AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Thursday, October 12, 2017
1965 Placentia Avenue, Costa Mesa, CA 92627
6:00 p.m. Regular Board Meeting

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

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

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

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA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.

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

1. Approve minutes of regular Board meeting of September 14, 2017.
2. Approve minutes of special Board meeting of September 18, 2017.
3. Approve minutes of special Board meeting of September 19, 2017.
4. Approve attendance considerations (additions, changes, deletions).
5. Board Schedule:
   • Conferences, Seminars, and Meetings
   • Board Calendar
   • Upcoming Community Outreach Events
6. Approve a change order to Pacific Hydrotech, Inc.’s contract for construction of the Well Automation and Rehabilitation Project for a not-to-exceed amount of $800,000 to furnish, install, and integrate Variable Frequency Drives at Wells 1, 3, 7, and 9, and authorize execution of the change order.
7. Approve the execution of the Utility Agreement with the Orange County Transportation Authority for the I-405 Crossing at the Santa Ana River Pipeline Relocation Project.
8. Approve an amendment to the special legal services contract with Foley & Mansfield for an amount not to exceed $50,000.
PRESENTATION AND DISCUSSION ITEMS:

9. BOARD WORKSHOP PLANNING:

Recommendation: Review agenda topics and discuss planning for the November 2, 2017 Board of Directors’ workshop.

ACTION ITEMS:

10. SPECIAL LEGAL SERVICES:

Recommendation: Approve an amendment to the special legal services contract with Rutan & Tucker for an amount not to exceed $100,000.

REPORTS:

11. REPORT OF THE GENERAL MANAGER:
   - September Key Indicators Report
   - Other (no enclosure)

12. DIRECTORS' REPORTS AND COMMENTS:

INFORMATION ITEMS:

13. REDEVELOPMENT AGENCY OVERSIGHT BOARD APPOINTMENTS

14. DIRECTORS' REPORTS (AB 1234) PER CA GOVERNMENT CODE SECTION 53232.3 (D)

15. 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.

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

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

ADJOURN TO A REGULAR BOARD MEETING SCHEDULED FOR THURSDAY, NOVEMBER 9, 2017 AT 6:00 P.M.
CALL TO ORDER

The meeting of the Board of Directors was called to order on September 14, 2017 at 6:00 p.m. by President Atkinson at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

PLEDGE OF ALLEGIANCE

Director DePasquale led the Pledge of Allegiance.

OATH OF OFFICE TO APPOINTED DIRECTOR MARICE H. DEPASQUALE

District Secretary Garcia administered the Oath of Office to appointed Director Marice H. DePasquale.

Photographs were taken.

Directors Present

Jim Atkinson, President
Fred R. Bockmiller, P.E., Vice President
Marice H. DePasquale, Director
Shawn Dewane, Director
James R. Fisler, Director

Directors Absent

None

Staff Present

Paul E. Shoenberger, P.E., General Manager
Denise Garcia, Administrative Services Manager/District Secretary
Marwan Khalifa, Chief Financial Officer
Stacie Sheek, Customer Services Manager
Stacy Taylor, External Affairs Manager
Tracy Manning, Water Operations Manager
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Joan C. Finnegan, Director, Division 4, Municipal Water District of Orange County (MWDOC)
Rob Hunter, General Manager, MWDOC
Michael R. Markus, General Manager, Orange County Water District (OCWD)
Steve Gagnon, Manager, Raftelis Financial Consultants, Inc.
John Earl, Member of the Public
Al Morelli, Member of the Public
Greg Warren, Member of the Public
Bob Ooten, Director, Costa Mesa Sanitary District
Luke Money, Reporter, Daily Pilot
PUBLIC COMMENTS

President Atkinson asked for public comments on non-agendized items.

Member of the Public John Earl offered comments.

Member of the Public Al Morelli offered comments regarding Mesa Water District and Costa Mesa Sanitary District consolidation.

There were no additional speakers from the public and President Atkinson proceeded with the meeting.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

General Manager Shoenberger stated there were no items to be added, withdrawn, or reordered on the agenda.

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

1. Approve minutes of regular Board meeting of August 10, 2017.
3. Approve minutes of special Board meeting of August 21, 2017.
4. Approve minutes of special Board meeting of August 24, 2017.
5. Approve minutes of special Board meeting of August 24, 2017.
7. Approve minutes of adjourned regular Board meeting of September 5, 2017.
8. Approve attendance considerations (additions, changes, deletions).
9. Board Schedule:
   • Conferences, Seminars, and Meetings
   • Board Calendar
   • Upcoming Community Outreach Events
10. Approve a contract amendment to Goss Engineering, Inc. in the amount of $52,467 to provide design and documentation for a new roof and skylight on the Administration and Operations Buildings as part of the HVAC System Design Project, and authorize execution of the contract amendment.
11. Approve contracts with GCI Construction, Inc., Paulus Engineering, Inc., and W.A. Rasic Construction Company, Inc. for $150,000 per year for five years with two one-year renewal options for a not-to-exceed amount of $750,000 to provide On-Call Pipeline Repair and Construction, and authorize execution of the contracts.
12. Approve the appointment nominations for Mesa Water District representatives to serve on committees of the Association of California Water Agencies.
13. Approve President Atkinson to be the authorized voting delegate for the Association of California Water Agencies Region 10 Board Election for the 2018-2019 Term and to cast the District’s vote in favor of the slate of nominees as recommended by the Region 10 Nominating Committee.

President Atkinson asked for comments from the public. There were no comments.
MOTION

Motion by Director Dewane, second by Director Fisler, to approve Items 1 – 13 of the Consent Calendar. Motion passed 5-0.

PRESENTATION AND DISCUSSION ITEMS:

14. MUNICIPAL WATER DISTRICT OF ORANGE COUNTY BRIEFING:

GM Shoenberger acknowledged MWDOC Director Joan C. Finnegnan. Director Finnegnan thanked the Board for the opportunity to provide the bi-annual update. Ms. Finnegnan introduced MWDOC General Manager Rob Hunter who proceeded with a presentation that highlighted the following:
- California WaterFix Update
- MWD Historical Storage Levels
- Orange County Total Historical Water Demand
- 2017-2018 In-Lieu Operations
- Oroville Spillway Plan & Repairs

Mr. Hunter responded to questions from the Board and they thanked him for the presentation.

15. ORANGE COUNTY WATER DISTRICT BRIEFING:

GM Shoenberger introduced OCWD General Manager Michael Markus who proceeded with a presentation which highlighted the following:
- Groundwater Basin Conditions
- FY 2017-18 In-Lieu Deliveries to Date
- GWRS Final Expansion
- Ocean Desalination Update

Mr. Markus responded to questions from the Board and they thanked him for the presentation.

RECESS

President Atkinson declared a recess at 7:00 p.m.

The meeting reconvened at 7:12 p.m.

ACTION ITEMS:

16. WATER RATES STUDY:

GM Shoenberger introduced Raftelis Financial Consultants, Inc. Manager Steve Gagnon. Mr. Gagnon thanked the Board and Mesa Water staff for their efforts in developing the study.

GM Shoenberger proceeded with a presentation that highlighted the following:
- District Achievements
Main Factors Impacting Financials
Forecast Assumptions
Replenishment Assessment
Labor Costs
2018 Budget Expenses
Forecast Assumptions, Capital Expenditures Summary
Status Quo Days Cash
Proposed Rates & Schedule

GM Shoenberger responded to questions from the Board and they thanked him for the presentation.

President Atkinson asked for comments from the public.

Member of the Public Al Morelli offered comments on the final draft of the Water Rates Study.

MOTION

Motion by Director Dewane, second by Vice President Bockmiller, to receive the final draft of the Water Rates Study, proceed with Prop. 218 notice preparation and mailing, and schedule a public hearing for November 9, 2017. Motion passed 5-0.

REPORTS:

17. REPORT OF THE GENERAL MANAGER:
   • August Key Indicators Report
   • Other (no enclosure)

18. DIRECTORS’ REPORTS AND COMMENTS:

INFORMATION ITEMS:

19. DIRECTORS’ REPORTS (AB 1234) PER CA GOVERNMENT CODE SECTION 53232.3 (D)

20. OTHER (NO ENCLOSURE)
President Atkinson adjourned the meeting at 8:02 p.m. to a Regular Board Meeting scheduled for Thursday, October 12, 2017 at 6:00 p.m.

Approved:

______________________________
Jim Atkinson, President

______________________________
Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer
FINANCE COMMITTEE MEETING

CALL TO ORDER
The meeting of the Board of Directors was called to order on September 18, 2017 at 3:30 p.m. by Chairman Bockmiller at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

PLEDGE OF ALLEGIANCE
Director DePasquale led the Pledge of Allegiance.

Directors Present
Jim Atkinson, President
Fred R. Bockmiller, P.E., Vice President, Chair
Marice H. DePasquale, Director
James R. Fisler, Director

Directors Absent
Shawn Dewane, Director

Staff Present
Paul E. Shoenberger, P.E., General Manager
Denise Garcia, Administrative Services Manager/District Secretary
Marwan Khalifa, Chief Financial Officer

Others Present
Nicole Ahuna, Member of the Public

PUBLIC COMMENTS
There were no comments on non-agendized topics.

CONSENT CALENDAR ITEMS:
1. Accounts Paid Listing
2. Monthly Financial Reports
3. Major Staff Projects

MOTION
Motion by President Atkinson, second by Director DePasquale, to approve Items 1 – 3 of the Consent Calendar. Motion passed 4-0-1, with Director Dewane absent.
PRESENTATION AND DISCUSSION ITEMS:

4. Claim of Jon and Nicole Ahuna

   President Atkinson asked for comments from the Public.

   Member of the Public Nicole Ahuna thanked the Board and staff for their wonderful process for filing claims.

MOTION

   Motion by Director Fisler, second by President Atkinson, to settle the claim with Jon & Nicole Ahuna for an amount not to exceed $10,000. Motion passed 4-0-1, with Director Dewane absent.

5. Claim of Lourdes Mendoza

MOTION

   Motion by President Atkinson, second by Director DePasquale, to settle the claim with Lourdes Mendoza for an amount not to exceed $5,000. Motion passed 4-0-1, with Director Dewane absent.

REPORTS:


7. Directors’ Reports and Comments

INFORMATION ITEMS:

None.

The Board meeting was adjourned at 3:53 p.m.

Approved:

__________________________
Jim Atkinson, President

__________________________
Denise Garcia, District Secretary
ENGINEERING AND OPERATIONS COMMITTEE MEETING

CALL TO ORDER

The meeting of the Board of Directors was called to order on September 19, 2017 at 3:30 p.m. by Chairman Fisler at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

PLEDGE OF ALLEGIANCE

President Atkinson led the Pledge of Allegiance.

Directors Present
- Jim Atkinson, President
- Fred R. Bockmiller, P.E., Vice President
- Marice H. DePasquale, Director
- Shawn Dewane, Director (left at 4:28 p.m.)
- James R. Fisler, Director, Chair

Directors Absent

None

Staff Present
- Paul E. Shoenberger, P.E., General Manager
- Phil Lauri, P.E., Assistant General Manager
- Denise Garcia, Administrative Services Manager/District Secretary
- Tracy Manning, Water Operations Manager
- Karyn Igar, Senior Civil Engineer

Others Present
- John Nagle, Vice President, Michael Baker International, LLC
- Richard Beck, Vice President, Michael Baker International, LLC

PUBLIC COMMENTS

There were no comments on non-agendized topics.

CONSENT CALENDAR ITEMS:

1. Developer Project Status Report
2. Mesa Water® and Other Agency Projects Status Report
3. Water Quality Call Report
4. Committee Policy & Resolution Review or Development
5. Water Operations Status Report
MOTION

Motion by Director Dewane, second by Vice President Bockmiller, to approve Items 1 – 5 of the Consent Calendar. Motion passed 5-0.

