



*Dedicated to  
Satisfying our Community's  
Water Needs*

**AGENDA  
MESA WATER DISTRICT  
EXECUTIVE COMMITTEE MEETING  
TUESDAY, OCTOBER 6, 2015 AT 12:00 PM  
PANIAN CONFERENCE ROOM**

---

Committee Members: President Shawn Dewane, Chair  
Ethan Temianka, Vice President  
Paul E. Shoenberger, P.E., General Manager  
Coleen L. Monteleone, Assistant General Manager  
Denise Garcia, Executive Assistant to the General Manager

**PUBLIC COMMENTS**

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

**Agendized Matters:** Members of the public may comment on Agenda items before action is taken, or after the Board has discussed the item. Each speaker is limited to five (5) minutes.

**PRESENTATION AND DISCUSSION ITEMS:**

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

1. ACWA Draft Ballot Measure – Constitutional Amendment
2. Board Workshop Planning

**ACTION ITEMS:**

3. Closed Session  
PURSUANT TO SECTION 54957:  
PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: General Manager

**REPORTS:**

4. Future Agenda Topics and Conference Schedule
5. Report of the General Manager
6. Directors' Reports and Comments

**INFORMATION ITEMS:**

7. Other (no enclosure)

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

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

**ADJOURNMENT**



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Executive Committee  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: October 6, 2015  
SUBJECT: ACWA Draft Ballot Measure – Constitutional Amendment

---

### RECOMMENDATION

This item is provided for discussion only.

### STRATEGIC PLAN

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

### PRIOR BOARD ACTION/DISCUSSION

None.

### DISCUSSION

The General Manager will update the Executive Committee on ACWA's Draft Ballot Measure.

### FINANCIAL IMPACT

There is no financial impact.

### ATTACHMENTS

Attachment A: ACWA Draft Ballot Measure – Constitutional Amendment

**Draft Ballot Measure – Constitutional Amendment**

**Alternative Method of Funding Water and Sewer Services  
Amendments to Article X of California Constitution**

**Section 1. Title**

This measure shall be known as the California Clean Water Supply, Conservation and Flood Protection Act of 2016

**Section 2. Findings and Declarations**

- A. California's historic drought and periodic flooding have taught us that local water agencies should be doing more to encourage conservation, effectively manage and increase water supplies, eliminate pollution from our water sources, and better protect people and property from the dangers of floods.
- B. The likelihood that climate change will increase the severity of extreme droughts and heavy floods for years to come means we must provide local communities with sufficient tools to encourage conservation, increase water use efficiency, prevent waste and unreasonable use and the unreasonable method of use of water as determined by the local agency, and capture, clean and increase local water supplies.
- C. Rate structure design is one tool for encouraging conservation and maximizing water supplies.
- D. Local agencies should also invest in infrastructure to capture and clean water polluted by toxic chemicals and trash; recycle and reuse rainwater and stormwater runoff; and prevent toxic stormwater and urban runoff from contaminating rivers, lakes, streams, coastal waters and other sources of drinking water.
- E. We must also improve local flood control by better capturing and managing storm and flood waters and upgrading storm drains, sewer and drainage systems to protect properties from floods and increase the supply of water available for public use.
- F. Existing state laws governing the financing of water supply, clean water, conservation and floodwater protection were not developed with California's current water realities in mind. Local agencies should be encouraged to make

investments that will make the most of limited supplies both in wet years and droughts.

- G. An alternative system for financing critical water supplies, water quality, water conservation and flood protection projects is needed.
- H. Any local agency that utilizes this alternative financing system should be required to adhere to strict accountability, transparency and ratepayer protections. This includes:
  - i. Providing local ratepayers in advance of any public hearing and consideration of a proposed new, or increase in or extension of an existing water or sewer service fee or charge with a description of the need for the proposed fee or charge and a list of the projects and purposes anticipated to be funded by any proposed fee or charge; Posting the description of the proposal on the agency's internet website in a prominent location with all applicable exhibits;
  - ii. Providing local ratepayers a notice of the date and time of the public hearing the local agency will hold on the proposed fees and charges and an explanation that if written protests against the fee or charge are presented by a majority of persons to whom the local agency sent the notice about the proposal, then the local agency shall not impose, increase or extend the fee or charge.
  - iii. All money must be spent for the local purpose for which the fee or charge was imposed and cannot be taken by state government;
  - iv. The initiative power of voters may be used to repeal or reduce the fee or charge in the future with the filing of a petition calling for an election on the question.
  - v. Independent annual audits shall be made available to the public showing how all funds are spent;
- I. This new funding system will allow local agencies to invest in water supplies, water quality, flood protection and water management and conservation programs we need, while guaranteeing a high level of accountability and ratepayer protections.

