



*Dedicated to  
Satisfying our Community's  
Water Needs*

**AGENDA  
MESA WATER DISTRICT  
BOARD OF DIRECTORS  
Monday, November 25, 2019  
1965 Placentia Avenue, Costa Mesa, CA 92627  
3:30 p.m. Special Board Meeting**

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**FINANCE COMMITTEE MEETING  
Monday, November 25, 2019 at 3:30 p.m.**

**CALL TO ORDER**

**PLEDGE OF ALLEGIANCE**

**PUBLIC COMMENTS**

**Items Not on the Agenda:** Members of the public are invited to address the Board on matters which are not on the Agenda. Each speaker is limited to three minutes. The Board will set aside 30 minutes for public comments.

**Items on the Agenda:** 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 three minutes. The Board will set aside 60 minutes for public comments.

**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. Accounts Paid Listing
2. Monthly Financial Reports
3. Major Staff Projects
4. Committee Policy & Resolution Review
5. Fiscal Year 2020 First Quarter Financial Update

**ACTION ITEMS:**

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

6. Rules & Regulations for Water Service
7. Fees and Charges for Miscellaneous Services

**PRESENTATION AND DISCUSSION ITEMS:**

8. Fiscal Year 2019 Environmental, Health and Safety Program Audit
9. Fiscal Year 2019 Audit Results and Comprehensive Annual Financial Report



**REPORTS:**

10. Report of the General Manager
11. Directors' Reports and Comments

**INFORMATION ITEMS:**

None

*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](http://www.MesaWater.org). If materials are distributed to the Board less than 72 hours prior or during the meeting, the materials will be available at the time of the meeting.*

**ADJOURNMENT**

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>CAPITAL</b>				
CITY OF NEWPORT BEACH				
000031182	NB9299	M19-004 IRVINE AVE. REIMBURSE		62,100.00
	10/17/2019		1	<u>62,100.00</u>
CIVIL SOURCE				
000031298	134124	M19-003 DESIGN SERVICES		2,555.40
000031298	137918	M19-003 DESIGN SERVICES		1,320.00
	10/25/2019		1	<u>3,875.40</u>
DITCH WITCH SOUTHERN CALIFORNIA				
000031120	308982	DITCH WITCH PARTS		63.13
	10/11/2019		1	<u>63.13</u>
EJ MEYER COMPANY, INC				
000031183	4	M18-118 OC 44 PIPELINE REHAB		131,465.80
	10/17/2019		1	<u>131,465.80</u>
HARBOR ALL GLASS & MIRROR				
000031150	2190677	GLASS REPLACEMENT		95.00
	10/11/2019		1	<u>95.00</u>
KIMLEY-HORN AND ASSOCIATES				
000031305	13635648	M17-100 WELL 1 NOISE MONITRING		17,925.00
	10/25/2019		1	<u>17,925.00</u>
MICHAEL BAKER INTERNATIONAL				
000031089	1056553	M18-118 OC44 PIPELINE REHAB		12,116.10
000031247	1060531	E400-0005 HYDRAULIC MODELING		138.00
000031307	1038824	M17-002A SANT ANA PRS UPGRADE		922.65
000031307	1046517	M17-002A SANTA ANA PRESSURE		6,153.26
000031307	1055388	M17-002A SANTA ANA REFURB		195.00
000031377	1059204	M18-118 OC44 PIPELINE REHAB		23,960.18
	10/31/2019		4	<u>43,485.19</u>
SNYDER LANGSTON HOLDINGS, LLC				
000031036	1173-008	M17-106-HVAC/ROOF REPAIRS		384,265.00

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
000031250	1173-009	M17-106 HVAC/ROOF REPAIRS		199,221.00
	10/25/2019		2	583,486.00
<b>TOTAL CAPITAL</b>			<b>12</b>	<b>842,495.52</b>



# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>DEPARTMENT EXPENSE</b>				
ACWA JOINT POWERS INSURANCE AUTHORITY				
000031111	NOV2019EAP	NOVEMBER 2019 EAP		124.55
0150718	103119	JULY - SEPT 19 WORKERCOMP		18,904.41
0150735	100119	AUTO&GENERALTHRU 10/2020		160,235.00
	10/31/2019		3	<u>179,263.96</u>
APPLE ONE EMPLOYMENT				
000031225	01-5358781	TEMP LABOR, HR, WE 09/14		1,173.30
000031225	01-5365580	TEMP LABOR, HR, WE 09/21		931.48
000031225	01-5375947	TEMP LABOR, HR, WE 09/28		913.96
000031357	01-5383718	TEMP LABOR, HR, WE 10/05		826.36
000031357	01-5389521	TEMP LABOR, HR, WE 10/12		876.00
	10/31/2019		2	<u>4,721.10</u>
AQUA STAR INTERNATIONAL				
000031046	25208	VENDING MACHINE		503.00
000031186	25219	REPAIR COIN VENDING MACHING		254.88
	10/17/2019		2	<u>757.88</u>
AMERICAN WATER WORKS ASSOCIATION				
000031372	7001721506	FY20 MEMBERSHIP RENEWAL		4,269.00
	10/31/2019		1	<u>4,269.00</u>
CALPERS BENEFIT PAYMENTS				
0150716	101119	PPE 10/11/19		32,352.39
0150724	15822257	CALPERS SSA 218		500.00
0150725	092719	PPE 9/27/19		31,651.85
0150732	91319	PPE 9/13/19		33,412.70
0150733	15807366	OCT PA HEALTH		6,157.82
0150734	15807355	OCT HEALTH		46,752.75
	10/31/2019		6	<u>150,827.51</u>
COLONIAL LIFE & ACCIDENT INS				
000031079	8892333-1005960	INSURANCE - PPE 09/13/19		208.75
000031117	8892333-1019405	INSURANCE - PPE 09/27/19		208.75
000031324	8892333-1102298	INSURANCE - PPE 10/11/2019		208.75
	10/31/2019		3	<u>626.25</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>COSTA MESA FIRE AND RESCUE</b>				
000031359	11180	FLS INSPECTION		250.00
	10/31/2019		1	250.00
<b>DATCO</b>				
000031118	149019	OCCUPATIONAL HEALTHCARE EXP		187.00
	10/11/2019		1	187.00
<b>GUARDIAN</b>				
000031057	00430941OCT19	OCT 2019 DENTAL INSURANCE		5,316.19
000031333	00430941NOV19	NOV 19 DENTAL INSURANCE		5,469.53
	10/31/2019		2	10,785.72
<b>ICMA-RC RETIREMENT</b>				
0150719	102519	PPE 10/25/19		1,028.96
0150720	1025191	PPE 10/25/19		5,195.79
0150721	101119	PPE 10/11/19		1,028.96
0150722	1011191	PPE 10/11/19		5,195.79
0150726	92719	PPE 9/27/19		1,028.96
0150727	0927191	PPE 9/27/19		5,195.79
	10/31/2019		6	18,674.25
<b>4 IMPRINT</b>				
000031194	7770580	SHIRTS & JACKETS		979.58
000031335	7787060	MWD PROMO ITEMS		3,070.85
	10/31/2019		2	4,050.43
<b>INTERNATIONAL FOUNDATION OF EMPLOYEE BENEFIT PLANS</b>				
000031084	551818-P8S5n9	ANNUAL MEMBERSHIP ALISON WADE		325.00
	10/4/2019		1	325.00
<b>LEDGENT</b>				
000031087	13785797	TEMP LABOR, FINANCE, WE 09/08		1,497.28
000031087	13788976	TEMP LABOR, FINANCE, WE 09/15		1,871.60
000031087	13792127	TEMP LABOR, FINANCE, WE 09/22		1,871.60
000031198	13795272	TEMP LABOR, FINANCE, WE 09/29		1,871.60
000031272	13798415	TEMP LABOR, FINANCE, WE 10/06		1,871.60

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
000031338	13801486	TEMP LABOR, FINANCE, WE 10/13		1,871.60
	10/31/2019		4	10,855.28
<b>NATIONWIDE RETIREMENT SOLUTIONS</b>				
0150717	102519	PPE 10/25/19		6,335.16
0150723	101119	PPE 10/11/19		6,335.16
0150728	92719	PPE 9/27/19		5,845.16
	10/31/2019		3	18,515.48
<b>NEOGOV, INC</b>				
000031363	INV-11543	ANNUAL JOB POSTING SUBSCRIPTION		945.00
000031363	INV-11544	ANNUAL SUB - INSIGHT SOFTWARE		2,894.06
	10/31/2019		1	3,839.06
<b>ORANGE COAST AUTO BODY</b>				
000031091	07978	TRUCK ROOF REPAIR		2,684.81
	10/4/2019		1	2,684.81
<b>ORANGE COUNTY EMPLOYEES ASSN</b>				
000031129	OCEA PPE092719	MEMBERSHIP DUES - PPE 09/27		295.20
000031203	OCEA PPE101119	MEMBERSHIP DUES - PPE 10/11		295.20
000031342	OCEA PPE102519	MEMBERSHIP DUES - PPE 10/25		285.36
	10/31/2019		3	875.76
<b>RED WING BUSINESS ADVANTAGE ACCT</b>				
000031345	20191024009986	SAFETY SHOES		200.00
	10/31/2019		1	200.00
<b>SHARON D BRIMER</b>				
000031133	09122019	BOARD MINUTES - SEPT 2019		112.50
	10/11/2019		1	112.50
<b>TASC</b>				
000031137	IN1600129	FSA ADMIN FEES - AUGUST 2019		137.31
000031348	IN1607190	FSA ADMIN FEES-SEPTEMBER 2019		137.31
	10/31/2019		2	274.62