PRESENTATION AND DISCUSSION ITEMS:

6. Well Automation and Rehabilitation Project Update

Assistant General Manager Lauri introduced Senior Civil Engineer Igar who proceeded with a presentation that highlighted the following:
  - Well Automation and Rehabilitation Project Background
  - Well 5 Update
  - Well 7 Update
  - Well 3 Update
  - Project Insights
  - Next Steps
  - Recommendation

Motion by Director Dewane, second by Director Fisler, to approve staff’s recommendation.

Discussion ensued amongst the Board.

Ms. Igar responded to questions and the Board thanked her for the presentation.

MOTION

Motion by Director Dewane, second by Director Fisler, to approve a change order to Pacific Hydrotech, Inc.’s contract for construction of the Well Automation and Rehabilitation Project for a not-to-exceed amount of $800,000 to furnish, install, and integrate Variable Frequency Drives at Wells 1, 3, 7, and 9, and authorize execution of the change order. Motion passed 5-0.

7. OC-44 Pipeline Rehabilitation Mitigation Requirements

AGM Lauri provided an overview of the topic and introduced Michael Baker International, LLC Vice President John Nagle. Mr. Nagle proceeded with a presentation that highlighted the following:
  - History of OC-44 Pipeline
  - Rehabilitation Alternatives
  - Replacement Alternatives
  - Alternatives Evaluation
  - Preferred Project Alternative
  - Regulatory Approvals Obtained
  - Jurisdictional Areas
  - OC-44 Mitigation Requirements
  - Revegetation map
  - Mitigation Costs
  - Key Conditions
  - Next Steps
Mr. Nagle introduced Michael Baker International, LLC Vice President Richard Beck who presented the regulatory aspects of the project.

Messrs. Nagle and Baker responded to questions from the Board and they thanked them for the presentation.

8. Well 8 Demolition Update

AGM Lauri provided an update on the Well 8 demolition project by proceeding with a presentation that highlighted the following:
- Background Information
- Scope of Project
- Well 8 Demolition
- Financial Information
- Lease Termination Update

AGM Lauri responded to questions from the Board and they thanked him for the presentation.

ACTION ITEMS:

9. I-405 Widening Project

AGM Lauri provided an overview of the topic.

AGM Lauri responded to questions from the Board and they thanked him for the presentation.

No action was taken and this item will appear on the October 12, 2017 Board agenda.

REPORTS:


11. Directors’ Reports and Comments

INFORMATION ITEMS:

12. West Chandler Avenue & South Croddy Way Wells and Pipeline Construction Management Services
The Board meeting was adjourned at 4:42 p.m.

Approved:

________________________________________
Jim Atkinson, President

________________________________________
Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer
RECOMMENDATION

In accordance with Ordinance No. 28, adopted April 13, 2017, authorize attendance at conferences, seminars, meetings, and events.

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 June 8, 2017, the Board approved Fiscal Year 2018 attendance at Conferences, Seminars, Meetings, and Events.

DISCUSSION

During the discussion of this item, if any, the Board may choose to delete any item from the list and/or may choose to add additional conferences, seminars, meetings, or events for approval, subject to available budget or additional appropriation.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.
### 2017 CONFERENCES, SEMINARS, AND MEETINGS:

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<thead>
<tr>
<th>Date</th>
<th>Event</th>
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<tbody>
<tr>
<td>October 23 - 26, 2017</td>
<td>AWWA AFC17 (CA-NV) Fall Conference</td>
<td>Reno, NV</td>
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<tr>
<td>November 2, 2017</td>
<td>MWDOC Elected Officials Forum</td>
<td>Fountain Valley, CA</td>
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<td>November 28 - December 1, 2017</td>
<td>ACWA/JPIA Fall Conference</td>
<td>Atkinson, Bockmiller, DePasquale, Anaheim, CA</td>
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### 2018 CONFERENCES, SEMINARS, AND MEETINGS:

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<tr>
<th>Date</th>
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<tr>
<td>February 1 - 2, 2018</td>
<td>CalDesal Conference</td>
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<td>February 7 - 9, 2018</td>
<td>Urban Water Institute Conference</td>
<td>Palm Springs, CA</td>
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<td>February 27 - March 1, 2018</td>
<td>ACWA Washington, D.C. Conference</td>
<td>Washington, D.C.</td>
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<td>March 12 - 16, 2018</td>
<td>Jt. CA-NV AWWA/AMTA Spring Conference</td>
<td>West Palm Beach, Florida</td>
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**AFC17 (AWWA) Fall Conference 10/23-10/26 • Reno, NV**

- 8:30AM MDDCC/OCWD JT Planning Committee - Fisler (MDDCC/OCWD Conference Rm 101)
- 11:30AM ISDOC Quarterly Meeting - Fisler (MWDOC/OCWD Boardroom)
- 3:30PM LACCO Meeting (Boardroom)
## November 2017

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<th>Sunday</th>
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<td>8:30AM - MMDOC/MWD Workshop - Fisler (MMDOC/OCD Boardroom)</td>
<td>8:00AM Board Workshop (MMRF: 1350 Gisler, Costa Mesa, CA 92626)</td>
<td>7:30AM WACCO Meeting (OCWD/MMDoc Boardroom)</td>
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<td>10:45AM KOCC Interview (KOCC Radio Station, 485 E. 17th St., #370)</td>
<td>7:30AM ISDOC Executive Committee - Fisler (MMDOC Conference Room 101)</td>
<td>7:30AM WACCO Executive Committee Meeting (Planinic Conf Room; Boardroom)</td>
<td>5:30PM OCWD Board Meeting - Atkinson (MMDOC/OCD Boardroom)</td>
<td>6:00PM MMDOC Elected Officials Forum (MMDOC Boardroom)</td>
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<td>8:00AM LACOC Meeting (10 Civic Center Plaza, Santa Ana 92705; Planning Commission Hearing Room)</td>
<td>8:30AM MMDOC Water Issues Committee (OCMD Boardroom)</td>
<td>4:00PM Chamber Board Meeting - Fisler (TBD)</td>
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<td>7:30AM MMDOC Executive Committee - Fisler (MMDOC Conference Room 101)</td>
<td>12:00PM ACC-OC Water Committee (TBD)</td>
<td>8:30AM MMDOC Admin. &amp; Finance Committee (OCMD Boardroom)</td>
<td>6:00PM Mesa Water Board Meeting (Boardroom)</td>
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<td>12:00PM ACC-OC Water Committee (TBD)</td>
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**ACWA Fall Conference** ♦ Anaheim Marriott Hotel
### December 2017

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<td>8:00AM City/Districts Liaison - Atkinson, Bockmiller (City of Costa Mesa)</td>
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<td>6:00PM Mesa Water Board Meeting (Boardroom)</td>
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<td>3:30PM Finance Committee Meeting (Boardroom)</td>
<td>7:30AM WACO Planning Committee - Atkinson (MWDOC Conf. Room 101)</td>
<td>5:45PM Costa Mesa City Council Meeting</td>
<td>Christmas Eve ♦ Holiday</td>
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<td>3:30PM Engineering and Operations Committee Meeting (Boardroom)</td>
<td>8:30AM MWDOC Board Meeting - Atkinson (MWDOC/OCWD Boardroom)</td>
<td>5:45PM OCWD Board Meeting - Atkinson (OCWD Boardroom)</td>
<td>District Holiday ♦ Christm</td>
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<td>7:30AM WACO Planning Committee - Atkinson (MWDOC Conf. Room 101)</td>
<td>5:45PM OCWD Board Meeting - Atkinson (OCWD Boardroom)</td>
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<td>8:30AM MWDOC/OCWD/MD Board Meeting - Atkinson (MWDOC/OCWD Boardroom)</td>
<td>8:30AM LAFCO Meeting (10 Civic Center Plaza, Santa Ana 92705; Pl ...</td>
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<td>7:30AM GM Chamber of Commerce Breakfast (1701 Golf Course Drive Costa Mesa, CA 92626)</td>
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<td>11:30AM OCWD/MD Board Meeting - Atkinson, Bockmiller (City of Costa Mesa)</td>
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# Upcoming Community Outreach Events

<table>
<thead>
<tr>
<th>Event:</th>
<th>Date &amp; Time:</th>
<th>Location:</th>
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<tbody>
<tr>
<td>Water Issues Study Group</td>
<td>Saturday October 21, 2017 10:30 a.m. to 1 p.m.</td>
<td>Mesa Water Reliability Facility 1350 Gisler Avenue Costa Mesa, CA 92626</td>
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<tr>
<td>Solar Cup Boat Building Workshop</td>
<td>Saturday &amp; Sunday November 4 - 5, 2017 Time TBD</td>
<td>Location TBD</td>
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<tr>
<td>5th Grade Assembly</td>
<td>Tuesday November 21, 2017 9:40 a.m.</td>
<td>Whittier Elementary 1800 Whittier Avenue Costa Mesa, CA 92627</td>
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<tr>
<td>5th Grade Assembly</td>
<td>Tuesday November 21, 2017 10:40 a.m.</td>
<td>Whittier Elementary 1800 Whittier Avenue Costa Mesa, CA 92627</td>
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<tr>
<td>5th Grade Assembly</td>
<td>Tuesday November 21, 2017 1:35 p.m.</td>
<td>College Park Elementary 2380 Notre Dame Road Costa Mesa, CA 92626</td>
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MEMORANDUM

TO: Board of Directors
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: October 12, 2017
SUBJECT: Well Automation and Rehabilitation Project Update

RECOMMENDATION

Approve a change order to Pacific Hydrotech, Inc.'s contract for construction of the Well Automation and Rehabilitation Project for a not-to-exceed amount of $800,000 to furnish, install, and integrate Variable Frequency Drives at Wells 1, 3, 7, and 9, and authorize execution of the change order.

The Engineering and Operations Committee reviewed this item at its September 19, 2017 meeting and recommends Board approval.

STRATEGIC PLAN

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

PRIOR BOARD ACTION/DISCUSSION

At its March 15, 2014 meeting, the Board of Directors (Board) adopted Resolution No. 1442 Replacement of Assets, which calls for rehabilitation of groundwater production wells if and when well production drops by more than 20% for a given well and 10% for overall clear water well production.

At its March 18, 2014 meeting, the Engineering & Operations (E&O) Committee received an information item describing the scope of the Well Automation and Rehabilitation Project.

At its September 11, 2014 meeting, the Board approved a contract with Carollo Engineers, Inc. in the amount of $749,995 with a 10% contingency for a not-to-exceed amount of $824,995 to provide professional design services for the Well Automation and Rehabilitation Project.

At its March 12, 2015 meeting, the Board approved a contract with RBF Consulting, a Michael Baker International Company, in the amount of $778,270 with a 10% contingency for a not-to-exceed amount of $856,097 for professional Construction Management Services of the Well Automation and Rehabilitation Project.

At its May 19, 2015 meeting, the E&O Committee received an information item on the planned appearance of the well sites, including the new chemical facility aesthetics.

At its October 20, 2015 meeting, the E&O Committee received an update and overview of the Well Automation and Rehabilitation Project, and approved the project as well as the Notice of Categorical Exemption from the California Environmental Quality Act (CEQA) for the project.
At its February 11, 2016 meeting, the Board approved a contract with Pacific Hydrotech Corporation for construction of the Well Automation and Rehabilitation Project for $10,488,500 plus a 5% contingency for a not-to-exceed amount of $11,012,925.

At its August 16, 2016 meeting, the E&O Committee received an information item update on the Well Automation and Rehabilitation Project.

At its July 13, 2017 meeting, the Board received an update on the Well Automation and Rehabilitation Project and approved a change order to Carollo Engineers, Inc. in the amount of $195,960 to continue providing engineering services for the Well Automation and Rehabilitation Project.

