Committee Members: Jim Atkinson, President  
Fred R. Bockmiller, P.E., Vice President  
Paul E. Shoenberger, P.E., General Manager  
Denise Garcia, Administrative Services Manager

PUBLIC COMMENTS

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

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

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.

None

PRESENTATION AND DISCUSSION ITEMS:

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

1. Board Workshop Planning  
2. Redevelopment Agency Oversight Board Appointments  
3. Memorandum of Understanding for Exchange of Services

ACTION ITEMS:

4. Special Legal Services – Foley & Mansfield  
5. Special Legal Services – Rutan & Tucker

REPORTS:

6. Future Agenda Topics and Conference Schedule  
7. Report of the General Manager  
8. Directors’ Reports and Comments

INFORMATION ITEMS:

9. 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.

ADJOURNMENT
RECOMMENDATION

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

STRATEGIC PLAN

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

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

At its October 12, 2017 Board of Directors’ (Board) meeting, the Board is scheduled to discuss agenda topics for the November 2, 2017 workshop to be held at the Mesa Water Reliability Facility.

For the Committee’s 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)

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: Executive Committee
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: October 3, 2017
SUBJECT: Redevelopment Agency Oversight Board Appointments

RECOMMENDATION

This item is provided for discussion only.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #2: Practice perpetual infrastructure renewal and improvement.
Goal #3: Be financially responsible and transparent.
Goal #4: Increase public awareness about Mesa Water and about water.
Goal #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</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>October 10, 2017</td>
<td>Nomination Period Begins</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>
<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>
<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>
<td>Ballots due to LAFCO by 3:00 p.m.</td>
</tr>
<tr>
<td>December 19, 2017</td>
<td>Ballots Counted</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 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 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
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 $416 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 LAFCo 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 designed 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.

   - 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(f)).

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 polices 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 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 1096 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, 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 shall 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.)
RECOMMENDATION

This item is provided for discussion only.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.
Goal #2: Practice perpetual infrastructure renewal and improvement.
Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

At its July 11, 2006 meeting, the Board of Directors (Board) approved the Memorandum of Understanding regarding the Exchange of Services between Mesa Consolidated Water District and Costa Mesa Sanitary District (CMSD).

DISCUSSION

In December of 2005, CMSD changed its relationship with the City of Costa Mesa. At that time, Rob Hamers, Manager/District Engineer for CMSD contacted Mesa Water’s General Manager and inquired if the two agencies could continue the long-standing informal relationship for CMSD to access Mesa Water’s hydrant water. As a result of Mr. Hamers’ request, Mesa Water agreed to continue the informal relationship for a temporary period of six months - through June 30, 2006 - during which time each agency would work to identify the costs of services provided to each other.

During the period from December 2005 to May of 2006, staff from both agencies worked together to identify all of the services that currently were, or could be provided, to each agency and to more formally document those services for inclusion in a formal agreement.

At the June 8, 2006 CMSD Board of Directors’ meeting, CMSD unanimously approved a list of proposed services offered to Mesa Water in exchange for hydrant water.

At its July 11, 2006 meeting, the Mesa Water Board approved a newly written Memorandum of Understanding outlining the Exchange of Services between Mesa Consolidated Water District and CMSD. The two agencies each signed the understanding on July 12, 2006.

FINANCIAL IMPACT

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

Attachment A: June 8, 2006 Minutes of the Costa Mesa Sanitary District
Attachment B: Memorandum of Understanding between Mesa Consolidated Water District and Costa Mesa Sanitary District Regarding the Exchange of Services between Agencies
MINUTES OF THE COSTA MESA SANITARY DISTRICT
COSTA MESA, CALIFORNIA
June 8, 2002

A Regular meeting of the Board of Directors of the Costa Mesa Sanitary District was held on June 8, 2002 at 6:00 p.m. in the Board Room of the Costa Mesa Sanitary District at 628 W. 19th Street, Costa Mesa, California.

Directors present: Jim Ferryman, Greg Woodside, Art Perry, Arlene Schafer, Dan Worthington

Directors absent: None

"AGREEMENT WITH MESA CONSOLIDATED WATER DISTRICT FOR SUPPORT SERVICES"

Mr. Hamers reported he and Mr. Fauth have been meeting with Mesa Consolidated Water District representatives regarding the District's hydrant water usage. In a previous arrangement, Mesa Consolidated provided hydrant water to the City of Costa Mesa and through that agreement, to the Costa Mesa Sanitary District. Now that the District is no longer a part of that arrangement with the City, Mr. Hamers has been working with MCWD on a cooperative agreement between Mesa Consolidated Water District and the Costa Mesa Sanitary District.