**Section 3. Section 8 is hereby added to Article X of the California Constitution to read as follows:**

**SEC. 8 Water and Sewer Service**

(a). Alternative funding method. This section provides alternative procedures and requirements for funding water service and sewer service independent of any other procedures and requirements in this constitution for funding these services. Local

agencies that adhere to the procedures and requirements of this section, including the strict accountability requirements to protect local ratepayers, may use the provisions of this section instead of any other procedures or requirements in this constitution for funding the cost of providing water service and sewer service. The revenues derived from the fees or charges imposed in accordance with this section may only be used by the local agency that imposed, increased or extended the fee or charge, and like other fees or charges imposed, increased or extended by local agencies, the Legislature is prohibited from reallocating, transferring, borrowing, appropriating, restricting the use of, or otherwise using the proceeds of such fees or charges.

(b) Definitions. As used in this section:

(1) "Fee" or "charge" means any levy other than an ad valorem tax, a special tax, or an assessment, imposed by an agency upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a public service having a direct relationship to property ownership.

(2) "Local agency" means any city, county, city and county, including a charter city or county, special district, or any other local or regional governmental entity.

(3) "Sewer service" means a system of public improvements, facilities, projects, or services for the collection, conveyance, conservation, drainage, disposal or treatment of storm water, flood water, dry weather runoff, sewage or industrial waste to: (A) conserve and protect sources of drinking water or the natural environment from toxic chemicals, biological contaminants, and other pollutants; (B) improve public health and safety; (C) prevent the flooding of public or private property; or (D) comply with federal or state laws, rules, and regulations.

(4) "Water service" means any system of public improvements, facilities, projects or services intended to provide for the production, management, storage, supply, treatment, recycling, conservation or distribution of water from any source.

(c) Requirements for new, increased or extended fees or charges. A fee or charge for water service or sewer service shall not be imposed, increased, or extended by a local agency pursuant to this section unless it meets all of the following requirements:

(1) Revenues derived from the fee or charge shall not exceed the reasonable cost to the local agency of providing the water service or sewer service.

(2) Revenues derived from the fee or charge shall not be used for any purpose other than that for which the fee or charge was imposed.

(3) Except as provided in subdivision (f), the manner in which the costs of the water service or sewer service are allocated to a fee payor shall bear a fair or reasonable

relationship to the fee payor's burden on or benefits received from the water service or sewer service.

(d) Notice, public hearing and majority protest. A local agency shall follow the procedures of this subdivision in imposing, increasing, or extending a fee or charge for water service or sewer service pursuant to this section:

(1) The local agency shall provide written notice by mail of the new fee or charge or the proposed increase in or extension of an existing fee or charge to the fee payor listed in the local agency's billing or customer service records. The local agency may include the notice in the agency's regular billing statement for the fee or charge to the person at the address to which the agency customarily mails the billing statement for water service or sewer service.

(2) The notice required by paragraph (1) shall include the amount of the fee or charge proposed to be imposed on the recipient of the notice or the basis upon which the amount of the fee or charge will be calculated, together with the date, time and location of a public hearing on the fee or charge. The notice also shall state that if written protests against the fee or charge are presented by a majority of persons to whom the local agency sent the notice required by paragraph (1), then the local agency shall not impose, increase or extend the fee or charge.

(3) The notice required by paragraph (1) shall include a general description of the services projected to be funded by the new fee or charge or proposed increase in, or extension of the fee or charge, including facilities and improvements projected to be constructed with the proceeds derived from the fee or charge. A more detailed description of the projected services, facilities, and improvements shall be posted on the local agency's Internet website in an accessible location and include any applicable exhibits.

