6-second loop
- On the Santa Ana I-5 Freeway: $5,000 per loop on a digital is an astute value but the 405 brings more value

*Note: A conservative estimation should produce $7,000.00 to $9,000.00 per six (6)-second loop*
Potential Customers Lists:

Our potential customers will be ranging in magnitude between middle-sized private companies to large public companies. This endeavor may attract commerce with Costa Mesa’s businesses interested in benefiting from the sign’s visual exposure on the southbound San Diego 405 Freeway.

1) Featured area of advertising impact from the venture: Costa Mesa Civic Center, Mesa Verde and Costa Mesa Golf and Country Club, OC Event & Fairgrounds, OC Performing Arts Center, Orange Coast College, South Coast Plaza, Vanguard University.

2) Automotive dealerships on Harbor Boulevard: AutoNation Direct, Beach City Auto Wholesale, California Beemer’s, CarMax / CarMax Auto, County Auto Finance, Executive Autohaus Inc., House of Luxuries, Orange County Fiat, Orange County Pre-Owned, SC Car Zone, The Coast Mitsubishi-Southern California, Connell Chevrolet, Power Honda, Orange Coast Cadillac / Buick.

Ownership Options:

Option 1: District owns sign. District funds final approval, permits and construction cost; receives all revenues for reimbursement and shall maintain this process thereafter. District creates a “Program Management” team to maintain establishment activities and manage client expectations.

Option 2: District owns sign then sells sign. District funds final approval, permits, and construction cost; receives all revenues for reimbursement and shall maintain this process thereafter for 5-years, which afterwards, transfers by sale to sign business for approximately seven to eight times its value.

Leasing Options:

Land leasehold to a Sign Business. Sign business obtains approvals, permits, and finances construction. Sign business grants district 30% +/- of gross revenues after sign business receives reimbursement for unforeseen costs.

Preliminary Construction Cost: (See Exhibit D)

Option 1: Fabricate 1 d/f25’h x 25’w/ digital reader board installed: $ 557,832.54

Option 2: Fabricate 1 d/f25’h x 25’w/ digital reader board w/ ticker banner installed: $743,160.00

Option 3: Fabricate 1 d/f30’h x 32.5’ w/ digital reader board installed: $906,349.90

Option 4: Fabricate 1 d/f30’h x 32.5’ w/ digital reader board w/ ticker banner installed: $1,149,722.28

Note: The above budget outlay does not include consultants or miscellaneous costs / fees.
The "ticker banner" would be a completely separate unit that’s positioned below the larger graphic screen. It would have its own digitally-programmed interface that would be independent of the large display board above it. The ticker’s banner would deliver content more relevant to public notices. This space could be used to show water usage within the City of Costa Mesa or advertise upcoming events or bulletins pertinent to urgent situations. The ticker banner will be annotations only without any graphics.

**Sample Sign Description /Sample Specification:**

Cirrus full-color industrial screen: Grade options display text, graphics and video with vivid colors and sharp clarity. This display option delivers powerful and captivating presentations of illuminating content with the ease and simplicity of a PC-based keyboard and a user-friendly software package. A Cirrus full-color display is the most cost-effective option available in sizes and configurations ranging from standard message centers to large-format outdoor electronic billboards.

**Sample Board Specifications:**

- **LED Pixel:** 12mm/0.47 inch pitch. 1 Red/1 Green/1 Blue LEDs per pixel.
- **Brightness:** 9,000 NITs Adjustable.
- **LED Color:** 281 Trillion colors.
- **Module Matrix:** 16 x 16 Module Matrixes.
- **Viewing Angle:** 140° horizontal /60° vertical.
- **Refresh Rate:** 600 Hz (Up to 4,000 Hz optional) 60 frames per second.
- **Case:** 6.89" deep w/ additional 3’ steel mounting angle. Steel /aluminum case option.
- **Watts per Pixel:** 0.1648 Watts.
- **Voltage:** 110/220V AC.
- **Programming:** Cirrus LED System’s proprietary software-management system.
- **Controller:** PC-based, fan-less industrial-strength computer.
- **Display Connectivity:** Wired Ethernet or optional long-range wireless configurations available.
- **Service Access:** Front and rear serviceable systems available.
- **Display Lifespan:** 100,000 hours.
G. SUMMARY AND CONCLUSIONS

The intent of this section is to retrieve critical sections of the report and highlight any anticipated fallout from this endeavor. Also indicated in this section is how this investigation could avoid potentially unforeseen and encountered resistance from a project grant and to counter this with sensible solutions.

**City codes** are somewhat ambiguous with permitting billboards, especially with a re-zone of the subject property from an institutional to commercial classification. This study will likely involve civic variances for billboard signs which will exceed permissible heights of 40-feet, and to permit an increased sign display area from 325 S.F. to 975 S.F. Further clarification will confirm such signage to be permissible if such advertisement remains indigenous to businesses which occupy the subject property only.

This aforementioned may be accomplished by cooperating with the City of Costa Mesa and unifying a relationship with the Development Service Department. Conceptual drawings will be presented to the City in anticipation to acquire an alliance for the project. Incidentally, the City does institute a “Planned Signage Program” which allows for a certain amount of flexibility in signage approvals.

With researching the re-zone matter, there are a few promising propositions which may be considered. One alternative is to re-zone only the physical section of the property which would be required for the sign to be permitted, or to consider the property to the west of the subject site, which already is zoned commercial.

If it is understood that the businesses or commerce are physically sited on the subject property, then this type of signage may be permissible. **Caltrans** may still voice concerns as to whether the sign’s location is considered adjacent to a “landscaped freeway” or “scenic highway”. This will be determined by a Caltrans Engineer, after the sign design outline is presented to them.

There are several existing signs on the north side of the San Diego 405 Freeway, just west of the Harbor Boulevard intersection; otherwise identified as the “South Coast Collection”. This display would indicate that both the City of Costa Mesa and Caltrans has approved and permitted these signs.

Off-Site vs. On-Site Displays: This distinction may generate an rebuttal when classifying the sign for on-site property use, which markets for on-site businesses only. An independent sign company using the sign for off-site conditions may create objections. This will be determined if the project shifts forward.

A Project Report shall be an important instrument with succeeding with this project. It will encompass a discography of evolution with the City of Costa Mesa and Caltrans. The first step will be to verify if there is any interest in utilizing such signage by advertisers, and contacting any potential clientele while securing credible pricing.

Once this project gets conceptual approval from the City of Costa Mesa and Caltrans, then the “Planned Signage Program” may be submitted for grant, and the final construction documents can commence.

**Conclusion of Report**

Page 12 of 12
Exhibit A – Aerial Map
Exhibit B - Site Photos
Exhibit D – Purchase Order / Letter Agreement
## Mesa Consolidated Water District

1965 Placentia Ave.
Costa Mesa, CA 92627
Fax (949) 574-1035

---

# Purchase Order

**Purchase Order No.:** PO008853  
**Date:** 7/13/2012

**Ship To:**
Mesa Cons. Water District  
ADMINISTRATION  
1965 Placentia Ave.  
Costa Mesa, CA 92627

---

**Vendor:**
ARCWAY  
3419 VIA LIDO AVE.#412  
NEWPORT BCH CA 92663

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<tr>
<th>L/N</th>
<th>Item Number</th>
<th>Description/Reference Number</th>
<th>Reg. Date</th>
<th>U/M</th>
<th>Ordered</th>
<th>Unit Price</th>
<th>Ext. Price</th>
<th>G/L #</th>
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<tbody>
<tr>
<td>1</td>
<td>1 CONSULTANT</td>
<td>Labor to determine agencies and advertisers requirements, research and prepared project schedules for the CWTF signage project.</td>
<td>7/13/2012</td>
<td>Each</td>
<td>1.00</td>
<td>$2,100.00</td>
<td>$2,100.00</td>
<td>85309-02</td>
</tr>
<tr>
<td>2</td>
<td>2 CONSULTANT</td>
<td>Arcway KPI and ODD meetings with Mesa Water and advertisers</td>
<td>7/13/2012</td>
<td>Each</td>
<td>1.00</td>
<td>$900.00</td>
<td>$900.00</td>
<td>85309-02</td>
</tr>
<tr>
<td>3</td>
<td>3 CONSULTANT</td>
<td>Labor and materials for KPI and ODD conceptual site plan, sign elevation and preliminary sign design.</td>
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<td>Each</td>
<td>1.00</td>
<td>$2,800.00</td>
<td>$2,800.00</td>
<td>85309-02</td>
</tr>
<tr>
<td>4</td>
<td>4 CONSULTANT</td>
<td>Arcway, KPI and ODD to provide alternative methods of ownership, leasing, construction cost and potential revenues and project report.</td>
<td>7/13/2012</td>
<td>Each</td>
<td>1.00</td>
<td>$3,800.00</td>
<td>$3,800.00</td>
<td>85309-02</td>
</tr>
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</table>

---

**Additional Instructions:**

---

**Subtotal:** $9,600.00  
**Freight:** $0.00  
**Tax:** $0.00  
**Order Total:** $9,600.00

---

**Not to Exceed $9600.00**

---

**Authorized Signature:**

---

**THE TERMS AND CONDITIONS OF THIS PURCHASE ORDER SUPERCEDES ALL TERMS AND CONDITIONS**

*Colors: (White) Vendor, (Pink) Purchasing, (Blue) Requisitioner, (Green) Accounting*
MCWD PURCHASE ORDER TERMS AND CONDITIONS

PURCHASE ORDER REQUIRED: Mesa Consolidated Water District WILL NOT be responsible for any goods received or services rendered without a purchase order authorizing the transaction.

PAYMENT: Payment terms are net 30 on receipt of goods which satisfy the terms and conditions of this purchase order unless this clause is superseded by an agreement. Payment will not be made unless Mesa has an IRS W-9 Request for Tax Payor ID form on file.

