AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Thursday, November 9, 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ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA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 October 12, 2017.
3. Approve minutes of special Board meeting of October 17, 2017.
5. Approve minutes of special Board meeting of October 26, 2017.
6. Approve attendance considerations (additions, changes, deletions).
7. Board Schedule:
   • Conferences, Seminars, and Meetings
   • Board Calendar
   • Upcoming Community Outreach Events
8. Declare Unit 14 – 2001 Ford F-450 and Unit 23 – 2004 Ford F-450 as surplus and authorize the General Manager to dispose of the items within the established rules and regulations set forth by Resolution No. 1463.
9. Approve an increase to the On-Call Pipeline Repair and Construction contracts by $100,000 for a total not-to-exceed amount of $250,000 for Fiscal Year 2018, and authorize execution of the change order.
10. Approve a change order to Michael Baker International’s contract for $420,673, for a total not-to-exceed amount of $1,276,770, to continue construction management services for the Well Automation and Rehabilitation Project, and approve an increase in the authorized contingency to the Well Automation and Rehabilitation construction contract with Pacific Hydrotech, Inc. from 5% ($524,425) to 7.5% ($786,637).
11. Reject the bid of J.A. Salazar Construction as non-responsive due to its failure to include certain required bid documentation, and award a contract to the lowest responsive bidder, Paulus Engineering, Inc., for $305,330 and a 10% contingency for a not-to exceed amount of $335,863 to perform the Mesa Water District Valve Replacements Project, and authorize execution of the contract.

12. Authorize President Jim Atkinson to vote in the Orange County Special District Selection Committee election and authorize Vice President Fred R. Bockmiller, P.E. as the alternate voting member.

13. Authorize President Jim Atkinson as the voting delegate for the Association of California Water Agencies’ (ACWA) election of Board President and Vice President for the 2018-2019 term and the proposed amendments to ACWA’s Bylaws.


PRESENTATION AND DISCUSSION ITEMS:

None

ACTION ITEMS:

15. RESOLUTION NO. 1504 – UPDATING THE POLICY REGARDING RATE CHANGE PROCEEDINGS:


16. PUBLIC HEARING REGARDING PROPOSED WATER RATE CHANGES:

Recommendation: Receive presentation, hold public hearing, and adopt Resolution No. 1505 Determining Compliance with Procedural Requirements, Making Findings, Revising Water Rates, Revising Meter Rates, Revising Fireline Stand-By Charges, and Adopting a Rate and Charge Implementation Schedule, Amending Water Rate and Charge Schedule, Taking Related Actions and Superseding Resolution Nos. 1439 and 1475.

Public Hearing
1. Receive presentation on proposed Five-Year Water Rate Schedule.
2. Open public hearing.
3. Receive oral & written comments from the public.

REPORTS:

17. REPORT OF THE GENERAL MANAGER:
   • October 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)

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, DECEMBER 14, 2017 AT 6:00 P.M.
CALL TO ORDER

The meeting of the Board of Directors was called to order on October 12, 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 Dewane led the Pledge of Allegiance.

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

Others Present

Greg Warren, Member of the Public
Yazmin Ra, Member of the Public

PUBLIC COMMENTS

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

There were no comments 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:

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.

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

MOTION

Motion by Vice President Bockmiller, second by Director Dewane, to approve Items 1 – 8 of the Consent Calendar. Motion passed 5-0.

PRESENTATION AND DISCUSSION ITEMS:

9. BOARD WORKSHOP PLANNING:

   General Manager Shoenberger introduced the topic and noted that the Board workshop is scheduled for Thursday, November 2, 2017.

ACTION ITEMS:

10. SPECIAL LEGAL SERVICES:

    GM Shoenberger introduced the item.

    Discussion ensued amongst the Board.

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

MOTION

Motion by Director Dewane, second by Director DePasquale, to approve an amendment to the special legal services contract with Rutan & Tucker for an amount not to exceed $100,000. Motion passed 4-1, with Vice President Bockmiller voting no.
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)

President Atkinson adjourned the meeting at 6:29 p.m., in memory of the victims of the recent fires, to an Adjourned Regular Board Meeting scheduled for Thursday, November 2, 2017, at 9:00 a.m.

Approved:

__________________________
Jim Atkinson, President

__________________________
Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer
MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Monday, October 16, 2017
1965 Placentia Avenue, Costa Mesa, CA 92627
3:30 p.m. Special Board Meeting

FINANCE COMMITTEE MEETING

CALL TO ORDER
The meeting of the Board of Directors was called to order on October 16, 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
Phil Lauri, P.E., Assistant General Manager
Denise Garcia, Administrative Services Manager/District Secretary
Marwan Khalifa, CPA, MBA, Chief Financial Officer

Others Present
None

PUBLIC COMMENTS
There was no public present.

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

MOTION
Motion by Director Fisler, 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:
None.
ACTION ITEMS:
4. Surplus Property

MOTION
Motion by Director Fisler, second by President Atkinson, to add to the next regular Board meeting Consent Calendar declaration of Unit 14 – 2001 Ford F-450 and Unit 23 – 2004 Ford F-450 as surplus and authorize the General Manager to dispose of the items within the established rules and regulations set forth by Resolution No. 1463. Motion passed 4-0-1, with Director Dewane absent.

5. Claims Act Policy
Assistant General Manager Lauri introduced Chief Financial Officer Khalifa who provided an overview of the topic.

Discussion ensued amongst the Board.

Without objection from the Board, President Atkinson directed staff to bring this item, including the Board’s recommended modifications, to the November 2, 2017 adjourned regular Board meeting.

REPORTS:
7. Directors’ Reports and Comments

INFORMATION ITEMS:

The Board meeting was adjourned at 3:50 p.m.

Approved:

Jim Atkinson, President

Denise Garcia, District Secretary
MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Tuesday, October 17, 2017
1965 Placentia Avenue, Costa Mesa, CA 92627
3:30 p.m. Special Board Meeting

ENGINEERING AND OPERATIONS COMMITTEE MEETING

CALL TO ORDER
The meeting of the Board of Directors was called to order on October 17, 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
Vice President Bockmiller led the Pledge of Allegiance.

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

Directors Absent
None

Staff Present
Paul E. Shoenberger, P.E., General Manager
Phil Lauri, P.E., Assistant General Manager
Tracy Manning, Water Operations Manager
Wendy Duncan, Records Management Specialist/Assistant District Secretary
Mark Pelka, Senior Civil Engineer

Others Present
None

PUBLIC COMMENTS
There was no public present.

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.
The agenda was reordered to take Items 8 and 9 before Item 6. There were no objections.

**ACTION ITEMS:**

Item 8 – Valve Replacements Project

Assistant General Manager Lauri reviewed the topic and then responded to questions from the Board.

**MOTION**

Motion by Vice President Bockmiller, second by Director Dewane, to add to the next regular Board meeting Consent Calendar rejection of the bid of J.A. Salazar as non-responsive due to its failure to include certain required bid documentation, and award of a contract to the lowest responsive bidder, Paulus Engineering, Inc., for $305,330 and a 10% contingency for a not-to exceed amount of $335,863 to perform the Mesa Water District Valve Replacements Project, and authorize execution of the contract. Motion passed 5-0.

Item 9 – Well Automation and Rehabilitation Project – Construction Management

AGM Lauri reviewed the topic and then responded to questions from the Board.

**MOTION**

Motion by Vice President Bockmiller, second by President Atkinson, to add to the next regular Board meeting Consent Calendar approval of a change order to Michael Baker International’s contract for $420,673, for a total not-to-exceed amount of $1,276,770, to continue construction management services for the Well Automation and Rehabilitation Project, and approval of an increase in the authorized contingency to the Well Automation and Rehabilitation construction contract with Pacific Hydrotech, Inc. from 5% ($524,425) to 7.5% ($786,637). Motion passed 5-0.

**PRESENTATION AND DISCUSSION ITEMS:**

6. City/Districts Liaison Committee Topic Update – Public Restrooms for the Homeless

General Manager Shoenberger provided an update on the topic.

7. Main Line Break Summary Report

Water Operations Manager Tracy Manning provided a summary report of the Main Line Repairs and then proceeded with a presentation that highlighted the following:

- Map of Repair Locations
- Root Cause Analysis
- Turn Out Station
- Kemp Reservoir and Equipment
- Pressure Transducer
- Airport Loop
- Possible Transient Pressure Wave
• Recommendations

Ms. Manning responded to questions from the Board and they thanked her for the presentation.

MOTION

Motion by Vice President Bockmiller, second by Director Dewane, to add to the next regular Board meeting Consent Calendar approval of an increase to the On-Call Pipeline Repair and Construction contracts by $100,000 for a total not-to-exceed amount of $250,000 for Fiscal Year 2018, and authorization to execute the change order. Motion passed 5-0.

ACTION ITEMS:

8. Valve Replacements Project
   Item taken earlier in the agenda.

9. Well Automation and Rehabilitation Project – Construction Management
   Item taken earlier in the agenda.

REPORTS:


11. Directors’ Reports and Comments

INFORMATION ITEMS:

None.

The Board meeting was adjourned at 4:39 p.m.

Approved:

Jim Atkinson, President

Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer
CALL TO ORDER

The meeting of the Board of Directors was called to order on October 21, 2017 at 10:45 a.m. by President Atkinson at the Mesa Water Reliability Facility, located at 1350 Gisler Avenue, Costa Mesa, California.

PLEDGE OF ALLEGIANCE

Director Fisler led the Pledge of Allegiance.

Directors Present

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

Directors Absent

Shawn Dewane, Director

Staff Present

Phil Lauri, Assistant General Manager
Stacy Taylor, External Affairs Manager
Haylea Capone, Interim Public Affairs Assistant
Noelle Collins, Public Affairs Coordinator
Justin Finch, Water Use Efficiency Analyst
Maryanne Grunbaum, Customer Services Representative II
Epuni Hinnebusch, Customer Services Representative II
Kaying Lee, Water Quality and Compliance Supervisor
Jamar Ogan, Customer Services Representative II
Michael Pineda, Facility Maintenance Worker I
Jennifer Smith, Accounting Technician II

Others Present

Hank Panian, former Mesa Water Director
22 class participants

PRESENTATION AND DISCUSSION ITEMS:

1. WATER ISSUES STUDY GROUP MEETING:

President Atkinson welcomed the Water Issues Study Group participants and introduced the Mesa Water Directors, each of whom addressed the group.

President Atkinson introducedExternal Affairs Manager Taylor who provided a brief history and overview of Mesa Water District.

Assistant General Manager Lauri provided a presentation entitled “Groundwater and the Mesa Water Reliability Facility”. Mr. Lauri and Vice President Bockmiller then conducted a tour of the Nanofiltration Room.
AGM Lauri introduced Water Quality and Compliance Supervisor Lee who presented on Mesa Water’s water quality monitoring, testing and reporting. Ms. Lee then responded to questions from the class participants.

President Atkinson introduced Water Use Efficiency Analyst Finch who proceeded with a presentation regarding water use efficiency followed by a facilitated tour of the Water Wise Demonstration Garden.

President Atkinson honored former Director Hank Panian with the Mesa Water Emeritus Award. Over the past 30 years, Mr. Panian has helped more than 500 Water Issue Study Group participants learn about local and state water history, water quality, reliability and conservation techniques.

A graduation ceremony was held to congratulate the class participants for their completion of the Water Issues Study Group.

Mesa Water Directors thanked the Water Issues Study Group for their participation.

President Atkinson then conducted the conservation drawing and finished with closing remarks.

INFORMATION ITEMS:

2. OTHER (NO ENCLOSURE)

PUBLIC COMMENTS:

President Atkinson asked for public comments. There were no comments.

The Board meeting was adjourned at 1:15 p.m.

Approved:

______________________________
Jim Atkinson, President

______________________________
Denise Garcia, District Secretary
AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Thursday, October 26, 2017
1965 Placentia Avenue, Costa Mesa, CA 92627
3:30 p.m. Special Board Meeting

LEGISLATIVE & PUBLIC AFFAIRS COMMITTEE MEETING
Thursday, October 26, 2017 at 3:30 p.m.

CALL TO ORDER
The meeting of the Board of Directors was called to order on October 26, 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
Director Atkinson led the Pledge of Allegiance.

Directors Present
Jim Atkinson, President, Chair
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
Stacy Taylor, External Affairs Manager

Others Present
Stacey Kaszton Jones, President and Founder, La Voz Marketing

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

CONSENT CALENDAR ITEMS:
1. Advocacy Update
2. Outreach Update

MOTION
Motion by Vice President Bockmiller, second by Director Dewane, to approve Items 1 and 2 of the Consent Calendar. Motion passed 5-0.
PRESENTATION AND DISCUSSION ITEMS:

3. “I Heart Mesa Water®” Community Outreach Event Recap

External Affairs Manager Taylor introduced La Voz Marketing President and Founder Stacy Kaszton Jones who provided a recap presentation of the “I Heart Mesa Water®” Community Outreach Event which highlighted the following:

- Celebrating the Water Vending Machine
- Community Partners
- La Voz Marketing Secured Sponsors
- Ribbon Cutting Ceremony
- Mesa Water + Partner Provided Activities
- Marketing Flyer
- Event Website
- Public Relations
- Sampling of Secured Placements
- Social Media Designs + Hashtags
- Overall Results
- Key Learnings for Future

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

4. Mesa Water® Messaging

External Affairs Manager Taylor provided a brief overview of the topic.

Discussion ensued amongst the Board.

The Board gave consensus for the Mesa Water® Messaging Project to move forward.

ACTION ITEMS:

5. Argyros Plaza Proclamation

MOTION

Motion by President Atkinson, second by Director Dewane, to approve a proclamation honoring the Grand Opening of the Julianne and George Argyros Plaza at the Segerstrom Center for the Arts. Motion passed 5-0.

6. Redevelopment Agency Oversight Board Appointments

MOTION

Motion by Director Dewane, second by Director DePasquale, to add to the next regular Board meeting Consent Calendar authorization for President Jim Atkinson to vote in the Orange County Special District Selection Committee election and authorization for Vice President Fred R. Bockmiller, P.E. to be the alternate voting member. Motion passed 5-0.

REPORTS:

7. Report of the General Manager

8. Directors’ Reports and Comments
INFORMATION ITEMS:
None.

The Board meeting was adjourned at 4:35 p.m.

Approved:

______________________________
Jim Atkinson, President

______________________________
Denise Garcia, District Secretary
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>Conference</th>
<th>Location</th>
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<tbody>
<tr>
<td>November 28 - December 1, 2017</td>
<td>ACWA/JPIA Fall Conference</td>
<td>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>
<td>Monterey, CA</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>
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<td>March 12 - 16, 2018</td>
<td>Jt. CA-NV AWWA/AMTA Spring Conference</td>
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<td>7:30AM ISDOC Executive Committee - Fisler (MWDOC Conference Room 101)</td>
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<td>3:30PM Executive Committee Meeting (Panian Conf. Room; Boardroom)</td>
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<td>5:45PM Costa Mesa City Council Meeting</td>
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**December 2017**

11/8/2017 3:05 PM

Kathy Pham
# January 2018

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<tr>
<th>Sunday</th>
<th>Monday</th>
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<td>✨ 3:30PM - 5:00PM Executive Committee Meeting (Panian Conference Room)</td>
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<td>✨ 3:30PM - 5:00PM Finance Committee Meeting (Boardroom)</td>
<td>✨ 3:30PM - 5:00PM Engineering and Operations Committee Meeting (Boardroom)</td>
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**December 2017**

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**February 2018**

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November 6, 2017 3:05 PM
Kathy Pham
## UPCOMING COMMUNITY OUTREACH EVENTS

<table>
<thead>
<tr>
<th>Event:</th>
<th>Date &amp; Time:</th>
<th>Location:</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Family Health Day</strong></td>
<td>Saturday November 18, 2017 9:00 a.m. to 12:00 p.m.</td>
<td>Hoag Center for Healthy Living 307 Placentia Avenue Newport Beach, CA 92663</td>
</tr>
<tr>
<td><strong>5th Grade Assembly</strong></td>
<td>Tuesday November 21, 2017 9:40 a.m.</td>
<td>Whittier Elementary 1800 Whittier Avenue Costa Mesa, CA 92627</td>
</tr>
<tr>
<td><strong>5th Grade Assembly</strong></td>
<td>Tuesday November 21, 2017 10:40 a.m.</td>
<td>Whittier Elementary 1800 Whittier Avenue Costa Mesa, CA 92627</td>
</tr>
<tr>
<td><strong>5th Grade Assembly</strong></td>
<td>Tuesday November 21, 2017 1:35 p.m.</td>
<td>College Park Elementary 2380 Notre Dame Road Costa Mesa, CA 92626</td>
</tr>
<tr>
<td><strong>5th Grade Assembly</strong></td>
<td>Friday December 1, 2017 11:05 a.m.</td>
<td>Davis Magnet School 1050 Arlington Drive Costa Mesa, CA 92626</td>
</tr>
<tr>
<td><strong>5th Grade Assembly</strong></td>
<td>Thursday December 7, 2017 2:00 p.m.</td>
<td>Wilson Elementary 801 W. Wilson Street Costa Mesa, CA 92627</td>
</tr>
<tr>
<td><strong>Costa Mesa Home Tour Reception</strong></td>
<td>Thursday December 7, 2017 6:00 p.m. to 8:00 p.m.</td>
<td>Pottery Barn in Crystal Court South Coast Plaza 3333 Bear St #150 Costa Mesa, CA 92626</td>
</tr>
</tbody>
</table>
RECOMMENDATION

Declare Unit 14 – 2001 Ford F-450 and Unit 23 – 2004 Ford F-450 as surplus and authorize the General Manager to dispose of the items within the established rules and regulations set forth by Resolution No. 1463.

The Finance Committee reviewed this item at its October 16, 2017 meeting and recommends Board approval.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

Resolution No. 1463, adopted by the Board of Directors (Board) of Mesa Water District (Mesa Water®) in August 2015, updated rules and regulations for the disposal of property that Mesa Water® determines as no longer necessary to carry out the powers and the purposes of the District to meet present or future needs. Further, Resolution No. 1463 requires all surplus personal property, regardless of the amount, to be approved by the Board prior to disposition.

The resolution also specifies that the General Manager, acting in the best interest of the District, may use any of the prescribed methods approved by the Board for disposal of the assets.

At its October 13, 2016 meeting, the Board authorized Mesa Water staff to dispose of a 2001 Ford Ranger, 2002 Ford Ranger Super Cab, 1999 Ford Ranger Super Cab, and a 2001 Ford Ranger Compact Pickup. These four vehicles brought in a total of $8,700 through disposal by the remarketing service provider.

DISCUSSION

This document serves as the written report of the disposal of Surplus Personal Property, including the manner of disposal utilized, which is provided to the Board prior to disposition.

A summary of each proposed vehicle/equipment for surplus is provided below:

**Unit 14 – 2001 Ford F-450**
Unit 14 is sixteen (16) years old and is assigned to the Water Operations Crew. This unit currently has 81,784 miles. The original acquisition cost was $33,456.32.

**Unit 23 – 2004 Ford F-450**
Unit 22 is thirteen (13) years old and is assigned to the Water Distribution Crew. This unit currently has 87,526 miles. The original acquisition cost was $31,732.58.
All proposed surplus items listed above have no undepreciated book value.

“Disposal by Remarketing Service Provider” has been chosen as the method to dispose of the above surplus items.

FINANCIAL IMPACT

None.

ATTACHMENTS

None.
MEMORANDUM

TO: Board of Directors
FROM: Tracy E. Manning, Water Operations Manager
DATE: November 9, 2017
SUBJECT: Main Line Repair Summary Report

RECOMMENDATION

Approve an increase to the On-Call Pipeline Repair and Construction contracts by $100,000 for a total not-to-exceed amount of $250,000 for Fiscal Year 2018, and authorize execution of the change order.

The Engineering and Operations Committee reviewed this item at its October 17, 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.
Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

At its June 20, 2017 meeting, the Engineering & Operations (E&O) Committee received an information item on the preparation of the Request for Bid for On-call Emergency Pipeline Repair and Construction.

At its September 14, 2017 meeting, the Board of Directors (Board) approved On-Call Pipeline Repair & Construction contracts with Paulus Engineering, Inc. (Paulus), GCI Construction, Inc. (GCI), and W.A. Rasic Construction Company, Inc. (Rasic) for an amount not to exceed $150,000 per year in total.

DISCUSSION

The use of on-call pipeline construction contractors allows Mesa Water District (Mesa Water®) to react quickly to urgent operational events, such as the series of main line breaks that occurred between August 29 and August 31, 2017 when ten main line breaks were repaired in a 48-hour period. The unprecedented number of breaks occurring in such a short time required the combined effort of Mesa Water staff and on-call pipeline contractors to restore service to customers as quickly as possible. Due to the foresight and support of the Board, Mesa Water was able to mobilize the necessary additional resources quickly. Five repairs were completed by Mesa Water crews and five were completed using two on-call contractors with the support of Mesa Water staff. Both staff and contractors worked tirelessly to restore service to all customers as quickly as possible.

The general timeline of repairs between August 29 and August 31, 2017 was as follows:

1. **2000 block of Meyer**: Mesa Water was notified 8/29/17 in the late afternoon of a wet spot in the asphalt. It was determined by responding staff that the leak was minor; repair was
scheduled for 8/30/2017 to allow time for underground utilities to be safely marked and notifications to be made. This line was a 6” concrete mortar lined and coated steel (CML&C) pipe. Mesa Water staff were able to install a temporary repair clamp that restored service by 1:00 pm and would allow for a more permanent repair to be planned and executed when the impacted school was not in session. A permanent repair was made the week of 9/11/17.

2. **Orange/Costa Mesa:** Mesa Water was notified at approximately 7:00 pm on 8/29/17 of a large volume of water flowing down the north bound side of Newport Boulevard. Mesa Water crews repaired the 6” asbestos-cement pipe (ACP) and restored water service at 11:00 pm that evening. The leak damaged a sewer lateral to a home that was repaired by Kilbride Construction. A tree was removed by the city of Costa Mesa to ensure the sewer lateral repair and backfill could be performed safely. Pavement was restored on 9/5/17.

3. **Mendoza:** Mesa Water was notified at approximately 1:00 am on 8/30/17 of a water leak. The on-call operator shut off the flow to the damaged 12” steel siphon that brought water over a flood control channel bridge. It was determined that the 47 foot siphon required replacement and would need to be fabricated; Paulus was mobilized to cut in an isolation valve in the 12” ACP to restore service to all customers. This work was completed by 5:00 pm. A new cement lined and epoxy coated siphon is being fabricated and will be installed by Paulus in October.

4. **Airport Loop:** Mesa Water was notified at approximately 9:00 am on 8/30/17 that the parking lot was flooded. Mesa Water staff isolated the leak and Paulus was mobilized to replace a 90 degree fitting, 4 foot section of 8” ACP, and a tee and hydrant valve. Water service was restored by 1:00 am on 8/31/17. Pavement repair was completed the week of 9/15/17.

5. **Harbor & Wilson:** Mesa Water was notified at approximately 9:30 am on 8/30/17. Mesa Water staff isolated the leak and no customers were out of service. GCI mobilized to repair a 4 foot section of 12” CML&C pipe. Repairs were completed by 10:00 pm on 8/31/17. Due to the condition of the existing pipe, design and specifications have been requested from our on-call professional design services consultant for the replacement of the CML&C lines within the intersection of Harbor and Wilson.

6. **936 Wilson:** Mesa Water was notified at approximately 12:00 pm on 8/30/17. Paulus mobilized to replace a 6 foot section of 6” CML&C pipe. Water service was restored by 1:00 pm on 8/30/17. Pavement repair was completed the week of 9/15/17.

7. **2145 Placentia:** Mesa Water was notified at approximately 1:00 pm on 8/30/17. Mesa Water staff isolated the leak and Paulus mobilized to replace a 6 foot section of 14” CML&C pipe. Specialized flex couplings were required as the pipe material was not suitable for welding and the pipe size is not standard. Water service was restored to all customers by 12:00 pm on 8/31/17. The permanent pavement repair is being coordinated with City of Costa Mesa staff.
8. **943 Evergreen**: Mesa Water was notified at approximately 3:00 am on 8/31/17. A repair was made to the 4” ACP line by Mesa Water staff and water service was restored to all customers by 8:30 am.

9. **943 Evergreen**: A second leak in the 4” ACP was reported in the late afternoon of 8/31/17 several feet west of the previous repair. The second repair was made by Mesa Water staff and service was restored by 7:30 pm. Pavement for both repairs was restored on 9/11/17.

10. **2050 Wallace**: Mesa Water was notified at approximately 1:30 pm on 8/31/17. Mesa Water staff repaired the 6” ACP line and restored water service that evening. Pavement was restored on 9/11/17.