Mr. Hamers estimated the District would use approximately 6,000 gallons of water a day in the Vactor trucks. This equates to $4,000 per year of water. Mesa Consolidated stated they would provide the $4,000 of water per year in exchange for services from the District to MCWD.

Mr. Hamers proposed the following services to MCWD in exchange for the water usage:

- Provide no-fee sewer service to MCWD at all MCWD sites;
- Vactor MCWD wash rack monthly or as needed at the Placentia Avenue site;
- Hydrant Flush support as needed when vehicles are available;
- Emergency response and support as requested;
- Registered Civil Engineers on CMSD Staff to assist as needed;
- Other services that may become available.

Mr. Burns explained the District would not be actually waiving the sewer service fees to MCWD, but changing the compensation received for them.

Director Worthington motioned to approve the agreement with Mesa Consolidated Water District. Director Perry seconded the motion. Motion carried 5-0.

Ayes: Directors Ferryman, Woodside, Perry, Schafer, Worthington

No: None

Motion carried 5-0.”
STATE OF CALIFORNIA)
      ) SS.
COUNTY OF ORANGE )

I, JOAN REVAK, Clerk of the Costa Mesa Sanitary District, hereby certify that the foregoing is a full, true and correct copy of the minute entry on record in my office.

IN WITNESS WHEREOF, I have hereunto set my hand and seal this 22nd day of June, 2006.

[Signature]
Clerk of the District
Costa Mesa Sanitary District
Memorandum of Understanding between
Mesa Consolidated Water District and Costa Mesa Sanitary District
Regarding the Exchange of Services between Agencies

This Memorandum of Understanding (MOU) will serve to approve the following terms and conditions for the exchange of services between Mesa Consolidated Water District (Mesa) and the Costa Mesa Sanitary District (CMSD):

1. We want to continue working together cooperatively and collaboratively to serve the best interests of the public communities served and the ratepayers of both agencies.

2. We will continue the historical arrangement that has existed informally for a long time between the City of Costa Mesa (City) and Mesa, which provided for CMSD use of un-metered hydrant water for various public services.

3. Mesa agrees to provide the following services (estimated annual value $4,500):
   a. Provide no-fee hydrant water use to CMSD and/or its contractors;
   b. Emergency response and support as requested; and
   c. Other services that may become available, limited in Mesa’s discretion.

4. In exchange for the hydrant water usage, CMSD agrees to provide the following services (estimated annual value $6,000):
   a. Provide no-fee sewer service to Mesa at all sites;
   b. Vactor Mesa wash rack monthly, or as needed, at the Placentia Avenue site;
   c. Hydrant Flush support as needed when vehicles are available;
   d. Emergency response and support as requested;
   e. Registered Civil Engineers on CMSD staff to assist as needed; and
   f. Other services that may become available, limited in CMSD’s discretion.

5. CMSD shall use proper equipment and methods when connecting to Mesa hydrants to assure water quality standards are maintained while accessing Mesa’s water system.

6. In the event of an emergency by Mesa or CMSD which involves the facilities of the other party, Mesa and CMSD agree to reasonably cooperate to address and remedy such emergency situation.

This MOU shall become effective on July 1, 2006 and continue unless and until either Mesa or CMSD requests to terminate this MOU by notifying the other party in writing with two weeks advance notice. Mesa and CMSD agree to meet at least annually to review terms and costs for the exchange of services.
Memorandum of Understanding Approved by:

Robin B. Hamers, CMSD Manager/District Engineer  
1/12/06  
Date

Diana M. Leach, Mesa General Manager  
July 12, 2006  
Date
MEMORANDUM

TO: Executive Committee
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: October 3, 2017
SUBJECT: Special Legal Services – Foley & Mansfield

RECOMMENDATION

Recommend the Board of Directors approve an amendment to the special legal services contract with Foley & Mansfield for an amount not to exceed $50,000.

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:

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<th>Description</th>
<th>Estimate Amounts</th>
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ATTACHMENTS

None.
RECOMMENDATION

Recommend the Board of Directors approve an amendment to the special legal services contract with Rutan & Tucker for an amount not to exceed $100,000.

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

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 funding would come from Cash on Hand:
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**ATTACHMENTS**

None.
MEMORANDUM

TO: Executive Committee
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: October 3, 2017
SUBJECT: Future Agenda Topics and Conference Schedule

RECOMMENDATION

Review future agenda topics and conference schedule.

STRATEGIC PLAN

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

PRIOR BOARD ACTION/DISCUSSION

None.

DISCUSSION

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

FINANCIAL IMPACT

None.

ATTACHMENTS

None.
REPORTS:

7. REPORT OF THE GENERAL MANAGER:
REPORTS:

8. DIRECTORS' REPORTS AND COMMENTS:
There are no support materials for this item.