CEPTANCE: This purchase order constitutes the Buyer's offer to the Seller. The Seller must accept the terms and conditions of this offer. Upon the failure of the Seller to acknowledge this purchase order in writing and agree to its terms, the commencement of performance required by this offer shall be conclusive evidence of the Seller's approval of, and consent to the Terms and Conditions of purchase herein contained.

CONFLICT RESOLUTION: In the event of conflict with any terms of Seller's proposal, direct negotiation with Mesa's Purchasing Department is the only approved method of resolution. In the event of a legal conflict related to any provision of this purchase order, the venue shall be Orange County, California, and, to the extent not inconsistent with the purchase order, the laws of the State of California shall govern.

INTEGRATION CLAUSE: This purchase order is limited to the terms and conditions contained on the face and the back hereof. Any additional or different terms in the Seller's form are hereby deemed to be material alterations and notice of objection to them and reflection to them is hereby given.

NO SUBSTITUTIONS: This order must be filled or worked as specified. Additions, deletions, substitutions or alternatives are not acceptable unless authorized in writing by Mesa. All purchase orders will supersede any and all previous documents.

WARRANTY OF TITLE: Seller guarantees "warranty of title." "Implied warranty of merchantability and fitness for a particular purpose," and "express warranty," of the equipment and materials supplied under this purchase order. Unless otherwise specified, the minimum warranty period on purchased equipment shall be the industry or trade standard for full parts and labor on-site warranty.

INSPECTION AND PAYMENT: Articles purchased hereunder are subject to final inspection and approval at Buyer's plant notwithstanding any other inspection, unless otherwise specifically stated on this order. Neither compliance by Seller with inspection or suggestions by any employee of Buyer nor Buyer's payment of Seller's invoice for any article prior to final inspection shall be deemed an acceptance of the article or a waiver of the right of inspection or any other right herein reserved, or relieve Seller of any obligation or liability under the terms and conditions of this contract.

DELAYS IN SHIPMENT: Seller must advise Mesa immediately of any shortage or delay in shipment.

SHIP TO LOCATION: Ship, deliver, or provide services to locations as specified. Receiving Hours: 7:30 a.m. - 3:00 p.m. Monday through Friday, excluding holidays, and 8:00 a.m. - 4:00 p.m. on Saturday at Mesa's location.

RISK OF LOSS WITH SELLER: Title to and risk of loss or damage to goods in transit shall remain with the Seller (F.O.B. Destination), until delivered as specified, unless otherwise confirmed in writing by Mesa.

DEFECTIVE PRODUCTS: Mesa will reject defective products and the unit prices thereof will be debited against the invoice covering the shipment in which such products were included. Articles rejected will be held at Seller's risk and subject to Seller's risk, and subject to Seller's disposal for a reasonable time, and, if not disposed of by the Seller, will be sold or otherwise disposed of by Mesa for the Seller's account.

OPEN PURCHASE ORDERS: For purchase orders which authorize Mesa personnel to charge goods and services against it, only those employees identified on that purchase order have that authority. Mesa reserves the right to refuse payment if an unauthorized person makes charges against the purchase order.

RIGHT OF CANCELLATION: Mesa shall have the right to cancel this order at any time for Seller's breach of any provision of this order. If Seller fails to deliver the goods, materials, services, or equipment as terms of this order, or is otherwise in default hereunder, Mesa may terminate this agreement and contract with an alternate supplier to complete the order. Seller shall be liable to Mesa for the difference in price plus expenses of enforcing its rights hereunder, including reasonable attorney's fees. Mesa may charge Seller's account for any such costs.

VOICES: The Seller SHALL NOT give invoices to Mesa employees. All invoices shall be mailed to: Accounting Department, Mesa Consolidated Water District, P.O. Box 5008, Costa Mesa, CA. 92628-5008. Failure to comply WILL delay payment. Payment of invoices with discrepancies will be delayed until corrected or approved as amended by the Accounting Department. All invoices received for goods or services must require payment to supplier specified on Purchase Order. Mesa WILL NOT accept any invoices requiring payment to a second party.

TRANSPORTATION CHARGES: Transportation charges to Mesa, if authorized, must be prepaid and added to the invoice. Any other transportation charges, including inbound freight, must be authorized prior to Purchase Order issuance. A copy of the actual freight bill must accompany the invoice to Mesa.

NO PACKAGING OR CARTAGE CHARGES: Mesa will allow No boxing, packaging or cartage charges unless specifically authorized on the purchase order.

FEDERAL, STATE AND LOCAL TAXES: All prices stated herein include, unless otherwise specified, all Federal, State or local taxes that may be levied or assessed as a result of this purchase order, or are otherwise authorized to this purchase order.

DISCOUNT TERMS: Mesa may take Cash discount terms when appropriate and deducted from the invoiced amount. The determining date shall be the date of correct receipt of goods/services or receipt of correct invoice, whichever is later.

FURNISHED ITEMS: Mesa furnished or paid for artwork, negatives, specifications, tools, equipment or any other items furnished to Seller and property of Mesa shall (A) remain Mesa property; (B) be protected by Seller and maintained in good usable condition; (C) shall not be provided to any other person or entity without prior written approval of Mesa; and (D) be returned promptly to Mesa upon request.

MANUAIAS: Seller shall furnish Mesa two shop Maintenance/Operation Manuals on all equipment supplied hereunder. Manuals shall include wiring schematics, parts lists and diagrams, and all pertinent information necessary for proper installation and maintenance of purchase equipment. Copyright permission to Mesa to make facsimile copy of a manual (or set of manuals) may substitute for the second set of manuals for internal use.

REPLACEMENT PARTS: Seller shall make available replacement parts for a minimum 10-year period following date of purchase.

PATENTS: In the event any article, service or process sold, delivered, performed or installed hereunder shall be covered by any patent or copyright, or application for either, Seller shall indemnify and save harmless Mesa, its directors, agents and employees, from any and all loss, cost or expense on account of any and all claims, suits or judgments on the use or sale of such article, services or processes in violation of rights under such patent, copyright, or applications for either.

NO RELEASE OF ADVERTISING COPY: Seller shall not release any advertising copy mentioning Mesa or quoting the opinion of any Mesa employee without the prior written consent of Mesa.

INSOLVENCY AND BANKRUPTCY: In the event Seller becomes insolvent, or makes a general assignment for the benefit of creditors, or has filed against it a petition of bankruptcy or for reorganization, or pursues any other remedy under any law relating to the relief of debtors, or in the event a receiver by appointed of Seller's property or business, Mesa may, at its option, cancel this order.

NOTICE OF LABOR DISPUTES: Whenever an actual or potential labor dispute is delaying or threatening to delay the performance of this order, the Seller will immediately give notice thereof including all relevant information with respect thereto to Buyer.

COMPLIANCE WITH LAWS: To the extent applicable hereunder, Seller shall, in the performance of this order, comply with all federal, state, and local laws and regulations and orders issued under any applicable law.

HEALTH AND SAFETY: Seller agrees that all articles of equipment purchased hereunder will comply with the requirements of all Federal Occupational Safety and Health Act of 1971, the California Occupational Safety and Health Act of 1973, and any amendments thereto and all other applicable laws regarding safety and health of the Buyer. Seller shall use all reasonable precautions in the performance of the work under this order to protect the Health & Safety & Fire protection regulations and requirements of Mesa. The Seller may be required to file certificates of Seller's Liability and Workers' Compensation insurance.
ARCWAY
THOMAS ARCONTI

SERVICES AGREEMENT
FOR
PROJECT MANAGEMENT

July 5, 2012

NO. 1200 – FREEWAY BILLBOARD SIGN
C/o Paul E. Shoenberger

MESA WATER
GISLER AVE.
COSTA MESA, CA

Dear Mr. Shoenberger:

Arcway is pleased to submit this Letter Agreement for Professional Services to Mesa Water (Client) for conceptual design services for the above referenced project.

Article 1. ARCWAY SERVICES

The purpose of this Letter Agreement is to describe the services to be provided by Arcway for the project located on Gisler Ave and the 405 Freeway in Costa Mesa, CA.

Article 2. BASIC SCOPE OF SERVICES

Based on Client-supplied criteria and information, Arcway shall provide the following conceptual design:

- Arcway to determine requirements of the City's planned Signing Program, Potential Variance and Codes.
- Arcway research all Caltrans, and Mesa Water improvement plans.
- Arcway to develop and coordinate a project schedule.
- KPI to prepare Sign Summary, letter heights, size, sign area and quantity to incorporate into the conceptual design.
- Knitter Partners International (KPI) to prepare conceptual drawings of the sign and site plan as required by city ordinances; Out Door Dimensions (ODD) to prepare a preliminary design of sign.
- Arcway, KPI and ODD to prepare for the Mesa Water Board alternative methods of sign ownership and leasing structures, including preliminary construction cost and revenue potential.
- Arcway, KPI and ODD meetings with Mesa Water, and prospective advertisers
- The above information shall be presented in a project report to the Mesa

3419 Via Lido Avenue- # 412 -Newport Beach Ca. 92663
Home Phone 714-594-3977-Mobilile 714-742-0138
thomasarconti@arcway.us
Water Board for direction to whether or not to proceed with the project.

Article 3. ADDITIONAL SERVICES AVAILABLE UNDER SEPARATE CONTRACT

Additional Services may only be provided if authorized in writing by the Client in the form of an executed Additional Work Contract (AWC).

- The Mesa Water Program Manager, once selected, shall be responsible for any additional services not limited to Building Permits, Construction documents and project budgets.