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>ULTIMATE STAFFING SERVICES</b>				
000031094	13787785	TEMP LABOR, CS, WE 09/15		1,055.36
000031094	13787783	TEMP LABOR, CS, WE 09/15		1,322.00
000031094	13787784	TEMP LABOR, HR, WE 09/15		2,726.80
000031094	13790986	TEMP LABOR, CS, WE 09/22		1,055.36
000031094	13790984	TEMP LABOR, CS, WE 09/22		1,319.20
000031094	13790985	TEMP LABOR, HR, WE 09/22		2,726.80
000031141	13794099	TEMP LABOR, HR, WE 09/29		2,726.80
000031309	13794100	TEMP LABOR, CS, WE 09/29		1,319.20
000031309	13794098	TEMP LABOR, CS, WE 09/29		1,054.37
000031309	13797244	TEMP LABOR, CS, WE 10/06		1,319.20
000031309	13797246	TEMP LABOR, CS, WE 10/06		1,319.20
000031369	13797245	TEMP LABOR, HR, WE 10/06		2,726.80
000031369	13800349	TEMP LABOR, HR, WE 10/13		2,726.80
000031369	13800348	TEMP LABOR, CS, WE 10/13		1,319.20
000031369	13800350	TEMP LABOR, CS, WE 10/13		1,055.36
	10/31/2019		4	<u>25,772.45</u>
<b>URBAN WATER INSTITUTE</b>				
000031352	10252019	SPRING CONFERENCE FOR STACY T.		525.00
	10/31/2019		1	<u>525.00</u>
<b>VISTA DEL VERDE LANDSCAPE</b>				
000031311	32840	LANDSCAPE MAINTENANCE - OCT		2,475.09
000031371	32783	IRRIGATION SYSTEM REPAIRS		389.00
000031371	32898	REPAIRS		419.56
	10/31/2019		2	<u>3,283.65</u>
<b>VISION SERVICE PLAN - (CA)</b>				
000031373	807717775	NOV 2019 VISION INSURANCE		1,178.29
	10/31/2019		1	<u>1,178.29</u>
<b>TOTAL DEPARTMENT EXPENSE</b>			<b>54</b>	<b><u>442,855.00</u></b>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>DIRECTOR CHECKS</b>				
FRED BOCKMILLER				
0150311	EXP092419	FAX/INTERNET REIMBURSEMENT		135.44
10/14/2019			1	135.44
JAMES FISLER				
0150309	EXP82619	INTERNET REIMBURSEMENT		65.00
10/14/2019			1	65.00
MARICE DEPASQUALE				
0150308	EXP091819	EXPENSE REIMBURSEMENT		12.54
10/14/2019			1	12.54
<b>TOTAL DIRECTOR CHECKS</b>			<b>3</b>	<b>212.98</b>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>EMPLOYEE CHECKS</b>				
JUSTIN FINCH				
0150310	EXP092419	EXPENSE REIMBURSEMENTS		95.80
	10/14/2019		1	95.80
<b>TOTAL EMPLOYEE CHECKS</b>			<b>1</b>	<b>95.80</b>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>GENERAL AND ADMINISTRATIVE</b>				
YVETTE JACKSON				
000031312	CHEQ00099007327	05011000 Cheque Deposits 05011		51.78
10/31/2019			1	51.78
ANDONI DIAZ				
000031223	CHEQ00099007314	30001693 Cheque Deposits 30001		305.34
10/17/2019			1	305.34
CORRINNE STOFFEL				
000031101	CHEQ00099007304	07727600 Cheque Deposits 07727		69.45
10/11/2019			1	69.45
LUCAS COLLINS				
000031216	CHEQ00099007317	05150024 Deposit Refund		123.20
10/17/2019			1	123.20
MAGGI KIBBEE				
000031037	CHEQ00099007293	01707604 Cheque Deposits 01707		44.31
10/4/2019			1	44.31
S & H CIVILWORKS				
000031038	CHEQ00099007295	20078000 Cheque Deposits 20078		494.63
10/4/2019			1	494.63
UPGRADE FITNESS GROUP, LLC				
000031102	CHEQ00099007308	07106800 Cheque Deposits 07106		113.66
10/11/2019			1	113.66
NATHAN SKAGGS				
000031313	CHEQ00099007328	04814500 Deposit Refund		100.07
10/31/2019			1	100.07
MARIANNE MORRISSEY				
000031251	CHEQ00099007321	09903400 Cheque Deposits 09903		118.36
10/25/2019			1	118.36