BACKGROUND

The Well Automation and Rehabilitation Project was recommended as part of the 2014 Master Plan Update and included in the adopted Capital Improvement Program. The project provides the necessary improvements to Mesa Water’s clear well sites and includes the following key objectives:

1. Rehabilitation of clear wells 1, 3, 5, and 7 that were shown to have lost more than 20% of production as a result of the condition assessment performed in October 2013;
2. Design of well automation functionality for all clear wells, including remote well start/stop capabilities and chemical addition system based on real-time system chemical demands;
3. Standardization of clear well operations across all well sites;
4. Reducing the frequency of chemical deliveries by increasing the size of the storage tanks;
5. Reducing the energy and labor costs of well operations;
6. Replacement of equipment that has exceeded its useful life, including well pumps, motors, and electrical switchgear;
7. Back-up power for all wells to maintain operation when grid power is not available; and
8. Installation of well site security system infrastructure.

A construction contract was awarded to Pacific Hydrotech for $10,488,500 for the construction of the Well Automation and Rehabilitation Project. The construction cost is spread over three fiscal years (FY 2016 - FY 2018).

DISCUSSION

The Well Automation & Rehabilitation Project Notice to Proceed with construction was given on April 9, 2016. Pacific Hydrotech spent several months preparing the project submittals and procuring equipment. The following is a brief update of the progress at each well site:

Well 5: Construction on the Well Automation and Rehabilitation Project began at Well 5 in October 2016. Well 5 was returned to service in June 2017, after rehabilitation and repairs of the well, replacement of all the electrical and mechanical equipment, and construction of new chemical handling facilities with automated water disinfection. The Well 5 casing required extensive repair work (i.e., swaging, slurry fill, etc.) to allow continued use of the well. Because the well was constructed of carbon steel, it is estimated that Well 5 has an approximate remaining useful life of five to eight years. Well 5 has been producing approximately 2,300 gallons per minute (gpm) of
high quality drinking water throughout the summer. The Contractor is completing punch list items.

**Well 7:** Construction is nearing completion at Well 7. Work completed at Well 7 includes demolition of the end of useful life equipment, and installation of the new pump, motor, and electrical equipment, and chemical handling facilities. After a conservative rehabilitation program, test pumping showed that Well 7 can produce 1,450 gpm. Similar to Well 5, Well 7 was constructed with a carbon steel casing and has experienced some corrosion at various casing intervals. Well 7 had previous mitigation work performed in prior years due to corrosion, which resulted in moderate sanding. Thus, production is being limited to minimize sanding and extend the remaining useful life of the well. It is estimated that Well 7 has an approximate remaining useful life of five to eight years. Startup of Well 7 is in process.

**Well 3:** Construction is also underway at Well 3, starting with site work and formwork for concrete placement of the chemical handling facilities. Well assessment and rehabilitation is also in process. Completion of Well 3 work is expected in February 2018.

**Wells 1 & 9:** In October 2017, project work will start at Well 9. Since new Well 9B was recently completed, work at Well 9B will involve construction of new chemical handling facilities, electrical equipment replacement, and relocation of the existing onsite back-up generator. Work at Well 9B is expected to be completed in February 2018. Once Well 3 and Well 7 are back in service, work at Well 1 will commence. Work at Well 1 is expected to be completed by July 2018.

**Variable Frequency Drive (VFD) Analysis:** As seasonal variation of the groundwater levels have become more extreme, VFDs are being considered as a means to more effectively manage operating costs. Adding VFDs offers the following advantages:

- Allows the electric pumps to operate at the best efficiency design point regardless of basin level;
- Allows for pumping at higher than design flow rates overnight when electricity rates are much lower to facilitate filling the reservoirs more quickly;
- Flexibility for producing water supply to meet demands; and
- Commonality with the new wells at the West Chandler Avenue and South Croddy Way sites, where VFDs are planned.

The additional cost of VFDs and new inverter-duty motors is being negotiated, including the credits for the reduced voltage soft starts and the non-inverter duty motors in the bid specifications. Mesa Water’s design engineer, Carollo Engineers, Inc., has evaluated the operational energy cost savings and provided the required design amendments to allow Pacific Hydrotech to provide change order pricing. The direct savings on energy are expected to be approximately $90,000 to $100,000 per year. The VFDs are expected to have a payback of 8 to 10 years to realize the savings. Mesa Water’s Construction Management team, Michael Baker International (MBI), has worked closely with Pacific Hydrotech to streamline construction costs and provide an overall not-to-exceed amount of $800,000 for the VFDs and inverter-duty motors installation. It is therefore recommended that the Board of Directors consider approving a change order to Pacific Hydrotech, Inc.’s contract for construction of the Well Automation and Rehabilitation Project, for a not-to-exceed amount of $800,000 to furnish, install, and integrate Variable Frequency Drives at Wells 1, 3, 7, and 9, and authorize execution of the change order.
Construction Management Contract Amendment: The Well Automation and Rehabilitation Construction Management contract was competitively bid and awarded to MBI in April 2015. The scope of construction management included a full-time resident engineer and part-time inspection services for a 600-day construction schedule. The original Well Automation & Rehabilitation construction schedule was envisioned to take 600 calendar days. After hiring MBI for construction management and to perform a constructability review of the 50% design in 2015, it was determined, after receiving feedback from multiple contractors, that the project sequencing would take more than the previously allotted 600 calendar days. The construction contract with Pacific Hydrotech, signed in March 2016, has a completion duration of 780 calendar days. Also, additional construction management time will be necessary beyond the 780 calendar days due to the unforeseen time delays as a result of the mitigation work required at Wells 5 and 7. Therefore, an additional 270 days of construction management services are expected. MBI’s construction management team is doing an excellent job managing Pacific Hydrotech. A contract amendment for additional time and fees for construction management services is being negotiated and will be brought to a future Engineering and Operations Committee meeting for consideration.

FINANCIAL IMPACT

$3,700,000 is budgeted in Fiscal Year 2018 and the requested additional funding will come from Cash on Hand.

<table>
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<tr>
<th>Project Estimate (FY 2016)</th>
<th>Project Cost Amounts</th>
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<td>Project Estimate Amounts</td>
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<td>Original Contracts</td>
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<td>Change Orders</td>
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<td>Requested Funding</td>
<td>$800,000</td>
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<td>Revised Contracts</td>
<td>$12,316,315</td>
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Actual Spent to Date $5,973,163
Revised Project Estimate $13,116,315

ATTACHMENTS

None.
MEMORANDUM

TO: Board of Directors
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: October 12, 2017
SUBJECT: I-405 Widening Project

RECOMMENDATION

Approve the execution of the Utility Agreement with the Orange County Transportation Authority for the I-405 Crossing at the Santa Ana River Pipeline Relocation Project.

The Engineering and Operations Committee reviewed this item at its September 19, 2017 meeting and recommends Board approval.

STRATEGIC PLAN

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

PRIOR BOARD ACTION

At its July 19, 2016 meeting, the Engineering and Operations (E&O) Committee received a verbal update on the scope of the I-405 Widening Project and impacts to the Fairview Road crossing relocation.

At its October 13, 2016 meeting, the Board of Directors (Board) approved execution of the Preliminary Engineering Agreement with the Orange County Transportation Authority (OCTA) and directed staff to proceed with the OCTA-led approach for the Fairview Road Water Main Relocation.

BACKGROUND

OCTA, in cooperation with The California Department of Transportation (Caltrans), is widening the San Diego Freeway (I-405) between State Route 73 (SR-73) and Interstate 605 (I-605). This $1.9 billion project includes adding one regular lane in each direction from Euclid Street to I-605 and two toll lanes in each direction from SR-73 to I-605. The general purpose lane portion of the project is a Measure M (Orange County’s half-cent transportation sales tax) project and will be funded by a combination of local, state, and federal funds, with the express lanes portion of the project financed and primarily paid for by those who choose to pay a toll and use the 405 Express Lanes. On April 27, 2015, the OCTA Board of Directors voted to utilize Measure M funds and maintain local control of the project. OCTA is the responsible agency and the project sponsor with Caltrans assuming ownership at project completion. As OCTA is acting on the behalf of Caltrans, all agreements and forms are Caltrans standards. The I-405 Widening Project will use a design-build process.

OCTA awarded the design-build contract to OC 405 Partners in November 2016.

The Santa Ana River crossing is a 24 inch concrete mortar lined and coated pipe spanning from Suburbia Park northeast across I-405, parallel to the Santa Ana River, and was installed in 1977.
DISCUSSION

I-405 Crossing at the Santa Ana River: OCTA is proposing that Mesa Water enter into a Utility Agreement that will allow the selected contractor to include the I-405 Crossing at the Santa Ana River Water Main Relocation as part of the I-405 Widening project. Mesa Water provided proof of prior rights and will not be responsible for the cost of the relocation but will play an active role in design review and inspection. This option will require the execution of a Utility Agreement (UA) between OCTA and Mesa Water. The UA does provide for the following control provisions by Mesa Water:

- Approval of Scope of Work
- Plan Review
- Plan Deviation Review
- Inspection of Utilities
- Final Acceptance of Assets

The UA has undergone extensive review and revision by Mesa Water’s Legal Counsel.

Staff recommends that the Board approve execution of the Utility Agreement with the OCTA for the I-405 Crossing at the Santa Ana River Pipeline Relocation Project.

FINANCIAL IMPACT

None.

ATTACHMENTS

Attachment A: Utility Agreement with the Orange County Transportation Authority (OCTA) for the I-405 Crossing at the Santa Ana River Pipeline Relocation Project
The Orange County Transportation Authority (OCTA) in cooperation with the California Department of Transportation ("Caltrans") is proposing to improve Interstate 405 between State Route 73 and Interstate 605. OCTA and Caltrans have entered into Cooperative Agreement Number 12-697 relating to the Project under which Caltrans will provide Project oversight and upon completion of the Project, Caltrans will continue to own and maintain the Interstate 405.

Mesa Water District

Hereinafter referred to as “OWNER”, owns and maintains the following (the “Utility Facilities”):

- 24-inch cement mortar lined and coated steel pipe in 36-inch steel casing east of Santa Ana River crossing I-405

within the limits of the OCTA Project which requires extending encasement to accommodate OCTA’s Project.

It is hereby mutually agreed between OCTA and OWNER as follows:

I. WORK TO BE PERFORMED

In accordance with Notice to Owner No. UK064629 dated 08/01/2017, OCTA shall relocate OWNER’s Utility Facilities as shown on OCTA’s contract plans for the improvement of Interstate 405, EA 12-OH1000 which by this reference are made a part hereof. OWNER hereby acknowledges review of OCTA’s plans for work and agrees to the construction in the manner proposed. Deviations from the plan described above initiated by either OCTA or the OWNER, shall be agreed upon by both parties hereto under a Revised Notice to Owner. Such Revised Notices to Owner, approved by OCTA and agreed to/acknowledged by the OWNER, will constitute an approved revision of the plan described above and are hereby made a part hereof. No work under said deviation shall commence prior to written execution by the OWNER of the Revised Notice to Owner. Changes in the scope of the work will require an amendment to this Agreement in addition to the revised Notice to Owner. OWNER shall have the right to inspect the work during construction. Upon completion of the work by OCTA,
OWNER agrees to accept ownership and maintenance of the constructed facilities and relinquishes to OCTA ownership of the replaced facilities, except in the case of liability determined pursuant to Water Code 7034 or 7035.

II. LIABILITY FOR WORK

Existing facilities are located in their present position pursuant to rights superior to those of OCTA and will be relocated at OCTA expense.

III. PERFORMANCE OF WORK

OWNER shall have access to all phases of the relocation work to be performed by OCTA, as described in Section I above, for the purpose of inspection to ensure that the work is in accordance with the specifications contained in the OCTA Contract; however, all questions regarding the work being performed will be directed to OCTA’s Resident Engineer for their evaluation and final disposition.