### REPAIR COST SUMMARY

<table>
<thead>
<tr>
<th>Location Name</th>
<th>Pipe Size</th>
<th>Pipe Material</th>
<th>Mesa Water</th>
<th>Contractor</th>
<th>Paving</th>
<th>Total</th>
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<tbody>
<tr>
<td>2000 Meyer</td>
<td>6”</td>
<td>CML&amp;C</td>
<td>$6,018</td>
<td>N/A</td>
<td>In-house</td>
<td>$6,018</td>
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<tr>
<td>Orange/Costa Mesa</td>
<td>6”</td>
<td>ACP</td>
<td>$6,835</td>
<td>N/A</td>
<td>$9,557</td>
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<tr>
<td>Mendoza</td>
<td>12”</td>
<td>CML Steel</td>
<td>$234</td>
<td>$25,432*</td>
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<td>Airport Loop</td>
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<td>ACP</td>
<td>$4,422</td>
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<td>Harbor &amp; Wilson</td>
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<td>CML&amp;C</td>
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<tr>
<td>2145 Placentia</td>
<td>14”</td>
<td>CML&amp;C</td>
<td>$2,016</td>
<td>$24,855</td>
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<tr>
<td>943 Evergreen</td>
<td>4”</td>
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<td>$6,116</td>
<td>N/A</td>
<td>$12,885</td>
<td>$19,001</td>
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<tr>
<td>2050 Wallace</td>
<td>6”</td>
<td>ACP</td>
<td>$6,104</td>
<td>N/A</td>
<td>$10,316</td>
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<td><strong>$35,020</strong></td>
<td><strong>$137,865</strong></td>
<td><strong>$67,843</strong></td>
<td><strong>$240,728</strong></td>
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*Does not include the cost for siphon fabrication and installation

Staff recommends that the Board of Directors approve an additional $100,000 for Fiscal Year 2018 for On-Call Pipeline Repair and Construction contracts with GCI, Paulus, and W.A. Rasic, and authorize execution of the contract change order. This increase will not be made available in subsequent years of the contract without prior approval from the Board of Directors.
**FINANCIAL IMPACT**

$150,000 is budgeted in Fiscal Year 2018; requested funding will come from Cash on Hand.

<table>
<thead>
<tr>
<th>Contract Actual Amounts</th>
<th>Contract Cost Amounts</th>
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<td>Initial Contract Estimate (FY 2018)</td>
<td>$ 150,000</td>
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<td>Original Contracts</td>
<td>$ 150,000</td>
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<td>Change orders</td>
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<td>Requested funding</td>
<td>$ 100,000</td>
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<tr>
<td>Revised Contracts</td>
<td>$ 250,000</td>
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</table>

Actual spent to date
- Revised Contract Estimate $ 250,000
- Actual spent to date $ 137,865

**ATTACHMENTS**

None.
MEMORANDUM

TO: Board of Directors
FROM: Phil Lauri, P.E., Assistant General Manager
DATE: November 9, 2017
SUBJECT: Well Automation and Rehabilitation Project - Construction Management

RECOMMENDATION

Approve a change order to Michael Baker International’s contract for $420,673, for a total not-to-exceed amount of $1,276,770, to continue construction management services for the Well Automation and Rehabilitation Project, and approve an increase in the authorized contingency to the Well Automation and Rehabilitation construction contract with Pacific Hydrotech, Inc. from 5% ($524,425) to 7.5% ($786,637).

The Engineering and Operations Committee reviewed this item at its October 17, 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 (MBI), 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.

At its September 19, 2017 meeting, the E&O Committee received an update on the Well Automation and Rehabilitation Project and approved a change order to Pacific Hydrotech for a not to exceed amount of $800,000 to furnish, install, and integrate variable frequency drives for the motors at Wells 1, 3, 7, and 9.

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 and 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. Well 5 has been producing approximately 2,300 gallons per minute (gpm) of high quality drinking water throughout the summer. The Well 5 casing required extensive repair work (i.e., swaging, slurry fill, etc.) to allow continued use of the well. Repairs to Well 5 used approximately $100,000 of the construction contract contingency. An additional $38,000 of the contingency was used for unplanned site improvements such as removing an abandoned-in-place pipeline, bringing existing electrical conduit runs up to current code, modifications to the gas engine cooling system, and replacement of rusted expansion valves on the back-up propane system.

Well 7: Well 7 was returned to service on October 4, 2017. Work completed at Well 7 included a conservative rehabilitation program, demolition of the end of useful life equipment, and installation of the new pump, motor, and electrical equipment, and chemical handling facilities. Well 7 is producing about 1,450 gpm and is in process of completing its seven day run test.

Well 3: Construction is also underway at Well 3. The concrete for the chemical facilities is currently curing for 28 days. While the concrete is curing, well assessment and rehabilitation is also in process. Completion of Well 3 work is expected in March 2018.

Well 9: In October 2017, project work will start at Well 9. Since new Well 9B was recently drilled, base contract work at Well 9B includes construction of new chemical handling facilities and electrical equipment replacement. With the revised location of the new well at the Well 9B site, the project team has recommended reconfiguration of the overall site layout which will be beneficial for access and safety over the expected 60-100 years of the Well 9B useful life. In addition, the pump currently installed in Well 9B was configured for the original well which had a much smaller diameter. The pump is underperforming and producing only 1,250 gpm from a well that should produce 1,800 gpm. The pump should be replaced with a pump configured to Well 9B to produce more flow at a lower energy cost. The additional cost for reconfiguration of the Well 9 site and replacement of the pump is approximately $300,000. Work at Well 9B is expected to be completed in April 2018.

Well 1: Once Well 3 and Well 9 are back in service, work at Well 1 will commence. Well 1 will be the most challenging site for construction due to its limited area and triangular configuration. Work at Well 1 is expected to be completed in September 2018.

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, half-time inspection services, and construction coordination for a 600-day construction schedule. The original Well Automation and Rehabilitation construction schedule was envisioned to take 600 calendar days. After hiring MBI for construction management 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, as well as the addition of variable frequency drives at four of the five well sites.
The revised construction schedule anticipates substantial completion of all five wells in September 2018, or an additional 450 calendar days from the original 600 calendar day schedule. Following substantial completion, punch list items, record drawings, and operations and maintenance manuals are anticipated to be delivered by the end of calendar year 2018. MBI’s construction management team is doing an excellent job managing Pacific Hydrotech. It is therefore recommended that the Board of Directors consider approving a change order to Michael Baker International’s (MBI) Inc.’s contract in the amount of $420,673 to continue construction management services for the Well Automation and Rehabilitation Project.

**Construction Contract Contingency Authorization:** The construction was authorized with a 5% contingency of $524,425. The condition of Well 5, and the improvements/reconfiguration to the Well 9B site will consume a majority of the contingency. Therefore, it is recommended that the Board consider authorizing an additional 2.5%, or $262,212 of contingency authorization, for a total not-to-exceed construction contract of $11,275,137 to allow the project team to quickly address unforeseen conditions at the remaining well sites. This is especially important for the Well 1 site, which is approximately half the area of the other well sites and irregularly shaped. These factors may present new construction challenges that have not been encountered and solved already at the other well sites.

**FINANCIAL IMPACT**

$3,740,000 is budgeted in Fiscal Year 2018; the requested additional funding will come from Cash on Hand.

<table>
<thead>
<tr>
<th>Project Estimate (FY 2016)</th>
<th>Amounts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Original Contracts</td>
<td>$12,032,045</td>
</tr>
<tr>
<td>Change orders</td>
<td>$1,601,305</td>
</tr>
<tr>
<td>Requested funding</td>
<td>$420,673</td>
</tr>
<tr>
<td>Revised Contracts</td>
<td>$14,054,023</td>
</tr>
<tr>
<td>Actual spent to date</td>
<td>$6,524,021</td>
</tr>
</tbody>
</table>

**ATTACHMENTS**

Attachment A: MBI Request for Contract Amendment
October 5, 2017

Ms. Karyn Igar, PE  
Senior Civil Engineer  
Mesa Water District  
1965 Placentia Avenue  
Costa Mesa, CA 92627  

Subject: Amendment request for Resident Engineering and Inspection Services in support of the Well Automation and Rehabilitation Project No. MC 2101

Dear Ms. Igar:

Michael Baker International (Michael Baker) appreciates the opportunity to be working with Mesa Water District towards the successful completion of the Well Automation and Rehabilitation Project. As we have discussed we are requesting an amendment to address the modification of the construction duration during the final design phase of the project, and enhancements to all the well sites.

As the well automation design neared completion, during a detailed review of the construction activities it was apparent that the previously estimated 600 day construction duration would not encompass the required construction durations for automation of 5 wells, assuring that all 5 wells were available during the summer months. The constructability review meetings identified a 780 day construction duration would facilitate completion of the project within the constraints of the project delivery, therefore an additional 180 days was added to facilitate a reasonable construction duration to deliver a successful project.

Recently the engineering team brought to the construction team the request to add Variable Frequency Drives (VFD’s) to Wells 1, 3, & 7 & 9. We estimate the inclusion of the VFD’s will extend the construction period to late September 2018, with punch list and project closeout complete by mid December 2018.

The December 2014 request for proposal included a proposed level of effort, and at this time we are tracking the budget which included the original 600 day contract. Based upon our current budget forecast, our budget will expire in December 2017, therefore we are requesting a budget augmentation commensurate with the anticipated level of effort, following the agreed upon Construction Management scope of services.
The following table outlines the requested budget to facilitate the extended project completion date as outlined above. For each task, the additional budget was calculated by using estimated hours for team members by month to complete the project. As shown, we anticipate that an additional 3,224 labor hours, for a total estimated increase $498,028.

<table>
<thead>
<tr>
<th>Scope Item</th>
<th>Hours</th>
<th>Rate</th>
<th>Budget</th>
</tr>
</thead>
<tbody>
<tr>
<td>Construction Adminstration (Full Time RE)</td>
<td>1984</td>
<td>$167</td>
<td>$331,328</td>
</tr>
<tr>
<td>Project Management</td>
<td>64</td>
<td>$220</td>
<td>$14,080</td>
</tr>
<tr>
<td>Inspection</td>
<td>644</td>
<td>$145</td>
<td>$93,380</td>
</tr>
<tr>
<td>Equipment and System Testing, Start-Up, and Training</td>
<td>12</td>
<td>$170</td>
<td>$2,040</td>
</tr>
<tr>
<td>Construction Coordinator</td>
<td>520</td>
<td>$110</td>
<td>$57,200</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td>3224</td>
<td></td>
<td><strong>$498,028</strong></td>
</tr>
</tbody>
</table>

Our Team remains committed to the common goal of providing these services in a manner that exceeds all others and to promoting the Mesa Water District's interests throughout the course of this project. Should you require additional information or have any questions then please contact me at 949.981.2679.

Sincerely,

Jerome Ruddins, CCM, QSP
Vice President
Construction Services
TO: Board of Directors  
FROM: Phil Lauri, P.E., Assistant General Manager  
DATE: November 9, 2017  
SUBJECT: Valve Replacements Project

RECOMMENDATION

Reject the bid of J.A. Salazar Construction as non-responsive due to its failure to include certain required bid documentation, and award a contract to the lowest responsive bidder, Paulus Engineering, Inc., for $305,330 and a 10% contingency for a not-to-exceed amount of $335,863 to perform the Mesa Water District Valve Replacements Project, and authorize execution of the contract.

The Engineering and Operations Committee reviewed this item at its October 17, 2017 meeting and recommends Board approval.

STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.  
Goal #2: Practice Continuous Infrastructure Renewal and Improvement

PRIOR BOARD ACTIONS

At its August 15, 2017 meeting, the Engineering & Operations (E&O) Committee received an information item on the Valve Replacements Project and that bids would be solicited for the project and the bid results brought back to the Board for consideration and contract award.

BACKGROUND

As part of the routine maintenance of Mesa Water’s mainline and fire hydrant valves, several valves have been identified that require replacement. Mesa Water’s Operations Department has indicated that the selected valves exhibit leaks, the inability to turn, or have a low turn count.

Inoperable valves lead to challenging shutdowns during emergency and non-emergency repair of main lines. Challenging shutdown conditions consist of:

1. More customers taken out of service for repair work;
2. Excessive dewatering of main lines and excavations;
3. Project delays; and
4. Higher cost for main line repairs.

Mesa Water will use a combination of District crews and contractors to perform valve replacement work in Fiscal Year 2018. Mesa Water uses contractor services as a benchmark to compare work performance efficiencies (i.e., costs, installation time, etc.) and evaluate work process for potential areas of improvement within Mesa Water crews. Approximately 55 valves will be replaced using Mesa Water resources and 17 valves (6” – 12”) will be replaced using contractor services.
DISCUSSION

The Request for Bids (RFB) for the Mesa Water District Valve Replacements Project was completed and put out to bid in September 2017. The RFB consisted of the base bid that included replacement of 17 valves and two alternative bids consisting of the replacement of an additional 3 and 5 valves, respectively. Twelve prospective contractors (Paulus Engineering, Inc., R.C. Foster, J.A. Salazar Construction, J.R. Filanc Construction Company, Doty Brothers Construction Company, Kennedy Pipeline Company, Fraijo Brothers Company, GCI Construction, Inc., L&S Construction, Inc., E.J. Meyer Company, PCL Construction, and Kisling Construction) were contacted for a pre-bid meeting (September 26, 2017) and requested to submit a bid for the aforementioned project. Two contractors (Paulus Engineering, Inc., GCI Construction, Inc.) attended the pre-bid meeting.

Three base bids were received on October 4, 2017 from the following contractors:
- J.A. Salazar Construction (Base Bid $288,140)
- Paulus Engineering, Inc. (Base Bid $305,330), and
- GCI Construction, Inc. (Base Bid $425,000)

The proposed project bids have been evaluated. The bids of Paulus Engineering, Inc. and GCI Construction, Inc. were found to be compliant with all the bid package requirements. The bid of J.A. Salazar was missing required documentation, including an acknowledgement to Addendum No. 2, along with pricing detail required by that addendum, as well as Noncollusion Declaration, Statement of Bidders, signed Contract Acceptance Form, and Subcontractor Listing, and for that reason, it is recommended that the J.A. Salazar Construction bid be found non-responsive.

Evaluation of the subject bids indicate that contractor-installed valves have an average cost of $17,960 and take approximately 2.4 days for installation. Mesa Water’s installed cost for the same valve is approximately $10,100 and takes approximately 2.4 days for installation. Mesa Water crews continue to provide a high level of efficiency of work performance with an economic savings of approximately 44%.

Construction is scheduled to last 40 calendar days from Notice-to-Proceed. Staff recommends that the Board consider awarding a not-to-exceed construction contract to Paulus Engineering, Inc., as the lowest responsive bidder, for $305,330 and a 10% contingency for a not-to-exceed amount of $335,863 to perform the Mesa Water District Valve Replacements Project.

FINANCIAL IMPACT

$300,000 is budgeted in Fiscal Year 2018; no funds have been spent to date and the additional requested funding will come from Cash on Hand.

ATTACHMENTS

None.
MEMORANDUM

TO: Legislative & Public Affairs Committee
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: November 9, 2017
SUBJECT: Orange County Redevelopment Agency Oversight Board

RECOMMENDATION

Authorize President Jim Atkinson to vote in the Orange County Special District Selection Committee election and authorize Vice President Fred R. Bockmiller, P.E. as the alternate voting member.

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

At its October 3, 2017 meeting, the Executive Committee received this topic as a discussion item.

At its October 12, 2017 meeting, the Board of Directors (Board) received this topic as an information item.

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 (Attachment D), 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>
<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>
As of October 10, 2017, the nomination period for the appointment has begun. LAFCO Executive Officer Carolyn Emery emailed notification letters (Attachment A) with Declaration of Qualification to Vote (Attachment B) and nomination form (Attachment C) to independent special district presiding officers and general managers. The deadline for submitting nominations and voting authorization is November 10, 2017 at 3:00 p.m.

With regard to potential nominations, please note the following:
• To be eligible for a position, the nominee must be “elected or appointed to your district,” for a fixed term.
• Individuals eligible for these positions must be “members of the legislative body of an independent special district...but shall not be members of the legislative body of a city or county” (Government Code Section 56332(c). For example, a city council member serving as a board-member of a vector control district is ineligible.
• Nominations must be made at a meeting of the governing board of the nominee’s corresponding special district during the nominations period.
• 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.”

With regard to voting authorization, staff recommends that the Board authorize President Jim Atkinson to vote in the Orange County Special District Selection Committee election and Vice President Fred R. Bockmiller, P.E. as the alternate voting member.

FINANCIAL IMPACT

None.

ATTACHMENTS

Attachment A: Orange County LAFCO Correspondence Dated 10/10/17
Attachment B: Declaration of Qualification to Vote
Attachment C: 2017 Nomination Form
Attachment D: Countywide RDA Oversight Board Special District Appointments
October 10, 2017

TO: Presiding Officers, Independent Special Districts of Orange County

Subject: Start of Nomination Period for Redevelopment Agency Oversight Board Appointment - County of Orange

As a follow-up to my September 21, 2017 letter regarding the election process for the appointment of the special district member to the new county-wide Orange County Redevelopment Agency Oversight Board ("RDA Board"), this memorandum is to inform you of the start of the nomination period for this appointment (Tuesday, October 10, 2017).

The election process for special district seats are governed by Government Code Section 56332 and the Independent Special Districts Selection Committee Bylaws. To participate in the process, both, the attached Declaration of Qualification to Vote and the Nomination Form (if your District is nominating a candidate) must be submitted to LAFCO by November 10, 2017. The nomination and election by mail process 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.
With respect to potential nominations, please note the following:

- To be eligible for a position, the nominee must be “elected or appointed to your district,” for a fixed term.
- Individuals eligible for these positions must be “members of the legislative body of an independent special district...but shall not be members of the legislative body of a city or county” (Government Code Section 56332(c). For example, a city council member serving as a board-member of a vector control district is ineligible.
- Nominations must be made at a meeting of the governing board of the nominee’s corresponding special district during the nominations period.
- 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.”
- All completed nominations forms and any supplemental information must be received by LAFCO by the close of the nomination period, which is **3:00 p.m. on Friday, November 10, 2017**. Nominations may be delivered by email at cemery@oclaafco.org, U.S. Mail, or by fax to (714) 640-5139.

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

Attachments: Declaration of Qualification to Vote  
2017 Nomination Form

cc: Eric Woolery, Orange County Auditor-Controller  
Independent Special District General Managers
DECLARATION OF QUALIFICATION TO VOTE
Jim Atkinson, Presiding Officer
Mesa Water District
1965 Placentia Avenue
Costa Mesa, CA 92627-3467
jima@MesaWater.org

I, __________________________,* hereby attest that
________________________ **has been authorized by the Board of
________________________*** to vote in the Orange County Special
District Selection Committee election.

The Board also designated __________________*** as the alternate
voting member.

Name and Title*: __________________________

Signature*: __________________________

Date: __________________________

*Must be signed by either Board President or Board Secretary

** Must be a member of the Board

***Must be a member of the Board

Completed forms must be received by LAFCO by 3 PM. Tuesday, November 10, 2017. Forms must be delivered to Orange County LAFCO by:

(1) Email at: cemery@oclafco.org, or
(2) Mail at: Orange County LAFCO
2677 North Main Street, Suite 1050
Santa Ana, CA 92705
Attn: Carolyn Emery, or
(3) FAX at: (714) 640-5139, Attn: Carolyn Emery
2017 NOMINATION FORM
Candidate for the Redevelopment Agency Oversight Board Appointment

CANDIDATE INFORMATION FOR REDEVELOPMENT AGENCY OVERSIGHT BOARD MEMBER:

NAME: ____________________________

TITLE: ____________________________

DISTRICT: ____________________________

☐ Check box if resume or statement of qualifications is attached.

SPECIAL DISTRICT SELECTION COMMITTEE MEMBER SUBMITTING NOMINATION
(Must be the presiding officer or a designated alternate board member.)

NAME: ____________________________ DATE: ____________________________

SIGNATURE: ____________________________

TITLE: ____________________________

DISTRICT: ____________________________

A resume or other supplemental information about the candidate may be included and will be distributed with the election ballots. All completed nomination forms and any supplemental information must be returned to Orange County LAFCO by:

1. Email at: cemery@oclafco.org or
2. Mail at: Orange County LAFCO
   2677 North Main Street, Suite 1050
   Santa Ana, CA 92705; or
3. Fax at: (714) 640-5139, Attn: Carolyn Emery

All forms and supplemental information must be received by LAFCO by 3:00 p.m. on Tuesday, November 10, 2017. Nomination forms or candidate information received after that deadline will not be considered.
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(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 notifying 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.)
MEMORANDUM

TO: Board of Directors
FROM: Denise Garcia, Administrative Services Manager
DATE: November 9, 2017
SUBJECT: Association of California Water Agencies Voting Delegate

RECOMMENDATION

Authorize President Jim Atkinson as the voting delegate for the Association of California Water Agencies’ (ACWA) election of Board President and Vice President for the 2018-2019 term and the proposed amendments to ACWA’s Bylaws.

STRATEGIC PLAN

Goal #4: Increase public awareness about Mesa Water® and about water.

PRIOR ACTION/DISCUSSION

On October 18, 2017, General Manager Shoenberger received correspondence (Attachment E), including a request for support and a statement of qualifications, from Vice President Candidate Steven E. LaMar, Director on the Irvine Ranch Water District Board of Directors.

DISCUSSION

The Association of California Water Agencies (ACWA) is conducting a membership meeting at the ACWA Fall Conference on Wednesday, November 29, 2017. The purpose of the meeting is to formally nominate and elect ACWA’s President and Vice President for the 2018-2019 term and to conduct a vote by the membership on proposed amendments to the Association’s bylaws as recommended by ACWA’s Board of Directors at its meeting on September 29, 2017.

The procedure used for the nomination and election of the ACWA officers is as follows:
• Nominating Committee Chair John Coleman will present the Committee’s report at 1:20 p.m. during the General Session Membership Meeting immediately following the Wednesday luncheon program.
• Directly after the report, floor nominations will be called for by Board President Kathy Tiegs.
• If there are no floor nominations, the election will proceed utilizing the Proxy Cards.
• Results will be announced on the spot promptly after vote tallying.

The elected officers will take office on January 1, 2018.

Mesa Water is entitled to cast one vote for President and one vote for Vice President and must pre-identify its voting delegate. Attached is the proxy designation form for pre-identification of Mesa Water’s voting delegate (Attachment D). The ACWA Nominating Committee’s recommended slate is current Vice President Brent Hastey for ACWA President and current Federal Affairs Committee Chair Steven LaMar for ACWA Vice President.
The procedure used to vote on the proposed amendments to the Bylaws is as follows:

- Legal Affairs Committee Chair Jeni Buckman will present an overview of the proposed amendments to the Bylaws (Attachment C) which this year covers the following Articles:
  - Article 7 - Standing Committees:
    - Section 4. Committee Composition.
    - Committee Composition Terms in Sections 5 through 17.
    - Section 5. Agriculture Committee.
    - Section 12. Legal Affairs Committee.
  - Article 9 – Meeting of Members
    - Section 8. Amendments, Revisions, and Resolutions.
- A request for motion/second will be called for to approve the proposed amendments.
- Discussion/changes to the proposed bylaws will be taken into consideration and voted upon, if necessary.
- Call for the question. A two-thirds vote is required to amend the ACWA Bylaws.

**However,** if there are floor nominations for Board Officers, the nomination will follow the procedures established by Article 9 of ACWA’s Bylaws:

- Ballots will be distributed and the delegates will place them in the ballot box.
- Teller’s Committee will count the ballots and the results will be announced on the spot.

- Voting on the proposed bylaws amendments will then move to the General Session Membership Meeting on Thursday, November 30, at 1:20 p.m.

**FINANCIAL IMPACT**

None.

**ATTACHMENTS**

Attachment A: ACWA Memorandum
Attachment B: ACWA General Session/Election Procedures
Attachment C: Bylaws of the Association of CA Water Agencies, Redline
Attachment D: ACWA Proxy Designation Form
Attachment E: Correspondence from ACWA Vice President Candidate Steven E. LaMar
TO: ACWA Members: General Managers and Board Presidents

CC: ACWA Board of Directors

FROM: Timothy Quinn, ACWA Executive Director

DATE: October 11, 2017

SUBJECT: General Session Membership Meeting at ACWA 2017 Fall Conference

There will be a General Session Membership Meeting at the 2017 Fall Conference in Anaheim, California, on Wednesday, November 29. The meeting will be held in the Platinum Ballroom 1-6, Marriott Anaheim, at 1:20 p.m. The purpose of the meeting is to formally nominate and elect ACWA’s President and Vice President for the 2018-2019 term and to conduct a vote by the membership on proposed amendments to ACWA’s Bylaws as recommended by the Board of Directors at its meeting on September 29, 2017.