Article 4. COMPENSATION

The services of Arcway, KPI and Out Door Dimensions shall be compensated as follows:

<table>
<thead>
<tr>
<th>FIXED FEE:</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>Arcway Project Management, to determine Agencies and advertisers requirements, research and prepared project schedules.</td>
<td>$2,100.00</td>
</tr>
<tr>
<td>Arcway KPI and ODD meetings With Mesa Water and advertisers</td>
<td>$900.00</td>
</tr>
<tr>
<td>KPI and ODD Conceptual Site Plan, Sign Elevation and preliminary sign design.</td>
<td>$2,800.00</td>
</tr>
<tr>
<td>Arcway, KPI and ODD alternative methods of Ownership, leasing, construction cost and Potential revenues and project report</td>
<td>$3,800.00</td>
</tr>
<tr>
<td><strong>Total Fee</strong></td>
<td><strong>$9,600.00</strong></td>
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We trust that the foregoing Letter Agreement adequately explains our services and fees. Our goal is to provide quality service in a timely manner, and we look forwarded to working with you on this project.

Upon acceptance of this Agreement, please execute the original and return it to us. A copy of the fully executed Agreement will be sent to you for your records.

Please contact me for any further information.

3419 Via Lido Avenue- # 412 -Newport Beach Ca. 92663  Home Phone 714-594-3977-Mobile 714-742-0138 thomasarconti@arcway.us
Your signature below will authorize Arcway to begin work on this project.

Respectfully submitted,

ARCWAY

Accepted and Approved:

Paul E. Shoenberger
General Manager

By: ______________________

Its: _____________________

Date: ___________________

By: ______________________

Its: _____________________

Date: ___________________
|   |   | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | P | Q | R | S | T | U | V | W | X |
| 4 | Task          | Start Date | Finish Date | Nov | Dec | Jan | Feb | March | April |
| 5 | A Present Project Report | 9/12/2012 | 9/28/2012 |   |   |   |   |   |   |
| 6 | B Meeting with City and District | 11/8/2012 | 11/8/2012 | X |
| 7 | C Meeting with Caltrans and District | 11/12/2012 | 11/12/2012 | X |
| 8 | D Review Conceptual Design Research | 11/16/2012 | 12/14/2012 |   |
| 9 | 1. With City Planned Sign Program |   |   |   |
| 10 | 2. Review MWD, CalTrans & City Improvement Plans | 12/13/2012 | 1/4/2013 |   |
| 11 | E Construction Design (r-e-do) | 1/4/2013 | 2/15/2013 |   |
| 12 | 1. Review Sign Summary to include: |   |   |   |
| 14 | 3. Review site plans as required with city | 1/4/2013 | 2/15/2013 |   |
| 15 | F Meeting with city & Caltrans as required |   |   |   |
| 16 | G Meeting with MWD for approval prior to | 2/15/2013 | 3/1/2013 |   |
| 17 | H MWD with user and car dealerships required by MWD | 1/4/2013 | 3/1/2013 |   |
| 18 | I Submit to City for Conceptual Approval | 3/15/2013 |   |   |
| 19 | J Prepare & Submit City Planned Signing Program | 4/28/2013 |   |   |

**MESA WATER DISTRICT -CWTF SIGNAGE - PROJECT PROGRAM - SCHEDULE**
Exhibit F - City of Costa Mesa - PLANNED SIGN PROGRAM
PLANNED SIGNING PROGRAM
(Zoning Administrator Review Required / Average Processing Time: 8-10 Weeks)

SUBMITTAL CHECKLIST

☐ 1. APPLICATION FORM

☐ 2. APPLICANT LETTER
   ☐ A. On a separate sheet of paper, please describe your signage program.

☐ 3. DESCRIPTION OF JUSTIFICATION FORM
   Describe how the proposed signage is substantially compatible with signs permitted in the same general area and how the proposed signage would not be materially detrimental to other properties in the same area.

☐ 4. FEE PAYMENT
   See attached fee schedule for applicable fee information. Make check(s) payable to the "City of Costa Mesa."

☐ 5. PUBLIC NOTIFICATION REQUIREMENTS
   ☐ A. Radius Map: This map shall show the subject property and all properties within a 500-foot radius. Assessor parcel numbers must be shown on all affected properties.
   ☐ B. Mailing Labels: Submit two sets of typewritten mailing labels & one photocopy. A mailing label is required for every property that is within the 500-foot radius (either wholly or partially). The mailing label must contain the assessor parcel number above the name of the owner and applicable address. Property owner names and addresses shall be obtained from the latest available County of Orange assessment rolls.
   ☐ C. Certification Letter: The person who prepared the radius map and mailing labels shall write and sign a letter certifying that the information is true and accurate.

☐ 6. PLANS – 22 Sets (either blueprint or photocopies)
   All Planned Signing Program applications must use the attached forms. You may fill in the blanks or obtain an electronic version on the Planning Division webpage (in Microsoft Word format). You may provide your own format if each page is 8½” x 11” (except for the site plan required to be 11” x 17”) horizontal format and contains the same information and numbering as the corresponding page of the standard form. The forms include all the data necessary for staff to determine whether the Planned Signing Program can be approved. The Planned Signing Program must be organized as follows:
   ☐ 1. Sign Summary (Page 1)
   ☐ 2. Building Wall Signage/Elevations (Page 2)
   ☐ 3. Monument Signage (Page 3)
   ☐ 4. 11” x 17” site plan (Page 4). Site plan shall note ALL signs, existing and proposed. For proposed freestanding signs, site plan should note freestanding signs on site and on adjoining sites. Distances between all freestanding signs must be identified.
   ☐ 5. One 8½” x 11” Photocopy of plans.

Rev. 01/08
PROCESSING TIME

Approximately 8-10 weeks. The following will extend the processing time:
- Incomplete application (due to lack of information, inaccuracies or revisions)
- Project revisions made by the applicant

PLANS CHECKLIST

The plans shall contain the following information:

Sign Summary (See insert)
- 1. Minimum/maximum letter heights
- 2. Minimum/maximum size of tenant signs
- 3. Minimum/maximum sign area for monument signs
- 4. Quantity of signs
- 5. Exclusions (e.g. required colors, sign type)

Building Wall Signage
- 1. Provide dimension of the entire building elevation
- 2. Provide location of wall signs and location criteria (e.g. dimensions) including height of sign above ground
- 3. For development with unique architectural features requiring customized sign locations, show as many elevations as necessary
- 4. All sign types may be shown on one set of elevations

Monument Signage
- 1. Sign face dimensions
- 2. Sign height
- 3. Type of illumination
- 4. Area of sign
- 5. Location of required address numerals
- 6. Landscaped planter area/materials
- 7. Elevations

Site Plan
- 1. Lot area (dimensions of property)
- 2. Building footprints
- 3. Driveway and parking areas
- 4. Adjacent streets
- 5. North Arrow
- 6. Scale
- 7. Existing signs (if any)
- 8. Proposed signs. Use letter designation (sign type) for Sign Summary. Indicate all signs and their alternate locations.
- 9. Show locations of freestanding signs, including distance between all freestanding signs on-site as well as distances to existing freestanding signs on adjoining properties.
**APPEALS**

The Zoning Administrator is responsible for approving or denying this application. The Zoning Administrator decision may either be appealed or scheduled for hearing before Planning Commission. The appeal must be filed by 5 p.m. within 7 days of the Zoning Administrator's decision at the City Clerk's office at City Hall. See attached fee schedule for the filing cost of an appeal.

**MATERIALS INCLUDED IN APPLICATION PACKET**

Additional material included in this packet:
- Application form
- Planned signing program form
- Public notification information
- A partial list of surrounding property notification service companies
- Processing fees information

**CONTACT US**

City of Costa Mesa  
Development Services Department  
Phone: (714) 754-5245  
Fax: (714) 754-4913  
Hours: Monday through Friday, between 8 a.m. and 5 p.m.  
Email: PlanningCommission@ci.costa-mesa.ca.us  
Website: www.ci.costa-mesa.ca.us
Planned Signing Program

For

(Development Name)

(Address of all buildings to which this Program applies)

(Zoning category of property)

Property owner signature and approval for sign permit applications required? (Y / N) ____________________

Property Owner (include address):

Program Designer (include address):

Location Map (include north arrow):

Title Page – Page 1

(Development Name)
<table>
<thead>
<tr>
<th>Sign Type</th>
<th>Description</th>
<th>Sign Location</th>
<th>Freestanding</th>
<th>Building</th>
<th>Canopy</th>
<th>Projecting</th>
<th>Quantity</th>
<th>Sign Area (sq. ft.)</th>
<th>Height clearance of sign from the ground (feet)</th>
<th>Height or Length limitations (feet)</th>
<th>Illumination (Y or N)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
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</tr>
</tbody>
</table>

1. Minimum/maximum size of tenant signs (including letter heights)
   -
   -
   -

2. Minimum/maximum sign area for monument signs
   -
   -
   -

3. Specifications (e.g., required colors, sign type)
   -
   -
   -

4. Exclusions/Prohibited Signs
   -
   -
   -

Total:

Total area of all signs:

Note: For large projects containing a large number of signs, add additional
Notes:
1. Provide, dimension of the entire building elevation.
2. Provide location of wall signs and location criteria (e.g., dimensions) including height of sign above ground.
3. For development with unique architectural features requiring customized sign locations, show as many elevations as necessary using page numbers 3a, 3b, etc.
4. All sign types may be shown on one set of elevations.
Provide the following for each sign:
- Sign face dimensions
- Sign height
- Type of illumination
- Area of sign
- Location of required address numerals
- Landscaped planter area/materials
- Side elevations (for freestanding signs)
- Any color, copy or design and materials criteria

Note:
Provide a separate Sign Specification page for each sign type. Number additional pages 4a, 4b, etc.