Use of out-of-state personnel (or personnel requiring lodging and meal “per diem” expenses) will not be allowed without prior written authorization by OCTA’s representative. Requests for such authorization must be contained in OWNER’s estimate of actual and necessary relocation costs. Accounting Form FA-1301 is to be completed and submitted for all non-State personnel travel per diem. OWNER shall include an explanation why local employee or contract labor is not considered adequate for the relocation work proposed. Per diem expenses shall not exceed the per diem expense amounts allowed under the State’s California Department of Human Resources (CalHR) travel expense guidelines.

Work performed directly by OWNER’s employees falls within the exception of Labor Code Section 1720(a)(1) and does not constitute a public work under Section 1720(a)(2) and is not subject to prevailing wages. OWNER shall verify compliance with this requirement in the administration of its contracts referenced above.

IV. PAYMENT FOR WORK

OCTA shall pay its share of the actual and necessary cost of the herein described work within 45 days after receipt of OWNER’s itemized bill, signed by a responsible official of OWNER’s organization and prepared on OWNER’s letterhead, compiled on the basis of the actual and necessary cost and expense incurred and charged or allocated to said work in accordance with the uniform system of accounts prescribed for OWNER by the California Public Utilities Commission, Federal Energy Regulatory Commission or Federal Communications Commission, whichever is applicable.
It is understood and agreed that OCTA will not pay for any betterment or increase in capacity of OWNER’s facilities in the new location and that OWNER shall give credit to OCTA for the accrued depreciation of the replaced facilities and for the salvage value of any material or parts salvaged and retained or sold by OWNER.

Not more frequently than once a month, but at least quarterly, OWNER will prepare and submit itemized progress bills for costs incurred, not to exceed OWNER’s recorded costs as of the billing date less estimated credits applicable to completed work. Payment of progress bills, not to exceed the amount of this Agreement, may be made under the terms of this Agreement. Payment of progress bills which exceed the amount of this Agreement may be made after receipt and approval by OCTA of documentation supporting the cost increase and after an amendment to this Agreement has been executed by the parties to this Agreement.

The OWNER shall submit a final bill to OCTA within 360 days after the completion of the work described in Section I above. If OCTA has not received a final bill within 360 days after notification of completion of OWNER’s work described in Section I of this Agreement, and OCTA has delivered to OWNER fully executed easement deeds, Consents to Common Use or Joint Use Agreements for OWNER’s facilities (if required), OCTA will provide written notification to OWNER of its intent to close its file within 30 days. OWNER hereby acknowledges, to the extent allowed by law, that all remaining costs will be deemed to have been abandoned. If OCTA processes a final bill for payment more than 360 days after notification of completion of OWNER’s work, payment of the late bill may be subject to allocation and/or approval by OCTA.

The final billing shall be in the form of an itemized statement of the total costs charged to the project, less the credits provided for in this Agreement, and less any amounts covered by progress billings. However, OCTA shall not pay final bills which exceed the estimated cost of this Agreement without documentation of the reason for the increase of said cost from the OWNER and approval of documentation by OCTA. Except, if the final bill exceeds the OWNER’s estimated costs solely as the result of a revised Notice to Owner as provided for in Section I, a copy of said revised Notice to Owner shall suffice as documentation. In either case, payment of the amount over the estimated cost of this Agreement may be subject to allocation and/or approval by OCTA.

In any event if the final bill exceeds 125% of the estimated cost of this Agreement, an Amended Agreement shall be executed by the parties to this Agreement prior to the payment of the OWNER’S final bill. Any and all increases in costs that are the direct result of deviations from the work described in Section I of this Agreement shall have the prior concurrence of OCTA.

Detailed records from which the billing is compiled shall be retained by owner for a period of three years from the date of final payment and will be available for audit by State and/or Federal auditors. In performing work under this Agreement, owner agrees to comply with the Uniform System of Accounts for Public Utilities found at 18 CFR Part 101, 201, et al., and, to the extent they are applicable to owner doing work on the project that is the subject
of this agreement, the contract cost principles and procedures as set forth in 48 CFR, Chapter 1, Part 31, et seq., 23 CFR, Chapter 1, Part 645, and 2 CFR Part 200 et al. If a subsequent OCTA, State and/or Federal audit determines payments to be unallowable, OWNER agrees to reimburse agency upon receipt of agency billing. If OWNER is subject to repayment due to failure by OCTA to comply with applicable laws, regulations, and ordinances then OCTA will ensure that OWNER is compensated for actual cost in performing work under this agreement.

V. GENERAL CONDITIONS

All costs accrued by OWNER as a result of OCTA’s request of March 10, 2015 to review, study and/or prepare relocation plans and estimates for the project associated with this Agreement may be billed pursuant to the terms and conditions of this Agreement.

If OCTA’s project which precipitated this Agreement is canceled or modified so as to eliminate the necessity of work by OWNER, OCTA will notify OWNER in writing and OCTA reserves the right to terminate this Agreement by Amendment. The Amendment shall provide mutually acceptable terms and conditions for terminating the Agreement. Such terms will include OCTA’s agreement to pay all costs incurred by Owner in its performance of preliminary engineering and study work upon the submissions of invoices.

OWNER shall submit a Notice of Completion of inspection to OCTA within 30 days of the completion of the work described herein.

It is understood that said highway is a Federal aid highway and accordingly, 23 CFR, Chapter 1, Part 645 is hereby incorporated into this Agreement.

In addition, the provisions of 23 CFR 635.410, Buy America, are also incorporated into this Agreement. The Buy America requirements are further specified in Moving Ahead for Progress in the 21st Century (MAP-21), section 1518; 23 CFR 635.410 requires that all manufacturing processes have occurred in the United States for steel and iron products (including the application of coatings) installed on a project receiving funding from the FHWA.

If, in connection with OWNER’s performance of the Work hereunder, OCTA provides to OWNER any materials that are subject to the Buy America Rule, OCTA acknowledges and agrees that OCTA shall be solely responsible for satisfying any and all requirements relative to the Buy America Rule concerning the materials thus provided (including, but not limited to, ensuring and certifying that said materials comply with the requirements of the Buy America Rule).

OCTA further acknowledges that OWNER, in complying with the Buy America Rule, is expressly relying upon the instructions and guidance (collectively, “Guidance”) issued by Caltrans and its representatives concerning the Buy America Rule requirements for utility
relocations within the State of California. Notwithstanding any provision herein to the contrary, OWNER shall not be deemed in breach of this Agreement for any violations of the Buy America Rule if OWNER’s actions are in compliance with the Guidance.

OCTA will indemnify, defend and hold harmless OWNER from and against any and all claims arising out of construction of the Utility Facilities, excepting those claims arising out of OWNER’s own active negligence or willful misconduct.

It is expressly understood by the Parties that Owner is not, in executing this Agreement, abandoning any pre-existing right, title or interest it may have in any land or facilities, all such rights, title and interest being expressly reserved.

The terms of this Agreement shall be binding and inure to the benefits of the Parties hereto.

THE ESTIMATED COSTS TO OCTA FOR ITS SHARE OF THE ABOVE DESCRIBED WORK IS $XX, XXX.

Signatures on Following Page
IN WITNESS WHEREOF, the above parties have executed this Agreement on the dates below.

Owner: MESA WATER DISTRICT

ORANGE COUNTY
TRANSPORTATION AUTHORITY, a public entity

APPROVED

By: ____________________________
Title: ____________________________
Date: ____________________________

By: ____________________________
Title: Jim Beil
Executive Director,
Capital Programs
Date: ____________________________

APPROVED AS TO FORM:

By: ____________________________
Title: ____________________________
Date: ____________________________

By: ____________________________
Title: James M. Donich
General Counsel
Date: ____________________________
MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: October 12, 2017
SUBJECT: Special Legal Services – Foley & Mansfield

RECOMMENDATION

Approve an amendment to the special legal services contract with Foley & Mansfield for an amount not to exceed $50,000.

The Executive Committee reviewed this item at its October 3, 2017 meeting and recommends Board approval.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

At its November 14, 2013 meeting, the Board of Directors (Board) authorized the General Manager to employ legal counsel to write an amicus brief in favor of the position held by the Capistrano Taxpayers Association.

At its December 11, 2014 meeting, the Board approved a contract to Foley & Mansfield for special legal services in the amount not to exceed $50,000. This contract amount comprised the expenditures authorized in November 2013.

At its April 9, 2015 meeting, the Board approved an adjustment to the special legal services contract with Foley & Mansfield in the amount of $5,100. Funds in the amount of $5,100 were required to disburse the final Foley & Mansfield invoice for a contract total of $55,100.

At its June 11, 2015 meeting, the Board approved a contract change order to Foley & Mansfield for special legal services in the amount not to exceed $50,000.

At its July 14, 2016 meeting, the Board awarded a contract change order to Foley & Mansfield for special legal services for an amount not to exceed $100,000.

DISCUSSION

Foley & Mansfield has provided special legal services to Mesa Water in connection with the Capistrano Taxpayers Association case and other inquiries related to Article XIII D of the California Constitution (Proposition 218).

Staff recommends that the Board consider approving an amendment to the special legal services contract with Foley & Mansfield for an amount not to exceed $50,000.
FINANCIAL IMPACT

In Fiscal Year 2018, $100,000 is budgeted in the Office of the General Manager’s Legal Services budget account:

<table>
<thead>
<tr>
<th></th>
<th>Project Estimate Amounts</th>
<th>Project Cost Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Services Estimate (FY 2013)</td>
<td>$ 10,000</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>Original Contract</td>
<td>$ 10,000</td>
<td>$ 10,000</td>
</tr>
<tr>
<td>Amendments #1-4</td>
<td>$ 195,100</td>
<td>$ 195,100</td>
</tr>
<tr>
<td>Requested Funding (Amendment #5)</td>
<td>$ 50,000</td>
<td>$ 50,000</td>
</tr>
<tr>
<td>Revised Contract</td>
<td>$ 255,100</td>
<td>$ 255,100</td>
</tr>
</tbody>
</table>

Actual Spent to Date $ 173,360
Revised Project Estimate $ 255,100

ATTACHMENTS

None.
RECOMMENDATION

Review agenda topics and discuss planning for the November 2, 2017 Board of Directors’ workshop.

The Executive Committee reviewed this item at its October 3, 2017 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.

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

For the Board of Director’s (Board) review, the proposed agenda topics are as follows:

- Regional Water Issues
- Legislative Platform Update
- Staffing Plan
- Pipeline Replacement/Rehabilitation Study
- Annual Performance Evaluation for General Manager
- Closed Session (Public Employee Performance Evaluation for GM)
- Closed Session (Labor Negotiations)

The Board workshop will be held at the Mesa Water Reliability Facility on Thursday, November 2, 2017; refreshments will be served.

FINANCIAL IMPACT

In Fiscal Year 2018, $3,500 is budgeted for Board workshop expenses; no funds have been spent to date.
ATTACHMENTS

None.
MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: October 12, 2017
SUBJECT: Special Legal Services

RECOMMENDATION

Approve an amendment to the special legal services contract with Rutan & Tucker for an amount not to exceed $100,000.

The Executive Committee reviewed this item at its October 3, 2017 meeting and recommends Board approval.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSION

In 2016, staff retained Rutan & Tucker for an amount not to exceed $50,000 to provide special legal services for a special advisory measure.

At its November 10, 2016 meeting, the Board of Directors (Board) approved a contract change order to Rutan & Tucker for special legal services for an amount not to exceed $40,000.

At its July 13, 2017 meeting, the Board approved an amendment to the special legal services contract with Rutan & Tucker for an amount not to exceed $100,000.