Election of President/Vice President

The ACWA Nominating Committee has announced a 2018-2019 slate that recommends current Vice President Brent Hastey for ACWA President and current Federal Affairs Committee Chair Steven LaMar for ACWA Vice President. As provided by ACWA’s Bylaws (Article 9, Section 9) nominations from the floor will be accepted prior to the vote. Such nominations and seconds must be supported by a resolution of the governing body of the member agency making and seconding such nomination. (See attached for General Session/Election Procedures.)

Proposed Amendments to ACWA’s Bylaws

As part of the ongoing efforts to ensure ACWA’s Bylaws are current and reflect consistency with other governance documents and daily operations, the Board of Directors is recommending several amendments to the bylaws for consideration by the membership. A Legal Affairs Committee (LAC) Workgroup reviewed the proposed amendments and provided an analysis pursuant to ACWA’s Bylaws (Article 9, Section 8).

Following is a list of the proposed amendments to the bylaws along with the rational for the change and the LAC Workgroup’s analysis.
Article 7 – Standing Committees

1. **Section 4. Committee Composition.** Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committee subject to the rules and procedures of each committee.

   **Rationale:** Staff is recommending this amendment to the bylaws to allow the President flexibility in appointing members to limited standing committees and to provide an odd number committee composition total.

   **LAC Workgroup Analysis:** The proposed revision is clear and meets its intended purpose.

2. **Committee Composition Terms in Sections 5 through 17.**

   **Rationale.** Staff noted that the use of the term “individual” versus “representative” (and one instance of “member”) was inconsistent throughout the committee composition description for each of the standing committees in Article 7. Staff asked the LAC Workgroup to review Section 1, Qualifications, as well as each of the committee descriptions to make a determination as to which term best applies for all of the committees for purposes of consistency throughout Article 7.

   **LAC Workgroup Analysis:** Reading of the various ACWA committee sections suggests that “Member” would be the most appropriate word for consistency throughout the bylaws. However, the use of a single term, may require some minor revisions to surrounding text for clarity (for an example see Section 15 (State Legislative Committee) where “member” is separately used to denote a “member agency” and so would need to state “member-agency” consistently to accommodate the more general use of “member” throughout the bylaws).

   **Staff Response:** Staff revised the terms in the committee section descriptions (Sections 5 through 17) to “member” for consistency and the surrounding language where needed in response to the LAC Workgroup’s analysis. (See attached bylaws for proposed amendments to these sections.)

3. **Section 5. Agriculture Committee.** There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of ACWA and its members. The committee shall consist of at least one member from each region.
Rationale: The 2016-2017 Business and Strategic Plan initiative to increase involvement and engagement from ACWA's agricultural members has successfully generated momentum amongst ACWA's agricultural members and a renewed attention to and involvement in key policy issues that uniquely affect agricultural water suppliers. Amidst this success, a concern has arisen that the momentum could be lost once the Board of Directors finishes its current term and the initiative sunsets. This concern has sparked the suggestion that ACWA should consider creating an Agriculture Committee as the thirteenth standing committee of the Association to continue the objectives of the Ag Initiative long-term.

LAC Workgroup Analysis: The proposed revision is clean and meets its intended purpose.

4. Section 12. Legal Affairs Committee. There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to members of the Association, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the members of the Association and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between 35 and 45 attorneys, each of whom shall be a member of the California Bar and shall be, or act as, counsel for a member of the Association, representing diverse interests within the Association, including but not limited to, different geographical areas throughout the state, large and small agencies, agricultural and urban agencies, agencies created under the various enabling statutes, etc. Further, there shall be at least one representative from each region on the committee. The committee shall consist of a least one member from each region.

Rationale: Change the committee composition range so there is a resulting odd number total when the chair is added.

LAC Workgroup Analysis: Considered together with the general change in Section 4, Committee Composition, above, this change accomplishes its purposes and maintains the current overall LAC membership numbers.

Article 9 – Meeting of Members

5. Section 8. Amendments, Revisions, and Resolutions. Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least 30 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any
proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association at least five not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section 3. The 90-day rule may be suspended at any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections 3.5 and 4.6 of this Article.

**Rationale:** Staff recommended that the deadline for submitting requests for amendments, revisions, and resolutions be changed from 30 to 120 days prior to any membership meeting to provide the Legal Affairs Committee sufficient time to review and develop the required analysis and for staff to provide adequate notice to the members as set forth in Article 9, Sections 3 and 4 of the bylaws. **Note:** Staff typically notifies ACWA members at least 45 days prior to a given membership meeting to allow the member agency boards adequate time to designate their authorized voting representative.

**LAC Workgroup Analysis:** This proposed revision is clear and meets its intended purpose. However, workgroup members did express some concern that the 120-day submission requirement may unduly limit the Association’s ability to quickly respond to state or federal legislative or administrative acts appropriately. A supermajority of the Association may vote to suspend the requirement, however, it may be advisable to require only 90-days for submission while retaining the general Association distribution timing of no later than 10-days and no earlier than 90-days prior to presentation at an Association meeting.

**Staff Response:** Staff revised the proposed amendment to state 90 days instead of 120 days in response to the LAC Workgroup’s analysis.

The Board of Directors recommends adoption of the proposed amendments to ACWA’s Bylaws through a vote of the membership.

**Webinar on Proposed Amendments to Bylaws**
ACWA staff is hosting a webinar on **Tuesday, November 7, at 10:00 a.m.** in advance of the membership meeting to answer any questions members may have pertaining to the proposed amendments to the bylaws. Please register for the webinar at the link listed below:

Please register for Bylaws Webinar on Nov 07, 2017 10:00 AM PST at: [https://attendee.gotowebinar.com/register/18153322847132675](https://attendee.gotowebinar.com/register/18153322847132675)
After registering, you will receive a confirmation email containing information about joining the webinar.
Membership Voting Process

ACWA will issue each member agency present one proxy card for voting purposes based on the designated voting representative identified by the member agency on the proxy designation form. The designated voting representative is required to register and sign as the proxy holder to receive the proxy card. Proxy cards will only be available for pick-up on Wednesday, November 29, between 9:00 a.m. and 12:00 p.m. at the ACWA General Session Desk in the main foyer outside of the Marquis Ballroom Center, Marriott Anaheim. The luncheon and General Session Membership Meeting will be held in the Platinum Ballroom 1-6.

To expedite the sign-in process at the ACWA General Session Desk, please indicate your voting delegate on the enclosed proxy designation form and return it by email (donnap@acwa.com) or fax (916-325-4857) at your earliest convenience prior to conference. If there is a last minute change of delegate, please let us know before the meeting date by contacting ACWA’s Clerk of the Board, Donna Pangborn, at 916-441-4545 or donnap@acwa.com.

If you have any questions regarding this process, please contact Clerk of the Board Donna Pangborn at the ACWA office at 916-441-4545 or donnap@acwa.com.

dgp

Enclosures:
1. General Session/Election Procedures
2. Proposed ACWA Bylaws Amendments – Redline Version
3. Proxy Designation Form
The following information is provided to inform the ACWA member agency delegates attending the 2017 Fall Conference of the procedures to be used pertaining to the nomination and election of ACWA officers and the vote by the membership on proposed amendments to the bylaws during the General Session Membership Meeting.

PROXY CARDS – (REQUIRED FOR VOTING)

ACWA will issue each member agency present one proxy card for voting purposes based on the designated voting representative identified by the member agency. In order to vote during the General Session Membership Meeting, the designated voting representative is required to register and sign as the proxy holder by 12:00 p.m. on Wednesday, November 29. Upon registration and sign-in, the voting delegate will receive the required proxy cards. Proxy cards will be available for pick-up on Wednesday, November 29, between 9:00 a.m. and 12:00 p.m. at the ACWA General Session Desk in the main foyer outside of the Marquis Ballroom Center, Marriott Anaheim. The luncheon and General Session Membership Meeting will be held in the Platinum Ballroom 1-6.

GENERAL SESSION MEMBERSHIP MEETING, WEDNESDAY, NOV. 29 (DOORS OPEN AT 1:05 P.M.)

1. The General Session Membership Meeting will be called to order at 1:20 p.m. and a quorum will be determined. The presence of 50 authorized voting representatives is required to establish a quorum for transacting business.

2. Legal Affairs Committee Chair Jeni Buckman will provide an overview of the agenda and election procedures.

3. Nominating Committee Chair John Coleman will present the committee's report and announce the candidate for ACWA President.

4. President Kathy Tieg will call for floor nominations for ACWA President.

5. If there are no floor nominations for President, the election will proceed. President Tieg will close the nominations and delegates will vote by holding up their “Yes” or “No” proxy voting cards.

6. If there are floor nominations for President, the nomination will follow the procedures established by Article 9 of ACWA’s Bylaws, stating floor nominations and seconds must be supported by a resolution of the governing body of the member agency making and seconding such nomination. Note: If there are floor nominations, the election of officers will proceed during Wednesday's General Session as outlined below and the proposed bylaws amendments will move to the Thursday General Session Membership Meeting as outlined in Item 12 below.

   a. Ballots will be distributed to the voting delegates.

   b. Delegates will complete their ballots and place them in the ballot box, which will be centrally located in the Platinum Ballroom 1-6 meeting room.

   c. Tellers’ Committee will count the ballots. President Tieg has appointed the following staff members to serve as the Tellers’ Committee: Clerk of the Board Donna Pangborn; Director, Business Development & Events Paula Currie; and Executive Assistant Lili Vogelsang.

   d. Legal Affairs Committee Chair Jeni Buckman will serve as the proctor to oversee the ballot counting process.

   e. Candidates are welcome to designate an observer to be present during the ballot counting process.

   f. Results of the ballot count will be announced. Election of ACWA's officers will be determined by a majority of the members present and voting. If any one candidate does not receive a majority of the vote, successive ballot counts will be conducted until a candidate is elected, consistent with Robert’s Rules of Order.

  next page
7. Nominating Committee Chair John Coleman will announce the candidate for ACWA Vice President.

8. President Kathy Tieg will call for floor nominations for ACWA Vice President.

9. If there are no floor nominations for Vice President, the election will proceed. President Tieg will close the nominations and delegates will vote by holding up their “Yes” or “No” proxy voting cards.

10. If there are floor nominations for Vice President, the nominations will follow the procedures described in item 6 above, and the election will proceed according to the steps outlined in 6.a. through 6.f.

IF THERE ARE NO FLOOR NOMINATIONS FOR THE ELECTION OF OFFICERS, THE WEDNESDAY GENERAL SESSION MEMBERSHIP MEETING WILL PROCEED WITH A VOTE ON THE PROPOSED AMENDMENTS TO THE BYLAWS.

11. Legal Affairs Committee Chair Jeni Buckman will provide an overview of the proposed amendments to the bylaws.
   a. Consideration of amendments to the bylaws.
   b. Request for motion / second from the floor to approve the proposed amendments to the bylaws.
   c. Discussion of proposed amendments.
   d. Opportunity for members to offer changes to proposed amendments to the bylaws. Any proposed changes to the bylaw amendments as currently proposed require a majority vote of the voting members present.
   e. Call for the question. A two-thirds vote of the members present and voting is required to amend the ACWA Bylaws.

IF THERE ARE FLOOR NOMINATIONS FOR THE ELECTION OF OFFICERS, THE OVERVIEW AND VOTE ON THE PROPOSED AMENDMENTS TO THE BYLAWS WILL BE TAKEN UP AT THE GENERAL SESSION MEMBERSHIP MEETING ON THURSDAY AS FOLLOWS.

12. The vote by the membership on the proposed amendments to the bylaws will occur at the Thursday, General Session Membership Meeting, at the Platinum Ballroom 1-6, Anaheim Marriott, at 1:20 p.m.
   a. The General Session Membership Meeting will be called to order at 1:20 p.m. and a quorum will be determined. The presence of 50 formally designated voting representatives is required to establish a quorum for transacting business.
   b. Legal Affairs Committee Chair Jeni Buckman will provide an overview of the proposed bylaws amendments.
   c. The meeting will proceed according to the steps outlined 11.a. through 11.e. above.
BYLAWS of the Association of California Water Agencies

Proposed Amendments – redline version: September 29, 2017
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ARTICLE 1 - GENERAL

Section 1. Name. The name of this California nonprofit corporation shall be the Association of California Water Agencies (hereinafter referred to as the Association).

Section 2. Principal Office. The principal office for the transaction of business of the Association is located at 910 K Street, Suite 100, Sacramento, California; provided, however, that the Board of Directors may change the location of the principal office by resolution and without amendment of these bylaws.

Section 3. Purposes. The purposes of the Association shall be to work together with its members and others for the best interests of California and its citizens and landowners who use, need and depend upon water; to encourage the orderly development of the waters of the state; to seek means of obtaining and making available to all of California a dependable water supply of the best possible quality at the lowest possible cost, giving due consideration to environmental factors involved therein; to provide inspiration and leadership in meeting and solving the water supply problems of this state; to propose and advocate such policies and measures—local, state and federal—that serve the best interests of the Association, opposing those of contrary nature; to assist in promoting the health, safety and welfare of the employees of its members; and to do all other things that are in the best interests of its members.
ARTICLE 2 — MEMBERSHIP AND DUES

Section 1. Membership.

A. Members. Only a public district, public agency, or public organization created and operated for the purpose of controlling, treating, developing, acquiring, using or supplying water for any purpose for inhabitants or lands within the state of California, or for the protection, drainage or reclamation of lands within the state of California, may become a member of the Association. Such an entity will become a member upon written application, approval by the Board of Directors, and the payment of the required dues. Acceptance to membership shall authorize full participation in Association activities. Except as otherwise provided in subsection (B) below, in no case may an organization other than a state, a political subdivision (as defined in § 1.103-1(b) of the Income Tax Regulations) of a state or an entity the income of which is excluded from gross income under § 115 of the Internal Revenue Code be a member of the Association.

B. Honorary Life Members. Any person who has rendered conspicuous service in furthering the purposes of the Association may, by vote of the Board of Directors, be granted an honorary life membership in the Association without payment of dues or assessments. All past presidents of the Association shall automatically be honorary life members without vote of the Board of Directors. Honorary life members shall not be entitled to a vote or to hold office automatically because of their status as honorary life members.

C. Termination of Members. Membership shall cease upon the failure of any member to pay the dues provided for in Section 2 of this Article. The membership of any member may be terminated at any time by such member sending written notification of its intention to withdraw to the Association’s principal office. The Board of Directors may terminate the membership of any member upon 30 days’ written notice by first-class mail when it is determined at any regular Board meeting or at any special Board meeting called for that purpose that continuance of such membership would not be in the best interests of the Association. Withdrawal or termination of membership ends any participation in Association activities and shall terminate a member’s interest in the Association’s assets.

Section 2. Dues. The annual dues of each member of the Association shall be established by the Board of Directors; provided, however, that any member may apply for a change in its dues because of conditions that differentiate such applicant from other members.

Section 3. Liability of Members. No member shall be liable for any obligation incurred by the Association with the following exception: (1) the payment of the annual dues while it remains a member; and (2) the payment of emergency assessments, which shall not exceed 10 percent of current annual dues for each member in any calendar year while it remains a member. No emergency assessment may be levied against any member during its first two years of membership in the Association.
ARTICLE 3 – OFFICERS

Section 1. President and Vice President.

A. General. The president and vice president of the Association shall be the elected officers of the Association. At the time of their election the president and vice president shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association. The president and vice president shall be elected by the members of the Association at its fall conference in each odd-numbered year, shall take office on January 1 of the calendar year following election, and shall hold office until such time as their successors take office or are appointed. An elected president shall not be permitted to succeed himself/herself to that office. Except as provided in this Article, should vacancies occur in either office of the president or vice president, the Board of Directors shall appoint persons to fill such offices for the unexpired terms thereof.

B. President. The president shall preside at all meetings of the Board of Directors, the Executive Committee, and the general membership; shall appoint members of all committees, including the chair and vice chair of each, upon recommendation from members and regions (as communicated by the region chairs), with each such committee chair and vice chair ratified by the Board of Directors; and shall perform all other duties necessary to carry out the functions of the office. The president shall be a non-voting ex officio member of each committee, but shall not be an ex officio member of the Nominating Committee or the region boards.

The president may be expelled from office with or without cause, upon the satisfaction of the following two events: (1) a two-thirds vote of the Board of Directors; and (2) a subsequent simple majority vote of the members of the Association during a meeting of the membership.

C. Vice President. The vice president shall, in the absence of the president, assume all of the duties of that office and, if a vacancy occurs, succeed thereto for the unexpired term. The vice president shall sit as a member of the Executive Committee of the ACWA Joint Powers Insurance Authority and shall perform such other duties as assigned by the president.

Section 2. Executive Director/Secretary and Controller/Treasurer.

A. General. The executive director/secretary and controller/treasurer of the Association shall also be officers of the Association. The executive director/secretary shall be appointed by and hold office at the pleasure of the Board of Directors of the Association.

B. Executive Director/Secretary. The executive director/secretary shall: (1) advise and assist the Board of Directors, all committees, the boards of each region, and the workgroups of each region; (2) be responsible for administering the total operations of the Association; (3) employ, direct, and release all employed staff in accordance with the policies adopted by the Board of Directors and consistent with the budget adopted by the Board of Directors; (4) provide relevant
information to the Board of Directors needed by the Board to take actions; (5) give members notice and record minutes of all meetings of the membership, Board of Directors, and Executive Committee; and (6) have such other powers and perform such other duties as may be provided and assigned by the Board of Directors directly or through the president of the Board or the Executive Committee. The executive director/secretary, with the assistance of the controller/treasurer, shall render a report to the Board of Directors at the first meeting following the close of each calendar year showing the membership of the Association, the receipts and expenditures during the year, and the work accomplished during the previous year.

C. Controller/Treasurer. The controller/treasurer shall report to and act under the direction of the executive director/secretary. The controller/treasurer shall be a signatory on all accounts held by the Association and shall act as a fiduciary for all assets of the Association.

ARTICLE 4 — BOARD OF DIRECTORS

Section 1. Membership. The Board of Directors shall consist of:

A. The Association president and vice president.
B. The chair and vice chair of each region.
C. The chair of each standing committee.
D. The most immediate active past president.
E. The vice president of the ACWA/Joint Powers Insurance Authority.

Section 2. Term of Office. The term of office of all members of the Board of Directors shall commence on January 1 of the calendar year following election of the president and vice president, except for those persons who serve on the Board of Directors by nature of their position as chairs of standing committees, whose terms shall instead commence upon their ratification by the Board of Directors. Except as provided in Article 4, Section 11, the term of office for all members of the Board of Directors shall terminate on December 31 of the following odd-numbered year two years later, or until their successors take office.

Section 3. Attendance Requirement. Any member of the Board of Directors who misses two consecutive regular Board meetings without being excused by the Board will no longer be a member of the Board of Directors.

Section 4. Regular Meetings. Regular meetings of the Board of Directors shall be held bimonthly at such times and places as the Board may determine.

Section 5. Special Meetings. Special meetings may be called by the president upon the president’s own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure
that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president’s own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. Notice for special meetings shall be provided in the following manner: (1) upon 10 days’ written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours’ notice with notice provided by electronic means. When the meeting is called upon the president’s own volition, the president shall choose the form of notice; when the meeting is called by a request of five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.

Section 6. Meeting Requirements and Quorums. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission. At any meeting of the Board of Directors, the attendance of 50 percent of the voting members of the Board of Directors, or their permitted alternates as specified in these bylaws, shall constitute a quorum for the transaction of any business. The Board may hold a closed session for discussion of personnel matters or enforcement of violations of the code of conduct.

Section 7. Alternates. Each region shall designate an alternate for each chair and vice chair, who shall meet the qualification requirements for chair and vice chair, to act at meetings of the Board of Directors when the chair or vice chair is unable to attend. The vice chair of each standing committee will be the alternate to act at meetings of the Board of Directors when the chair is unable to attend. An alternate may not act or vote on behalf of more than one member of the Board of Directors. A member of the Board of Directors may not act as an alternate for any other member.

Section 8. Vacancies for Standing Committee Chairs and Vice Chairs. Should a vacancy occur in the office of any standing committee chair or vice chair before the end of the term, the president shall appoint a new committee chair or vice chair to fulfill the unexpired term of such committee chair or vice chair subject to ratification by the Board of Directors. A vacancy in the office of any such standing committee chair or vice chair as described in the previous sentence shall be deemed to exist when the chair or vice chair: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 9. Duties, Authorities, and Delegation. Subject to the provisions and limitations of California Nonprofit Corporation Law, other applicable laws, and the provisions of these bylaws, the Association’s activities and affairs are to be exercised by or under the direction of the Association’s Board of Directors. The Board of Directors is responsible for the overall supervision, control, and direction of the Association. The Board of Directors shall: (1) employ and release the executive director/secretary; (2) set performance expectations for the executive director/secretary; (3) receive, review, and consider approval of executive director/secretary recommended compensation, other terms and conditions of
employment, and annual evaluations as prepared by the Executive Committee; (4) annually adopt a budget; and (5) set the level of dues for the Association. Except as to the duties listed in the previous sentence, and subject to Article 3, Section 2, the Board of Directors may delegate the supervision, control, and direction of the Association’s affairs to any person or group, including a committee, provided the Association Board retains ultimate responsibility for the actions of such person or group. Where such powers are delegated, the delegation shall be documented in writing.

Section 10. Immediate Past President. The immediate past president automatically assumes this position after serving as the Association’s elected president and is a voting member of the Board of Directors and Executive Committee. The term of office for the immediate past president shall commence on January 1 of the calendar year following election of the president and vice president and shall terminate on December 31 of the following odd-numbered year two years later. In the event the most immediate active past president is unavailable to serve, the most recent and available active past president in succession shall serve in this capacity.

Section 11. Code of Conduct of Board Members.

A. Code of Conduct: Purpose and Adoption. The Board of Directors shall establish, and update as appropriate, a code of conduct for its Directors that recognizes the Association’s commitment of integrity, respect, and fair representation to its members and the public they serve and establishes minimum ethical standards for the performance of the duties of office. The code shall be consistent with the procedural processes contained in this section. The code shall be distributed to all new Directors and shall be distributed annually to all members of the Association.

B. Violations and Enforcement Process. A violation of the code of conduct may result in removal, public censure, or private reprimand of a Director, or such other action as contained in the code of conduct. However, removal and public censure shall be reserved only for serious violations. A Director may not be removed or publically censured absent an affirmative vote of two-thirds of the voting members of the Board of Directors. A Director may be privately reprimanded for a violation of the code of conduct upon the majority vote of the quorum. Complaints of violation of the code of conduct may be filed with the president, or the vice-president if the allegations are made against the president. The president may refer a complaint of violation to the executive director/secretary for investigation. The executive director/secretary may retain a special investigator or special counsel to conduct or assist the investigation. A Director accused of a violation shall be provided a copy of the complaint. A Director that takes any hostile or retaliatory action, directly or indirectly, against a complainant is subject to removal from the Board in conformance with the process identified above. Prior to scheduling a Board action on a complaint, the president shall consult with the Executive Committee and the chair of the Legal Affairs Committee. A Director accused of a violation of the code of conduct shall be provided at least 15 days’ written notice of any meeting of the Board at which a determination of enforcement will be considered. A determination of enforcement may be made only at a regular
meeting of the Board and shall be made in closed session. The determinations of the Board under this section shall not be admissible in any criminal or civil proceeding brought against the Director for conduct that violates any other law.

ARTICLE 5 – REGIONS

Section 1. Boundaries of Each Region.

A. There shall be a maximum of 10 regions within the state. The Board of Directors shall determine the regional boundaries. Insofar as is practicable, the regions shall have a numerical balance in members of the Association; make geographic sense; and promote regional problem solving.

B. A member of the Association may file a written petition to the Board of Directors requesting a change in regions. Such petition shall set forth the reasons for such requested change. The Board shall, within a reasonable time, act upon such petition and set forth the reasons for its action. Such action by the Board shall be based on factors in (A) above, as well as others deemed by the Board of Directors to be relevant to the decision.

Section 2. Officers.

A. The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region by September 30, or the preceding Friday if September 30 falls on a weekend, of odd-numbered years. A region may maintain a board of fewer than five but not less than three members as provided in the region’s rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. ACWA staff shall verify the legitimacy of the ballots.

B. The officers of each region shall: (1) exercise the powers and perform duties of the region during the interim between region meetings; and (2) make recommendations to the president regarding appointments to committees. The chair and vice chair shall be the region’s representatives to the ACWA Board of Directors.

C. Each officer of a region shall be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the office, the individual may not serve during the remaining term of that office unless that individual can again meet the criteria for the office and is appointed to complete the term. The region board may adopt more stringent criteria for board member qualifications as part of the region’s rules and regulations.