Sign Specifications – Page 4

(Development Name)
Site Plan should be in 11"X17" format

The following elements must be shown:
- Building footprints
- Driveway and parking areas
- Adjacent streets
- North arrow
- Scale
- Existing signs (if any)
- Proposed signs. Use letter designation (sign type) from Sign Summary - Page 2. Indicate all signs and their alternate locations.
- For proposed freestanding signs, note freestanding signs, if within 150 feet, on adjoining sites and approximate distance(s) from the proposed sign(s) to those adjacent sign(s).

Note:
For complex programs containing large number of signs, use a separate site plan for each sign type. Number additional pages 5a, 5b, etc.
PLANNING APPLICATION (PART ONE – TYPE OR PRINT)  

PROPERTY ADDRESS:  
Property Owner: ____________________________  
Phone: ____________________________  
Fax: ____________________________  
Address: ____________________________  
Email: ____________________________  
City: ____________________________  
State: ____________________________  
Zip Code: ____________________________  
Property Owner’s Signature: ____________________________  
Date: ____________________________  

AUTHORIZED AGENT:  
Phone: ____________________________  
Fax: ____________________________  
Address: ____________________________  
Email: ____________________________  
City: ____________________________  
State: ____________________________  
Zip Code: ____________________________  
Authorized Agent’s Signature: ____________________________  
Date: ____________________________  

PROJECT DESCRIPTION: [Briefly describe project below and attach detailed project description & justification for approval:]  


PROJECT RELATED TOPICS: I have noted below the items that are applicable to the project:  

☐ In the Redevelopment Area  ☐ Subject to future street widening  
☐ In a Specific Plan Area  ☐ Includes a drive-through facility (Special notice requirements, per GC Section 65091 (d))  

HAZARDOUS WASTE AND SUBSTANCES SITES: Pursuant to Section 65962.5 of the Government Code, I have reviewed the Hazardous Waste and Substances Site List (see reverse side) and determined that the project:  

☐ IS NOT included in the LIST  ☐ IS included in the LIST  

1 RIGHT OF ENTRY: The above-signed ("Property Owner") is the owner of certain real property identified above in Costa Mesa, California ("Property"). acknowledges that the application process requires the property to be posted with a public hearing notice, where applicable. Property Owner hereby permits the City of Costa Mesa ("City"), by and through its employees or agents, to enter upon the property for the sole purpose of posting, modifying, and removing a public hearing notice relating to Property Owner's Planning Application. The right of entry shall be granted by Property Owner to City at no cost to City and shall remain in effect until the removal of the public hearing notice. Owner further agrees to release, waive, discharge and hold harmless City, its employees and agents, from and against any and all loss, damage, injury, liability, claim, cost or expense resulting from or arising out of the activities of City, its employee and agents, upon the Property, pursuant to this signed application.  

WHEN COMPLETED, PLEASE RETURN ALL COPIES TO PLANNING DIVISION (PART TWO BELOW – "OFFICE USE ONLY")  

Date Application Received: ____________________________  
By: ____________________________  
Receipt #: ____________________________  

Date Application Determined Complete: ____________________________  
By: ____________________________  

☐ Admin Adjustment $  ☐ Gen Plan Screening $  ☐ RCID Conversion $  
☐ Appeal $  ☐ Lot Line Adjustment $  ☐ Rezone $  
☐ CUP $  ☐ Master Plan $  ☐ Specific Plan Amd $  
☐ Design Review $  ☐ Minor CUP $  ☐ Tent Tract/Parcel $  
☐ Dev Agreement $  ☐ Minor Design Review $  ☐ Time Extension $  
☐ Development Review $  ☐ Negative Declaration $  ☐ Variance $  
☐ Gen Plan Amendment $  ☐ Planned Signing Prg $  ☐ Other $  

TOTAL $  

APN: ____________________________  
Zone: ____________________________  
General Plan: ____________________________
Hazardous Waste and Substances Sites

Updated March, 2009

Before the City of Costa Mesa accepts an application as complete for any development project, the applicant shall consult this list and sign the Planning Application form, indicating that the project site is listed as a hazardous waste and substances site (Section 65962.5 of the Government Code).

<table>
<thead>
<tr>
<th>SITE NAME</th>
<th>ADDRESS</th>
</tr>
</thead>
<tbody>
<tr>
<td>CONOCOPHILLIPS 76 #4107</td>
<td>393 E. 17TH ST *</td>
</tr>
<tr>
<td>J.C. CARTER CO., INC.</td>
<td>671 W. 17TH ST *</td>
</tr>
<tr>
<td>WINALL STATION #11</td>
<td>790 W. 19TH ST *</td>
</tr>
<tr>
<td>THRIFTY OIL #139</td>
<td>799 W. 19TH ST *</td>
</tr>
<tr>
<td>SIGMA CIRCUITS</td>
<td>2970 AIRWAY AVE</td>
</tr>
<tr>
<td>THRIFTY OIL #151</td>
<td>751 BAKER ST *</td>
</tr>
<tr>
<td>SULLIVAN CONCRETE TEXTURES</td>
<td>1111 BAKER ST *</td>
</tr>
<tr>
<td>CARWASH OF AMERICA</td>
<td>1195 BAKER ST *</td>
</tr>
<tr>
<td>SHELL OIL</td>
<td>1201 BAKER ST *</td>
</tr>
<tr>
<td>NEWPORT MESA UNIFIED SCHOOL DISTRICT</td>
<td>2985-A BEAR ST *</td>
</tr>
<tr>
<td>CIMCO, INC.</td>
<td>265 BRIGGS AVE</td>
</tr>
<tr>
<td>BRISTOL VILLAGE CLEANERS</td>
<td>260 SE. BRISTOL AVE</td>
</tr>
<tr>
<td>BRISTOL PLAZA ARCO #5994</td>
<td>300 BRISTOL AVE *</td>
</tr>
<tr>
<td>SOUTH PACIFIC CAR WASH</td>
<td>2750 BRISTOL AVE *</td>
</tr>
<tr>
<td>CREEKSIDE PROPERTY</td>
<td>2900 BRISTOL AVE</td>
</tr>
<tr>
<td>G &amp; M OIL #21</td>
<td>2995 BRISTOL AVE *</td>
</tr>
<tr>
<td>AB DICK</td>
<td>3598 CADILLAC AVE</td>
</tr>
<tr>
<td>ITT - JABSCO</td>
<td>1485 DALE WAY</td>
</tr>
<tr>
<td>EXXONMOBIL OIL CORP #10302</td>
<td>3470 FAIRVIEW AVE *</td>
</tr>
<tr>
<td>SUPERIOR STATION INC.</td>
<td>2050 HARBOR BLVD *</td>
</tr>
<tr>
<td>BEACON BAY AUTO WASH #10</td>
<td>2059 HARBOR BLVD *</td>
</tr>
<tr>
<td>GENERAL TRANSMISSIONS</td>
<td>2073 HARBOR BLVD *</td>
</tr>
<tr>
<td>RANDY'S AUTOMOTIVE PROPERTY</td>
<td>2089 HARBOR BLVD *</td>
</tr>
<tr>
<td>CHEVRON #21-1314 / AMERICAN SAVINGS BANK</td>
<td>2252 HARBOR BLVD *</td>
</tr>
<tr>
<td>HARBOR FAIR STATION</td>
<td>2502 HARBOR BLVD *</td>
</tr>
<tr>
<td>EXXONMOBIL OIL CORP #11593</td>
<td>3006 HARBOR BLVD *</td>
</tr>
<tr>
<td>EXXONMOBIL OIL CORP #15904</td>
<td>3195 HARBOR BLVD *</td>
</tr>
<tr>
<td>EZ LUBE #15</td>
<td>3599 HARBOR BLVD *</td>
</tr>
<tr>
<td>METROPOLITAN VELIE CIRCUITS</td>
<td>1261 LOGAN AVE</td>
</tr>
<tr>
<td>G &amp; M OIL #43</td>
<td>1740 NEWPORT BLVD *</td>
</tr>
<tr>
<td>CONOCOPHILLIPS 76 #4992</td>
<td>1900 NEWPORT BLVD *</td>
</tr>
<tr>
<td>CONOCOPHILLIPS 76 #5067</td>
<td>2281 NEWPORT BLVD *</td>
</tr>
<tr>
<td>COSTA MESA AIR NATIONAL GUARD</td>
<td>2651 NEWPORT BLVD</td>
</tr>
<tr>
<td>VALENTEC-WELLS, INC.</td>
<td>3190 PULLMAN ST</td>
</tr>
<tr>
<td>ITT BUSINESS MACHINES, INC.</td>
<td>3191 REDHILL AVE</td>
</tr>
<tr>
<td>COSTA MESA FIRE STATION #1</td>
<td>2803 ROYAL PALM DR *</td>
</tr>
<tr>
<td>LOS ANGELES TIMES</td>
<td>1375 SUNFLOWER AVE</td>
</tr>
<tr>
<td>BETTY JONES COOK TRUST-ACE INTERNATIONAL</td>
<td>936 SUNSET DR</td>
</tr>
</tbody>
</table>

Sources:
- State of California Department of Toxic Substance Control, Cortese List, March 2009
- State of California Water Resources Control Board, GeoTracker, March 2009

For information on a specific site, please contact the Orange County Health Care Agency, Environmental Health Division at (714) 433-6000.

* Indicates Leaking Underground Storage Tank Sites
PUBLIC NOTICING

SURROUNDING PROPERTY NOTIFICATION SERVICE COMPANIES

This listing is provided as a convenience to applicants. It contains information from companies who have advised the City of their services and does not constitute a recommendation or endorsement by the City of Costa Mesa.