DISCUSSION

Rutan & Tucker has provided special legal services to Mesa Water in connection with Measure TT regarding potential consolidation of Mesa Water District and Costa Mesa Sanitary District and recent litigation in the case of Costa Mesa Sanitary District v. Mesa Water District.

Staff recommends that the Board consider approving an amendment to the special legal services contract with Rutan & Tucker for an amount not to exceed $100,000.

FINANCIAL IMPACT

In Fiscal Year 2018, $100,000 is budgeted in the Office of the General Manager’s Legal Services budget account; additional requested funding would come from Cash on Hand:
<table>
<thead>
<tr>
<th>Project Estimate Amounts</th>
<th>Project Cost Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Initial Services Estimate (FY 2016)</td>
<td>$50,000</td>
</tr>
<tr>
<td>Original Contract</td>
<td>$50,000</td>
</tr>
<tr>
<td>Amendments #1 – 2</td>
<td>$140,000</td>
</tr>
<tr>
<td>Requested Funding (Amendment #3)</td>
<td>$100,000</td>
</tr>
<tr>
<td>Revised Contract</td>
<td>$290,000</td>
</tr>
<tr>
<td>Actual Spent to Date</td>
<td>$161,825</td>
</tr>
<tr>
<td>Revised Project Estimate</td>
<td>$290,000</td>
</tr>
</tbody>
</table>

**ATTACHMENTS**

None.
REPORTS:

11. REPORT OF THE GENERAL MANAGER:
   • September Key Indicators Report
   • Other (no enclosure)
Goal #1: Provide a safe, abundant, and reliable water supply

FY 2018 Potable Production (Acre Feet)

<table>
<thead>
<tr>
<th>Water Supply Source</th>
<th>FY 2018 YTD Actual (AF)</th>
<th>FY 2018 YTD Budget (AF)</th>
<th>FY 2018 Annual Budget (AF)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clear Water</td>
<td>1,485</td>
<td>1,271</td>
<td>2,986</td>
</tr>
<tr>
<td>Amber Water (MWRF)</td>
<td>1,577</td>
<td>1,515</td>
<td>4,328</td>
</tr>
<tr>
<td>Imported</td>
<td>0</td>
<td>0</td>
<td>0</td>
</tr>
<tr>
<td>Basin Management Water (In-Lieu)</td>
<td>1,866</td>
<td>2,078</td>
<td>10,000</td>
</tr>
<tr>
<td>Total Production</td>
<td>4,927</td>
<td>4,864</td>
<td>17,314</td>
</tr>
</tbody>
</table>

YTD actual water production (AF) through September 30, 2017

Water Production by Source - 12 Month Trailing Percent of Acre Feet Produced

Oct  Nov  Dec  Jan  Feb  Mar  Apr  May  Jun  Jul  Aug  Sep

Clear Water  Amber Water  In-Lieu  Imported
Goal #1: Provide a safe, abundant, and reliable water supply

FY18 System Water Quality – This data reflects samples taken in August

<table>
<thead>
<tr>
<th>Distribution System:</th>
<th>Average</th>
<th>Range</th>
<th>MCL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chlorine Residual (mg/L)</td>
<td>1.80</td>
<td>Current RAA = 1.76</td>
<td>4 RAA</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Coliform Positive %</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td><strong>Compliance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Temperature (° F)</td>
<td>78.6</td>
<td>72 - 86</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Reservoir I &amp; II:</th>
<th>Average</th>
<th>Range</th>
<th>MCL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chlorine Residual (mg/L)</td>
<td>1.49</td>
<td>0.321 - 2.16</td>
<td>None</td>
</tr>
<tr>
<td>Monochloramine (mg/L)</td>
<td>1.45</td>
<td>0.28 - 2.09</td>
<td>None</td>
</tr>
<tr>
<td>Ammonia (mg/L)</td>
<td>0.32</td>
<td>0.08 - 0.47</td>
<td>None</td>
</tr>
<tr>
<td>Temperature (° F)</td>
<td>75.5</td>
<td>73 - 83</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Wells (Treated):</th>
<th>Average</th>
<th>Range</th>
<th>MCL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chlorine Residual (mg/L)</td>
<td>2.27</td>
<td>1.89 – 2.68</td>
<td>None</td>
</tr>
<tr>
<td>Monochloramine (mg/L)</td>
<td>2.23</td>
<td>1.86 – 2.55</td>
<td>None</td>
</tr>
<tr>
<td>Ammonia (mg/L)</td>
<td>0.51</td>
<td>0.44 – 0.60</td>
<td>None</td>
</tr>
<tr>
<td>Temperature (° F)</td>
<td>74.9</td>
<td>71 – 80</td>
<td>None</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>MWRF:</th>
<th>Average</th>
<th>Range</th>
<th>MCL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chlorine Residual (mg/L)</td>
<td>2.38</td>
<td>2.11 – 2.68</td>
<td>None</td>
</tr>
<tr>
<td>Monochloramine (mg/L)</td>
<td>2.34</td>
<td>1.95 – 2.7</td>
<td>None</td>
</tr>
<tr>
<td>Ammonia (mg/L)</td>
<td>0.53</td>
<td>0.49 – 0.56</td>
<td>None</td>
</tr>
<tr>
<td>Temperature (° F)</td>
<td>82.0</td>
<td>79 – 84</td>
<td>None</td>
</tr>
<tr>
<td>Color (CU) <strong>Compliance</strong></td>
<td>ND</td>
<td>ND</td>
<td>15</td>
</tr>
<tr>
<td>Odor (TON) <strong>Compliance</strong></td>
<td>1</td>
<td>ND – 1</td>
<td>3</td>
</tr>
</tbody>
</table>

Water Quality Calls/Investigations:

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Calls</td>
<td>5</td>
</tr>
<tr>
<td>Total Investigations (from calls)</td>
<td>3</td>
</tr>
</tbody>
</table>
Goal #2: Practice perpetual infrastructure renewal and improvement

Revenues of Potable Water
(in thousands)

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Jul</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Aug</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Sep</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Oct</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Nov</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Dec</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Jan</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Feb</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Mar</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Apr</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>May</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
<tr>
<td>Jun</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
<td>$2,500</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>Actual</th>
<th>Budget</th>
<th>Difference</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total YTD $</td>
<td>7,411,726</td>
<td>7,316,610</td>
<td>95,116</td>
<td>1.30%</td>
</tr>
</tbody>
</table>
Goal #3: Be financially responsible and transparent

Actual vs. Budget Capital Spending
(current month actual figures are estimated)
Goal #4: Increase public awareness about Mesa Water® and about water

### Web Site Information

<table>
<thead>
<tr>
<th>Web Site Information</th>
<th>August 2017</th>
<th>September 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visits to the web site</td>
<td>6,136</td>
<td>5,741</td>
</tr>
<tr>
<td>Unique visitors (First time to the site)</td>
<td>3,112</td>
<td>3,195</td>
</tr>
<tr>
<td>Average per day</td>
<td>198</td>
<td>180</td>
</tr>
<tr>
<td>Average visit length</td>
<td>2 minutes, 53 seconds</td>
<td>2 minutes, 6 seconds</td>
</tr>
<tr>
<td>Page visited most</td>
<td>Home</td>
<td>Home</td>
</tr>
<tr>
<td>Second most visited page</td>
<td>Online Bill Pay</td>
<td>Online Bill Pay</td>
</tr>
<tr>
<td>Third most visited page</td>
<td>Board</td>
<td>Human Resources</td>
</tr>
<tr>
<td>Fourth most visited page</td>
<td>Human Resources</td>
<td>Rates Study</td>
</tr>
<tr>
<td>Fifth most visited page</td>
<td>Organization</td>
<td>Contact</td>
</tr>
<tr>
<td>Most downloaded file</td>
<td>Board Agenda</td>
<td>Board Agenda</td>
</tr>
<tr>
<td>Second most downloaded file</td>
<td>2017 Water Quality Report</td>
<td>2017 Water Quality Report</td>
</tr>
<tr>
<td>Most active day of the week</td>
<td>Tuesday</td>
<td>Friday</td>
</tr>
<tr>
<td>Least active day of the week</td>
<td>Saturday</td>
<td>Sunday</td>
</tr>
</tbody>
</table>

---

**Total visits since June 1, 2002** 1,217,432

---

### Water Vending Machine Information

<table>
<thead>
<tr>
<th>Vending Machine Location</th>
<th>Vend Measurement</th>
<th>September 2017 Vends</th>
<th>Totals Vends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesa Water Office</td>
<td>1 gal</td>
<td>3,206</td>
<td>262,996</td>
</tr>
</tbody>
</table>
## Monthly Key Indicators Report
For the Month of September 2017

### Goal #5: Attract and retain skilled employees

<table>
<thead>
<tr>
<th>DEPARTMENT:</th>
<th>FY 2017</th>
<th>COMMENTS:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>OFFICE OF THE GENERAL MANAGER:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Manager</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Business Processes</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>2.00</td>
<td>2.00</td>
</tr>
<tr>
<td><strong>ADMINISTRATIVE SERVICES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Services</td>
<td>4.75</td>
<td>3.75</td>
</tr>
<tr>
<td>Information Technology</td>
<td>2.00</td>
<td>0.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>6.75</td>
<td>3.75</td>
</tr>
<tr>
<td><strong>CUSTOMER SERVICES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Conservation</td>
<td>1.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Customer Service</td>
<td>8.00</td>
<td>8.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>9.00</td>
<td>9.00</td>
</tr>
<tr>
<td><strong>ENGINEERING:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Engineering</td>
<td>5.00</td>
<td>5.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>5.00</td>
<td>5.00</td>
</tr>
<tr>
<td><strong>EXTERNAL AFFAIRS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Legislative &amp; Governmental Affairs</td>
<td>1.50</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1.50</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>FINANCIAL SERVICES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Reporting/ Purchasing</td>
<td>4.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Accounting</td>
<td>3.00</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>7.00</td>
<td>4.00</td>
</tr>
<tr>
<td><strong>HUMAN RESOURCES:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Human Resources</td>
<td>3.00</td>
<td>3.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>3.00</td>
<td>3.00</td>
</tr>
<tr>
<td><strong>PUBLIC AFFAIRS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Outreach, Education &amp; Communications</td>
<td>2.50</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>2.50</td>
<td>1.00</td>
</tr>
<tr>
<td><strong>WATER OPERATIONS:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervision/Support</td>
<td>6.00</td>
<td>5.00</td>
</tr>
<tr>
<td>Distribution</td>
<td>10.00</td>
<td>10.00</td>
</tr>
<tr>
<td>Production</td>
<td>3.00</td>
<td>3.00</td>
</tr>
<tr>
<td>Water Quality</td>
<td>2.00</td>
<td>2.00</td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>21.00</td>
<td>20.00</td>
</tr>
<tr>
<td><strong>TOTAL BUDGETED POSITIONS:</strong></td>
<td>57.75</td>
<td>48.75</td>
</tr>
<tr>
<td><strong>INTERNS: (0.5 FTE = 1 Intern)</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Subtotal</strong></td>
<td>1.50</td>
<td>0.50</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td>59.25</td>
<td>49.25</td>
</tr>
</tbody>
</table>
Goal #6: Provide outstanding customer service