D. Should a vacancy occur in any of the region board positions before the end of the term, the remaining members of the region board shall appoint a new member. A vacancy in the office of
any region board position shall be deemed to exist when a region board member: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 3. Nominating Committees. There shall be a nominating committee for each region consisting of three or more designees, each representing a member of the Association located within the region, appointed by the chair of the region and approved by the region board. Nominating committees shall be formed by February 28 of each odd-numbered year. The nominating committee shall announce its nominations for chair, vice chair, and region board members by August 1 of an election year. All regions must complete the election process by September 30 of the election year, or the preceding Friday if the September 30 falls on a weekend.

Section 4. Meetings. The meetings of each region shall be held at both the spring and fall conferences and at such other times and places as may be determined by the region chair. Representatives of five or more members of the Association from the region present at any region meeting shall constitute a quorum for purposes of conducting the business of the region. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission.

Section 5. Workgroups. Workgroups may be appointed by the region chair as needed.

Section 6. Rules. Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association. Each region shall abide by the code of conduct adopted by the Board of Directors of the Association.

ARTICLE 6 — EXECUTIVE COMMITTEE

Section 1. Membership. There shall be an Executive Committee consisting of the following: the president of the Association, who shall be the chair thereof; the vice president; the most immediate active past president; the chair of the Finance Committee; and three at-large representatives selected from and by the members of the Board of Directors. The election of the three at-large representatives to the Executive Committee shall occur at the first Board of Directors meeting held in each even-numbered year and the elected representatives shall serve immediately following their election and until such time as their successors take office. To the extent practical, the Executive Committee should be constituted so as to reflect the geographic extent of the Association and the functions of the members of the Association.

Section 2. Powers. The Executive Committee shall have the following authority:

A. Personnel. Subject to the budget adopted by the Board of Directors, the Executive Committee shall perform the following personnel actions: (1) recommend compensation for the executive
director/secretary to the Board of Directors for approval; (2) perform annual reviews of the executive director/secretary and submit that review to the Board of Directors; (3) review and approve the classification and compensation plan and publicly posted salary schedule for Association employees submitted by the executive director/secretary, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors; (4) establish personnel policies for the conduct and behavior of employees, which shall be reviewable by the Board of Directors; and (5) undertake such other personnel actions as may be requested by the executive director/secretary in support of his or her oversight of all other personnel matters, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors.

B. Delegation. The Executive Committee may act pursuant to any authority specifically delegated to it by the Board of Directors. The delegation shall indicate whether the authority is still subject to the ultimate authority of the Board.

C. Authority to Act Between Meetings. The Executive Committee may act for the Board of Directors between Board meetings when calling a special meeting of the Board of Directors is impracticable, provided that no such action of the Executive Committee shall be binding on the Board of Directors until authorized or approved by the Board. The Executive Committee has the authority to authorize actions recommended by the Legal Affairs Committee (such as the filing of letter briefs and amicus curiae briefs) by electronic means without the need for an in-person or telephonic meeting, but such actions shall be ratified by the Board of Directors at its next meeting.

Section 3. Reporting. The president, or any person designated by the president, shall report to the Board of Directors, at each regular Board meeting, any action taken by the Executive Committee since the last preceding regular Board meeting. The minutes of Executive Committee meetings, which at that time may still be in draft form, shall be mailed (using the U.S. Postal Service, express delivery, electronic means, or otherwise) to each member of the Board of Directors at least five days prior to Board meetings, except in cases in which the Executive Committee meets during or immediately prior to a conference of the Association or immediately prior to a Board meeting, in which case the minutes, which may still be in draft form, shall be mailed to each director promptly thereafter.

Section 4. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days’ written notice sent by mail, or (2) upon 24 hours’ notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference or other electronic video screen communication or electronic transmission. All members of the Board of Directors may attend any meeting of the Executive Committee. Meetings of the Executive Committee may be closed to others at
the discretion of the President or committee. Only members of the Executive Committee are allowed to vote on matters at a meeting of the committee.

Section 5. Minutes. The minutes of the Executive Committee meetings shall be kept by the executive director/secretary at the Association’s principal office. Actions of the Executive Committee shall be reported to the Board of Directors as provided in Section 3 of this Article and shall be available to any member of the Board of Directors upon request to the executive director/secretary.

ARTICLE 7 – STANDING COMMITTEES

Section 1. Qualification. In order to serve on any ACWA standing committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the appointment, the individual may not serve during the remaining term of that appointment unless that individual can again meet the criteria for appointment and is appointed to complete the term.

Section 2. Term of Office. The term of office of standing committee members shall be two years commencing on January 1 of each even-numbered year. The term of office of standing committee chairs and vice chairs shall be approximately two years and shall commence as soon after January 1 of the even-numbered year as they may be appointed by the president and ratified by the then-seated Board of Directors, and shall terminate on December 31 of the odd-numbered year approximately two years later or until their successors are appointed and ratified.

Section 3. Meetings. Meetings of standing committees may be called at such times and places designated by the respective chair thereof except where provided otherwise by these bylaws. Subject to the provisions of these bylaws and any actions that may be taken by the Board of Directors, the chairs of each standing committee may establish their own rules for the efficient operation of the committee they each chair. The chairs of each standing committee are authorized to create subcommittees and workgroups in order to complete the work of the committee.

Section 4. Committee Composition. Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committees subject to the rules and procedures of each committee.

Rationale: Staff is recommending this amendment to the Bylaws to allow the President flexibility in appointing members to limited standing committees and to provide an odd number committee composition total.

LAC Workgroup Analysis: The proposed revision is clear and meets its intended purpose.
Committee Composition Terms in Sections 5 through 17.

Rationale: Review of Committee Composition Terms: Staff noted that the use of the term "individual" versus "representative" (and one instance of "member") was inconsistent throughout the committee composition description for each of the standing committees in Article 7. Staff asked the LAC Workgroup to review Section 1, Qualifications, as well as each of the committee descriptions to make a determination as to which term would best apply for all of the committees for purposes of consistency throughout Article 7.

LAC Workgroup Analysis: Reading of the various ACWA committee sections suggests that "Member" would be the most appropriate word for consistency throughout the By-Laws. However, the use of a single term, may require some minor revisions to surrounding text for clarity (for an example see Section 15 (State Legislative Committee) where "member" is separately used to denote a "member agency" and so would need to state "member-agency" consistently to accommodate the more general use of "member" throughout the By-Laws).

Staff Response: Staff revised the terms in the committee sections to "member" for consistency and the surrounding language where needed in response to the LAC Workgroup’s analysis.

Section 5. Agriculture Committee. There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of ACWA and its members. The committee shall consist of at least one member from each region.

Rationale: The 2016-2017 Business and Strategic Plan initiative to increase involvement and engagement from ACWA’s agricultural members has successfully generated momentum amongst ACWA’s agricultural members and a renewed attention to and involvement in key policy issues that uniquely affect agricultural water suppliers. Amidst this success, a concern has arisen that the momentum could be lost once the Board of Directors finishes its current term and the initiative sunsets. This concern has sparked the suggestion that ACWA should consider creating an Agriculture Committee as the thirteenth standing committee of the Association to continue the objectives of the Ag Initiative long-term.

LAC Workgroup Analysis: The proposed revision is clean and meets its intended purpose.

Section 6. Business Development Committee. There shall be a Business Development Committee whose duty it is to develop and recommend to the Board of Directors programs and activities to be provided or administered by the Association that generate non-dues revenue and provide a service or benefit to Association member agencies. The committee shall consist of at least one representative member from each region and one representative may include members from any of the other standing committees.
Section 5.7. Communications Committee. There shall be a Communications Committee whose duty it shall be to develop and make recommendations to the Board of Directors regarding a comprehensive internal and external communications program for the Association and to promote development of sound public information and education programs and practices among members of the Association agencies. The committee shall consist of no more than 40 individual members. Of that number, the committee shall consist of at least one individual member shall be from each region.

Section 6.8. Energy Committee. There shall be an Energy Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one representative member from each region.

Section 7.9. Federal Affairs Committee. There shall be a Federal Affairs Committee whose duty it shall be to review all federal legislative proposals and regulatory proposals affecting members of the Association agencies, after consulting with other appropriate committees, and to develop Association positions consistent with existing policy, where it has been established; recommend sponsorship of bills that will resolve problems or improve conditions for members of the Association agencies; and assist in the establishment of the Association’s federal legislative program. The committee shall consist of at least one and, but no more than five individual members from each region.

Section 8.10. Finance Committee. There shall be a Finance Committee whose duty it shall be to make recommendations to the Board of Directors regarding annual budgets, dues formula and schedules and other revenue-producing income, annual audit and selection of an auditor, and investment strategies. The committee shall consist of the president and vice president of the Association as ex officio members, the Finance Committee chair, one member either the chair or vice chair from each of the Association’s of the region board from each of the Association’s 10 regions boards (either chair or vice chair), and one additional representative member from each region with experience in financial matters.

Section 9.11. Groundwater Committee. There shall be a Groundwater Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one representative member from each region.

Section 10.12. Legal Affairs Committee. There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to members of the Association agencies, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the members of the Association agencies and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between 35, 34 and 45, 44 attorneys, each of whom shall be a member of the California Bar and shall be.
or act as, counsel for a member of the Association, representing diverse interests within the
Association, including but not limited to, different geographical areas throughout the state, large and
small agencies, agricultural and urban agencies, agencies created under the various enabling statutes,
etc. Further, there shall be at least one representative from each region on the committee. The
committee shall consist of at least one member from each region.

Rationale: Change the committee composition range so there is a resulting odd number total
when the chair is added.

LAC Workgroup Analysis: Considered together with the general change in Section 4, Committee
Composition above, this change accomplishes its purposes and maintains the current overall
LAC membership numbers.

Section-13. Local Government Committee. There shall be a Local Government Committee whose
duty it shall be to recommend policies to the State Legislative Committee, as appropriate, and Board of
Directors on matters affecting water agencies as a segment of local government in California. The
committee shall consist of at least one, and but no more than three individuals members from each
region.

Section-14. Membership Committee. There shall be a Membership Committee whose duty it shall be
to assist staff in developing membership recruitment and retention programs, make recommendations
to the Board of Directors regarding membership policies, eligibility, and applications for membership
and review and make recommendations to the Finance Committee regarding an equitable dues
structure. The committee shall consist of at least one member from each region.

Section-15. State Legislative Committee. There shall be a State Legislative Committee whose duty it
shall be to review all state legislative proposals affecting members of the Association agencies and to
establish Association positions, consistent with existing policy, where it has been established; sponsor
bills that will resolve problems or improve conditions for members of the Association agencies; and
assist in the establishment of the Association’s legislative program. The committee shall consist of
individuals members representing a variety of types of members member agencies and at least one-and,
but no more than four individuals members from each region.

Section-16. Water Management Committee. There shall be a Water Management Committee whose
duty it shall be to recommend policy and programs to the Board of Directors on any area of concern in
water management. The committee shall consist of at least one, but and no more than four individuals
members from each region.

Section-17. Water Quality Committee. There shall be a Water Quality Committee whose duty it shall
be to develop and recommend Association policy, positions, and programs to the Board of Directors, to
promote cost-effective state and federal water quality regulations that protect the public health, to
enable interested members of the Association agencies to join together to develop and coordinate with

As amended by the ACWA Members on December 2, 2015
other organizations, and to present unified comments regarding agricultural and domestic water quality regulations. The committee shall consist of at least one individual member from each region.

**ARTICLE 8 – SPECIAL COUNCILS, COMMITTEES, AND TASK FORCES**

**Section 1. Council of Past Presidents.** There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association’s Board meetings.

**Section 2. Nominating Committee.** There shall be a Nominating Committee consisting of five or more persons appointed by the president prior to the Association’s fall conference in each odd-numbered year, whose purpose shall be to nominate qualified individuals for the offices of president and vice president of the Association. The Nominating Committee shall publish its nominations for the offices of president and vice president of the Association not less than 10 or more than 90 days before the membership meeting is held at fall conference. Additional nominations may be made by any member of the Association for candidates for the office of president and vice president. Additional nominations shall be made from the floor during the election of president and vice president at the membership meeting scheduled for said purposes.

**Section 3. Other Committees and Task Forces.** Other committees and task forces may be appointed by the president from time to time as needed, consistent with and supportive of the mission of the Association.

**ARTICLE 9 – MEETINGS OF MEMBERS**

**Section 1. Meetings.** Meetings of the members of the Association shall be held at the Association’s conferences at such times as may be determined by the Board of Directors to conduct necessary business and to elect the president and vice president, which occurs at the fall conference in each odd-numbered year.

**Section 2. Special Meetings.** Special meetings of the members of the Association may be called by the Board of Directors, the president of the Board of Directors, or by 5 percent or more of the members of the Association. Except when called by the Board, a request for a special meeting must be in writing and must be delivered in person or mailed by first-class mail addressed to the president of the Board at the principal office of the Association, with a copy to the executive director/secretary. The request must state the general nature of the business proposed to be transacted at the meeting.

A special meeting that has been called by written request of 5 percent of the member agencies of the Association to the Board of Directors shall be set by the Board of Directors on a date that is not less than 35 or more than 90 days after receipt of the request.
Section 3. Notice Requirements for Membership Meetings. Written notice of any membership meeting shall be given to each voting member of the Association. The notice shall state the date, time, and place of the meeting; the means by which members may participate; and the general nature of the business to be transacted. The notice of any meeting at which Board officers are to be formally nominated and elected shall include the names of the recommended slate of candidates for the offices of president and vice president in addition to the election procedures. The member notification information shall also be posted on the Association's website.

Except as otherwise provided in these bylaws or California law, a written notice of regular membership meetings shall be given not less than 10 or more than 90 days before the date of the meeting to each member who, on the record date for notice of the meeting, is entitled to vote; provided, however, that if notice is given by mail, and the notice is not mailed by first-class, registered, or certified mail, that notice shall be given not less than 20 days before the meeting.

Section 4. Notice Requirements for Special Meetings. The executive director/secretary shall cause notice to be given to all members of the Association of the date, time, and place of the meeting and the general nature of the business to be transacted at the meeting. No business except that specified in the request and notice may be transacted at said special meeting. If notice of the requested special meeting is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice.

Section 5. Voting. Each member of the Association shall be entitled to one vote that shall be cast by its authorized representative. All questions, except amendments or revisions of these bylaws, shall be determined by a majority of the members present and voting. A roll call may be requested by any representative.

Section 6. Amendment of Bylaws. These bylaws may be amended or revised by two-thirds of the member agencies of the Association present and voting at any meeting.

Section 7. Quorums. The presence of the authorized representative of 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business.

Section 8. Amendments, Revisions, and Resolutions. Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least 30 90 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association at least five, not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section 3. The 30 90-day rule may be suspended at
any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections 3.5 and 4.6 of this Article.

Staff Rationale: Staff is recommended that the deadline for submitting requests for amendments, revisions, and resolutions be changed from 30 to 120 days prior to any membership meeting to provide Legal Affairs Committee sufficient time to review and develop the required analysis and for staff to provide adequate notice to the members as set forth in Article 9, Sections 3 and 4 of the Bylaws. Note: Staff typically notifies ACWA members at least 45 prior to a given membership meeting to allow the agency boards to designate their authorized representative.

LAC Workgroup Analysis: This proposed revision is clear and meets its intended purpose. However, subcommittee members did express some concern that the 120-day submission requirement may unduly limit the Association’s ability to quickly respond to state or federal legislative or administrative acts appropriately. A supermajority of the Association may vote to suspend the requirement, however, it may be advisable to require only 90-days for submission while retaining the general Association distribution timing of no later than 10-days and no earlier than 90-days prior to presentation at an Association meeting.

Staff Response: Staff revised the proposed amendment to state 90 days instead of 120 days in response to the LAC Workgroup’s analysis.

Section 9. Nomination of President and Vice President.

A. Qualification. At the time of their election, the president and vice president of the Association shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association.

B. Nominating Committee Process. All nominations for the positions of president and vice president shall be accompanied by an official resolution from the Association member agency on whose board the nominee serves. Said resolution shall be signed by an authorized signatory of the member agency’s Board of Directors.

C. Nominations from the Floor. Additional nominations may be made by any member of the Association for the office of president and vice president. Said nominations and seconds shall be made from the floor during the election of the offices of president and vice president at the membership meeting scheduled for said purposes (as provided for in the penultimate sentence of Article 8, Section 2). Such nominations and seconds shall be made by a member of the Association and must be supported by a resolution of the governing body of the member making and seconding such nomination. The member agency on whose board the nominee serves shall submit a resolution of support if they are not the agency making the floor nomination or second.
Section 10. Additional Procedures for Election of Officers. The Board shall have the authority to
develop additional procedures for elections of president and vice president when not otherwise covered
by these bylaws.

ARTICLE 10—INDEMNIFICATION OF DIRECTORS, OFFICERS, AND OTHER AGENTS

Section 1. Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its
Directors, Officers, employees, and other persons described in Section 7237(a) of the California
Corporations Code, including persons formerly occupying any such position, against all expenses,
judgments, fines, settlements and other amounts actually and reasonably incurred by them in
connection with any “proceeding,” as that term is used in that Section, and including an action by or in
the right of the Corporation, by reason of the fact that the person is or was a person described in that
section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the
California Corporations Code.

Section 2. Approval of Indemnity. On written request to the Board by any person seeking
indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board
shall promptly determine under Section 7237(e) of the California Corporations Code whether the
applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so,
the Board shall authorize indemnification.

Section 3. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise
determined by the Board in a specific instance, expenses incurred by a person seeking indemnification
under these bylaws in defending any proceeding covered by those Sections shall be advanced by the
Corporation before final disposition of the proceeding, on receipt by the Corporation or an undertaking
by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the
person is entitled to be indemnified by the Corporation for those expenses.

Section 4. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full
extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any
liability asserted against or incurred by any officer, director, employee, or agent in such capacity or
arising out of the officer’s, director’s, employee’s or agent’s status as such.

ARTICLE 11 — MISCELLANEOUS

Section 1. Conduct of Meetings. All meetings of the Association shall be conducted in accord with the
code of conduct and in substantial accordance with the latest edition of Robert’s Rules of Order Newly
Revised unless the Board adopts alternate rules of conduct for itself and/or its committees, region
boards, and region workgroups.

Section 2. Funds. The funds of the Association shall be used to further the aims and purposes of this
Association. They shall be kept by the controller/treasurer and paid out by checks or other electronic
means, which shall only be valid with two authorized signatures. The Board of Directors shall designate

As amended by the ACWA Members on December 2, 2015
by resolution which persons, other than the controller/treasurer, may sign for expenditures. The Finance Committee shall implement procedures to ensure necessary internal controls over the receipt and expenditures of Association funds and arrange for an external audit. Audit reports shall be presented to the Board of Directors.

Section 3. Disposition of Assets upon Dissolution. The Association’s properties and assets are irrevocably dedicated to the fulfillment of the Association’s purposes as described in Article 2 of the Articles of Incorporation. No part of the Association’s net earnings, properties and assets, on dissolution or otherwise, may inure to the benefit of any private person. Upon the dissolution of the Association, all debts thereof shall be paid and its affairs settled, and all remaining assets shall be distributed to the Association’s member political subdivisions for a public purpose, consistent with the provisions of the California Nonprofit Corporation Law relating to public benefit corporations then in effect and with the Articles of Incorporation.

Section 3. Definitions. As used in these bylaws, the term “notice provided by electronic means” shall refer to notice given by fax or e-mail.

Amended comprehensively December 1, 2010
Amended May 9, 2012
Amended May 7, 2014
Amended December 2, 2015
ASSOCIATION OF CALIFORNIA WATER AGENCIES
GENERAL SESSION MEMBERSHIP MEETING(S)
WEDNESDAY, NOVEMBER 29, 2017 AT 1:20PM
THURSDAY, NOVEMBER 30, 2017 AT 1:20PM (IF NEEDED)

TO: Donna Pangborn, Clerk of the Board

EMAIL: donnap@acwa.com

FAX: 916-325-4857

The person designated below will be attending the ACWA General Session Membership Meeting(s) on Wednesday, November 29, 2017 (and November 30, 2017 if necessary) as our voting delegate.

<table>
<thead>
<tr>
<th>MEMBER AGENCY’S NAME</th>
<th>AGENCY’S TELEPHONE No.</th>
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<tr>
<th>DELEGATE’S AFFILIATION (if different from assigning agency)</th>
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1 If your agency designates a delegate from another entity to serve as its authorized voting representative, please indicate the delegate’s entity in the appropriate space above. Note: Delegates need to sign the proxy form indicating they have accepted the responsibility of carrying the proxy.

REMINDER: Proxy cards will be available for pick up on Wednesday, November 29, between 9:00 a.m. and 12:00 p.m. at the ACWA General Session Desk in the main foyer outside of the Marquis Ballroom Center, Marriott Anaheim. The luncheon and General Session Membership Meeting will be held in the Platinum Ballroom 1-6.

Proxy Designation Form_General Session Fall 2017.Docc
October 18, 2017

Paul Shoenberger
Mesa Water District
1965 Placentia Avenue
Costa Mesa, CA 92627

Dear Colleague:

I am pleased to share with you that the Association of California Water Agencies (ACWA) Nominating Committee has selected me as their recommended candidate to serve in the role of ACWA Vice President for the 2018-2019 term. I am excited about having an opportunity to play a leadership role in ACWA and represent your water agency and the other 430 ACWA member agencies in addressing California’s increasingly complex water issues. I am writing to respectfully request your agency’s support for my candidacy during the ACWA Officer Election at our fall conference.

My experience, in participating on various ACWA committees and in numerous events over the years, has shown me that it is the people that make the difference in the success of our statewide organization. The diversity among water agencies – north/south, east/west, large/small, ag/urban, coastal/mountain, desert/forest – provides a stellar example of the value of collaboration. Statewide, ACWA member agencies have the expertise to solve almost any water issue when given the opportunity. One of the things I enjoy most about being a part of ACWA is being able to learn from water experts from each of our regions. Together we are a mighty force throughout California and together we can solve difficult issues to the benefit of all Californians.

I have attached a brief summary of my experience with ACWA state water task forces and advisory committees. While this experience is indeed important, what I treasure most is having the support of people whom I respect within ACWA – past presidents, fellow ACWA Board members, friends from other water agency boards, general managers and district staff.

Many agencies have already supported my candidacy through resolutions, and I am very grateful for their early votes of confidence. I respectfully ask for an opportunity to represent the best interests of water agencies throughout California and ask for your agency’s vote. I look forward to seeing you at our fall conference in Anaheim. Thank you in advance for your support. Please contact me if you have any questions about my candidacy at 714-227-2869.

Respectfully,

Steven E. LaMar
Director

Enclosure: Statement of Qualifications
STEVEN E. LAMAR

Statement of Qualifications for Vice President
Association of California Water Agencies

- Inclusive Leadership
- Active Advocacy
- Strong Commitment Water Community

"Seeing things from all perspectives and working together to make a difference. This is not only the best way to forge alliances and make tough policy decisions, it’s essential for good governance."

Inclusive Leadership: Experience that Counts

Steve LaMar has been a member of the Irvine Ranch Water District (IRWD) Board of Directors since early 2009, serving multiple terms as Board President. In his most recent election, he received support and endorsements from both the business community (e.g., Orange County Business Council, Building Industry Association) and environmental groups (e.g., Orange County League of Conservation Voters, Sierra Club).

Mr. LaMar has also served in leadership roles for the Association of California Water Agencies (ACWA). He is currently a member of its Board of Directors, Chair of the ACWA Federal Affairs Committee, and participates regularly at ACWA’s Executive Committee. He is a past-Chair of ACWA’s Headwaters Task Force. Mr. LaMar is a member of the board of directors of several other water-related organizations, including the National Water Resources Association (representing 17 Western states), the Southern California Water Committee, and CalDesal, and has served on the Board of the National Water Research Institute.

Beyond his water industry involvement, Steve had held leadership positions at a wide range of organizations such as the Natural Communities Coalition of Orange County, a nonprofit organization responsible for implementing California’s first natural community conservation plan and for protecting 37,000 acres of coastal sage scrub habitat, where he is its current Board President. He is also active in the California Building Industry Association, where he has chaired both the Water Resources Committee and Government Affairs Committee.

Active Advocacy: Not Just Words

Mr. LaMar advocates for ACWA’s policies and initiatives not only as the Chair of the ACWA Federal Affairs Committee, but also through his involvement in other key ACWA committees including the Energy Committee, the Agricultural Initiative Work Group, and the Headwaters Work Group.