Advanced Marketing Services
Post Office Box 2593
Capo Beach, California 92624
Office (949) 361-3921
Fax (949) 361-3923

KEC Radius Maps
Property Ownership Information
Darren L. Knudson
17731 Irvine Blvd., Suite 202
Tustin, California 92780
Cell (714) 865-2945
Fax (714) 832-9160
darren@knudsonengineers.com

Susan W. Case, Inc.
Ownership Listing Service
917 Glenneyre Street, Suite 7
Laguna Beach, California 92651
Phone (949) 494-6105
Fax (949) 494-7418

A M Mapping Services
8001 B Archibald Avenue
Post Office Box 4710
Rancho Cucamonga, California 91730
Phone (909) 466-7596
Fax (909) 466-7595

Martin Parker
Notification Maps
23412 Moulton Parkway, Suite 140
Laguna Hills, California 92653
Phone (949) 1-866-PLANCOM
Fax (949) 465-8297
sales@notificationmaps.com

Szeto and Associates
ABC License Mapping Service
2714 Stingle Avenue
Rosemead, California 91770
Office (626) 512-5050
Fax (323) 838-0515

DBS
Dependable Business Services, Inc.
Dennis Stout
871 North Maplewood Street
Orange, California 92867
Phone (714) 744-2845
Fax (310) 641-8414

Morey/Seymour & Associates
5757 West Century Boulevard,
Suite 604
Los Angeles, California
Phone (310) 641-3377
Fax (310) 641-8414

Williams Land Use Services
2418 Honolulu Avenue, Suite B
Montrose, California 91020
Phone (818) 542-4109
Fax (818) 542-3172
williamslanduse@yahoo.com

Darla A. Hammond
T-Square Mapping Service
Radius Map
Post Office Box 605
La Canada, California 91012
Phone (626) 403-1803/(213) 255-9805
Fax (626) 403-2972

Ownership Listing Service
Notification Services
Catherine McDermott
Phone (951) 699-8064

Zoning & Land-Use Solutions
Radius Maps
Ericka Odom
1775 Ohio Avenue #10
Long Beach, California 90804
Phone (562) 841-2188-1170
Fax (562) 961-3289

Donna's Radius Maps
684 South Gentry Lane
Anaheim, California 92807
Office (714) 921-2921
Fax (714) 921-0990

Radius Maps
Land Development Database Services
Bonnie Perkins
Phone (888) 272-3487

Foothill Project Management
The Urban Design Center
Corrie D. Kates
Radius Maps
Post Office Box 4403
Costa Mesa, California 92626-4403
Phone (714) 434-9228
(800) 651-6277

Stephanie Kyle
Ownership Listing Solutions
230 Newport Center Drive, Suite 210
Newport Beach, California 92660
Office (949) 706-2768
Fax (949) 717-7942
FORMAT SAMPLE OF MAILING LABELS

*Please Note:
Maximum Label Width: 3 Inches / 30 Labels Per Sheet / No Transparent Labels / Labels Must Be Self-Adhesive

<table>
<thead>
<tr>
<th>APN# 141-221-50</th>
<th>APN# 141-221-50</th>
<th>APN# 141-221-50</th>
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</thead>
<tbody>
<tr>
<td>Mr. John B. Smith</td>
<td>Mr. John B. Smith</td>
<td>Mr. John B. Smith</td>
</tr>
<tr>
<td>123 Main Street</td>
<td>123 Main Street</td>
<td>123 Main Street</td>
</tr>
<tr>
<td>Costa Mesa, California 92626</td>
<td>Costa Mesa, California 92626</td>
<td>Costa Mesa, California 92626</td>
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</tbody>
</table>

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<tbody>
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<td>123 Main Street</td>
<td>123 Main Street</td>
<td>123 Main Street</td>
</tr>
<tr>
<td>Costa Mesa, California 92626</td>
<td>Costa Mesa, California 92626</td>
<td>Costa Mesa, California 92626</td>
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</tbody>
</table>

FORMAT SAMPLE OF RADIUS MAP

SURROUNDING PROPERTY NOTIFICATION MAP
(Example)
# City of Costa Mesa
## PLANNING DIVISION
### PROCESSING FEES

Effective February 2, 2009

<table>
<thead>
<tr>
<th>REVIEW PROCESS</th>
<th>FEE</th>
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<tbody>
<tr>
<td>Administrative Adjustment</td>
<td>$1,035.00</td>
</tr>
<tr>
<td>Appeal:</td>
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</tr>
<tr>
<td>1. Appeal to Planning Commission</td>
<td>$690.00</td>
</tr>
<tr>
<td>2. Appeal to City Council</td>
<td>$1,220.00</td>
</tr>
<tr>
<td>Conditional Use Permit</td>
<td>$1,550.00</td>
</tr>
<tr>
<td>Density Bonus Review</td>
<td>$1,760.00</td>
</tr>
<tr>
<td>Design Review</td>
<td>$1,650.00</td>
</tr>
<tr>
<td>Development Agreement</td>
<td>Time and materials with $5,000.00 minimum deposit</td>
</tr>
<tr>
<td>Development Agreement Annual Review:</td>
<td></td>
</tr>
<tr>
<td>1. Planning Commission Review</td>
<td>$1,425.00</td>
</tr>
<tr>
<td>2. City Council Review</td>
<td>$1,875.00</td>
</tr>
<tr>
<td>Development Review (staff)</td>
<td>$915.00</td>
</tr>
<tr>
<td>Environmental Impact Report</td>
<td>Total consultant contract estimate plus 10%</td>
</tr>
<tr>
<td>General Plan Amendment Screening</td>
<td>$1,000.00</td>
</tr>
<tr>
<td>General Plan Amendment</td>
<td>$3,560.00</td>
</tr>
<tr>
<td>Lot Line Adjustment</td>
<td>$800.00</td>
</tr>
<tr>
<td>Master Plan &amp; Amendment, including preliminary plans:</td>
<td></td>
</tr>
<tr>
<td>1. Zoning Administrator final review authority</td>
<td>$960.00</td>
</tr>
<tr>
<td>2. Planning Commission final review authority</td>
<td>$1,760.00</td>
</tr>
<tr>
<td>3. City Council final review authority</td>
<td>$2,265.00</td>
</tr>
<tr>
<td>Minor Conditional Use Permit</td>
<td>$1,010.00</td>
</tr>
<tr>
<td>Minor Design Review</td>
<td>$650.00</td>
</tr>
<tr>
<td>Mobile Home Park Applications:</td>
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</tr>
<tr>
<td>1. Mobile Home Park Conversion</td>
<td>$4,255.00</td>
</tr>
<tr>
<td>2. Tenant Relocation (staff review)</td>
<td>$1,450.00</td>
</tr>
<tr>
<td>3. Tenant Relocation Report (third party review)</td>
<td>Total consultant contract estimate plus 10%</td>
</tr>
</tbody>
</table>

*Please turn over for additional fee information*
<table>
<thead>
<tr>
<th>REVIEW PROCESS</th>
<th>FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Negative Declaration</td>
<td>$1,010.00 or total consultant estimate plus 10%</td>
</tr>
<tr>
<td>Off-site Hazardous Waste Facility:</td>
<td>Total consultant estimate plus 10% with the following minimum deposit:</td>
</tr>
<tr>
<td>1. Notice of Intent</td>
<td>$1,000.00 minimum deposit</td>
</tr>
<tr>
<td>2. Conditional Use Permit</td>
<td>$1,000.00 minimum deposit</td>
</tr>
<tr>
<td>3. Local Assessment Committee (formation and convening)</td>
<td>$1,000.00 minimum deposit</td>
</tr>
<tr>
<td>Planned Signing Program</td>
<td>$635.00</td>
</tr>
<tr>
<td>Public Entertainment Permit</td>
<td>$675.00</td>
</tr>
<tr>
<td>Public Hearing Continuance (due to applicant’s request or incomplete application)</td>
<td>$520.00</td>
</tr>
<tr>
<td>Redevelopment Project Review</td>
<td>$2,195.00</td>
</tr>
<tr>
<td>Rehearing:</td>
<td></td>
</tr>
<tr>
<td>1. Before Planning Commission</td>
<td>$690.00</td>
</tr>
<tr>
<td>2. Before City Council</td>
<td>$1,220.00</td>
</tr>
<tr>
<td>Renewal:</td>
<td></td>
</tr>
<tr>
<td>1. Zoning Administrator action</td>
<td>$365.00</td>
</tr>
<tr>
<td>2. Planning Commission action</td>
<td>$450.00</td>
</tr>
<tr>
<td>3. All other actions</td>
<td>$400.00</td>
</tr>
<tr>
<td>Residential and Non-Residential Common Interest Development Conversion</td>
<td>$1,500.00 plus $115.00/unit for required Building inspection</td>
</tr>
<tr>
<td>Rezone</td>
<td>$1,910.00</td>
</tr>
<tr>
<td>Specific Plan Amendment</td>
<td>$2,090.00</td>
</tr>
<tr>
<td>Specific Plan Conformity Review</td>
<td>$1,630.00</td>
</tr>
<tr>
<td>Tentative Tract Map</td>
<td>$1,445.00</td>
</tr>
<tr>
<td>Tentative Parcel Map</td>
<td>$1,445.00</td>
</tr>
<tr>
<td>Time Extension:</td>
<td></td>
</tr>
<tr>
<td>1. Zoning Administrator action</td>
<td>$365.00</td>
</tr>
<tr>
<td>2. Planning Commission action</td>
<td>$450.00</td>
</tr>
<tr>
<td>3. All other actions</td>
<td>$400.00</td>
</tr>
<tr>
<td>Urban Master Plan Screening</td>
<td>$0</td>
</tr>
<tr>
<td>Variance</td>
<td>$1,685.00</td>
</tr>
<tr>
<td><strong>Effective February 2, 2009</strong></td>
<td></td>
</tr>
</tbody>
</table>
## Development Fees Information