(4) If the local agency desires to preserve any authority it may have to record or enforce a lien on the parcel to which service is provided, the local agency shall also mail notice to the record owner's address shown on the last equalized assessment roll if that address is different than the billing or service address.

(5) The local agency shall conduct a public hearing upon the proposed fee or charge not less than 45 days after mailing the notice required by paragraph (1). At the public hearing, the local agency shall consider all oral and written protests against the fee or charge. If written protests against the fee or charge are presented by a majority of persons to whom the local agency sent the notice required by paragraph (1), then the local agency shall not impose, increase or extend the fee or charge. One written protest per billing address shall be counted in calculating a majority protest pursuant to this paragraph.

(e) Conservation fee or charges; low-income households. To carry out the intent and purposes of this section, a local agency that imposes, extends, or increases a fee or charge pursuant to this section may:

(1) Adopt a rate structure that imposes higher rates for water service or sewer service fees or charges as the amount of water consumption increases to encourage water conservation in furtherance of the policy established in section 2; and

(2) Increase the amount of a fee or charge for water service or sewer service to derive sufficient revenues to reduce such fee or charge for lower-income households.

(f) Burden of proof. The local agency bears the burden of proving by a preponderance of the evidence that a fee or charge for water service or sewer service is not a tax, that the amount is no more than necessary to cover the reasonable costs of the water service or sewer service, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burden on, or benefits received from, the water service or sewer service.

(g) Initiative power for fees or charges. Notwithstanding any other provision of this Constitution, including, but not limited to Sections 8 and 9 of Article II, the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any fee or charge for water service or sewer service adopted, increased or extended pursuant to this section. The power of the initiative to affect such fees or charges shall be applicable to all local agencies and neither the Legislature nor any local government charter shall impose a signature requirement higher than that applicable to statewide statutory initiatives.

(h) Mandatory audit. Any local agency that approves a fee or charge for water service or sewer service in accordance with this section shall cause to be prepared an independent financial audit of the receipt and expenditure of the revenues derived from the fee or charge. Such an audit may be part of a comprehensive audit of the agency's finances, but the audit shall identify the revenues received and expended in accordance with this section with sufficient clarity to help ratepayers compare the use of the funds to the description provided in paragraph (3) of subdivision (c).



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Executive Committee  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: October 6, 2015  
SUBJECT: Board Workshop Planning

---

### RECOMMENDATION

Discuss topics for the Board workshop.

### STRATEGIC PLAN

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

### PRIOR BOARD ACTION/DISCUSSION

None.

### DISCUSSION

The Board Workshop is planned for 8:00 a.m., October 22, 2015 at the Mesa Water® Reliability Facility. Staff will provide a draft agenda at the Executive Committee meeting.

### FINANCIAL IMPACT

The Board workshop expenses will be charged to the FY 2016 budget Account No. 61100-100 (Board Meeting Expenses) where an allocation of \$4,000 was budgeted. To date, no funds have been expended from the Board workshop allocation.

### ATTACHMENTS

None.



**ACTION ITEMS:**

3. CLOSED SESSION:

PURSUANT TO SECTION 54957:  
PUBLIC EMPLOYEE PERFORMANCE EVALUATION  
Title: General Manager



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Executive Committee  
FROM: Paul E. Shoenberger, P.E., General Manager  
DATE: October 6, 2015  
SUBJECT: Future Agenda Topics and Conference Schedule

---

### RECOMMENDATION

Review future agenda topics and conference schedule.

### STRATEGIC PLAN

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

### PRIOR BOARD ACTION/DISCUSSION

None.

### DISCUSSION

Staff will provide an updated future agenda topics and conference schedule at the Executive Committee meeting.

### FINANCIAL IMPACT

There is no financial impact.

### ATTACHMENTS

None.

**REPORTS AND INFORMATION ITEMS:**

5. REPORT OF THE GENERAL MANAGER:

**REPORTS AND INFORMATION ITEMS:**

6. DIRECTORS' REPORTS AND COMMENTS:

There are no support materials for this item.