Steve’s advocacy effectiveness is evidenced by his successful professional career as President of LegiSight, LLC, a legislative advocacy firm for businesses. Prior to forming this firm, he served as the Senior Policy Director for the Irvine Company and the Director of Corporate Affairs for the Mission Viejo Company.

A Long-Term Commitment to the Water Community: Live What You Believe

Mr. LaMar’s commitment to the water community pre-dates his joining the Board of IRWD. He worked on the Delta Vision Stakeholders Coordinating Group as a business representative, the AB 2717 Landscape Task Force as the Chair of the Economics Work Group, the 2005 and 2009 Advisory Committees for the California Water Plan, State Water Desalination Task Force, and Governor Davis’ Drought Advisory Panel.

Serving on the Board of IRWD has provided Mr. LaMar with the knowledge and understanding of what goes into providing retail water service to a broad and diverse community. Steve has applied this knowledge to his involvement with the Southern California Water Committee and memberships in the California Business Properties Association and the California Chamber of Commerce.

Steve LaMar has a Bachelor of Arts in Political Science from Pittsburg State University and an Environmental Management Institute Certificate from the U.S. Environmental Protection Agency.

Irvine Ranch Water District is a large retail water and sewer agency in Orange County California serving 390,000 residents, a 180-square mile area, with approximately 110,000 water and sewer service connections.
MEMORANDUM

TO: Board of Directors
FROM: Syndie Ly, Human Resources Manager
DATE: November 9, 2017
SUBJECT: Quarterly Training Report

RECOMMENDATION


STRATEGIC PLAN

Goal #5: Attract and retain skilled employees.

DISCUSSION

As part of the Board's adopted 2017 Strategic Plan Goal #5 – Attract and retain skilled employees, Objective B is to Build Employee Skills, specifically the following:

- Fully train a minimum of two employees in key processes to ensure accountability and sustainability
- Develop and implement an operational and institutional knowledge transfer plan

Outcome 3 calls for quarterly training reports to the Board of Directors.

Attached is the Quarterly Training Report for July 1, 2017 to September 30, 2017. In addition to the training listed on the report, staff also conducts safety training for all employees and Monday Morning Tailgate Talks for Water Operations, Engineering and Customer Services field staff.

The Tailgate Talks for this quarter included the following topics:

- Heat Illness Prevention
- Trenching and Excavation Quiz
- Lifting and Back Strain Video
- Take a Load Off for Safe Lifting
- Valve Truck Upgrades
- Trailer Safety
- Working in Trenches and Pits
- Heat Illness Prevention Quiz
- Heavy Equipment Yard Practices
- Indoor Crane Operation
- Jackhammer Safety
- Hazard Communication Quiz
- Changes to 811
The Safety Training program included the following topics:

- First Aid/CPR/AED
- AC Pipe Training
- Traffic Control and Flagger
- New Hire Safety Training

Below is the required continuing education hours needed, over a three-year period, for each Distribution and Treatment Certification Renewal held by staff:

| Distribution and Treatment Certification Renewals – Required Continuing Education Hours (within the last three years) |
|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|--------------------------------------------------|
| Grade 1                                      | Grade 2                                      | Grade 3                                      | Grade 4                                      | Grade 5                                      |
| 12 hours                                    | 16 hours                                    | 24 hours                                    | 36 Hours                                    | 36 hours                                    |

FINANCIAL IMPACT

The cost for the training is budgeted each fiscal year, per department or in the overall safety budget.

ATTACHMENTS

Attachment A: Quarterly Training Report for July 1, 2017 to September 30, 2017
<table>
<thead>
<tr>
<th>Position</th>
<th>Department</th>
<th>Date of Training</th>
<th>Type of Training</th>
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<td>The Art of Writing the Performance Evaluation</td>
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<td>External Affairs Manager</td>
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<td>Monthly Webinar</td>
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TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: November 9, 2017
SUBJECT: Resolution No. 1504 Updating the Policy Regarding Rate Change Proceedings

RECOMMENDATION

Adopt Resolution No. 1504 Updating the Policy Regarding Rate Change Proceedings and Superseding Resolution No. 1436.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.
Goal #4: Increase public awareness about Mesa Water and about water.

PRIOR BOARD ACTION/DISCUSSION

In June 2008, the Board of Directors (Board) adopted Resolution No. 1364 Establishing Policy Regarding Rate Change Proceedings and Superseding Resolution No. 1345.

At its October 10, 2013 meeting, the Board of Directors (Board) adopted Resolution No. 1436 Establishing Policy Regarding Rate Change Proceedings. The changes made in Resolution No. 1436 were to adopt the changes in rates under the provisions of Proposition 218 and to include changes due to the passage of Assembly Bill 1260.

DISCUSSION

For the Board’s consideration, Legal Counsel has updated Resolution No. 1436 to reflect changes in state legislation since October 2013. The changes included reference to the California Supreme Court decision in Big Horn Desert View Water Agency v. Verjil, etc., et al.

The summary below describes the significant revised or updated language:

Section I. Background

This section includes the addition of a paragraph after paragraph three to clarify that the terms “Rate(s)”, “Charge(s)” and “Fee(s)” are used interchangeably throughout the Resolution.

Section IV. Pass Through Fee or Change Increases

This section states the methods Mesa Water may use to adopt water rate or charge schedules. Subsection (d) states the method in which Mesa Water is to notify the public and was expanded upon as follows:
"Written notice of an adjustment pursuant to such schedule shall be mailed or provided not less than 30 days before the effective date of such adjustment to Mesa Water customers and/or property owners (as applicable under the proceedings undertaken by Mesa Water® pursuant to Section II (A) hereof). Such notice may be provided by way of Mesa Water's newsletter."

Minor format and grammatical updates were also made to Resolution No. 1504.

**FINANCIAL IMPACT**

None.

**ATTACHMENTS**

Attachment A: Draft Resolution No. 1504 Updating the Policy Regarding Rate Change Proceedings and Superseding Resolution No. 1436

Attachment B: Redline Resolution No. 1436 Establishing Policy Regarding Rate Change Proceedings Superseding Resolution No. 1364
RESOLUTION NO. 1504

RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
UPDATING THE POLICY REGARDING RATE CHANGE PROCEEDINGS
AND SUPERSEDING RESOLUTION NO. 1436

WHEREAS, the Mesa Water District (Mesa Water®) is a county water district organized and operating pursuant to the provisions of State of California (State or California) law; and

WHEREAS, Mesa Water’s Board of Directors (Board) has determined that an update to the existing Mesa Water Policy Regarding Rate Change Proceedings is advisable in light of the adoption of State legislation to address the provisions of Section 6 of Article XIIID of the California Constitution, and related State law, as made applicable to water rates, meter charges, and similar rates, fees and charges pursuant to the California Supreme Court decision in Big Horn Desert View Water Agency v. Verjil, etc., et al.; and

WHEREAS, such an update to the Policy will provide directives, guidance and policies for changes in water rates, meter charges and similar Mesa Water fees under the provisions of Proposition 218, and related State legislation, and to provide assistance to Mesa Water staff and members of the public concerning Mesa Water’s implementation of such requirements.

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

Section 1. Exhibit A to the Mesa Water District Rate Change Proceedings Policy (Policy) is attached hereto and incorporated herein by this reference.

Section 2. The Board reserves the right to amend, revise, or provide waivers or variations from this Policy based upon future court interpretations of Proposition 218 and related law, changes in State statutes, economic necessity and other factors as may be determined by the Board.

Section 3. The changes to the Policy set forth herein shall supersede the applicable provisions of Resolution No. 1436 upon the adoption of this Resolution.

Section 4. This Resolution shall be effective upon adoption by the Board.
ADOPTED, SIGNED, and APPROVED this 9th day of November 2017, by a roll call vote.

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

___________________________________
Jim Atkinson
President, Board of Directors

___________________________________
Denise Garcia
District Secretary
RESOLUTION NO. 1504

EXHIBIT A

RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
UPDATING THE POLICY REGARDING RATE CHANGE PROCEEDINGS
AND SUPERCEEDING RESOLUTION NO. 1436

I. Background

The electorate adopted Proposition 218 on November 5, 1996, which principally added Articles XIIIC and XIIID to the California Constitution.

By way of the ruling in the case of Big Horn Desert View Water Agency v. Verjil, etc., et al., California Supreme Court Case No. S 127535, the California Supreme Court made the provisions of Section 6 of Article XIIID of the California Constitution applicable to rates and charges of public agencies and entities including, but not limited to, water rates and meter charges of public water districts operating within the State of California.

This Policy Concerning Rate Change Proceedings (Policy) is adopted by the Board of Directors (Board) of the Mesa Water District (Mesa Water) in order to provide directives, guidance and policies for changes in Mesa Water's water rates and meter charges under the provisions of Proposition 218 as interpreted under the Big Horn decision pursuant to subsequent State legislation and to provide assistance for staff and members of the public in Mesa Water's implementation of such requirements.

As used in this Policy, the terms "Rate(s)," "Charge(s)" and "Fee(s)" can/may be used interchangeably, but refer to those types of rates that are covered by Article XIIID of the California Constitution, supporting legislation and the Policy, regardless of the term used.

The findings and directives set forth herein represent the policy of the Board. The Board reserves the right to amend, revise or provide waivers or variations from this Policy based upon future court interpretations of Proposition 218 and related law, changes in California statutes, economic necessity, and other factors as shall be determined by the Board.

II. Notices

A. Provision of Notice(s)
Mesa Water shall provide written notice of the hearing(s) and proposed rate change(s), or modification(s) to such rate(s) pursuant to the provisions of State law. To the extent required by then-applicable law, written notices shall be provided to owners (record owner or collectively record owners), as set forth on the currently-available list of assessor parcels from the Orange County Assessor’s Office, of parcels within Mesa Water’s service area, and/or to Mesa Water customers as provided by applicable law at the time such notices are mailed. To the extent(s) permitted by applicable law, such notice(s) may be provided with, or as part of, Mesa Water’s regular billing statement(s) for service(s) which will be affected by such proposed change(s) or modification(s). Alternatively, notice(s) may be provided by separate mailing by Mesa Water to the address to which Mesa Water customarily mails the billing statement(s) for water rates or charges for the service(s) provided by Mesa Water.

In the event Mesa Water desires to preserve authority, if any, to record or enforce a lien on a parcel to which service is provided, Mesa Water shall also mail written notice of the hearing(s) and proposed rate change(s) to the record owner’s address as shown on the last equalized assessment roll, to the extent that address is different from that reflected on the billing statement(s).

B. Form of Notice

Written notice(s) provided pursuant to this Policy and State law shall include those matters described in Section 6(a)(1) of Article XIIID of the California Constitution.

Mesa Water shall provide written notice(s) by mail (or other legally acceptable means) of the proposed rate change(s) or modification(s) to the record owner of each identified parcel, or to the corresponding Mesa Water customer(s), as shall be applicable, upon which the proposed rate change(s) or modification(s) are proposed for imposition or implementation, the amount of the proposed rate change(s) or modification(s) to be imposed upon each record owner, or Mesa Water customer (as shall be applicable), the basis upon which the amount of the proposed rate change(s) or modification(s) are calculated, and the reason(s) for the proposed rate change(s) or modification(s).

Such written notice(s) shall include the date, time and location for the public hearing(s) on the proposed rate change(s) or modification(s). The notice(s) shall state the due date and time for submission of written protests for the proposed rate change(s) or modification(s) and shall state the information required for any protest to be valid and considered by Mesa Water pursuant to this Policy.
C. Conduct of Public Hearing

The Board shall at the time, date, and place specified in the corresponding notice(s) conduct a public hearing regarding the proposed rate change(s) or modification(s) as provided for under Section 6(a)(2) of Article XIID of the California Constitution. The public hearing shall take place not less than forty-five (45) days after completion of mailing of the notice(s) of the proposed rate change(s) or modification(s) to the record owner of each identified parcel, or Mesa Water customer, as shall be applicable, upon which the proposed rate change or modification is proposed for imposition.

At the public hearing, the Board of Mesa Water shall be presented with the basis upon which the rate change(s) or modification(s) are calculated and the reasons for the rate change(s) or modification(s). At the public hearing, any interested party desiring to be heard with regard to such proposed rate change(s) or modification(s) may appear and be heard by the Board through comments submitted either verbally or in writing. However, in order for any submitted comment(s) to be considered as a valid protest, such party must submit such protest in writing as set forth in (D) below.

D. Receipt and Review of Protests; Valid Protests

Section 6(a)(2) of Article XIID of the California Constitution provides that at the public hearing, the public agency proposing to change a rate shall consider all protests against the proposed water rate or charge. If written protests against the proposed water rate(s) or charge(s) are presented by a majority of the record owners of the identified parcels, or Mesa Water customers, as shall be applicable, Mesa Water shall not impose the water rate(s) or charge(s).

Mesa Water shall calculate, or caused to be calculated, the total number of assessor parcels involved in the rate change(s) or modification(s) being proposed.

Valid protests, as defined below shall be received, tabulated and the results presented to the Board during or following the conclusion of the public hearing regarding such proposed rate change(s) or modification(s).

In order to be a valid protest for purposes of such proceedings, any such protest must include, or provide for, all of the following:

1. Any such valid protest must be submitted in writing to the designated physical address specified in the written notice(s) of proposed rate change(s) or modification(s) provided by Mesa Water. Verbal comments, telephone calls, electronic transmissions or other forms of
communication(s) shall not be considered, or counted, as valid protests for purposes of such proceedings or this Policy.

2. Valid protests must be submitted in accordance with the parameters (in terms of address, place of submission and date and time specified for receipt) set forth in the notice(s) relating to such rate change(s) or modification(s).

3. In order to be valid and counted as part of the protest process, each protest, in order to be valid, must include all of the following:
   a. The street address or parcel number of the property for which the protest is being submitted;
   b. A clear statement of protest against the proposed rate change(s) or modification(s);
   c. The printed name of the person or party who is submitting the protest and whether the person or party is the owner or tenant of the property for which such protest is submitted; and
   d. The signature of party or representative of the party submitting the protest.

4. If the essential information submitted on a protest is illegible or cannot otherwise be discerned by Mesa Water, such protest shall not be included in the counted valid protests concerning the proposed rate change(s) or modification(s).

Only one valid protest per street address or parcel will be counted for purposes of the protest process.

If a written communication or comment is received but is not considered a valid protest for purposes of this Policy, such communication shall be retained by Mesa Water but shall not be included in the total number of valid protests submitted against the proposed rate change(s) or modification(s).

Communications and valid protests received by Mesa Water as part of the rate change or modification process shall be retained by the District Secretary for a period of not less than three years after such revised water rates or charges have been adopted pursuant to Mesa Water's Records Retention Schedule.

Protests not received by the date and time specified in the written notice(s) for proposed rate change(s) or modification(s) shall not be
counted in the number of valid protests submitted against the proposed corresponding rate change(s) or modification(s). A postmark date shall not be acceptable; physical receipt of the valid written protest, at the designated physical address specified in the written notice(s) of proposed rate change(s) or modification(s), shall be required.

Protests submitted under the provisions of Article XIIID, Section 6(a)(2) of the Constitution are not, and do not constitute, an election; and are not, and shall not be, entitled to the confidential protections provided in an election process. Valid protests and other documents submitted to Mesa Water shall be considered public records pursuant to the California Public Records Act and shall be available for public review upon request in accordance with Mesa Water’s Public Records Act policies or rules and regulations.

III. Board Considerations

In adopting a rate change or modification pursuant to this Policy, the Board shall consider the limitations and conditions applicable to such rate change(s) or modification(s) as set forth in Section 6(b) of Article XIIID of the California Constitution and related State legislation.

IV. Pass Through Fee or Charge Increases

Mesa Water may adopt a water rate or charge schedule authorizing automatic adjustments in order to pass through increases in wholesale charges for water or adjustments for inflation, on the condition that:

(a) the water rate or charge schedule for property-related services are for a period not to exceed five years;

(b) the water rate or charge schedule includes a schedule of adjustments, including a clearly defined formula for adjusting for inflation, if applicable. Any inflation adjustment to the water rate or charge for a property-related service shall not exceed the cost of providing that service;

(c) the water rate or charge schedule provides for automatic adjustments that pass through the adopted increases or decreases in the wholesale charges for water established by the agency from which Mesa Water purchases the water;

(d) written notice of an adjustment pursuant to such schedule shall be mailed or provided not less than 30 days before the effective date of such adjustment to Mesa Water customers and/or property owners (as applicable under the proceedings undertaken by Mesa Water® pursuant to Section II (A) hereof). Such notice may be provided by way of Mesa Water’s newsletter.
V. Implementation

The General Manager is hereby directed, and authorized, to take all reasonable and necessary action(s) to implement and carry out the directives and requirements of this Policy. This shall include, but shall not be limited to, (i) providing all required notice(s), and the form(s) thereof, in order to comply with the requirements of State law and this Policy, (ii) preparation of any and all reports, documents and information needed in order to describe the proposed change(s) and modification(s) to Mesa Water’s water rates or charges (including information required to support findings and determinations by the Board in such respect), (iii) receipt and calculation of any and all protests to such proposed change(s) or modification(s) to Mesa Water’s water rates or charges, and (iv) such other and further actions as may be necessary to comply with the provisions or then-applicable State law and directives of the Board. The District Secretary may assist the General Manager in completing any such action(s).

VI. Claims

It is the directive of this Board, to the extent compatible with applicable law, that any claims against Mesa Water asserting non-compliance with the provisions of Proposition 218 or that any action(s) taken by Mesa Water do not, or did not, comport with the requirements of Section 6 of Article XIIID of the California Constitution and related State legislation shall be limited as to time of commencement and filing as set forth under then current California law or Mesa Water's "Policy Concerning Claims Against Mesa Water District", whichever shall be less.

VII. Changes to Policy; Waivers, Variations

The Board reserves the right to change, update, modify or amend this Policy in the event of future court rulings or changes in applicable California law as may be applicable to Mesa Water and this Policy.

The Board reserves the right to provide or grant waivers or variations from this Policy based upon future court interpretations of Proposition 218 and related law, changes in California statutes, economic necessity and other factors as may be determined by the Board.

VIII. Severability

If any part of this Policy is held to be unenforceable or inconsistent with then-applicable law by a court of competent jurisdiction, the remainder of this Policy shall not be affected thereby and shall be given effect to the fullest extent possible.
RESOLUTION NO. 14361504

RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ESTABLISHING-UPDATING THE POLICY REGARDING RATE CHANGE PROCEEDINGS
AND SUPERCEDED-SUPERSEDING RESOLUTION NO. 1364-1436

WHEREAS, the Mesa Water District (Mesa Water®) is a county water district organized and operating pursuant to the provisions of State of California (State or California) law; and

WHEREAS, Mesa Water's Board of Directors (Board) has determined that an update to the existing Mesa Water Policy Regarding Rate Change Proceedings is advisable in light of the adoption of State legislation necessary with the passage of Assembly Bill 1260 (AB1260) to address the provisions of Section 6 of Article XIIID of the California Constitution, and related State law, as made applicable to water rates, meter charges, and similar rates, fees, and charges pursuant to the California Supreme Court decision in Big Horn Desert View Water Agency v. Verjil, etc., et al.; and

WHEREAS, such an update to the Policy will provide directives, guidance and policies for changes in water rates, and meter rates charges and similar Mesa Water fees under the provisions of Proposition 218, and related State legislation, and to provide assistance to Mesa Water staff and members of the public concerning in Mesa Water's implementation of such requirements.

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

Section 1. Exhibit A to the Mesa Water District Rate Change Proceedings Policy (Policy) is attached hereto and incorporated herein by this reference.

Section 2. The Board reserves the right to amend, revise, or provide waivers or variations from this Policy based upon future court interpretations of Proposition 218 and related law, changes in State California statutes, economic necessity, and other factors as may be determined by the Board.

Section 3. The changes to the Policy set forth herein shall supersede the applicable provisions of Resolution No. 1436 upon the adoption of this Resolution.

Section 34. This Resolution shall be effective upon adoption by the Board.
ADOPTED, SIGNED, and APPROVED this 940th day of October 2013–November 2017, by a roll call vote.

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

____________________________________
______________________________
James R. Fisler Jim Atkinson
President, Board of Directors

____________________________________
______________________________
Coleen L. Monteleone Denise Garcia
District Secretary
RESOLUTION NO. 14361504

EXHIBIT A

RESOLUTION OF THE
MESA WATER DISTRICT BOARD OF DIRECTORS
ESTABLISHING UPDATING THE POLICY REGARDING RATE CHANGE
PROCEEDINGS
AND SUPERCEDING RESOLUTION NO. 1364-1436

I. Background

The electorate adopted Proposition 218 on November 5, 1996, which principally added Articles XIIIIC and XIIIID to the California Constitution.

By way of the ruling in the case of Big Horn Desert View Water Agency v. Verjil, etc, et al., California Supreme Court Case No. S 127535, the California Supreme Court made the provisions of Section 6 of Article XIIIID of the California Constitution applicable to various rates and charges of public agencies and entities including, but not limited to, water rates and meter charges of public water districts operating within the State of California.

This Policy Concerning Rate Change Proceedings (Policy) is adopted by the Board of Directors (Board) of the Mesa Water District (Mesa Water) in order to provide directives, guidance and policies for changes in Mesa Water's water rates and meter rates charges under the provisions of Proposition 218 as interpreted under the Big Horn decision and Assembly Bill 1260 (Statutes of 2007, Chapter 280) pursuant to subsequent State legislation and to provide assistance for staff and members of the public in Mesa Water's implementation of such requirements.

As used in this Policy, the terms "Rate(s)," "Charge(s)" and "Fee(s)" can/may be used interchangeably, but refer to those types of rates that are covered by, Article XIIIID of the California Constitution, supporting legislation and the Policy, regardless of the term used.

The findings and directives set forth herein represent the policy of the Board. The Board reserves the right to amend, revise or provide waivers or variations from this Policy based upon future court interpretations of Proposition 218 and related law, changes in California statutes, economic necessity, and other factors as shall be determined by the Board.

II. Notices
A. Provision of Notice(s)

Mesa Water shall provide written notice of the hearing(s) and proposed rate change(s), or modification(s) to such rate(s) pursuant to the provisions of State law. To the extent required by then-applicable law, written notices shall be provided to owners (record owner or collectively record owners), as set forth on the currently-available list of assessor parcels from the Orange County Assessor’s Office, of parcels within Mesa Water’s service area, and/or to Mesa Water customers as provided by applicable law at the time such notices are mailed. To the extent(s) permitted by applicable law, such notice(s) may be provided with, or as part of, Mesa Water’s regular billing statement(s) for service(s) which will be affected by such proposed change(s) or modification(s). Alternatively, notice(s) may be provided by separate mailing by Mesa Water to the address to which Mesa Water customarily mails the billing statement(s) for fees-water rates or charges for the service(s) provided by Mesa Water.

In the event Mesa Water desires to preserve authority, if any, to record or enforce a lien on a parcel to which service is provided, Mesa Water shall also mail written notice of the hearing(s) and proposed rate change(s) to the record owner’s address as shown on the last equalized assessment roll, to the extent that address is different from that reflected on the billing statement(s).

B. Form of Notice

Written notice(s) provided pursuant to this Policy and State law shall include those matters described in Section 6(a)(1) of Article XIID of the California Constitution.

Mesa Water shall provide written notice(s) by mail (or other legally acceptable means) of the proposed rate change(s) or modification(s) to the record owner of each identified parcel, or to the corresponding Mesa Water customer(s), as shall be applicable, upon which the proposed rate change(s) or modification(s) are proposed for imposition or implementation, the amount of the proposed rate change(s) or modification(s) to be imposed upon each record owner, or Mesa Water customer (as shall be applicable), the basis upon which the amount of the proposed rate change(s) or modification(s) are calculated, and the reason(s) for the proposed rate change(s) or modification(s).

Such written notice(s) shall include the date, time and location for the public hearing(s) on the proposed rate change(s) or modification(s). The notice(s) shall state the due date and time for submission of written protests for the proposed rate change(s) or modification(s) and shall state
the information required for any protest to be valid and considered by Mesa Water pursuant to this Policy.

C. Conduct of Public Hearing

The Board shall at the time, date, and place specified in the corresponding notice(s) conduct a public hearing regarding the proposed rate change(s) or modification(s) as provided for under Section 6(a)(2) of Article XIIID of the California Constitution. The public hearing shall take place not less than forty-five (45) days after completion of mailing of the notice(s) of the proposed rate change(s) or modification(s) to the record owner of each identified parcel, or Mesa Water customer, as shall be applicable, upon which the proposed rate change or modification is proposed for imposition.

At the public hearing, the Board of Mesa Water shall be presented with the basis upon which the rate change(s) or modification(s) are calculated and the reasons for the rate change(s) or modification(s). At the public hearing, any interested party desiring to be heard with regard to such proposed rate change(s) or modification(s) may appear and be heard by the Board through comments submitted either verbally or in writing. However, in order for any submitted comment(s) to be considered as a valid protest, such party must submit such protest in writing as set forth in (D) below.