Customer Calls

<table>
<thead>
<tr>
<th>Call Type</th>
<th>FY18 YTD</th>
<th>September 2017</th>
<th>YTD Weekly Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Billing Question</td>
<td>836</td>
<td>291</td>
<td>64</td>
</tr>
<tr>
<td>Service Requests</td>
<td>751</td>
<td>274</td>
<td>58</td>
</tr>
<tr>
<td>High Bill</td>
<td>228</td>
<td>72</td>
<td>18</td>
</tr>
<tr>
<td>Payments</td>
<td>728</td>
<td>256</td>
<td>56</td>
</tr>
<tr>
<td>Late Fee</td>
<td>356</td>
<td>140</td>
<td>27</td>
</tr>
<tr>
<td>Account Maintenance</td>
<td>166</td>
<td>58</td>
<td>13</td>
</tr>
<tr>
<td>On-Line Bill Pay</td>
<td>323</td>
<td>118</td>
<td>25</td>
</tr>
<tr>
<td>Water Pressure</td>
<td>13</td>
<td>1</td>
<td>1</td>
</tr>
<tr>
<td>No Water</td>
<td>41</td>
<td>17</td>
<td>3</td>
</tr>
<tr>
<td>Conservation</td>
<td>25</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Water Waste</td>
<td>14</td>
<td>4</td>
<td>1</td>
</tr>
<tr>
<td>Other (District info. other utility info. etc.)</td>
<td>1082</td>
<td>282</td>
<td>83</td>
</tr>
<tr>
<td>Rate Increase</td>
<td>3</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td>Fluoridation</td>
<td>10</td>
<td>8</td>
<td>1</td>
</tr>
<tr>
<td>TOTAL CUSTOMER CALLS</td>
<td>4576</td>
<td>1526</td>
<td>352</td>
</tr>
<tr>
<td>AVERAGE ANSWER TIME (Seconds)</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

Online Bill Pay Customers

<table>
<thead>
<tr>
<th>Current Customers Enrolled</th>
<th>FY 2018 YTD</th>
<th>September 2017</th>
<th>YTD Weekly Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>12105</td>
<td>523</td>
<td>171</td>
<td>40</td>
</tr>
</tbody>
</table>
REPORTS:

12. DIRECTORS' REPORTS AND COMMENTS:
MEMORANDUM

TO:       Board of Directors
FROM:     Paul E. Shoenberger, P.E., General Manager
DATE:     October 12, 2017
SUBJECT:  Redevelopment Agency Oversight Board Appointments

RECOMMENDATION

This item is provided for information only.

The Executive Committee reviewed this item at its October 3, 2017 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 #6: Provide outstanding customer service.
Goal #7: Actively participate in regional water issues.

PRIOR BOARD ACTION/DISCUSSION

None.

BACKGROUND

Recent legislation gives the Orange County Local Agency Formation Commission (LAFCO) the responsibility to conduct elections for the special district representative to the new county-wide Orange County Redevelopment Agency Oversight Board (RDA Board). LAFCO will conduct the 2018 ballot by mailed ballot, as it does other Independent Special District Selection Committee elections.

California redevelopment law created an oversight board to monitor the remaining activities of each former redevelopment agency. In September of 2015, the Governor signed SB 107, which requires the consolidation of more than 400 RDA Oversight Boards into just one oversight board per county, with the exception of Los Angeles County, which will have five. Each county’s oversight board includes one special district representative to be appointed by that county’s Independent Special District Selection Committee. The new law further states that should the committee fail to appoint a special district representative to the oversight board by July 15, 2018, the Governor is empowered to make the appointments.

Page four of the Countywide RDA Oversight Board Special District Appointments, co-written by California Special Districts Association (CSDA) and CALAFCO, lists the eligibility requirements of the appointed position, summarized below:
Members appointed by the independent special district selection committee shall be elected or appointed members of the legislative body of an independent special district residing within the county but shall not be members of the legislative body of a city or county.

There is no clear indication that the members appointed by the selection committee must be located in a former redevelopment agency. However, it could be implied by Health And Safety Code Section 34179(j)(3) that the committee should appoint a representative from a special district that receives property tax residual from the Redevelopment Property Tax Trust Fund (RPTTF).

SB 107 does not specify a term of office; page six of the above mentioned document merely specifies that:

- Nothing in Health and Safety Code Section 34179 describes terms for members of the oversight board. Rather, Section 34179(g) provides that “Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.”

**DISCUSSION**

The Orange County Special District Selection Committee’s Bylaws authorize the LAFCO Executive Officer to conduct the elections of the Committee in writing, which LAFCO has elected to do for the past several years. LAFCO will conduct the elections for the special district representative to the new Orange County RDA oversight board by the same means it conducts other elections, which is by mailed written ballot.

The nomination and election by mail will be conducted pursuant to the following schedule:

<table>
<thead>
<tr>
<th>Date</th>
<th>Event Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 10, 2017</td>
<td>Nomination Period Begins</td>
</tr>
<tr>
<td></td>
<td>LAFCO Executive Officer emails notification letters with nomination form and Declaration of Qualification to Vote to independent special district presiding officers and general managers.</td>
</tr>
<tr>
<td>November 10, 2017 (3:00 p.m.)</td>
<td>Nomination Period Ends</td>
</tr>
<tr>
<td></td>
<td>Deadline for submitting nominations and Declaration of Qualification to Vote for RDA Oversight Board to LAFCO by 3:00 p.m.</td>
</tr>
<tr>
<td>November 13, 2017</td>
<td>Voting Period Begins</td>
</tr>
<tr>
<td></td>
<td>Ballots emailed to all special district presiding officers/designees and general managers.</td>
</tr>
<tr>
<td>December 18, 2017 (3:00 p.m.)</td>
<td>Voting Period Ends</td>
</tr>
<tr>
<td></td>
<td>Ballots due to LAFCO by 3:00 p.m.</td>
</tr>
<tr>
<td>December 19, 2017</td>
<td>Ballots Counted</td>
</tr>
<tr>
<td></td>
<td>LAFCO staff tabulates ballots and announces results.</td>
</tr>
</tbody>
</table>
FINANCIAL IMPACT

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

ATTACHMENTS

Attachment A: Orange County LAFCO Correspondence
Attachment B: Countywide RDA Oversight Board Special District Appointments
September 21, 2017

TO: Presiding Officers, Independent Special Districts of Orange County

RE: Redevelopment Agency Oversight Board Appointments – County of Orange

Recent Legislation gives the Orange County Local Agency Formation Commission (“LAFCO”) the responsibility to conduct elections for the special district representative to the new county-wide Orange County Redevelopment Agency Oversight Board (“RDA Board”). The purpose of this letter is to inform you that LAFCO will conduct that 2018 election by mailed ballot, as it does other Independent Special District Selection Committee elections.

**Background**

California redevelopment law created an oversight board to monitor the remaining activities of each former redevelopment agency. In September of 2015, the Governor signed SB 107, which required the consolidation of more than 400 RDA Oversight Boards into just one oversight board per county, with the exception of Los Angeles County (Health and Safety Code Section 34179). Each county’s oversight board includes one special district representative to be appointed by that county’s Independent Special District Selection Committee in accordance with that Committee’s election procedures (Government Code Section 56332(e)). The new law further states that should the Committee fail to appoint a special district representative to the oversight board by July 15, 2018, the Governor is empowered to make the appointments. SB 107 did not specify a term of office, merely specifying that a board member “shall serve at the pleasure of the entity that appointed such member.”

For your reference, I have included additional background on the legislation that was prepared by the California Special Districts Association (“CSDA”) and the California Association of Local Agency Formation Commissions (“CALAFCO”).

**Appointments to Orange County RDA Oversight Board**

The Orange County Special District Selection Committee’s Bylaws authorize the LAFCO Executive Officer to conduct the elections of the
Committee in writing, which LAFCO has elected to do for the past several years. This is to inform you that, as authorized by the new law, LAFCO will conduct the elections for the special district representative to the new Orange County RDA oversight board by the same means it conducts other elections, which is by mailed written ballot.

The nomination and election by mail will be conducted pursuant to the following schedule:

<table>
<thead>
<tr>
<th>DATE</th>
<th>EVENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tuesday, October 10, 2017</td>
<td>Nomination Period Begins: LAFCO Executive Officer sends notification letters with nomination form and Declaration of Qualification to Vote to independent special district presiding officers and general managers.</td>
</tr>
<tr>
<td>November 10, 2017 (3 PM)</td>
<td>Nomination Period Ends: Deadline for submitting nominations and Declaration of Qualification to Vote for RDA Oversight Board to LAFCO by 3:00 p.m.*</td>
</tr>
<tr>
<td>November 13, 2017</td>
<td>Voting Period Begins: Ballots emailed to all special district presiding officers/designees and general managers.</td>
</tr>
<tr>
<td>December 18, 2017 (3 PM)</td>
<td>Voting Period Ends: Ballots due to LAFCO by 3:00 p.m.</td>
</tr>
<tr>
<td>December 19, 2017</td>
<td>Ballots Counted: LAFCO staff tabulates ballots and announces results.</td>
</tr>
</tbody>
</table>

* Pursuant to Government Code §56332 (f)(2), if only one candidate is nominated for a vacant seat, that candidate shall be deemed selected, with no further proceedings.

Should you have any questions regarding the election process, please contact me or our Commission Clerk, Cheryl-Carter Benjamin at (714) 640-5100.

Sincerely,

Carolyn Emery
Executive Officer

Attachment: “Countywide RDA Oversight Board Special District Appointments issued by CSDA & CALAFCO

cc: Eric Woolery, Orange County Auditor-Controller
Special District General Managers
COUNTYWIDE RDA OVERSIGHT BOARD SPECIAL DISTRICT APPOINTMENTS
DISCLAIMER:
This publication is provided for general information only and is not offered or intended as legal advice. Readers should seek the advice of an attorney when confronted with legal issues and attorneys should perform an independent evaluation of the issues raised in these materials.

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ACKNOWLEDGEMENTS:
In preparing this paper, CSDA and CALAFCO greatly benefited from individuals who were generous with their time and insightful with their views. Members of our working group held background experience as special district general managers and directors of finance, local agency formation commission executive officers, RDA oversight board representatives, and attorneys.

CSDA and CALAFCO extend sincere appreciation to the individuals on our joint working group, who significantly contributed to the development of this guide. The contributions of the following people were invaluable:

Gary Bell
Attorney at Law
Colantuono, Highsmith & Whatley, PC

José C. Henríquez,
Executive Officer
El Dorado County Local Agency Formation Commission

Shane McAfee
General Manager
Greater Vallejo Recreation and Park District

Keene Simonds
Executive Officer
Marin County Local Agency Formation Commission

Charles Turner
Director of Finance
Eastern Municipal Water District
On July 1, 2018, more than 400 redevelopment agency (RDA) oversight boards will be consolidated into just one oversight board per county (and five oversight boards in Los Angeles County). When this occurs, each county’s Independent Special Districts Selection Committee will be granted the authority to appoint one special district representative to that county’s respective oversight board.

If the Independent Special District Selection Committee in a county fails to act by July 15, 2018, the governor will make the appointment on its behalf. Therefore, it is important that the special districts in each affected county, and the Local Agency Formation Commissions (LAFCOs) that administer the operations of the Independent Special Districts Selection Committees, take proactive steps to ensure a successful locally-controlled appointment process.

Much is at stake in the decisions that go before oversight boards. In fiscal years 2015-16 and 2016-17 combined, the governor’s 2016 May Revise estimated special districts will receive $316 million in property tax restoration due to the continued wind down of RDAs. Oversight board actions could affect the amount and speed of future property tax restorations to special districts and other local agencies.

Due to the newness and uniqueness of the statute providing for countywide oversight boards, the many cross-references within the statute, and the lack of familiarity most LAFCos and special districts have with the Health and Safety Code in which the statute is included, the authorizing language for special district appointments may be challenging to some local officials.

For these reasons, the California Special Districts Association (CSDA) and California Local Agency Formation Commission (CALAFCO) convened a working group to outline the process for appointing special district representatives to countywide oversight boards, and to provide guidance on potential questions related to that process.