City of Costa Mesa and Other Agencies  
May 2010

<table>
<thead>
<tr>
<th>Agency</th>
<th>Rate</th>
</tr>
</thead>
</table>
| **Building Division**    | - (714) 754-5273  
Building Plan Check  
Building/plumbing/mechanical/electrical permits | Based on valuation of improvements |
| **Planning Division**    | - (714) 754-5245  
Letter of confirmation (flood zone, zoning)  
Project Review  
Parkland Impact Fees | $40.00  
See separate Planning Division Processing Fee Schedule  
See reverse side of this hand-out |
| **Engineering Division**  | - (714) 754-5323  
Drainage fee  
Final map check fee  
Off-site plan check  
Street improvement plan check fee  
Deposit/bond - off-site work  
Construction Access permit  
Curb and Gutter permit  
Driveway approach  
Sidewalk permit  
Wheelchair ramp  
Public right-of-way inspection | $0.283.00 – 11,309.00 per acre  
$90.00/hour  
$90.00/hour  
Twice the amount of the cost estimate of off-site work  
$230.00  
$365.00  
$425.00  
$380.00  
$365.00  
$125.00/hour |
| **Transportation Services Division**   | - (714) 754-5334  
Traffic Impact Fee | See reverse side of this hand-out |

### OTHER AGENCIES

<table>
<thead>
<tr>
<th>Agency</th>
<th>Contact Information</th>
</tr>
</thead>
</table>
| **Costa Mesa Sanitary District**   | - (949) 645-8400  
Contact Costa Mesa Sanitary District for the requirements and/or fees. |
| **San Joaquin Hills Trans. Corridor Agency** | - (949) 727-4800  
(Rates effective as indicated. City collects fee and forwards to agency)  
**RATES EFFECTIVE**  
7/1/09 TO 6/30/2010  
$3,417 per dwelling unit  
$1,994 per dwelling unit  
$4.36 per square foot |  
7/1/2010 TO 6/30/2011  
$3,508 per dwelling unit  
$2,047 per dwelling unit  
$4.48 per square foot |
| **Newport Mesa Unified School District** | - (714) 754-5615  
(City collects fee and forwards to agency)  
Residential  
Commercial/Industrial | $1.84 per square foot (additions under 500 s.f. may be exempt)  
$0.30 per square foot |
| **Santa Ana Unified School District** | - (714) 558-5501  
Residential  
Residential exclusively for senior citizens  
Commercial/Industrial | $2.63 per square foot of assessable space.  
$0.42 per square foot of assessable space  
$0.42 per square foot of chargeable and enclosed space |
| **Mesa Consolidated Water District** | - (949) 631-1200  
Contact MCWD for the requirements and/or fees |
| **Irvine Ranch Water District**     | - (949) 453-5300  
Contact IRWD for the requirements and/or fees |

**NOTE:** This is a listing of City Departments and Divisions as well as other agencies that may require a development fee for your project. Although it is intended to be a complete list, there may be other agencies (AQMD, CalTrans, etc.) that have fees that are not included above. It is your responsibility as either the applicant or authorized agent to ensure all applicable fees are paid. These fees are subject to change; therefore, please contact the responsible City Division or agency for the current rate.

*Updated May 2010*
City of Costa Mesa Traffic Impact Fees

The City of Costa Mesa assesses a traffic impact fee on an incremental basis. The fee is assessed as follows:

<table>
<thead>
<tr>
<th>EXISTING PLUS PROPOSED AVERAGE DAILY TRIP ENDS (ADT)</th>
<th>TRAFFIC IMPACT FEE</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-25 ADT</td>
<td>$0/ADT</td>
</tr>
<tr>
<td>26-50 ADT</td>
<td>$50/ADT for incremental trips exceeding 25 ADT.</td>
</tr>
<tr>
<td>51-75 ADT</td>
<td>$75/ADT for incremental trips exceeding 50 ADT.</td>
</tr>
<tr>
<td>76-100 ADT</td>
<td>$100/ADT for incremental trips exceeding 75 ADT.</td>
</tr>
<tr>
<td>101 ADT OR MORE</td>
<td>$181.00 per average daily trip.</td>
</tr>
</tbody>
</table>

1. For the determination of the appropriate incremental traffic impact fee rate, the existing ADT (if applicable) plus the proposed new ADT are combined together. The traffic impact fee is assessed on the increased number of average daily trips generated by the proposed project. Any and all questions regarding the City’s traffic impact fee should be directed to the City's Transportation Services Division, located on the 4th floor of City Hall.

City of Costa Mesa Parkland Impact Fees

The City of Costa Mesa recently approved an increase in its parkland impact fees. The new parkland impact fees will be incrementally increased over a 3-year period. The following table indicates the applicable parkland fee per unit that will be applied to a new residential subdivision based on the date the application is filed with City.

<table>
<thead>
<tr>
<th>Parkland Impact Fee Schedule</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Subdivision Application Filed:</strong></td>
</tr>
<tr>
<td>For Each Single-Family Dwelling Unit</td>
</tr>
<tr>
<td>For Each Multi-Family Dwelling Unit</td>
</tr>
</tbody>
</table>

Updated May 2010
Exhibit G – Radius Map
Exhibit H – Zoning Map
Exhibit I – Caltrans- Outdoor Advertising Permit Requirements
Outdoor Advertising Permit Requirements

The below information is to be used as general guidelines and does not guarantee approval.

STATE OF CALIFORNIA
BUSINESS, TRANSPORTATION AND HOUSING AGENCY
DEPARTMENT OF TRANSPORTATION
Outdoor Advertising Branch
1120 "N" Street, MS-36
P. O. Box 942874
Sacramento, CA 94274-0001
OUTDOOR ADVERTISING PERMIT REQUIREMENTS

Edmund G. Brown Jr., Governor

In order for an outdoor advertising display application to be considered for a permit adjacent to an Interstate or primary highway the following criteria must be met:

Display Location

- Must be outside the right of way of any highway.
- Must be outside of any stream, or drainage channel.
- There must be an existing business activity within 1000 feet of proposed display location on either side of the highway.
- Location of property where display is to be placed must be zoned industrial or commercial.
- Must have current property owner consent, in writing, to place the display at desired location.
- Must have written permission (building permit) from the local government having jurisdiction where the display is to be located.
- Location may not be adjacent to a landscaped section of a freeway. *
- Location may not be adjacent to a scenic highway. **
- If adjacent to a Bonus*** segment of an Interstate freeway, copy, size, and spacing is more restrictive.

Display

- Display must be 500 feet from any other permitted display on same side of any highway that is a freeway.
- Display must be 300 feet from any other permitted display on same side of any primary highway that is not a freeway in an unincorporated area.

http://www.dot.ca.gov/hq/oda/permit_requirements.htm

8/19/2012
Display must be 100 feet from any other permitted display on same side of any primary highway that is not a freeway and is within the limits of an incorporated city.

Display must be 500 feet from an interchange; intersection at grade or safety roadside rest if the highway is a freeway and the location is outside the limits of an incorporated city and outside the limits of an urban area.

An electronic changeable message center display must meet the above spacing requirements and be 1000 feet from any other off-premise electronic message center display.

Maximum height for the advertising display area is, 25 feet in height and 60 feet in length, not to exceed an overall maximum of 1200 square feet.

The above information is to be used as general guidelines and does not guarantee approval.

For a permit application contact the Department of Transportation.

* Landscaped freeway is a section of a freeway which is now, or hereafter may be, improved by the planting at least on one side of the freeway right-of-way of lawns, trees, shrubs, flowers or other ornamental vegetation which shall require reasonable maintenance.

** Scenic highway is a section of a highway that has been officially designated and maintained scenic pursuant Section 260, 261, 262, and 262.5 of the Streets and Highways Code or as referred to in Section 131(s) of Title 23 of United States Code.

*** Bonus segment is any portion of an Interstate freeway which is constructed upon any part of right of way, the entire width of which was acquired for right of way subsequent to July 1, 1956, except those segments of the Interstate system that traverse commercial or industrial zones within the boundaries of incorporated municipalities, as such boundaries existed on September 21, 1959, or other areas where the land use, as of September 21, 1959 was clearly established by State law as industrial or commercial.

Laws and Regulations:

[ODA Act and Regulations](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)

[Assembly Bill Number 762](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)

[Assembly Bill Number 1449](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)

[Senate Bill Number 315](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)

[Senate Bill Number 1480](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)

[Obtaining Permit](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)

[Obtaining License](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)

[Permit Requirements](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)

[Political Signs](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)

[The 1958 Bonus Act](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)

Federal State Agreement:

[Bonus Agreement](http://www.dot.ca.gov/hq/oda/permit_requirements.htm)
Exhibit J – Conceptual Design Drawings
## Project: Mesa Water Sign

### Costa Mesa, California

### Owners: Mesa Consolidated Water District

1359 Gisler Ave.
Costa Mesa, California

### Project Data

<table>
<thead>
<tr>
<th>Abbreviations</th>
<th>Consultants</th>
</tr>
</thead>
<tbody>
<tr>
<td>ADV.</td>
<td>PROJECT MANAGER</td>
</tr>
<tr>
<td>AIR</td>
<td>ARCHWAY</td>
</tr>
<tr>
<td>AIR CONDITIONER</td>
<td>3475 Loma Ave, Costa Mesa, CA 92626</td>
</tr>
<tr>
<td>ALT.</td>
<td>714-759-0900</td>
</tr>
<tr>
<td>ATM</td>
<td>Fax: 714-759-0901</td>
</tr>
<tr>
<td>CALIFORNIA BUILDING CODE</td>
<td>2010 EDITION</td>
</tr>
<tr>
<td>CALIFORNIA MECHANICAL CODE</td>
<td>2010 EDITION</td>
</tr>
<tr>
<td>CALIFORNIA PLUMBING CODE</td>
<td>2010 EDITION</td>
</tr>
<tr>
<td>CALIFORNIA ELECTRIC CODE</td>
<td>2010 EDITION</td>
</tr>
<tr>
<td>CALIFORNIA ENERGY CODE</td>
<td>2010 EDITION</td>
</tr>
<tr>
<td>CALIFORNIA FIRE CODE</td>
<td>2010 EDITION</td>
</tr>
</tbody>
</table>