D. Receipt and Review of Protests; Valid Protests

Section 6(a)(2) of Article XIIID of the California Constitution provides that at the public hearing, the public agency proposing to change a rate shall consider all protests against the proposed water rate fee or charge. If written protests against the proposed water fee rate(s) or charge(s) are presented by a majority of the record owners of the identified parcels, or Mesa Water customers, as shall be applicable, Mesa Water shall not impose the water fee rate(s) or charge(s).

Mesa Water shall calculate, or caused to be calculated, the total number of assessor parcels involved in the rate change(s) or modification(s) being proposed.

Valid protests, as defined below shall be received, tabulated and the results presented to the Board during or following the conclusion of the public hearing regarding such proposed rate change(s) or modification(s).

In order to be a valid protest for purposes of such proceedings, any such protest must include, or provide for, all of the following:
1. Any such valid protest must be submitted in writing to the designated physical address specified in the written notice(s) of proposed rate change(s) or modification(s) provided by Mesa Water. Verbal comments, telephone calls, electronic transmissions or other forms of communication(s) shall not be considered, or counted, as valid protests for purposes of such proceedings or this Policy.

2. Valid protests must be submitted in accordance with the parameters (in terms of address, place of submission and date and time specified for receipt) set forth in the notice(s) relating to such rate change(s) or modification(s).

3. In order to be valid and counted as part of the protest process, each protest, in order to be valid, must include all of the following:
   
   a. The street address or parcel number of the property for which the protest is being submitted;
   
   b. A clear statement of protest against the proposed rate change(s) or modification(s);
   
   c. The printed name of the person or party who is submitting the protest and whether the person or party is the owner or tenant of the property for which such protest is submitted; and
   
   d. The signature of party or representative of the party submitting the protest.

4. If the essential information submitted on a protest is illegible or cannot otherwise be discerned by Mesa Water, such protest shall not be included in the counted valid protests concerning the proposed rate change(s) or modification(s).

Only one valid protest per street address or parcel will be counted for purposes of the protest process.

If a written communication or comment is received but is not considered a valid protest for purposes of this Policy, such communication shall be retained by Mesa Water but shall not be included in the total number of valid protests submitted against the proposed rate change(s) or modification(s).

Communications and valid protests received by Mesa Water as part of the rate change or modification process shall be retained by the District Secretary for a period of not less than three years after such
revised water rates or charges have been adopted pursuant to Mesa Water’s Records Retention Schedule.

Protests not received by the date and time specified in the written notice(s) for proposed rate change(s) or modification(s) shall not be counted in the number of valid protests submitted against the proposed corresponding rate change(s) or modification(s). A postmark date shall not be acceptable; physical receipt of the valid written protest, at the designated physical address specified in the written notice(s) of proposed rate change(s) or modification(s), shall be required.

Protests submitted under the provisions of Article XIIID, Section 6(a)(2) of the Constitution are not, and do not constitute, an election; and are not, and shall not be, entitled to the confidential protections provided in an election process. Valid protests and other documents submitted to Mesa Water shall be considered public records pursuant to the California Public Records Act and shall be available for public review upon request in accordance with Mesa Water’s Public Records Act policies or rules and regulations.

III. Board Considerations

In adopting a rate change or modification pursuant to this Policy, the Board shall consider the limitations and conditions applicable to such rate change(s) or modification(s) as set forth in Section 6(b) of Article XIIID of the California Constitution and related State legislation.

IV. Pass Through Fee or Charge Increases

Mesa Water may adopt a schedule of water fees rate or charges schedule authorizing automatic adjustments in order to pass through increases in wholesale charges for water or adjustments for inflation, on the condition that:

(a) the water schedule of fees rate or charges schedule for property-related services are for a period not to exceed five years;

(b) the water schedule of fees rate or charges schedule includes a schedule of adjustments, including a clearly defined formula for adjusting for inflation, if applicable. Any inflation adjustment to the water fee rate or charge for a property-related service shall not exceed the cost of providing that service;

(c) the water schedule of fees rate or charges schedule provides for automatic adjustments that pass through the adopted increases or decreases in the wholesale charges for water established by the agency from which Mesa Water purchases the water;
(d) written notice of an adjustment pursuant to the such schedule is shall be mailed or provided given pursuant to Section II of this Policy, not less than 30 days before the effective date of such the adjustment to Mesa Water customers and/or property owners (as applicable under the proceedings undertaken by Mesa Water® pursuant to Section II (A) hereof). Such notice may be provided by way of Mesa Water’s newsletter.

V. Implementation

The General Manager is hereby directed, and authorized, to take all reasonable and necessary action(s) to implement and carry out the directives and requirements of this Policy. This shall include, but shall not be limited to, (i) providing all required notice(s), and the form(s) thereof, in order to comply with the requirements of State law and this Policy, (ii) preparation of any and all reports, documents and information needed in order to describe the proposed change(s) and modification(s) to Mesa Water’s water rates or charges (including information required to support findings and determinations by the Board in such respect), (iii) receipt and calculation of any and all protests to such proposed change(s) or modification(s) to Mesa Water’s water rates or charges, and (iv) such other and further actions as may be necessary to comply with the provisions or then-applicable State law and directives of the Board. The District Secretary may assist the General Manager in completing any such action(s).

VI. Claims

It is the directive of this Board, to the extent compatible with applicable law, that any claims against Mesa Water asserting non-compliance with the provisions of Proposition 218 or that any action(s) taken by Mesa Water do not, or did not, comport with the requirements of Section 6 of Article XIIID of the California Constitution and related State legislation shall be limited as to time of commencement and filing as set forth under then current California law or Mesa Water’s “Policy Concerning Claims Against Mesa Water District” Resolution No. 1278, whichever shall be less.

VII. Changes to Policy; Waivers, Variations

The Board reserves the right to change, update, modify or amend this Policy in the event of future court rulings or changes in applicable California law as may be applicable to Mesa Water and this Policy.

The Board reserves the right to provide or grant waivers or variations from this Policy based upon future court interpretations of Proposition 218 and related law, changes in California statutes, economic necessity and other factors as may be determined by the Board.

VIII. Severability
If any part of this Policy is held to be unenforceable or inconsistent with then-applicable law by a court of competent jurisdiction, the remainder of this Policy shall not be affected thereby and shall be given effect to the fullest extent possible.
MEMORANDUM

TO: Board of Directors
FROM: Paul E. Shoenberger, P.E., General Manager
DATE: November 9, 2017
SUBJECT: Public Hearing Regarding Proposed Water Rate Changes

RECOMMENDATION

Receive presentation, hold public hearing, and adopt Resolution No. 1505 Determining Compliance with Procedural Requirements, Making Findings, Revising Water Rates, Revising Meter Rates, Revising Fireline Stand-By Charges, and Adopting a Rate and Charge Implementation Schedule, Amending Water Rate and Charge Schedule, Taking Related Actions and Superseding Resolution Nos. 1439 and 1475.

Public Hearing
1. Receive presentation on proposed Five-Year Water Rate Schedule.
2. Open public hearing.
3. Receive oral & written comments from the public.

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 June 8, 2017 meeting, the Board of Directors (Board) approved a professional services contract with Raftelis Financial Consultants, Inc. (Raftelis) for a potable and recycled water rate study for the purpose of establishing water rate schedules for five years.

The rate increases are needed to offset the:
• rising costs of water for the Basin Replenishment Assessment and the wholesale purchase of recycled water;
• reduced revenues as our customers continue to adopt water use efficiencies; and
• regular inflationary increase on operational costs such as materials, supplies, labor, chemicals and electricity.

At its August 24, 2017 meeting, the Board was presented a Water Rates Study along with several optional scenarios which would meet the Board’s financial goals of maintaining a strong AAA rating, days cash on hand, total cash balance, and sufficient debt coverage. The scenarios were comprised of various rate increases over five or seven years. The Board reviewed and discussed the scenarios and selected the five-year option with annual increases of up to five percent.
At the September 5, 2017 meeting, the Board reviewed several options for different rates and approved a rate structure that would maintain the current structure of collecting 20% of revenue from fixed meter charges and 80% of revenue from water consumption. Additionally, the Board instructed staff to proceed with the schedule below:

<table>
<thead>
<tr>
<th>Date</th>
<th>Action</th>
</tr>
</thead>
<tbody>
<tr>
<td>Thursday, September 14, 2017</td>
<td>Board Meeting, Schedule Public Hearing</td>
</tr>
<tr>
<td>Monday, September 18, 2017</td>
<td>Final Report of Rate Study</td>
</tr>
<tr>
<td>Monday, September 25, 2017</td>
<td>Prop. 218 Notice</td>
</tr>
<tr>
<td>Thursday, November 9, 2017</td>
<td>Public Hearing</td>
</tr>
</tbody>
</table>

At its September 14, 2017 meeting, the Board received the final draft of the Water Rates Study. The Board instructed staff to proceed with finalizing the Water Rates Study, preparation and mailing of Prop. 218 notices, and scheduling a public hearing for November 9, 2017.

DISCUSSION

Mesa Water’s Board is holding a public hearing to consider a proposed water rate adjustment of up to 5% per year for the next five years. The Board last passed a rate increase in December 2013. The rate proposal is based upon a Water Rates Study conducted by Raftelis which projected future rising costs along with the Board’s financial goals of cash on hand and days cash.

Per its strategic plan, Mesa Water is dedicated to satisfying our community’s water needs (Mission). Its vision is to be a top performing public water agency. Mesa Water’s strategic plan outlines seven key goals, including the top three goals of: 1) providing a safe, abundant, and reliable water supply; 2) practicing perpetual infrastructure renewal and improvement; and, 3) being financially responsible and transparent.

As a nonprofit public water agency, Mesa Water funds operations and capital improvements through its rates revenues. Additionally, revenues from the water service rates allow Mesa Water to continue to realize its strategic plan mission, vision, and goals. Furthermore, to ensure the perpetual provision of local, safe, and reliable water for our community, it is important to regularly study rates, in relation to costs, and make any needed adjustments.

Over the past several years, Mesa Water’s responsible rates and cost controls have resulted in the District accomplishing a number of key achievements, among them are:

- Efficient Operations – Since Fiscal Year 2011, Mesa Water has consistently remained one of Orange County’s most efficient water agencies based on expenditures per capita.
- Financial Strength and Stability – Both Fitch and Standard & Poor’s reaffirmed Mesa Water’s AAA rating due to the District’s good financial policies. Additionally, as of the end of Fiscal Year 2017 (June 30, 2017), Mesa Water has eliminated its unfunded pension liability, saving the District approximately $8.9 million.

The proposed water rates are based upon a multi-year financial study which projects future costs of providing quality and reliable water service, including servicing long-term debt, current and planned infrastructure projects, and Mesa Water designated funds. A rate adjustment may be necessary to
Rising Replenishment Assessment/Water Costs
Over the past three years, Mesa Water has seen its replenishment assessment (RA) costs, which are the largest costs for the District, increase 51.4%. It is expected that the RA costs will continue to increase another 40.4% over the next five years. On a compounded basis, this would mean the cost of water will have increased 112% over a 10 year period.

Reduction of Revenue/Conservation
Due to the reduction in consumption of water it is projected that water consumption will be 10% less than pre-drought levels. This reduction of revenue is expected to continue as a result of 0.5% expected future growth per year.

Mesa Water’s Efficiency Efforts
Mesa Water continues to maximize operating efficiencies to keep rates as low as possible. Mesa Water is still among the most efficient water districts in Orange County, with the lowest expenditures per capita. Staffing totals have been reduced from a high of 72 employees to its current low of 57.75 employees and will continue to remain flat or slightly decrease. Operational efficiencies have increased resulting from the Business Process Evaluation recommendations.

Water Rate Recommendation
Staff recommends the Board adopt the proposed rate adjustments from 2018 through 2022. Under the proposal, in 2018, the potable usage charges increase 3.5% and the average residential customer’s bill will increase approximately $2.55 per month. The remaining years’ increase is approximately 5% per year.

FINANCIAL IMPACT

The proposed water rates and charges are expected to increase revenue sufficiently to meet Mesa Water’s rising replenishment assessment, reduction in revenue due to conservation and meet the Board’s fiscal policy goals.

ATTACHMENTS

Attachment A: Notice of Public Hearing – Mailing Card
Attachment B: Draft Resolution No. 1505 Determining Compliance with Procedural Requirements, Making Findings, Revising Water Rates, Revising Meter Rates, Revising Fireline Stand-By Charges, and Adopting a Rate and Charge Implementation Schedule, Amending Water Rate and Charge Schedule, Taking Related Actions and Superseding Resolution Nos. 1439 and 1475
Attachment C: Redline Resolution No. 1439 Determining Compliance with Procedural Requirements, Making Findings, Revising Water Rates, Revising Meter Rates, Revising Fireline Stand-By Charges, and Adopting Rate and Charge Implementation Schedules, Amending Water Rate and Charge Schedules, Taking Related Actions and Superseding Resolution No. 1384
Attachment D: Letters of Protest Received – 34 as of November 6, 2017
**NOTICE OF PUBLIC HEARING - PROPOSED WATER RATE/CHARGE ADJUSTMENTS**

Aviso importante: Si necesitas esta notificación en Español, por favor llame 949.631.1200

<table>
<thead>
<tr>
<th>Effective Date</th>
<th>Water Rate with Proposed Adjustments</th>
<th>Water Usage Rate</th>
<th>Bi-monthly Meter Charge - Potable &amp; Recycled Water</th>
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<tbody>
<tr>
<td>1/1/2018</td>
<td>$3.73</td>
<td>$1.90</td>
<td>$23.50</td>
</tr>
<tr>
<td>1/1/2019</td>
<td>$3.86</td>
<td>$2.52</td>
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<tr>
<td>1/1/2020</td>
<td>$4.06</td>
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<tr>
<td>1/1/2021</td>
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<td>$2.79</td>
<td>$27.23</td>
</tr>
<tr>
<td>1/1/2022</td>
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<td>1/1/2023</td>
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<td>1/1/2025</td>
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<td>$3.47</td>
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<tr>
<td>1/1/2026</td>
<td>$5.32</td>
<td>$3.65</td>
<td>$35.46</td>
</tr>
</tbody>
</table>

*One unit equals 100 cubic feet (CCF) or 748 gallons.*
**NOTICE OF PUBLIC HEARING – PROPOSED WATER RATE/CHARGE ADJUSTMENTS**

The Mesa Water District (Mesa Water®) Board of Directors (Board) will hold a public hearing in its Boardroom – located at 1965 Placentia Avenue, Costa Mesa, CA 92627 – on Thursday, November 9, 2017, at 6 p.m. to consider proposed water rate/charge adjustments which would take effect over a five-year period. If approved, the first adjustment would go into effect for water services provided on and after January 1, 2018, with subsequent rate/charge adjustments taking place annually thereafter for the following four years. Customers and property owners in Mesa Water’s service area are encouraged to attend and participate in the public hearing. More information may be found online at [MesaWater.org/2017-rates-study](https://www.MesaWater.org/2017-rates-study)

**Rising Costs Necessitate Water Rate/Charge Adjustments**

With the mission of satisfying our community's water needs, Mesa Water® is committed to providing its customers with high-quality, safe, reliable water. A major factor in considering the proposed rate/charge adjustments is the rising Replenishment Assessment charged to Mesa Water for pumping groundwater from its wells. Other factors include increased costs for capital improvements, and refurbishing, repairing, and replacing Mesa Water's infrastructure.

**Water Rate/Charge Adjustments Proposal Information**

Mesa Water’s Strategic Plan includes the goal of being financially responsible and transparent. The water rate/charge adjustments proposal is based on a multi-year financial plan prepared by an independent consultant. Information concerning the financial basis for the proposed water rate/charge adjustments will be available for public review at Mesa Water’s business offices and on [MesaWater.org](https://www.MesaWater.org), and will be presented at the November 9, 2017, public hearing.

**Proposed Schedule of Water Rate/Charges Adjustments**

Please see the reverse side of this notice for the proposed schedule of water rate/charge adjustments; the proposed water rate/charge adjustments only apply to the rates and charges listed in this notice. For an average Mesa Water residential customer, the first rate/charge adjustment would be an increase of 3.76% or $5.09 per bi-monthly bill (or $2.55 per month). Rate/charge adjustments over the five-year period would go into effect without further hearings. Mesa Water’s Board reserves the right to reduce the affected rates/charges during the five-year period.

**How You Can Participate**

- **Contact Mesa Water:** Call 949.631.1205 or email info@MesaWater.org
- **Attend a Meeting:** Mesa Water’s Board and Committee meetings are open to the public; upcoming meetings are listed at [MesaWater.org](https://www.MesaWater.org)
- **Attend the Public Hearing:** Mesa Water’s Board will consider the proposed water rate/charge adjustments at a public hearing conducted in its Boardroom – located at 1965 Placentia Avenue, Costa Mesa, CA 92627 – on Thursday, November 9, 2017, at 6 p.m. This hearing will include the opportunity for the public to provide comments, ask questions, express support or concerns, and/or submit a written protest (see below).
- **Submit a Written Protest:** All written protests to Mesa Water’s proposed rate adjustments must be received no later than the conclusion of the public hearing on November 9, 2017. Written protests may be submitted during the public hearing. Written protests can be mailed or hand-delivered to Denise Garcia, Mesa Water District Secretary, 1965 Placentia Avenue, Costa Mesa, CA 92627. Protests received after this date and time will not be considered or counted. A postmark date is NOT acceptable. Mesa Water’s Board will consider all input and has the option of reducing the proposed rate adjustments following the conclusion of the public hearing.

In order to be valid, each written protest must identify the affected property (either by assessor’s parcel number or street address), indicate that the water rate/charge adjustments are being protested, and include the printed name and signature of the record property owner or tenant, as applicable. Only one protest per parcel or street address will be counted. Comments made by phone, fax, email, instant message, text, social media, or through [MesaWater.org](https://www.MesaWater.org) will NOT be accepted or counted as protests. All protests are subject to Mesa Water’s current policies.

If written protests are submitted by a majority of the owners of affected properties, the proposed water rate/charge adjustments will not be imposed.

For questions about how to submit a written protest, please call Denise Garcia at 949.631.1205.
RESOLUTION NO. 1505

RESOLUTION OF THE MESA WATER DISTRICT
BOARD OF DIRECTORS DETERMINING COMPLIANCE WITH
PROCEDURAL REQUIREMENTS, MAKING FINDINGS, REVISING
WATER RATES, REVISING METER RATES, REVISING FIRELINE
STAND-BY CHARGES, AND ADOPTING A RATE AND CHARGE
IMPLEMENTATION SCHEDULE, AMENDING WATER RATE AND
CHARGE SCHEDULE, TAKING RELATED ACTIONS
AND SUPERSEDING RESOLUTION NOS. 1439 AND 1475

WHEREAS, the Mesa Water District (Mesa Water®) is a county water district
organized and operating pursuant to the provisions of State of California (State or
California) law; and

WHEREAS, Mesa Water has authority to set and collect rates, fees and charges
for water and water service that it provides pursuant to the provisions of Water Code
Sections 31000, 31001, 31024, and 31025; and

WHEREAS, the provisions of Section 6 of Article XIIID of the California
Constitution are currently applicable to water rates and charges of public agencies and
entities, including, but not limited to, water and water service rates of public water
districts operating within the State under current State law; and

WHEREAS, the Mesa Water District Board of Directors (Board) has previously
adopted and updated its “Policy Concerning Rate Change Proceedings” (Policy) in
order to provide directives, guidance and policies for changes in Mesa Water’s water
and water service rates, fees and charges under the provisions of State law, and to
provide assistance for implementation of such requirements; and

WHEREAS, the Board has previously undertaken proceedings and provided
direction for proposed changes in certain Mesa Water water rates and charges,
including the Commodity (Usage) Charges for Potable, Recycled, Construction, and
Fireline Water, Meter Basic Charges and Fireline Stand-by Charges (as further
described herein) and has directed that notice of such proposed changes in such water
rates and charges be provided and that a public hearing be held thereon as required by
State law, as described in the Policy and as further described herein; and

WHEREAS, written notice of the referenced public hearing, the proposed revised
water rates and charges and implementation schedule has been provided to Mesa
Water’s customers as required under applicable State law and as further described
herein; and

WHEREAS, there has been prepared by Mesa Water documentation and
financial data concerning Mesa Water’s finances, fiscal projections, current and
anticipated financial requirements, the costs and financing requirements for Mesa Water
to meet its future facilities and water service requirements, and Mesa Water’s adopted
budget for Fiscal Year 2018, as well as future budgetary projections, and the 2017 Mesa
Water - Water Rate Study Report (Report) (which Report is incorporated herein by this
reference), documenting the need for the proposed revised water rates and charges as
described herein, which data, information and Report are on file with Mesa Water’s
District Secretary and has been made available to members of the public who may
request such information and which information has been made available to, and in
certain cases presented to, the Board as part of its consideration of this matter; and

WHEREAS, on November 9, 2017, the Board conducted and completed a
noticed public hearing held at Mesa Water’s offices (Boardroom) located at 1965
Placentia Avenue, Costa Mesa, California to receive public input, comments and
protests with regard to the proposed revised water rates and charges; and

WHEREAS, information to support the findings made by the Board within this
Resolution has been prepared by Mesa Water staff and consultants, made available to
any member of the public who requested such information and has been presented to
the Board as part of its consideration of this matter; and

WHEREAS, the Board desires to make certain findings and determinations in
connection with the revision of Mesa Water’s water rates and charges as set forth
herein; and

WHEREAS, the Board desires to authorize the revised proposed revised water
rates and charges on the basis set forth herein, to comply with the schedule attached
hereto, and to be effective as set forth within the text of this Resolution and the
schedule attached hereto.

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

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

Section 2. Provision of Notice. Pursuant to the provisions of Section 6(a)(1) of
Article XIIID of the California Constitution, Government Code Sections
53755 and 53756 and the Policy, Mesa Water provided written notice by
mailing of the proposed water rate and charge changes and
implementation schedule for such revised water rates and charges to
Mesa Water customers and property owners within Mesa Water’s service
area and to those Mesa Water customers located outside Mesa Water’s
service area. The form of such notice is on file with Mesa Water’s District
Secretary and has been presented to the Board as part of its proceedings.
Such notice included the proposed maximum amount of the water rates
and charges to be effective for Mesa Water’s customers, an identification
of the reasons for the imposition of such proposed water rates and
charges, a method of calculation for Mesa Water’s customers to determine
the impact of such revised water rates and charges upon existing Mesa Water customer accounts, and the proposed implementation schedule of such water rate and charge changes. Such notice also included a statement of the date, time and location of the public hearing to be conducted on such proposed water rate and charge changes by the Board and the opportunity to present protests concerning such water rate and charge changes to the Board. Mailing of such written notice was completed more than forty-five (45) days prior to the date set for conducting the public hearing. The applicable customer list to which such written notice was mailed is held by Mesa Water’s District Secretary.

In addition to the provision of such written notice to Mesa Water customers within its service area, and to those Mesa Water customers located outside Mesa Water’s service area, Mesa Water also provided notice of such proposed imposition of the proposed revised water rate and charge changes and such public hearing as follows:

1. Notice concerning the proposed revised water rates and charges and the date, time and place for the public hearing was published in the Daily Pilot newspaper on October 26, 2017 and November 2, 2017;

2. Notice of the proposed revised water rates and charges, the proposed implementation schedule, public hearing, availability of documentation therefor and the opportunity to present protests concerning such proposed revised water rates and charges was posted on Mesa Water’s website located at www.MesaWater.org for a period of more than forty-five (45) days prior to the date the public hearing was conducted; and

3. Notice of the proposed revised water rates and charges, the date, time and place of such public hearing and the opportunity to present protests concerning such proposed revision of the water rates and charges was posted at the following locations on the following dates:

   (i) Mesa Water District, 1965 Placentia Avenue, Costa Mesa, California on September 25, 2017;

   (ii) Adams Street Post Office, 1590 Adams Avenue, Costa Mesa, California on September 25, 2017; and

   (iii) Costa Mesa City Hall, 77 Fair Drive, Costa Mesa, California on September 25, 2017.