**COUNTIES REQUIRING A COUNTYWIDE OVERSIGHT BOARD**

The following thirty-seven counties have two or more oversight boards that will be consolidated into one countywide oversight board on July 1, 2018 (except for Los Angeles County, which will be consolidated into five oversight boards):

- Alameda
- Butte
- Contra Costa
- Fresno
- Humboldt
- Imperial
- Kern
- Kings
- Lake
- Los Angeles (five oversight boards)
- Madera
- Marin
- Monterey
- Mendocino
- Merced
- Nevada
- Orange
- Placer
- Riverside
- Sacramento
- San Bernardino
- San Diego
- San Joaquin
- San Luis Obispo
- San Mateo
- Santa Barbara
- Santa Clara
- Santa Cruz
- Shasta
- Solano
- Sonoma
- Stanislaus
- Sutter
- Tulare
- Ventura
- Yolo
- Yuba

Of the counties noted above, the following eleven counties do not currently have an Independent Special Districts Selection Committee in place. Therefore, the special districts and LAFCOs in each of these counties will need to form an Independent Special Districts Selection Committee in order to facilitate the appointment of a special district representative to the new countywide RDA oversight board:

- Fresno
- Imperial
- Kings
- Madera
- Merced
- San Joaquin
- Solano
- Stanislaus
- Tulare
- Yolo
- Yuba
SPECIAL DISTRICT REPRESENTATIVE APPOINTMENT PROCESS

The statutory authorization for appointing the special district representative to a countywide oversight board is found in Health and Safety Code 34179, which can be found in the appendix. This publication overviews the application of this authority in conjunction with the relevant code sections cross-referenced to the Cortese-Knox-Hertzberg Act or ‘LAFCo Law’ in the Government Code.

On July 1, 2018, counties with 2 – 39 individual RDA oversight boards will be consolidated into one countywide oversight board. Upon consolidation, the county’s Independent Special District Selection Committee is responsible for appointing the special district representative to the new countywide oversight board. The Independent Special District Selection Committee consists of the presiding officer of the legislative body of each independent special district or district-appointed alternate (Government Code Section 56332(a)).

Procedures

The LAFCo Executive Officer/Designee is responsible for calling and giving written notice of meetings of the Independent Special District Selection Committee, at which a representative may be appointed to the countywide RDA oversight board. (Government Code Section 56332(b)).

- A majority of the Independent Special District Selection Committee may determine to conduct the committee's business by mail, including holding all elections by mailed ballot (Government Code Section 56332(e)).

If the independent special district selection committee has determined to conduct the committee's business by mail or if the executive officer/designee determines that a meeting of the special district selection committee, for the purpose of selecting the special district members or filling vacancies, is not feasible, the executive officer/designee shall conduct the business of the committee by mail. Elections by mail shall be conducted as follows (Government Code Section 56332(f)):

1) The executive officer/designee shall prepare and deliver a call for nominations to each eligible district. The presiding officer, or his or her alternate as designated by the governing body, may respond in writing by the date specified in the call for nominations, which date shall be at least 30 days from the date on which the executive officer mailed the call for nominations to the eligible district.

2) At the end of the nominating period, if only one candidate is nominated for a vacant seat, that candidate shall be deemed appointed. If two or more candidates are nominated, the executive officer/designee shall prepare and deliver one ballot and voting instructions to each eligible district. The ballot shall include the names of all nominees and the office for which each was nominated. Each presiding officer, or his or her alternate as designated by the governing body, shall return the ballot to the executive officer/designee by the date specified in the voting instructions, which date shall be at least 30 days from the date on which the executive officer/designee mailed the ballot to the eligible district.

3) The call for nominations, ballot, and voting instructions shall be delivered by certified mail to each eligible district. As an alternative to the delivery by certified mail, the executive officer/designee, with prior concurrence of the presiding officer or his or her alternate as designated by the governing body, may transmit materials by electronic mail.

4) If the executive officer/designee has transmitted the call for nominations or ballot by electronic mail, the presiding officer, or his or her alternate as designated by the governing body, may respond to the executive officer/designee by electronic mail.
5) Each returned nomination and ballot shall be signed by the presiding officer or his or her alternate as designated by the governing body of the eligible district.

6) For an election to be valid, at least a quorum of the special districts must submit valid ballots. The candidate receiving the most votes shall be elected, unless another procedure has been adopted by the selection committee. Any nomination and ballot received by the executive officer/designee after the date specified is invalid, provided, however, that if a quorum of ballots is not received by that date, the executive officer/designee shall extend the date to submit ballots by 60 days and notify all districts of the extension. The executive officer/designee shall announce the results of the election within seven days of the date specified.

   o A quorum is the majority of members representing eligible districts (Government Code Section 56332(a))

7) All election materials shall be retained by the executive officer/designee for a period of at least six months after the announcement of the election results

Eligibility Requirements

Members appointed by the independent special district selection committee shall be elected or appointed members of the legislative body of an independent special district residing within the county but shall not be members of the legislative body of a city or county (Government Code Section 56332(c)).

   • Special district appointees to current individual oversight boards (pre consolidation into countywide oversight boards) are not restricted to members of the legislative body of the district.

There is no clear indication that the members appointed by the selection committee must be located in a former RDA. However, it could be implied by Health and Safety Code Section 34179(j)(3).

   • Current individual oversight boards (prior to consolidation into countywide oversight boards) limit eligibility to special districts that have territory in the territorial jurisdiction of the former RDA and are eligible to receive property tax residual from the RPTTF: "One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188" (Health and Safety Code Section 34179(a)(3)(A)).

Based on Health and Safety Code Section 34179(j)(3), the committee should appoint a representative from a special district that receives property tax residual from the Redevelopment Property Tax Trust Fund (RPTTF).

   • Health and Safety Code Section 34179(j)(3) reads in full: "One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188."

Deadlines and Vacancies

If no one is appointed by July 15, 2018, the governor may appoint an individual on behalf of the Independent Special District Selection Committee. The governor may also appoint individuals for any member position that remains vacant for more than 60 days (Health and Safety Code Section 34179(k)).
Notification Requirements

Health and Safety Code Section 34179(j) does not include notification requirements of the selected special district appointee. However, the current individual oversight boards (prior to consolidation into countywide oversight boards) were required to elect one of their members as the chairperson and report the name of the chairperson and other members to the Department of Finance (Health and Safety Code Section 34179(a)). Additionally, the LAFCo Executive Officer/Designee must announce the results of an Independent Special District Selection Committee election within seven days (Government Code Section 56332(f)(6)).

Counties with Only One Individual Oversight Board

In each county where only one individual RDA oversight board exists, as of July 1, 2018, there will be no consolidation into a countywide oversight board and no change to the composition of the existing oversight board (Health and Safety Code Section 34179(l)).

Counties with 40 or More Individual Oversight Boards

In each county where 40 or more individual oversight boards exist (Los Angeles County), as of July 1, 2018, there will be a consolidation into five oversight boards. The special district membership of each oversight board shall be selected as outlined in Health and Safety Code Section 34179(j)(3) via the Independent Special District Selection Committee process (Health and Safety Code Section 34179(q)(1)).

The consolidated oversight boards in this county shall be numbered one through five, and their respective jurisdictions shall encompass the territory located within the respective borders of the first through fifth county board of supervisors districts, as those borders existed on July 1, 2018. Each oversight board shall have jurisdiction over each successor agency located within its borders (Health and Safety Code Section 34179(q)(2)).

- If a successor agency has territory located within more than one county board of supervisors’ district, the county board of supervisors shall, no later than July 15, 2018, determine which oversight board shall have jurisdiction over that successor agency. The county board of supervisors or their designee shall report this information to the successor agency and the department by the aforementioned date (Health and Safety Code Section 34179(q)(3)).

Health and Safety Code Section 34179(q) does not specify if the city and special district appointees must be from an agency located in the respective supervisorial seat.

POTENTIAL QUESTIONS

What if my county does not currently have an Independent Special District Selection Committee?

In the case where more than one successor agency exists within the county, an Independent Special District Selection Committee shall be created pursuant to Government Code Section 56332. Each independent special district shall appoint a member representative to the committee and notify the LAFCo of the appointed member. The LAFCo shall then call and conduct a meeting of the committee, pursuant to Section 56332, for purposes of appointing a representative to the countywide RDA oversight board.
Does the Independent Special District Selection Committee also select an alternate, as it does with LAFCo commissioners? How should a vacancy be addressed?

The strictest interpretation of the statute only authorizes the appointment of one person, but a reasonable argument can be made for the appointment of an alternate. The Legislature expressly incorporated Government Code Section 56332 without elaboration, and that section allows for alternates.

Health and Safety Code Section 34179 does not mention alternates for the countywide oversight boards, but does allow each appointing authority to appoint an alternate for the current individual oversight boards (prior to the consolidation into a countywide oversight board) (Health and Safety Code Section 34179(a)(11)). The selection process outlined in Government Code Section 56332(c) includes the selection of an alternate for the commission.

To resolve any ambiguity, the Independent Special District Selection Committee may choose to adopt local policies, pursuant to its authority in Government Code section 56332, expressly authorizing the appointment of an alternate.

If the LAFCo Executive Officer/Designee anticipates a vacancy will occur – or if an actual vacancy occurs – an election may be held for a representative to the countywide oversight board (Government Code section 56332(b)).

What is the term of an appointment to the countywide RDA oversight board?

Nothing in Health and Safety Code Section 34179 describes terms for members of the oversight board. Rather, Section 34179(g) provides that "Each member of an oversight board shall serve at the pleasure of the entity that appointed such member."

Can an appointee be replaced mid-term?

Yes; nothing in Health and Safety Code Section 34179 describes terms for members of the oversight board. Rather, Section 34179(g) provides that "Each member of an oversight board shall serve at the pleasure of the entity that appointed such member."

Can the Independent Special District Selection Committee replace a special district representative appointed by the governor due to a vacancy?

While not clearly outlined within the relevant statutes, the intent of having locally appointed representatives on the oversight board is undermined if the law is interpreted such that seats could become, essentially, permanent representatives of the governor.

That being said, Independent Special District Selection Committees are strongly encouraged to appoint a representative no later than July 15, 2018, and within 60 days of any vacancy thereafter, in order to avoid this potential question.

What should a LAFCo do where the law is not explicit as to the process for appointments to the countywide RDA oversight board?

LAFCOs should adopt local commission policies. Government Code Section 56300 allows LAFCOs to adopt local policies either to clarify requirements or specify how a LAFCo will implement State law taking into account the local conditions. Case law has also indicated that these policies are allowed so long as they are not in conflict with State law.
For example, Government Code 56325(d) indicates that, notwithstanding any other provision of the Cortese-Knox-Hertzberg Act, each LAFCo can appoint one member and one alternate member who represents the public at large. The same section goes on to specify that the appointment of the public and alternate members must be subject to an affirmative vote of at least one of the members from the other appointed authorities; and it also specifies the noticing requirements to announce the vacancy in this position. Section 56325(d) does not contain any direction for the process of appointing public members, nor does it have an indication of the vetting process for candidates eligible to be appointed to this position. With this unclear in the law, some LAFCos have adopted policies to clarify and indicate the basic appointment process.

LAFCos may establish local policies for appointing special district representatives to the countywide RDA oversight board, so long as they are not in conflict with State law.

DEFINITIONS

Taxing entities

Cities, counties, a city and county, special districts, and school entities, as defined in subdivision (f) of Section 95 of the Revenue and Taxation Code, that receive passthrough payments and distributions of property taxes pursuant to the provisions of this part (Health and Safety Code Section 34171(k)).

Executive officer

The executive officer or designee as authorized by the Local Agency Formation Commission (Government Code Section 56332(g)).
APPENDIX

HEALTH AND SAFETY CODE

DIVISION 24. COMMUNITY DEVELOPMENT AND HOUSING [33000 - 37964] (Heading of Division 24 amended by Stats. 1975, Ch. 1137.)