### Abbreviations

- ADV: ADVANCE
- AIR: AIR CONDITIONER
- ALT: ALTITUDE
- ATM: ATMOSPHERE
- CALIFORNIA BUILDING CODE: 2010 EDITION
- CALIFORNIA MECHANICAL CODE: 2010 EDITION
- CALIFORNIA PLUMBING CODE: 2010 EDITION
- CALIFORNIA ELECTRIC CODE: 2010 EDITION
- CALIFORNIA ENERGY CODE: 2010 EDITION
- CALIFORNIA FIRE CODE: 2010 EDITION

### Notes

- Building Section Reference
- Keynote Reference
- Revision Delta

### Symbols

- KEYNOTE REFERENCE
- SHEET NUMBER

### Vicinity Map

- COSTA MESA, CALIFORNIA
- 1359 GISLER AVE.
- MESA CONSOLIDATED WATER DISTRICT

---

**Sign Designer:**

- Outdoor Dimensions:
  - Size:
    - Width: 1500
    - Height: 1800
  - Location:
    - Address: 1359 Gisler Ave
    - City: Costa Mesa
    - Zip Code: 92626
  - Contact Person:
    - Name: Jennifer Beaton
    - Phone: 714-759-0900
    - Fax: 714-759-0901
  - Email: jbeaton@mcwd.org

---

**Architect:**

- Knitter Partners International, Inc.
  - Address: 12516 Loma Ave
  - City: Costa Mesa
  - Zip Code: 92626
  - Phone: 714-759-0900
  - Fax: 714-759-0901
  - Email: jbeaton@mcwd.org

---

**Project Manager:**

- Archway
  - Address: 3475 Loma Ave
  - City: Costa Mesa
  - Zip Code: 92626
  - Phone: 714-759-0900
  - Fax: 714-759-0901
  - Email: jbeaton@mcwd.org
Exhibit K – Preliminary Design Drawings / Rendering
Exhibit L – Static Bill Board Display
BREADFAST COMBO $2.50
BUILD YOUR BETTER BREAKFAST
SEATTLE'S BEST COFFEE
ANY 20 FL OZ FRAPPE, FRUIT SLICES & 26 FL OZ COFFEE
LIMITED TIME ONLY.
FIND THE ONE THAT’S PERFECT 4U

apartments.com™
UN limit 'D

$50 unlimited nationwide talk, text & web.
888-9-BOOST-0. unwronged.
"love that Chobani yogurt"
@CM_Star via Twitter
chobani.com
Exhibit M – Existing South Coast Collection/ Irvine Auto Center Freeway Signage
Exhibit N – Construction Cost Estimates
CONDITIONAL SALES CONTRACT

This agreement made between Outdoor Dimensions, herein called “Company”, and MWD/Arcoti herein called “Client.”

1. Produce (1) d/f 25' h x 25' w digital reader board and install at project in Costa Mesa. $517,710

   Amount: $517,710.00
   7.75% Tax: $40,122.54
   Total: $557,832.54

The above prices do not include bonds, permits or variances if required.
The above prices do not include installation or delivery unless noted.
The above prices (if applicable) include one set of revisions to computer generated artwork proofs supplied for client approval. Additional revisions will be billed at $104.00/hour.
A 50% deposit is required to start work and COD on delivery/installation of all first time orders. A 50% deposit is required up front on any job over $5000.00

UNLESS OTHERWISE SPECIFIED, THE ABOVE ITEMS REQUIRE____ WORKING DAYS TO PRODUCE FROM THE TIME OF RECEIPT BY OUTDOOR DIMENSIONS OF SIGNED CONTRACT AND ALL INFORMATION AND/OR SPECS NECESSARY TO BEGIN PRODUCTION. 33% RUSH CHARGES WILL BE APPLIED TO ITEMS REQUIRED TO BE INSTALLED WITHIN A SHORTER PERIOD OF TIME. PRICES ARE VALID FOR 45 DAYS FROM THE DATE OF THIS CONTRACT.

1. Company agrees to sell products and/or services as specified above in the body of the contract.
2. Company agrees, where permits and/or bonds are required by any Governmental authorities, to assist the client in obtaining same in the client’s name and at the client’s cost.
3. Client specifically agrees that title to any goods or other property which are the subject matter of this agreement shall remain with the Company until Client has made all payments hereunder to Company and performed all other covenants required of Client pursuant to this agreement.
4. Company agrees to internally segregate the client’s deposits, as indicated above, which will then be used for costs attributable to client’s job. Deposited funds will not be used by Company for costs associated with other clients or for general corporate purposes.
5. Client hereby waives, except to the extent occasioned jointly by the willful or grossly negligent acts of Company or its employees, all claims and demands against Company for all loss, damage, injury, sickness or death directly or indirectly arising out of, resulting from or in any way connected with the performance of this Agreement.
6. Payment is due and payable upon receipt of invoice. Unless otherwise indicated, invoice becomes past due 30 days from date of invoice. In the event that any amount payable under this contract or any portion thereof is not paid when due then such amount(s) then unpaid hereunder shall be charged a late fee of 5% of the overdue amount, plus interest at the rate of 10% per annum, or the maximum allowed by law. If default is made in any payment due under this contract the total balance due may immediately become due and payable, at the option of Company, together with a reasonable charge for attorneys’ fees, provided attorney service is required to obtain payment(s).
7. Should any dispute between the parties hereto arise, it is agreed by and between Client and Company that the laws of the State of California shall apply thereto.
8. This Agreement is deemed entered into and performed in the County of Orange, State of California. For purposes of litigation, all actions by either party will be filed only in the County of Orange, State of California. Venue shall only be in the County of Orange, State of California.
9. It is hereby acknowledged and agreed that this agreement contains the entire agreement between parties hereto and that no representative of Company has any authority to change or modify any of the provisions hereof nor to substitute or add any additional provisions.
10. This contract is not an offer to sell and shall not be binding upon Company for any purpose until the same is accepted by Company at its home office in Fullerton, California and executed by the Executive Officer of Company.

THE UNDERSIGNED HAS READ THE ABOVE PRINTED MATTER AND AGREES TO IT AS PART OF THIS AGREEMENT.

By: ___________________________ Date: _____________________________

Client

By: ___________________________ Date: _____________________________

Outdoor Dimensions
OUTDOOR DIMENSIONS

5325 East Hunter Ave, Anaheim, Ca 92807

Phone: 714/578-9555
Fax: 714/693-9578
Date: 9/4/2012

Contract # 5820 - JC

CONDITIONAL SALES CONTRACT

This agreement made between Outdoor Dimensions, herein called “Company”, and MWD/Arcioni herein called “Client.”

1. Produce (1) dF 30” h x 32 1/2” w digital reader board and install at project in Costa Mesa. $841,160

<table>
<thead>
<tr>
<th>Amount:</th>
<th>$841,160.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.75% Tax:</td>
<td>$65,189.90</td>
</tr>
<tr>
<td>Total:</td>
<td>$906,349.90</td>
</tr>
</tbody>
</table>

The above prices do not include bonds, permits or variances if required.
The above prices do not include installation or delivery unless noted.
The above prices (if applicable) include one set of revisions to computer generated artwork proofs supplied for client approval. Additional revisions will be billed at $104.00/hour.
A 50% deposit is required to start work and COD on delivery/installation of all first time orders.
A 50% deposit is required up front on any job over $5000.00

UNLESS OTHERWISE SPECIFIED, THE ABOVE ITEMS REQUIRE ___ WORKING DAYS TO PRODUCE FROM THE TIME OF RECEIPT BY OUTDOOR DIMENSIONS OF SIGNED CONTRACT AND ALL INFORMATION AND/OR SPECS NECESSARY TO BEGIN PRODUCTION. 33% RUSH CHARGES WILL BE APPLIED TO ITEMS REQUIRED TO BE INSTALLED WITHIN A SHORTER PERIOD OF TIME. PRICES ARE VALID FOR 45 DAYS FROM THE DATE OF THIS CONTRACT.

1. Company agrees to sell products and/or services as specified above in the body of the contract.
2. Company agrees, where permits and/or bonds are required by any governmental authorities, to assist the client in obtaining same in the client’s name and at the client’s cost.
3. Client specifically agrees that title to any goods or other property which are the subject matter of this agreement shall remain with the Company until Client has made all payments hereunder to Company and performed all other covenants required of Client pursuant to this agreement.
4. Company agrees to internally segregate the client’s deposit, as indicated above, which will then be used for costs attributable to client’s job. Deposited funds will not be used by Company for costs associated with other clients or for general corporate purposes.
5. Client hereby waives, except to the extent occasioned solely by the willful or grossly negligent acts of Company or its employees, all claims and demands against Company for all loss, damage, injury, sickness or death directly or indirectly arising out of, resulting from or in any way connected with the performance of this Agreement.
6. Payment is due and payable upon receipt of invoice. Unless otherwise indicated, invoice becomes past due 31 days from date of invoice. In the event that any amount payable under this contract or any portion thereof is not paid when due then such amount(s) then unpaid hereunder shall be charged a late fee of 5% of the overdue amount, plus interest at the rate of 18% per annum, or the maximum allowed by law. If default is made in any payment due under this contract the total balance due may immediately become due and payable, at the option of Company, together with a reasonable charge for attorneys’ fees, provided attorney service is required to obtain payment(s).
7. Should any dispute between the parties hereto arise, it is agreed by and between Client and Company that the laws of the State of California shall apply thereto.
8. This Agreement is deemed entered into and performed in the County of Orange, State of California. For purposes of litigation, all actions by either party will be filed only in the County of Orange, State of California. Verus shall only be in the County of Orange, State of California.
9. It is hereby acknowledged and agreed that this agreement contains the entire agreement between parties hereto and that no representative of Company has any authority to change or modify any of the provisions hereof nor to substitute or add any additional provisions.
10. This contract is not an offer to sell and shall not be binding upon Company for any purpose until the signature is accepted by Company at its home office in Fullerton, California and executed by the Executive Officer of Company.