**Section 3. Data and Information Relating to Determination to Adopt and Implement Revised Water Rates and Charges.** The Board has been provided with, and/or had available to it, various reports, including, but not limited to, the Report, data and information supporting the findings made herein and the determination of the Board to revise Mesa Water’s water
rates and charges as described herein. Reference is also made to those meetings held by the Board, and supporting documentation made available to the Board and members of the public, as part of the consideration of the potential Mesa Water imposition of the revised water rates and charges on on-going and future Mesa Water financial considerations. Such data and information has been available, and made available, as applicable, to members of the public desiring to review such, and is on file with Mesa Water’s District Secretary and available for review upon public request. Such data and information includes, but is not limited to, the following:

1. Mesa Water’s adopted Fiscal Year 2018 Budget;

2. Financial projections relating to Mesa Water’s financial and operating requirements, including, but not limited to, installment payments to be made by Mesa Water as part of Mesa Water’s outstanding Certificates of Participation the costs and financing requirements for Mesa Water to meet its future facilities requirements, future imported water purchase costs, future anticipated utilities costs and charges imposed by statute for funding support of the Orange County Local Agency Formation Commission (LAFCO);

3. The Report; and

4. Financial considerations relating to the prudent and financially responsible level of Mesa Water’s financial dedicated funds and accounts (fiscal reserves), including policies relating thereto as previously established by this Board.

Section 4. Public Hearing: Pursuant to the provisions of Section 6(a)(2) of Article XIIID of the California Constitution, Mesa Water’s Board conducted a public hearing on the proposed revised water rates and charges, and proposed implementation schedule thereof, not less than forty-five (45) days after the date of mailing of the within-referenced written notice to Mesa Water customers within Mesa Water’s boundaries, and to those Mesa Water customers located outside Mesa Water’s service area, as set forth in Section 2 herein. Such public hearing was conducted at Mesa Water’s offices (Boardroom) located at 1965 Placentia Avenue, Costa Mesa, California commencing at 6:00 p.m. on November 9, 2017. At the time of the public hearing, Mesa Water’s Board considered all protests against the proposed revised water rates and charges as set forth in Section 5 hereof. Such public hearing was conducted in conformance with the requirements of the Policy. During such public hearing, the Board was presented with the results of all qualified protests to the proposed revised water rates and charges and heard and considered all public comments submitted to the Board during such public hearing and a full and fair hearing was held.
Section 5. **No Majority Protest.** Pursuant to the provisions of Section 6(a)(2) of Article XIIIID of the California Constitution and the Policy, Mesa Water’s District Secretary has reviewed those protests received by Mesa Water with regard to the proposed imposition of the revised water rates and charges. Any and all protests submitted to Mesa Water concerning such proposed revised water rates and charges were handled and considered as set forth in the Policy. Mesa Water’s District Secretary has compared such protests with Mesa Water’s customer list on file with the District Secretary. The District Secretary has compared such protests with Mesa Water’s customer list on file with the District Secretary. The District Secretary has provided the Board with a statement of all such protests. Based thereon, the Board hereby determines that the proposed revised water rates and charges described herein have not been protested by a majority of owners of parcels/customer accounts within Mesa Water’s service area.

Section 6. **Findings.** The Board hereby finds and determines as follows:

1. Mesa Water’s current and projected finances, financial condition, and revenue requirements, based on information available to Mesa Water and the costs and financing requirements for Mesa Water to meet its future facilities and water service requirements have been considered and the Board has adopted a balanced budget for Fiscal Year 2018. Correspondingly, the Board hereby finds and determines that the revenues derived from the revised water rates and charges set forth herein do not exceed the funds required by Mesa Water to provide the water and water services Mesa Water provides to its customers.

2. The Board hereby determines and directs that revenues derived from the revised water rates and charges set forth herein shall be used for the purposes for which Mesa Water was formed and operates, including, but not limited to, the provision of water and water service to its customers, as applicable, and shall not be used for other purposes.

3. Mesa Water’s revised Water Usage Charges are based on the amount of water actually used by individual Mesa Water customers within specific billing periods. Correspondingly, the amount of the revised Water Usage Charges applicable to Mesa Water’s customers, by usage type, does not exceed the proportional cost of Mesa Water’s provision of water and water service to such customers.

4. Mesa Water’s Meter Basic Charges and Fireline Stand-by Charges are based on the availability of water service (including, but not limited to, emergency water availability) to each customer within each corresponding billing period. Correspondingly, the amount of Mesa Water’s Meter Basic Charges and Fireline Stand-by Charges during
the corresponding billing periods for customers do not exceed the cost of Mesa Water’s provision of water availability (including, but not limited to, emergency water availability) and water service to such customers.

5. Section 6(b)(4) of Article XIIID of the California Constitution provides that no fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. In the case of Mesa Water’s water rates and charges referenced herein, Mesa Water’s services for water availability and delivery are imposed on customers where such service is actually used by, or is immediately available to (including, but not limited to, the availability of emergency water service), Mesa Water customers whom are, and will be, subject to the revised water rates and charges. Mesa Water’s revised rates and charges, as set forth herein, do not constitute any form of standby charge(s) as set forth in such section of the California Constitution.

6. Mesa Water’s water rates and charges are imposed only on its customers for the particular and specific water functions and services referenced herein. Mesa Water’s water rates and charges are, and will be, imposed pursuant to Mesa Water’s Rules and Regulations as applicable to its customers. Mesa Water does not, and will not, impose such water rates and charges for purposes of the provision of general governmental services such as police, fire, ambulance or library services which are available to the public at large.

7. Mesa Water’s water rates and charges, as set forth herein, are part of an integrated finance and revenue system including water rates and charges, revenue sources, projected expenditures, dedicated funds and other financial considerations. Mesa Water’s water rates and charges are structured and implemented by Mesa Water in order to meet its financial obligations and responsibilities to operate, maintain, replace, restore and improve its water systems and facilities, address anticipated emergency service needs, to meet its legal and operational obligations and requirements and to conduct its business, administrative and governmental operations.

8. With respect to the water rate and charge schedule described herein, the within-referenced notices and proceedings complied with Government Code Section 53756.

9. The reasons and basis for the adoption and implementation of the revised water rates and charges, and the method of calculation thereof, have been identified in the notices provided as set forth in Section 2 and in the documentation and information referenced in Section 3.
10. The revised water rates and charges adopted and implemented hereby are not taxes under Section 1(e)(2) and (7) of the provisions of Article XIIIIC of the California Constitution inasmuch as the referenced water rates and charges are: (i) services/products provided directly to the Mesa Water customer of record and do not exceed the reasonable costs to Mesa Water for the water and water service so provided; and (ii) under current California law such water rates and charges are considered to be property-related fees for which Mesa Water has complied with the applicable requirements of Article XIIIID of the California Constitution.

Section 7. Adoption and Implementation of Revised Water Rates and Charges.

1. Mesa Water’s Water Usage Rates are hereby revised to conform to the schedule attached hereto as Exhibit A, including the dates of implementation set out therein, which Exhibit is incorporated herein by this reference.

2. Mesa Water’s Meter Basic Charge is hereby revised to conform to the schedule attached hereto as Exhibit A, including the dates of implementation set out therein.

3. Mesa Water’s Fireline Stand-by Charge is hereby revised to conform to the schedule attached hereto as Exhibit A, including the dates of implementation set out therein.

4. Mesa Water’s water rate and charge schedule is, and shall be, amended or revised to conform to the directives of this Resolution upon adoption hereof.

5. The revised water rates and charges adopted hereby shall be effective for Mesa Water’s provision of water and water service as set forth in the schedule attached hereto as Exhibit A, including the dates of implementation set out therein.

6. Mesa Water’s other existing rates, fees and charges, which were not subject to the proceedings for revision undertaken as described herein, are not amended or revised by way of this Resolution.

7. In the event that the Board shall determine to impose the within-referenced water rates and charges at lower levels and/or at later dates than set forth in the attached schedule, the Board shall take such action(s) and thereafter provide notice of such change(s) and/or revision(s) to Mesa Water customers as required by applicable law.

Section 8. Other Actions. Mesa Water’s General Manager and other Mesa Water
officers and staff and Mesa Water’s consultants are hereby authorized and
directed to take all necessary and appropriate actions as may be required
or desirable to carry out the findings and directives of this Resolution.

Section 9. Partial Invalidity; Severability. If any one or more of the findings or
directives set forth in this Resolution should be contrary to law, then such
findings or directives, or such portions thereof, shall be null and void and
shall be deemed separable from the remaining findings and directives or
portions thereof and shall in no way affect the validity of this Resolution or
the other directives set out herein. The Board hereby declares that it
would have adopted this Resolution and each and every other section,
paragraph, subdivision, sentence, clause and phrase hereof and would
have authorized and approved the findings or directives set forth herein
irrespective of the fact that any one or more sections, paragraphs,
subdivisions sentences, clauses or phrases of this Resolution or the
application thereof to any person or circumstance may be held to be
unconstitutional, unenforceable or invalid.

Section 10. Authority. This Resolution is adopted pursuant to the provisions of Water
Code Sections 31000, 31001, 31024, 31025 and 30523 and the
requirements of Government Code Sections 53755 and 53756.

Section 11. Superseding Resolution Nos. 1439 and 1475. Resolution Nos. 1439
and 1475 are superseded to the extent they are in conflict with the findings
and directives of this Resolution. The water rate and charge schedules
adopted by Resolution Nos. 1439 and 1475 shall be superseded and
replaced by the water rate and charge schedule set forth herein as of the
dates set forth herein.

Section 12. Effective Date. This Resolution shall be effective immediately upon
adoption by the Board.

ADOPTED, SIGNED, and APPROVED this 9th day of November 2017, by a roll call
vote.

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

________________________________
Jim Atkinson
President, Board of Directors

___________________________________
Denise Garcia
District Secretary
RESOLUTION NO. 1505

EXHIBIT A

RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS DETERMINING COMPLIANCE WITH PROCEDURAL REQUIREMENTS, MAKING FINDINGS, REVISIGN WATER RATES, REVISIGN METER RATES, REVISIGN FIRELINE STAND-BY CHARGES, AND ADOPTING A RATE AND CHARGE IMPLEMENTATION SCHEDULES, AMENDING WATER RATE AND CHARGE SCHEDULES, TAKING RELATED ACTIONS AND SUPERSEDMING RESOLUTION NOS. 1439 AND 1475

MESA WATER DISTRICT
WATER RATE AND CHARGE SCHEDULE
MESA WATER DISTRICT
WATER RATE AND CHARGE SCHEDULE

Commodity (Usage) Charges for Potable, Recycled, Construction, and Fireline Water, Meter Basic Charges and Fireline Stand-by Charges and LAFCO Surcharges

Effective for water used, and water service provided, on and after January 1, 2018 (and for the other dates of implementation as shown below)

**Water Usage Charges**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Per Unit * (CCF)</th>
<th>1/1/2018</th>
<th>1/1/2019</th>
<th>1/1/2020</th>
<th>1/1/2021</th>
<th>1/1/2022</th>
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<tbody>
<tr>
<td>Potable</td>
<td>$3.86</td>
<td>$4.06</td>
<td>$4.27</td>
<td>$4.49</td>
<td>$4.72</td>
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<tr>
<td>Recycled</td>
<td>$2.52</td>
<td>$2.65</td>
<td>$2.79</td>
<td>$2.93</td>
<td>$3.08</td>
<td></td>
</tr>
<tr>
<td>Construction</td>
<td>$4.27</td>
<td>$4.49</td>
<td>$4.72</td>
<td>$4.96</td>
<td>$5.21</td>
<td></td>
</tr>
<tr>
<td>Fireline</td>
<td>$4.27</td>
<td>$4.49</td>
<td>$4.72</td>
<td>$4.96</td>
<td>$5.21</td>
<td></td>
</tr>
</tbody>
</table>

* One unit equals 100 cubic feet or 748 gallons.

**Surcharge for Potable and Recycled Water**

LAFCO Surcharge $1.00 per account per year

**Bi-monthly Meter Basic Charges – Potable & Recycled Water**

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>1/1/2018</th>
<th>1/1/2019</th>
<th>1/1/2020</th>
<th>1/1/2021</th>
<th>1/1/2022</th>
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<tbody>
<tr>
<td>5/8&quot;</td>
<td>$24.69</td>
<td>$25.93</td>
<td>$27.23</td>
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<td>3/4&quot;</td>
<td>$37.31</td>
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<td>$62.00</td>
<td>$65.10</td>
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<td>1-1/2&quot;</td>
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<td>$144.15</td>
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<td>2&quot;</td>
<td>$199.11</td>
<td>$209.07</td>
<td>$219.53</td>
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<td>$242.04</td>
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<tr>
<td>3&quot;</td>
<td>$435.51</td>
<td>$457.29</td>
<td>$480.16</td>
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<td>4&quot;</td>
<td>$784.32</td>
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<td>6&quot;</td>
<td>$1,744.08</td>
<td>$1,831.29</td>
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<td>8&quot;</td>
<td>$2,983.82</td>
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**Fireline Stand-by Charges – Class I & II**

<table>
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<tr>
<th>Meter Size</th>
<th>1/1/2018</th>
<th>1/1/2019</th>
<th>1/1/2020</th>
<th>1/1/2021</th>
<th>1/1/2022</th>
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<td>$7.16</td>
<td>$7.52</td>
<td>$7.90</td>
<td>$8.30</td>
</tr>
<tr>
<td>3&quot;</td>
<td>$19.79</td>
<td>$20.79</td>
<td>$21.83</td>
<td>$22.93</td>
<td>$24.08</td>
</tr>
<tr>
<td>4&quot;</td>
<td>$42.18</td>
<td>$44.29</td>
<td>$46.51</td>
<td>$48.84</td>
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</tr>
<tr>
<td>6&quot;</td>
<td>$122.53</td>
<td>$128.66</td>
<td>$135.10</td>
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<td>$148.96</td>
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<tr>
<td>8&quot;</td>
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<td>$493.04</td>
<td>$517.70</td>
<td>$543.59</td>
<td>$570.77</td>
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</table>

Resolution No. 1505: Exhibit A

Page 1 of 1

Adopted: November 9, 2017
RESOLUTION NO. 14391505

RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS DETERMINING COMPLIANCE WITH PROCEDURAL REQUIREMENTS, MAKING FINDINGS, REVISION WATER RATES, REVISION METER RATES, REVISION FIRELINE STAND-BY CHARGES, AND ADOPTING A RATE AND CHARGE IMPLEMENTATION SCHEDULES, AMENDING WATER RATE AND CHARGE SCHEDULES, TAKING RELATED ACTIONS AND SUPERSEDDING RESOLUTION NOS. 13841439 AND 1475

WHEREAS, the Mesa Water District (Mesa Water®) is a county water district organized and operating pursuant to the provisions of State of California law; and

WHEREAS, Mesa Water has authority to set and collect rates, fees and charges for water and water services that it provides pursuant to the provisions of Water Code Sections 31000, 31001, 31024, and 31025; and

WHEREAS, the provisions of Section 6 of Article XIIID of the California Constitution are currently applicable to various water rates and charges of public agencies and entities, including, but not limited to, water and water service rates of public water districts operating within the State of California under current State California law; and

WHEREAS, the Mesa Water District Board of Directors (Board) has previously adopted and updated its “Policy Concerning Rate Change Proceedings” (Policy) in order to provide directives, guidance, and policies for changes in Mesa Water’s water and water service rates, fees and charges under the provisions of State California law, and to provide assistance for implementation of such requirements; and

WHEREAS, the Board has previously undertaken proceedings and provided direction for proposed changes in certain of Mesa Water’s water rates and charges, including the Commodity (Usage) Charges for Potable, Recycled, Construction, and Fireline Water, Meter Basic Charges and Fireline Stand-by Charges Water Usage Charge, Meter Basic Charge and Fireline Stand-by Charge (as further described herein) and has directed that notice of such proposed changes in such water rates and charges be provided and that a public hearing be held thereon as required by State law, as described in the Policy and as further described herein; and

WHEREAS, written notice of the referenced public hearing, the proposed revised water rates and charges and proposed water rate and charge implementation schedule has been provided to Mesa Water’s customers as required under applicable State law and as further described herein; and
WHEREAS, there has been prepared by Mesa Water documentation and financial data concerning Mesa Water’s finances, fiscal projections, current and anticipated financial requirements, the costs and financing requirements for Mesa Water to meet its future facilities and water service requirements, and Mesa Water’s adopted budget for Fiscal Year 2013-2014, as well as future budgetary projections, and the 2017 Mesa Water - Water Rate Study Report (Report) (which Report is incorporated herein by this reference), documenting the need for the proposed revised change in Mesa Water’s water rates and charges as described herein, which data, and information and Report is are on file with Mesa Water’s District Secretary and has been made available to members of the public who may request such information and which information has been made available to, and in certain cases presented to, the Board as part of its consideration of this matter; and

WHEREAS, on December 12, 2013, the Board conducted and completed a noticed public hearing to receive public input, comments and protests with regard to the proposed revised water rates and charges, which public hearing was held at Mesa Water’s offices (Boardroom) located at 1965 Placentia Avenue, Costa Mesa, California to receive public input, comments and protests with regard to the proposed revised water rates and charges; and

WHEREAS, information to support the findings made by the Board within this Resolution hasve been prepared by Mesa Water staff and consultants, made available to any member of the public who requested such information and has been presented to the Board as part of its consideration of this matter; and

WHEREAS, the Board desires to make certain findings and determinations in connection with the revision of Mesa Water’s water rates and charges as set forth herein; and

WHEREAS, the Board desires to authorize the revised proposed revised water rates and charges on the basis set forth herein, to comply with the schedule attached hereto, and to be effective as set forth within the text of this Resolution and the schedule attached hereto.

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

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

Section 2. Provision of Notice. Pursuant to the provisions of Section 6(a)(1) of Article XIIIID of the California Constitution, Government Code Sections 53755 and 53756 and the Policy, Mesa Water provided written notice by mailing of the proposed water rate and charge changes and proposed implementation schedule for such revised water rates and charges to Mesa Water customers and property owners within Mesa Water’s service area.
area and to those Mesa Water customers located outside Mesa Water’s service area. The form of such notice is on file with Mesa Water’s District Secretary and has been presented to the Board as part of its proceedings. Such notice included the proposed maximum amount of the proposed water rates and charges to be effective for Mesa Water’s customers, an identification of the reasons for the imposition of such proposed water rates and charges, a method of calculation for Mesa Water’s customers to determine the impact of such changed-revised water rates and charges upon existing Mesa Water customer accounts, and the proposed schedule for implementation implementation schedule of such water rate and charge changes. Such notice also included a statement of the date, time and location of the public hearing to be conducted on such proposed water rate and charge changes by the Board and the opportunity to present protests concerning such water rate and charge changes to the Board. Mailing of such written notice was completed more than forty-five (45) days prior to the date set for conducting of the public hearing. The applicable customer list to which such written notice was mailed is held by Mesa Water’s District Secretary.

In addition to the provision of such written notice to Mesa Water customers within the Mesa Water’s service area, and to those Mesa Water customers located outside Mesa Water’s service area, Mesa Water also provided notice of such proposed imposition of the proposed revised water rate and charge changes and such public hearing as follows:

1. Notice concerning the proposed revised water rates and charges and the date, time and place for the public hearing was published in the Daily Pilot newspaper on November 28, 2013 October 26, 2017 and December 5, 2013November 2, 2017;

2. Notice of the proposed revised revision of the water rates and charges, the proposed implementation schedule, public hearing, availability of documentation therefor and the opportunity to present protests concerning such proposed revised water rates and charges was posted on Mesa Water’s internet—website located at www.mesawaterMesaWater.org for a period of more than forty-five (45) days prior to the date the public hearing was conducted; and

3. Notice of the proposed revised revision of the water rates and charges, the date, time and place of such public hearing and the opportunity to present protests concerning such proposed revision of the water rates and charges was posted at the following locations on the following dates:

   (i) Mesa Water District, 1965 Placentia Avenue, Costa Mesa, California on October 23, 2013September 25, 2017;
Section 3. Data and Information Relating to Determination to Adopt and Implement Revised Water Rates and Charges. The Board has been provided with, and/or had available to it, various reports, including, but not limited to, the Report, data and information supporting the findings made herein and the determination of the Board to revise Mesa Water’s water rates and charges as described herein. Reference is also made to those meetings held by the Board, and supporting documentation made available to the Board and members of the public, as part of the consideration of the potential Mesa Water imposition of the revised water rates and charges on on-going and future Mesa Water financial considerations. Such data and information has been available, and made available, as applicable, to members of the public desiring to review such, and is on file with Mesa Water’s District Secretary and available for review upon public request. Such data and information includes, but it is not limited to, the following:


2. Financial projections relating to Mesa Water’s financial and operating requirements, including, but not limited to, installment payments to be made by Mesa Water as part of Mesa Water’s outstanding Certificates of Participation the costs and financing requirements for the Mesa Water to meet its future facilities requirements, future imported water purchase costs, future anticipated utilities costs and charges imposed by statute for funding support of the Orange County Local Agency Formation Commission (LAFCO);

2.3. The Report; and-and

3.4. Financial considerations relating to the prudent and financially responsible level of Mesa Water’s financial dedicated funds and accounts (fiscal reserves), including policies relating thereto as previously established by this Board.

Section 4. Public Hearing. Pursuant to the provisions of Section 6(a)(2) of Article XIIID of the California Constitution, Mesa Water’s Board conducted a public hearing on the proposed revised water rates and charges, and
proposed implementation schedule thereof, not less than forty-five (45) days after the date of mailing of the within-referenced written notice to Mesa Water customers within Mesa Water’s boundaries, and to those Mesa Water customers located outside Mesa Water’s service area, as set forth in Section 2 herein. Such public hearing was conducted at Mesa Water’s offices (Boardroom) located at 1965 Placentia Avenue, Costa Mesa, California commencing at 6:00 p.m. on __December 12, 2013November 9, 2017. At the time of the public hearing, Mesa Water’s Board considered all protests against the proposed revised water rates and charges as set forth in Section 5 hereof. Such public hearing was conducted in conformance with the requirements of the Policy. During such public hearing, the Board was presented with the results of all qualified protests to the proposed Mesa Water revised water rates and charges and heard and considered all public comments submitted to the Board during such public hearing and a full and fair hearing was held.

Section 5. No Majority Protest. Pursuant to the provisions of Section 6(a)(2) of Article XIIID of the California Constitution and the Policy, Mesa Water’s District Secretary has reviewed those protests received by Mesa Water with regard to the proposed imposition of the revised water rates and charges. Any and all protests submitted to Mesa Water concerning such proposed revised water rates and charges were handled and considered as set forth in the Policy. Mesa Water’s District Secretary has compared such protests with the Mesa Water’s customer list on file with the District Secretary with the Mesa Water. The District Secretary has compared such protests with Mesa Water’s customer list on file with the District Secretary. Mesa Water’s District Secretary has provided the Board with a statement of all such protests. Based thereon, the Board hereby determines that the proposed revised water rates and charges described herein have not been protested by a majority of owners of parcels/customer accountss within Mesa Water’s service area.

Section 6. Findings. The Board hereby finds and determines as follows:

1. Mesa Water’s current and projected finances, financial condition, and revenue requirements, based on information available to Mesa Water and the costs and financing requirements for the Mesa Water to meet its future facilities and water service requirements have been considered and the Board has adopted a balanced budget for Fiscal Year 2013-20142018. Correspondingly, the Board hereby finds and determines that the revenues derived from the revised water rates and charges set forth herein do not exceed the funds required by the Mesa Water in order to provide the services the Mesa Water provides water and water services Mesa Water provides to its customers.

2. The Board hereby determines and directs that revenues derived from the revised water rates and charges set forth herein shall be used for
the purposes for which Mesa Water was formed and operates, including, but not limited to, the provision of water availability and water service to Mesa Water's customers, as applicable, and shall not be used for other purposes.

3. Mesa Water’s revised Water Usage Rates Charges are based on the amount of water actually used by individual Mesa Water customers within specific billing periods. Correspondingly, the amount of the revised Water Usage Rates Charges applicable to Mesa Water’s customers, by usage type, does not exceed the proportional cost of Mesa Water’s provision of water and water service to Mesa Watersuchits customers.

4. Mesa Water’s Meter Basic Charges and Fireline Stand-by Charges are based on the availability of water services (including, but not limited to, emergency water availability) to each Mesa Water customer within each corresponding billing period. Correspondingly, the amount of Mesa Water’s Meter Basic Charges and Fireline Stand-by Charges during the corresponding billing periods for Mesa Water’s customers do not exceed the cost of Mesa Water’s provision of water availability (including, but not limited to, emergency water availability) and water service to Mesa Water suchits customers.

5. Section 6(b)(4) of Article XIIID of the California Constitution provides that no fee or charge may be imposed for a service unless that service is actually used by, or immediately available to, the owner of the property in question. In the case of Mesa Water’s water rates and charges referenced herein, Mesa Water’s services for water availability and delivery are imposed on customers where such service is actually used by, or is immediately available to (including, but not limited to, the availability of emergency water service), Mesa Water customers which whom are, and will be, subject to the revised water rates and charges. Mesa Water’s revised rates and charges, as set forth herein, do not constitute any form of standby charge(s) as set forth in such section of the California Constitution.