PART 1.85. DISSOLUTION OF REDEVELOPMENT AGENCIES AND DESIGNATION OF SUCCESSOR AGENCIES [34170 - 34191.6] (Part 1.85 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

CHAPTER 4. Oversight Boards [34179 - 34181] (Chapter 4 added by Stats. 2011, 1st Ex. Sess., Ch. 5, Sec. 7.)

34179. (a) Each successor agency shall have an oversight board composed of seven members. The members shall elect one of their members as the chairperson and shall report the name of the chairperson and other members to the Department of Finance on or before May 1, 2012. Members shall be selected as follows:

(1) One member appointed by the county board of supervisors.

(2) One member appointed by the mayor for the city that formed the redevelopment agency.

(3) (A) One member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is of the type of special district that is eligible to receive property tax revenues pursuant to Section 34188.

(B) On or after the effective date of this subparagraph, the county auditor-controller may determine which is the largest special district for purposes of this section.

(4) One member appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public appointed by the county board of supervisors.

(7) One member representing the employees of the former redevelopment agency appointed by the mayor or chair of the board of supervisors, as the case may be, from the recognized employee organization representing the largest number of former redevelopment agency employees employed by the successor agency at that time. In the case where city or county employees performed administrative duties of the former redevelopment agency, the appointment shall be made from the recognized employee organization representing those employees. If a recognized employee organization does not exist for either the employees of the former redevelopment agency or the city or county employees performing administrative duties of the former redevelopment agency, the appointment shall be made from among the employees of the successor agency. In voting to approve a contract as an enforceable obligation, a member appointed pursuant to this paragraph shall not be deemed to be interested in the contract by virtue of being an employee of the successor agency or community for purposes of Section 1090 of the Government Code.

(8) If the county or a joint powers agency formed the redevelopment agency, then the largest city by acreage in the territorial jurisdiction of the former redevelopment agency may select one member. If there are no cities with territory in a project area of the redevelopment agency, the county superintendent of education may appoint an additional member to represent the public.

(9) If there are no special districts of the type that are eligible to receive property tax pursuant to Section 34188, within the territorial jurisdiction of the former redevelopment agency, then the county may appoint one member to represent the public.
(10) If a redevelopment agency was formed by an entity that is both a charter city and a county, the oversight board shall be composed of seven members selected as follows: three members appointed by the mayor of the city, if that appointment is subject to confirmation by the county board of supervisors, one member appointed by the largest special district, by property tax share, with territory in the territorial jurisdiction of the former redevelopment agency, which is the type of special district that is eligible to receive property tax revenues pursuant to Section 34188, one member appointed by the county superintendent of education to represent schools, one member appointed by the Chancellor of the California Community Colleges to represent community college districts, and one member representing employees of the former redevelopment agency appointed by the mayor of the city if that appointment is subject to confirmation by the county board of supervisors, to represent the largest number of former redevelopment agency employees employed by the successor agency at that time.

(11) Each appointing authority identified in this subdivision may, but is not required to, appoint alternate representatives to serve on the oversight board as may be necessary to attend any meeting of the oversight board in the event that the appointing authority’s primary representative is unable to attend any meeting for any reason. If an alternate representative attends any meeting in place of the primary representative, the alternate representative shall have the same participatory and voting rights as all other attending members of the oversight board.

(b) The governor may appoint individuals to fill any oversight board member position described in subdivision (a) that has not been filled by May 15, 2012, or any member position that remains vacant for more than 60 days.

(c) The oversight board may direct the staff of the successor agency to perform work in furtherance of the oversight board's and the successor agency's duties and responsibilities under this part. The successor agency shall pay for all of the costs of meetings of the oversight board and may include such costs in its administrative budget. Oversight board members shall serve without compensation or reimbursement for expenses.

(d) Oversight board members are protected by the immunities applicable to public entities and public employees governed by Part 1 (commencing with Section 810) and Part 2 (commencing with Section 814) of Division 3.6 of Title 1 of the Government Code.

(e) A majority of the total membership of the oversight board shall constitute a quorum for the transaction of business. A majority vote of the total membership of the oversight board is required for the oversight board to take action. The oversight board shall be deemed to be a local entity for purposes of the Ralph M. Brown Act, the California Public Records Act, and the Political Reform Act of 1974. All actions taken by the oversight board shall be adopted by resolution.

(f) All notices required by law for proposed oversight board actions shall also be posted on the successor agency’s Internet Web site or the oversight board’s Internet Web site.

(g) Each member of an oversight board shall serve at the pleasure of the entity that appointed such member.

(h) (1) The department may review an oversight board action taken pursuant to this part. Written notice and information about all actions taken by an oversight board shall be provided to the department as an approved resolution by electronic means and in a manner of the department’s choosing. Without abrogating the department’s authority to review all matters related to the Recognized Obligation Payment Schedule pursuant to Section 34177, oversight boards are not required to submit the following oversight board actions for department approval:

(A) Meeting minutes and agendas.

(B) Administrative budgets.

(C) Changes in oversight board members, or the selection of an oversight board chair or vice chair.

(D) Transfers of governmental property pursuant to an approved long-range property management plan.
(E) Transfers of property to be retained by the sponsoring entity for future development pursuant to an approved long-range property management plan.

(2) An oversight board action submitted in a manner specified by the department shall become effective five business days after submission, unless the department requests a review of the action. Each oversight board shall designate an official to whom the department may make those requests and who shall provide the department with the telephone number and e-mail contact information for the purpose of communicating with the department pursuant to this subdivision. Except as otherwise provided in this part, in the event that the department requests a review of a given oversight board action, it shall have 40 days from the date of its request to approve the oversight board action or return it to the oversight board for reconsideration and the oversight board action shall not be effective until approved by the department. In the event that the department returns the oversight board action to the oversight board for reconsideration, the oversight board shall resubmit the modified action for department approval and the modified oversight board action shall not become effective until approved by the department. If the department reviews a Recognized Obligation Payment Schedule, the department may eliminate or modify any item on that schedule prior to its approval. The county auditor-controller shall reflect the actions of the department in determining the amount of property tax revenues to allocate to the successor agency. The department shall provide notice to the successor agency and the county auditor-controller as to the reasons for its actions. To the extent that an oversight board continues to dispute a determination with the department, one or more future Recognized Obligation Payment Schedules may reflect any resolution of that dispute. The department may also agree to an amendment to a Recognized Obligation Payment Schedule to reflect a resolution of a disputed item; however, this shall not affect a past allocation of property tax or create a liability for any affected taxing entity.

(i) Oversight boards shall have fiduciary responsibilities to holders of enforceable obligations and the taxing entities that benefit from distributions of property tax and other revenues pursuant to Section 34188. Further, the provisions of Division 4 (commencing with Section 1000) of the Government Code shall apply to oversight boards. Notwithstanding Section 1099 of the Government Code, or any other law, any individual may simultaneously be appointed to up to five oversight boards and may hold an office in a city, county, city and county, special district, school district, or community college district.

(j) Except as specified in subdivision (q), commencing on and after July 1, 2018, in each county where more than one oversight board was created by operation of the act adding this part, there shall be only one oversight board, which shall be staffed by the county auditor-controller, by another county entity selected by the county auditor-controller, or by a city within the county that the county auditor-controller may select after consulting with the department. Pursuant to Section 34183, the county auditor-controller may recover directly from the Redevelopment Property Tax Trust Fund, and distribute to the appropriate city or county entity, reimbursement for all costs incurred by it or by the city or county pursuant to this subdivision, which shall include any associated startup costs. However, if only one successor agency exists within the county, the county auditor-controller may designate the successor agency to staff the oversight board. The oversight board is appointed as follows:

(1) One member may be appointed by the county board of supervisors.

(2) One member may be appointed by the city selection committee established pursuant to Section 50270 of the Government Code. In a city and county, the mayor may appoint one member.

(3) One member may be appointed by the independent special district selection committee established pursuant to Section 56332 of the Government Code, for the types of special districts that are eligible to receive property tax revenues pursuant to Section 34188.

(4) One member may be appointed by the county superintendent of education to represent schools if the superintendent is elected. If the county superintendent of education is appointed, then the appointment made pursuant to this paragraph shall be made by the county board of education.

(5) One member may be appointed by the Chancellor of the California Community Colleges to represent community college districts in the county.

(6) One member of the public may be appointed by the county board of supervisors.
(7) One member may be appointed by the recognized employee organization representing the largest number of successor agency employees in the county.

(k) The governor may appoint individuals to fill any oversight board member position described in subdivision (j) that has not been filled by July 15, 2018, or any member position that remains vacant for more than 60 days.

(l) Commencing on and after July 1, 2018, in each county where only one oversight board was created by operation of the act adding this part, then there will be no change to the composition of that oversight board as a result of the operation of subdivision (j).

(m) Any oversight board for a given successor agency, with the exception of countywide oversight boards, shall cease to exist when the successor agency has been formally dissolved pursuant to Section 34187. A county oversight board shall cease to exist when all successor agencies subject to its oversight have been formally dissolved pursuant to Section 34187.

(n) An oversight board may direct a successor agency to provide additional legal or financial advice than what was given by agency staff.

(o) An oversight board is authorized to contract with the county or other public or private agencies for administrative support.

(p) On matters within the purview of the oversight board, decisions made by the oversight board supersede those made by the successor agency or the staff of the successor agency.

(q) (1) Commencing on and after July 1, 2018, in each county where more than 40 oversight boards were created by operation of the act adding this part, there shall be five oversight boards, which shall each be staffed in the same manner as specified in subdivision (j). The membership of each oversight board shall be as specified in paragraphs (1) through (7), inclusive, of subdivision (j).

(2) The oversight boards shall be numbered one through five, and their respective jurisdictions shall encompass the territory located within the respective borders of the first through fifth county board of supervisors districts, as those borders existed on July 1, 2018. Except as specified in paragraph (3), each oversight board shall have jurisdiction over each successor agency located within its borders.

(3) If a successor agency has territory located within more than one county board of supervisors’ district, the county board of supervisors shall, no later than July 15, 2018, determine which oversight board shall have jurisdiction over that successor agency. The county board of supervisors or their designee shall report this information to the successor agency and the department by the aforementioned date.

(4) The successor agency to the former redevelopment agency created by a county where more than 40 oversight boards were created by operation of the act adding this part, shall be under the jurisdiction of the oversight board with the fewest successor agencies under its jurisdiction.

(Amended by Stats. 2015, Ch. 325, Sec. 11. Effective September 22, 2015.)
DIRECTORS' REPORTS (AB 1234) PER CA GOVERNMENT CODE SECTION 53232.3 (d)

In accordance with CA Government Code 53232.3 (d), the following report identifies the meetings for which Mesa Water Directors received expense reimbursement.

<table>
<thead>
<tr>
<th>Directors' Name</th>
<th>Meetings Attended</th>
</tr>
</thead>
<tbody>
<tr>
<td>James F. Atkinson</td>
<td><strong>Meetings Attended</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Reimbursement Date:</strong> N/A</td>
</tr>
<tr>
<td>Fred R. Bockmiller, Jr., P.E.</td>
<td><strong>Meetings Attended</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Reimbursement Date:</strong> N/A</td>
</tr>
<tr>
<td>Marice DePasquale</td>
<td><strong>Meetings Attended</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Reimbursement Date:</strong> 09/28/17 CSDA Conference 9/24 – 9/26</td>
</tr>
<tr>
<td>Shawn Dewane</td>
<td><strong>Meetings Attended</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Reimbursement Date:</strong> 09/13/17 Meeting with Director DePasquale, 9/6</td>
</tr>
<tr>
<td>James Fisler</td>
<td><strong>Meetings Attended</strong></td>
</tr>
<tr>
<td></td>
<td><strong>Reimbursement Date:</strong> N/A</td>
</tr>
</tbody>
</table>
There are no support materials for this item.