THE UNDERSIGNED HAS READ THE ABOVE PRINTED MATTER AND AGREES TO IT AS PART OF THIS AGREEMENT.

By: ___________________ Date: ________________ 20___

Client

By: ___________________ Date: ________________ 20___

Outdoor Dimensions
CONDITIONAL SALES CONTRACT

This agreement made between Outdoor Dimensions, herein called “Company”, and MWD/Arconti herein called “Client.”

1. Produce (1) d/f 30" h x 32 ½" w digital reader board with 2 ½" h x 32 ½" w ticker and install at project in Costa Mesa. $1,066,610

Amount: $1,066,610.00
7.75% Tax: $82,662.28
Total: $1,149,722.28

The above prices do not include bonds, permits or variances if required.
The above prices do not include installation or delivery unless noted.
The above prices (if applicable) include one set of revisions to computer generated artwork proofs supplied for client approval. Additional revisions will be billed at $104.00/hour.
A 50% deposit is required to start work and COD on delivery/installation of all first time orders.
A 50% deposit is required up front on any job over $5000.00

UNLESS OTHERWISE SPECIFIED, THE ABOVE ITEMS REQUIRE ______ WORKING DAYS TO PRODUCE FROM THE TIME OF RECEIPT BY OUTDOOR DIMENSIONS OF SIGNED CONTRACT AND ALL INFORMATION AND/OR SPECS NECESSARY TO BEGIN PRODUCTION. 33% RUSH CHARGES WILL BE APPLIED TO ITEMS REQUIRED TO BE INSTALLED WITHIN A SHORTER PERIOD OF TIME. PRICES ARE VALID FOR 45 DAYS FROM THE DATE OF THIS CONTRACT.

1. Company agrees to sell products and/or services as specified above in the body of the contract.
2. Company agrees, where permits and/or bonds are required by any Governmental authorities, to assist the client in obtaining same in the client’s name and at the client’s cost.
3. Client specifically agrees that title to any goods or other property which are the subject matter of this agreement shall remain with the Company until Client has made all payments hereunder to Company and performed all other covenants required of Client pursuant to this agreement.
4. Company agrees to internally segregate the client’s deposits, as indicated above, which will then be used for costs allocable to client’s job. Deposited funds will not be used by Company for costs associated with other clients or for general corporate purposes.
5. Client hereby waives, except to the extent occasioned solely by the willful or grossly negligent acts of Company or its employees, all claims and demands against Company for all loss, damage, injury, sickness or death directly or indirectly arising out of, resulting from or in any way connected with the performance of this Agreement.
6. Payment is due and payable upon receipt of invoice. Unless otherwise indicated, invoice becomes past due 31 days from date of invoice. In the event that any amount payable under this contract or any portion thereof is not paid when due then such amount(s) then unpaid hereunder shall be charged a late fee of 5% of the overdue amount, plus interest at the rate of 18% per annum, or the maximum allowed by law. If default is made in any payment due under this contract the total balance due may immediately become due and payable, at the option of Company, together with a reasonable charge for attorneys’ fees, provided attorney service is required to obtain payment(s).
7. Should any dispute between the parties hereto arise, it is agreed by and between Client and Company that the laws of the State of California shall apply thereto.
8. This Agreement is deemed entered into and performed in the County of Orange, State of California. For purposes of litigation, all actions by either party will be filed only in the County of Orange, State of California. Venue shall only be in the County of Orange, State of California.
9. It is hereby acknowledged and agreed that this agreement contains the entire agreement between parties hereto and that no representative of Company has any authority to change or modify any of the provisions hereof nor to substitute or add any additional provisions.
10. This contract is not an offer to sell and shall not be binding upon Company for any purpose until the same is accepted by Company at its home office in Fullerton, California and executed by the Executive Officer of Company.

THE UNDERSIGNED HAS READ THE ABOVE PRINTED MATTER AND AGREES TO IT AS PART OF THIS AGREEMENT.

By: ___________________________ Date: ___________________________ 20_ __

Client

By: ___________________________ Date: ___________________________ 20_ __

Outdoor Dimensions
MEMORANDUM

TO: Board of Directors
FROM: Phil Lauri, P.E., Engineering and Operations Manager
DATE: March 21, 2015
SUBJECT: Mesa Water Reliability Facility Outreach Center

RECOMMENDATION

This item is for discussion only.

STRATEGIC PLAN

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

PRIOR BOARD ACTION/DISCUSSION

The Board has previously discussed a vision for the Mesa Water Reliability Facility (MWRF) Outreach Center at the spring and fall 2014 Board Workshops.

DISCUSSION

At the direction of the Mesa Water District (Mesa Water®) Board of Directors, staff has distributed an RFP to retain the services of an architectural consultant to develop three design concept levels that comprise minimal improvements, moderate improvements, and major improvements that would accommodate more functional use of the MWRF.

The preliminary design concepts will include three levels of interior and exterior design recommendations and structural modifications to transform the existing MWRF Operations and Administrative Facility into a public meeting and event space capable of accommodating Board meetings, District events, and public tours. Listed below is a description of elements for each of the three concept levels:

- **Minimal Improvements** – This option includes consideration of using the existing “multi-purpose room” in the MWRF Operations and Administration Facility as a Boardroom for District meetings, events and public tours. Improvements would include updated lighting and audio visual equipment, installation of a heating ventilation and air condition (HVAC) system, interior and exterior finish improvements, updated restrooms, installation of a catering prep kitchen; and consideration of educational décor and exhibits.

- **Moderate Improvements** – This option includes consideration of rehabilitating and remodeling the existing MWRF Operations and Administration Facility to relocate the restrooms, meeting rooms, water quality lab, control room, and installing a multi-purpose room that could function as a boardroom and educational forum. This option would completely reconfigure the existing facility space to integrate the installation of a multi-purpose room with Mesa Water’s Demonstration Garden. The multi-purpose room would contain all the same improvements identified in the minimal option but with a focus put on streamlining the functional uses of the
existing space. Additionally, this option considers accommodating on-site school assemblies for local students.

- **Major Improvements** – This option includes consideration of demolishing the existing MWRF Operations and Administrative Facility and constructing a new facility that would allow for the routine operational uses and provide for a dedicated multi-purpose room and dedicated education room. Reconstruction of the building may allow for a more efficient and functional use of the existing space and better meet Mesa Water’s public education and outreach goals. A newly constructed facility could potentially consider a second floor option that would maximize the footprint of the site. This option includes accommodating industry conferences in addition to on-site school assemblies for local students as well as an indoor/outdoor tour experience.

An RFP was released on March 9, 2015. The scope of work includes the following work elements:

1. **Project Management**: This effort includes general project management, attending monthly meetings, and conducting routine communication with Mesa Water’s Project Manager.
2. **Data Acquisition and Review**: This work includes review of Mesa Water’s existing as-built facility information, obtaining utility information, reviewing city building code requirements, and verifying information via an on-site facility visit.
3. **Preliminary Concept Development**: This effort includes meeting with Mesa Water’s various stakeholders to identify the functional needs, space requirements, developing preliminary design concepts, evaluating the building’s various engineering systems (i.e., Structural, mechanical, electrical, plumbing, etc.), development of architectural renderings floor plans, preliminary cost estimates, and schedules.
4. **Board Workshop Presentation**: The effort includes a presentation to the Board on the findings, costs, schedule, and recommendation of the preliminary design concept work effort.
5. **Final Concept Design**: This effort will incorporate the Board’s direction given at the Board Workshop and finalize the preliminary design concepts with the recommended changes for a final presentation.
6. **Final Cost Estimates & Schedule**: This effort will include the development of final costs and schedules based on the Board’s feedback at the Board Workshop.
7. **Board Presentation**: The Consultant will provide a final overview of the refined design concepts at a future Board meeting.

Proposals are due in early April and it is anticipated that a recommendation for the Board’s consideration for an architectural consultant will be provided at Mesa Water’s April Engineering and Operations Committee Meeting.
FINANCIAL IMPACT

The conceptual design phase is expected to cost up to $100,000 with $30,000 to be spent in FY15 and $70,000 to be spent in FY16. Funds for an Architectural Consultant are included in the FY15 capital budget and will also be included in the FY16 capital budget.

ATTACHMENTS

None.
MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: March 21, 2015
SUBJECT: Fiscal Year 2016 Staffing Plan

RECOMMENDATION

Discuss and take action as the Board desires.

STRATEGIC PLAN

Goal #5: Attract and retain skilled employees.

PRIOR BOARD ACTION/DISCUSSION

The Board approved the staffing plan at the March 2015 Board Workshop.

DISCUSSION

In 2000, Mesa Water District (Mesa Water®) had 71 full-time equivalent (fte) positions in the budget. Over the past 15 years as Mesa Water has gone from a construction and building phase to an operational phase, we have reorganized and/or reassigned functions, and reduced the number of budgeted employees by 17.25 fte or 24.3% to 53.75 fte positions in FY2015 budget.

The General Manager will provide his staffing plan at the Board Workshop.

FINANCIAL IMPACT

There is no financial impact for the discussion.

ATTACHMENTS

None.
REPORTS AND INFORMATION ITEMS:

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

12. DIRECTORS’ REPORTS AND COMMENTS:
There are no support materials for this item.