6. Mesa Water’s water rates and charges are imposed only on Mesa Waterits customers for the particular and specific water functions and services referenced herein. of Mesa Water. Mesa Water’s water rates and charges are, and will be, imposed pursuant to Mesa Water’s Rules and Regulations as applicable to Mesa Water’s customers. Mesa Water does not, and will not, impose such water rates and charges for purposes of the provision of general governmental services such as police, fire, ambulance or library services which are available to the public at large.
7. Mesa Water’s water rates and charges, as set forth herein, are part of an integrated finance and revenue system including water rates and charges, revenue sources, projected expenditures, dedicated funds and other financial considerations. Mesa Water’s water rates and charges are structured and implemented by Mesa Water in order to meet its financial obligations and responsibilities to operate, maintain, replace, restore and improve its water systems and facilities, address anticipated emergency service needs, to meet its legal and operational obligations and requirements and to conduct its business, administrative and governmental operations.

8. With respect to the schedule of water rate and charge changes described herein, the within-referenced notices and proceedings complied with Government Code Section 53756.

9. The reasons and basis for the adoption and implementation of the revised water rates and charges, and the method of calculation thereof, have been identified in the notices provided as set forth in Section 2 and in the documentation and information referenced in Section 3.

10. The revised water rates and charges adopted and implemented hereby are not taxes under Section 1(e)(2) and (7) of the provisions of Article XIIIc of the California Constitution inasmuch as the referenced water rates and charges are: (i) services/products provided directly to the Mesa Water customer of record and do not exceed the reasonable costs to Mesa Water for the water and water services so provided; and (ii) under current California law such water rates and charges are considered to be property-related fees for which Mesa Water has complied with the applicable requirements of Article XIIIID of the California Constitution.

Section 7. Adoption and Implementation of Revised Water Rates and Charges.

1. Mesa Water’s Water Usage Rates are hereby revised to conform to the schedule attached hereto as Exhibit A, including the dates of implementation set out therein, which Exhibit is and incorporated herein by this reference.

2. Mesa Water’s Meter Basic Charge is hereby revised to conform to the Schedule attached hereto as Exhibit A, including the dates of implementation set out therein, and incorporated herein by this reference.

3. Mesa Water’s Fireline Stand-by Charge is hereby revised to conform to the schedule attached hereto as Exhibit A, including the dates of
implementation set out therein, and incorporated herein by this reference.

4. Mesa Water’s schedules of water rates and charges are, and shall be, amended or revised to conform to the directives of this Resolution upon adoption hereof.

5. The revised water rates and charges adopted hereby shall be effective for Mesa Water’s provision of water and water service as set forth in the schedule attached hereto as Exhibit A, including the dates of implementation set out therein.

6. Mesa Water’s other existing rates, fees and charges, which were not subject to the proceedings for revision undertaken as described herein, are not amended or revised by way of this Resolution.

7. In the event that the Board shall determine to impose the within-referenced water rates and charges at lower levels and or at later dates than set forth in the attached schedule, the Board shall take such action(s) and thereafter provide notice of such change(s) and/or revision(s) to Mesa Water customers as required by applicable law.

Section 8. Other Actions. Mesa Water’s General Manager and other Mesa Water officers and staff and Mesa Water’s consultants are hereby authorized and directed to take all necessary and appropriate actions as may be required or desirable to carry out the findings and directives of this Resolution.

Section 9. Partial Invalidity; Severability. If any one or more of the findings or directives set forth in this Resolution should be contrary to law, then such findings or directives, or such portions thereof, shall be null and void and shall be deemed separable from the remaining findings and directives or portions thereof and shall in no way affect the validity of this Resolution or the other directives set out herein. The Board hereby declares that it would have adopted this Resolution and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized and approved the findings or directives set forth herein irrespective of the fact that any one or more sections, paragraphs, subdivisions sentences, clauses or phrases of this Resolution or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 10. Authority. This Resolution is adopted pursuant to the provisions of Water Code Sections 31000, 31001, 31024, 31025, and 30523 and the requirements of Government Code Sections 53755 and 53756.

Section 11. Superseding Resolution Nos. 13841439 and 1475. Resolution Nos.
4384-1439 and 1475 are superseded to the extent they are in conflict with the findings and directives of this Resolution. The water rate and charge schedules adopted by Resolution Nos. 4384-1439 and 1475 shall be superseded and replaced by the water rate and charge schedules set forth herein as of the dates set forth herein.

Section 12. Effective Date. This Resolution shall be effective immediately upon adoption by the Board.

ADOPTED, SIGNED, and APPROVED this 12th—9th day of December—November, 2013—2017, by a roll call vote.

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

__________________________________________
James R. Fisler
President, Board of Directors

Coleen L. Monteleone
District Secretary
RESOLUTION NO. 14391505

EXHIBIT A

RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS DETERMINING COMPLIANCE WITH PROCEDURAL REQUIREMENTS, MAKING FINDINGS, REVISING WATER RATES, REVISING METER RATES, REVISING FIRELINE STAND-BY CHARGES, AND ADOPTING A RATE AND CHARGE IMPLEMENTATION SCHEDULES, AMENDING WATER RATE AND CHARGE SCHEDULES, TAKING RELATED ACTIONS AND SUPERSEDING RESOLUTION NOS. 13841439 AND 1475

MESA WATER DISTRICT
WATER RATE AND CHARGE SCHEDULE
MESA WATER DISTRICT
WATER RATE AND CHARGE SCHEDULE

Commodity (Usage) Charges for Potable, Recycled, Construction, and Fireline Water, Meter Basic Charges and, Fireline Stand-by Charges and LAFCO Surcharges
Effective for water used, and water service provided, on and after **July 1, 2014January 1, 2018**
(and for the other dates of implementation as shown below)

**Water Usage Charges**

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Per Unit * (CCF):</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>7/1/2014 1/1/2015 1/1/2016 1/1/2017 1/1/2018</td>
</tr>
<tr>
<td>Potable</td>
<td>$3.2376 $3.40406 $3.51427 $3.62449 $3.73472</td>
</tr>
<tr>
<td>Recycled</td>
<td>$2.6852 $2.5165 $2.3279 $2.1093 $1.98308</td>
</tr>
<tr>
<td>Construction</td>
<td>$4.9127 $5.10449 $5.26472 $5.43496 $5.6021</td>
</tr>
<tr>
<td>Fireline</td>
<td>$6.55427 $6.80449 $7.02472 $7.24496 $7.46521</td>
</tr>
</tbody>
</table>

* One unit equals 100 cubic feet or 748 gallons.

**Surcharge for Potable and Recycled Water**

LAFCO Surcharge $1.00 per account per year
### Bi-monthly Meter Basic Charges – Potable & Recycled Water

(and date of implementation)

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>7/1/2014</th>
<th>1/1/2015</th>
<th>1/1/2016</th>
<th>1/1/2017</th>
<th>1/1/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>3/4&quot;</td>
<td>31.0037</td>
<td>32.5039</td>
<td>41.1433</td>
<td>34.5043</td>
<td>35.5045</td>
</tr>
<tr>
<td>1&quot;</td>
<td>52.0062</td>
<td>54.0065</td>
<td>55.5068</td>
<td>57.5071</td>
<td>59.0075</td>
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<tr>
<td>1-1/2&quot;</td>
<td>104.001</td>
<td>108.001</td>
<td>111.501</td>
<td>115.001</td>
<td>118.501</td>
</tr>
<tr>
<td>2&quot;</td>
<td>24.51</td>
<td>30.74</td>
<td>37.28</td>
<td>44.15</td>
<td>51.36</td>
</tr>
<tr>
<td>3&quot;</td>
<td>363.504</td>
<td>378.004</td>
<td>390.004</td>
<td>402.005</td>
<td>444.505</td>
</tr>
<tr>
<td>4&quot;</td>
<td>654.507</td>
<td>680.008</td>
<td>702.008</td>
<td>724.009</td>
<td>746.509</td>
</tr>
<tr>
<td>6&quot;</td>
<td>1,744.08</td>
<td>1,831.29</td>
<td>1,922.86</td>
<td>2,019.01</td>
<td>2,119.97</td>
</tr>
<tr>
<td>8&quot;</td>
<td>2,983.82</td>
<td>3,133.02</td>
<td>3,289.68</td>
<td>3,454.17</td>
<td>3,626.88</td>
</tr>
<tr>
<td>10&quot;</td>
<td>4,727.89</td>
<td>4,964.29</td>
<td>5,212.51</td>
<td>5,473.14</td>
<td>5,746.80</td>
</tr>
</tbody>
</table>

### Class I – Fireline Stand-by Charges – Class I & II

(and date of implementation)

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>7/1/2014</th>
<th>1/1/2015</th>
<th>1/1/2016</th>
<th>1/1/2017</th>
<th>1/1/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2&quot;</td>
<td>49.5068</td>
<td>20.5071</td>
<td>21.0075</td>
<td>22.0079</td>
<td>22.5083</td>
</tr>
<tr>
<td>3&quot;</td>
<td>29.5019</td>
<td>31.0020</td>
<td>32.0021</td>
<td>33.0022</td>
<td>34.0024</td>
</tr>
<tr>
<td>4&quot;</td>
<td>39.5042</td>
<td>41.0044</td>
<td>42.0046</td>
<td>43.0048</td>
<td>51.2945</td>
</tr>
<tr>
<td>6&quot;</td>
<td>59.0012</td>
<td>61.5012</td>
<td>63.5013</td>
<td>65.5014</td>
<td>67.5014</td>
</tr>
<tr>
<td>8&quot;</td>
<td>79.0026</td>
<td>82.0027</td>
<td>84.0028</td>
<td>87.5030</td>
<td>90.0031</td>
</tr>
<tr>
<td>10&quot;</td>
<td>118.504</td>
<td>123.004</td>
<td>127.005</td>
<td>131.005</td>
<td>570.771</td>
</tr>
</tbody>
</table>

### Class II – Fireline Stand-by Charge

(and date of implementation)

<table>
<thead>
<tr>
<th>Meter Size</th>
<th>7/1/2014</th>
<th>1/1/2015</th>
<th>1/1/2016</th>
<th>1/1/2017</th>
<th>1/1/2018</th>
</tr>
</thead>
<tbody>
<tr>
<td>2&quot;</td>
<td>39.50</td>
<td>44.00</td>
<td>42.50</td>
<td>43.50</td>
<td>45.00</td>
</tr>
<tr>
<td>3&quot;</td>
<td>59.00</td>
<td>61.50</td>
<td>63.50</td>
<td>65.50</td>
<td>67.50</td>
</tr>
<tr>
<td>4&quot;</td>
<td>79.00</td>
<td>82.00</td>
<td>84.50</td>
<td>87.50</td>
<td>90.00</td>
</tr>
<tr>
<td>6&quot;</td>
<td>118.50</td>
<td>123.00</td>
<td>127.00</td>
<td>131.00</td>
<td>135.00</td>
</tr>
<tr>
<td>8&quot;</td>
<td>158.00</td>
<td>164.00</td>
<td>169.50</td>
<td>174.50</td>
<td>180.00</td>
</tr>
<tr>
<td>10&quot;</td>
<td>237.00</td>
<td>246.00</td>
<td>254.00</td>
<td>262.00</td>
<td>270.00</td>
</tr>
</tbody>
</table>
Letters of protest are available for public review upon request and hard copies will be available to view at the time of the Public Hearing on November 9, 2017.
REPORTS:

17. REPORT OF THE GENERAL MANAGER:
   • October 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>1,640</td>
<td>1,451</td>
<td>2,986</td>
</tr>
<tr>
<td>Amber Water (MWRF)</td>
<td>1,752</td>
<td>1,808</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>3,045</td>
<td>2,903</td>
<td>10,000</td>
</tr>
<tr>
<td>Total Production</td>
<td>6,437</td>
<td>6,162</td>
<td>17,314</td>
</tr>
</tbody>
</table>

YTD actual water production (AF) through October 31, 2017

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

[Bar chart showing water production by source from November to October with Clear Water, Amber Water, In-Lieu, and Imported categories]
# Goal #1: Provide a safe, abundant, and reliable water supply

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

<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>1.66</td>
<td>Current RAA = 1.76</td>
<td>4</td>
</tr>
<tr>
<td>Coliform Positive %</td>
<td>0</td>
<td>0</td>
<td>5</td>
</tr>
<tr>
<td>Temperature (°F)</td>
<td>76.7</td>
<td>71 – 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>1.24</td>
<td>0.07 – 1.95</td>
<td>None</td>
</tr>
<tr>
<td>Monochloramine (mg/L)</td>
<td>1.21</td>
<td>0.05 – 1.90</td>
<td>None</td>
</tr>
<tr>
<td>Ammonia (mg/L)</td>
<td>0.27</td>
<td>0.03 - 0.42</td>
<td>None</td>
</tr>
<tr>
<td>Temperature (°F)</td>
<td>75.4</td>
<td>71 - 81</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>2.42</td>
<td>2.2 – 2.64</td>
<td>None</td>
</tr>
<tr>
<td>Monochloramine (mg/L)</td>
<td>2.40</td>
<td>2.21 – 2.57</td>
<td>None</td>
</tr>
<tr>
<td>Ammonia (mg/L)</td>
<td>0.53</td>
<td>0.40 – 0.68</td>
<td>None</td>
</tr>
<tr>
<td>Temperature (°F)</td>
<td>76.0</td>
<td>72 – 82</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>2.32</td>
<td>2.02 – 2.65</td>
<td>None</td>
</tr>
<tr>
<td>Monochloramine (mg/L)</td>
<td>2.32</td>
<td>2.01 – 2.58</td>
<td>None</td>
</tr>
<tr>
<td>Ammonia (mg/L)</td>
<td>0.54</td>
<td>0.52 – 0.58</td>
<td>None</td>
</tr>
<tr>
<td>Temperature (°F)</td>
<td>82.7</td>
<td>80 – 86</td>
<td>None</td>
</tr>
<tr>
<td>Color (CU) Compliance</td>
<td>ND</td>
<td>ND</td>
<td>15</td>
</tr>
<tr>
<td>Odor (TON) Compliance</td>
<td>1.75</td>
<td>1 – 2</td>
<td>3</td>
</tr>
</tbody>
</table>

### Water Quality Calls/Investigations:

<table>
<thead>
<tr>
<th>Total Calls</th>
<th></th>
<th>4</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Investigations (from calls)</td>
<td></td>
<td>1</td>
</tr>
</tbody>
</table>
Goal #2: Practice perpetual infrastructure renewal and improvement

![Revenues of Potable Water graph]

<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>$9,678,215</td>
<td>$9,264,996</td>
<td>$413,219</td>
<td>4.46%</td>
</tr>
</tbody>
</table>
Goal #3: Be financially responsible and transparent
Goal #4: Increase public awareness about Mesa Water® and about water

<table>
<thead>
<tr>
<th>Web Site Information</th>
<th>September 2017</th>
<th>October 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visits to the web site</td>
<td>5,741</td>
<td>1,327</td>
</tr>
<tr>
<td>Unique visitors (First time to the site)</td>
<td>3,195</td>
<td>795</td>
</tr>
<tr>
<td>Average per day</td>
<td>180</td>
<td>6</td>
</tr>
<tr>
<td>Average visit length</td>
<td>2 minutes, 6 seconds</td>
<td>1 minute, 46 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>Human Resources</td>
<td>Rates Study</td>
</tr>
<tr>
<td>Fourth most visited page</td>
<td>Rates Study</td>
<td>Human Resources</td>
</tr>
<tr>
<td>Fifth most visited page</td>
<td>Contact</td>
<td>Contact</td>
</tr>
<tr>
<td>Most downloaded file</td>
<td>Board Agenda</td>
<td>2017 Water Quality Report</td>
</tr>
<tr>
<td>Second most downloaded file</td>
<td>2017 Water Quality Report</td>
<td>Board Agenda</td>
</tr>
<tr>
<td>Most active day of the week</td>
<td>Friday</td>
<td>Monday</td>
</tr>
<tr>
<td>Least active day of the week</td>
<td>Sunday</td>
<td>Sunday</td>
</tr>
</tbody>
</table>

Total visits since June 1, 2002 1,218,759

<table>
<thead>
<tr>
<th>Vending Machine Location</th>
<th>Vend Measurement</th>
<th>October 2017 Vends</th>
<th>Totals Vends</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mesa Water Office</td>
<td>1 gal</td>
<td>4,537</td>
<td>267,533</td>
</tr>
<tr>
<td>DEPARTMENT:</td>
<td>FY 2017</td>
<td>COMMENTS:</td>
<td></td>
</tr>
<tr>
<td>----------------------------------</td>
<td>---------</td>
<td>---------------------------------------------------------------------------</td>
<td></td>
</tr>
<tr>
<td></td>
<td>BUDGET</td>
<td>FILLED</td>
<td>VACANT</td>
</tr>
<tr>
<td>OFFICE OF THE GENERAL MANAGER:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>General Manager</td>
<td>1.00</td>
<td>1.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Business Processes</td>
<td>1.00</td>
<td>1.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Subtotal</td>
<td>2.00</td>
<td>2.00</td>
<td>0.00</td>
</tr>
<tr>
<td>ADMINISTRATIVE SERVICES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Administrative Services</td>
<td>4.75</td>
<td>3.75</td>
<td>1.00</td>
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<tr>
<td>Information Technology</td>
<td>2.00</td>
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</tr>
<tr>
<td>Subtotal</td>
<td>6.75</td>
<td>3.75</td>
<td>3.00</td>
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<tr>
<td>CUSTOMER SERVICES:</td>
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<tr>
<td>Conservation</td>
<td>1.00</td>
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<tr>
<td>Customer Service</td>
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<td>ENGINEERING:</td>
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<tr>
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<tr>
<td>Subtotal</td>
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<tr>
<td>EXTERNAL AFFAIRS:</td>
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<tr>
<td>Legislative &amp; Governmental Affairs</td>
<td>1.50</td>
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<tr>
<td>Subtotal</td>
<td>1.50</td>
<td>1.00</td>
<td>0.50</td>
</tr>
<tr>
<td>FINANCIAL SERVICES:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial Reporting/ Purchasing</td>
<td>4.00</td>
<td>3.00</td>
<td>1.00</td>
</tr>
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<td>Accounting</td>
<td>3.00</td>
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<td>2.00</td>
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<tr>
<td>Subtotal</td>
<td>7.00</td>
<td>4.00</td>
<td>3.00</td>
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<tr>
<td>HUMAN RESOURCES:</td>
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<td>3.00</td>
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</tr>
<tr>
<td>Subtotal</td>
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<td>3.00</td>
<td>0.00</td>
</tr>
<tr>
<td>PUBLIC AFFAIRS:</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Outreach, Education &amp; Communications</td>
<td>2.50</td>
<td>1.00</td>
<td>1.50</td>
</tr>
<tr>
<td>Subtotal</td>
<td>2.50</td>
<td>1.00</td>
<td>1.50</td>
</tr>
<tr>
<td>WATER OPERATIONS:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Supervision/Support</td>
<td>6.00</td>
<td>5.00</td>
<td>1.00</td>
</tr>
<tr>
<td>Distribution</td>
<td>10.00</td>
<td>10.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Production</td>
<td>3.00</td>
<td>3.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Water Quality</td>
<td>2.00</td>
<td>2.00</td>
<td>0.00</td>
</tr>
<tr>
<td>Subtotal</td>
<td>21.00</td>
<td>20.00</td>
<td>1.00</td>
</tr>
<tr>
<td>TOTAL BUDGETED POSITIONS:</td>
<td>57.75</td>
<td>48.75</td>
<td>9.00</td>
</tr>
<tr>
<td>TOTAL:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>IN Vi NTs: (0.5 FTE = 1 Intern)</td>
<td>1.50</td>
<td>1.00</td>
<td>0.50</td>
</tr>
<tr>
<td>Subtotal</td>
<td>1.50</td>
<td>1.00</td>
<td>0.50</td>
</tr>
<tr>
<td>TOTAL:</td>
<td>59.25</td>
<td>49.75</td>
<td>9.50</td>
</tr>
</tbody>
</table>
Goal #6: Provide outstanding customer service

Customer Calls

<table>
<thead>
<tr>
<th>Call Type</th>
<th>FY18 YTD</th>
<th>October 2017</th>
<th>YTD Weekly Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Billing Question</td>
<td>1172</td>
<td>336</td>
<td>69</td>
</tr>
<tr>
<td>Service Requests</td>
<td>1031</td>
<td>280</td>
<td>61</td>
</tr>
<tr>
<td>High Bill</td>
<td>348</td>
<td>120</td>
<td>20</td>
</tr>
<tr>
<td>Payments</td>
<td>989</td>
<td>261</td>
<td>58</td>
</tr>
<tr>
<td>Late Fee</td>
<td>518</td>
<td>162</td>
<td>30</td>
</tr>
<tr>
<td>Account Maintenance</td>
<td>229</td>
<td>63</td>
<td>13</td>
</tr>
<tr>
<td>On-Line Bill Pay</td>
<td>460</td>
<td>137</td>
<td>27</td>
</tr>
<tr>
<td>Water Pressure</td>
<td>18</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>No Water</td>
<td>66</td>
<td>25</td>
<td>4</td>
</tr>
<tr>
<td>Conservation</td>
<td>30</td>
<td>5</td>
<td>2</td>
</tr>
<tr>
<td>Water Waste</td>
<td>19</td>
<td>5</td>
<td>1</td>
</tr>
<tr>
<td>Other (District info. other utility info. etc.)</td>
<td>1636</td>
<td>554</td>
<td>96</td>
</tr>
<tr>
<td>Rate Increase</td>
<td>13</td>
<td>10</td>
<td>1</td>
</tr>
<tr>
<td>Fluoridation</td>
<td>13</td>
<td>3</td>
<td>1</td>
</tr>
<tr>
<td><strong>TOTAL CUSTOMER CALLS</strong></td>
<td>6542</td>
<td>1966</td>
<td>384</td>
</tr>
<tr>
<td><strong>AVERAGE ANSWER TIME (Seconds)</strong></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>October 2017</th>
<th>YTD Weekly Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>12189</td>
<td>686</td>
<td>163</td>
<td>40</td>
</tr>
</tbody>
</table>
REPORTS:

18. DIRECTORS' REPORTS AND COMMENTS:
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.

### James F. Atkinson

<table>
<thead>
<tr>
<th>Reimbursement Date</th>
<th>Description, Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/05/17</td>
<td>WACO Planning Committee Meeting, 8/15</td>
</tr>
<tr>
<td>10/03/17</td>
<td>Urban Water Institute Conference 8/16 – 8/18</td>
</tr>
<tr>
<td>10/05/17</td>
<td>MWDOC Water Policy Forum, 8/30</td>
</tr>
<tr>
<td>10/03/17</td>
<td>ACWA Groundwater Committee Meeting, 8/31</td>
</tr>
<tr>
<td>10/05/17</td>
<td>Waco Meeting 9/1</td>
</tr>
<tr>
<td>10/05/17</td>
<td>KOCI Interview, 9/10</td>
</tr>
<tr>
<td>10/05/17</td>
<td>OCWD Board Meeting, 9/20</td>
</tr>
<tr>
<td>10/05/17</td>
<td>Meeting with General Manager, 9/22</td>
</tr>
<tr>
<td>10/20/17</td>
<td>CSDA Conference, 9/24 – 9/28</td>
</tr>
</tbody>
</table>

### Fred R. Bockmiller, Jr., P.E.

<table>
<thead>
<tr>
<th>Reimbursement Date</th>
<th>Description, Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/05/17</td>
<td>Meeting with General Manager, 9/1</td>
</tr>
<tr>
<td>10/05/17</td>
<td>City/Districts Liaison Committee Meeting, 9/15</td>
</tr>
<tr>
<td>10/05/17</td>
<td>Meeting with General Manager, 9/28</td>
</tr>
</tbody>
</table>

### Marice H. DePasquale

<table>
<thead>
<tr>
<th>Reimbursement Date</th>
<th>Description, Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

### Shawn Dewane

<table>
<thead>
<tr>
<th>Reimbursement Date</th>
<th>Description, Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>N/A</td>
<td></td>
</tr>
</tbody>
</table>

### James Fisler

<table>
<thead>
<tr>
<th>Reimbursement Date</th>
<th>Description, Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>10/05/17</td>
<td>OCWD Board Meeting, 8/16</td>
</tr>
<tr>
<td>10/05/17</td>
<td>WACO Meeting, 9/1</td>
</tr>
<tr>
<td>10/05/17</td>
<td>ISDOC Executive Committee Meeting, 9/5</td>
</tr>
<tr>
<td>10/05/17</td>
<td>MWDOC Board Meeting, 9/20</td>
</tr>
</tbody>
</table>
There are no support materials for this item.