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
JANICE DAVIDSON				
000031314	CHEQ00099007330	06913300 Overpayment		114.47
10/31/2019			1	<u>114.47</u>
LELAND PAXTON				
000031039	CHEQ00099007291	01612600 Cheque Deposits 01612		128.96
10/4/2019			1	<u>128.96</u>
SUSAN M SEINE				
000031315	CHEQ00099007323	01214300 Cheque Deposits 01214		50.92
10/31/2019			1	<u>50.92</u>
R & R CLEANERS, INC.				
000031103	CHEQ00099007305	03250502 Cheque Deposits 03250		169.47
10/11/2019			1	<u>169.47</u>
HOWARD NEFF				
000031295	CHEQ00099007322	07500300 Overpayment		229.53
10/25/2019			1	<u>229.53</u>
ROBIN MANKA				
000031217	CHEQ00099007315	08306600 Overpayment		93.95
10/17/2019			1	<u>93.95</u>
STEPHANIE SISCO				
000031041	CHEQ00099007292	08401900 Cheque Deposits 08401		92.45
10/4/2019			1	<u>92.45</u>
SHERMAN NEUSSE				
000031104	CHEQ00099007303	10213800 Cheque Deposits 10213		117.81
10/11/2019			1	<u>117.81</u>
REBECCA ANDRE				
000031218	CHEQ00099007316	02004400 Deposit Refund		9.75
10/17/2019			1	<u>9.75</u>



# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
TYLER RAFFERTY				
000031105	CHEQ00099007306	30000511 Cheque Deposits 30000		112.12
	10/11/2019		1	<u>112.12</u>
MATTHEW BURKHART				
000031106	CHEQ00099007301	06602200 Overpayment		76.00
	10/11/2019		1	<u>76.00</u>
CUESTA CONSTRUCTION CO				
000031252	CHEQ00099007320	20069800 Cheque Deposits 20069		269.00
000031316	CHEQ00099007324	20069800 Overpayment		621.00
	10/31/2019		2	<u>890.00</u>
TIMOTHY QUINN				
000031076	CHEQ00099007296	02909800 Cheque Deposits 02909		90.49
000031076	CHEQ00099007297	02909700 Cheque Deposits 02909		117.29
000031076	CHEQ00099007298	02909600 Cheque Deposits 02909		77.10
	10/4/2019		1	<u>284.88</u>
VIVANTE WESTSIDE, LLC				
000031107	CHEQ00099007307	30000911 Overpayment		134.01
	10/11/2019		1	<u>134.01</u>
KEVIN HEARNE				
000031042	CHEQ00099007289	01227500 Overpayment		70.66
	10/4/2019		1	<u>70.66</u>
LAINIE D REEL				
000031317	CHEQ00099007329	05150066 Overpayment		12.31
	10/31/2019		1	<u>12.31</u>
PATRICK AKHAMLICH				
000031219	CHEQ00099007311	07322701 Deposit Refund		61.95
	10/17/2019		1	<u>61.95</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
STEPHEN D SLINGSBY				
000031043	CHEQ00099007294	07505900 Cheque Deposits 07505		34.14
10/4/2019			1	<u>34.14</u>
TED LAMARE				
000031108	CHEQ00099007310	02505800 Cheque Deposits 02505		8.63
10/11/2019			1	<u>8.63</u>
RUSSELL RENISON				
000031044	CHEQ00099007299	09707603 Overpayment		78.38
10/4/2019			1	<u>78.38</u>
CLIFF WHITE				
000031220	CHEQ00099007313	07724801 Cheque Deposits 07724		2.07
10/17/2019			1	<u>2.07</u>
RYAN ZEULNER				
000031145	CHEQ00099007288	02021200 Overpayment		79.19
10/11/2019			1	<u>79.19</u>
STEPHANIE MILLEA				
000031221	CHEQ00099007312	05128804 Cheque Deposits 05128		34.44
10/17/2019			1	<u>34.44</u>
DANIELLE GILL				
000031318	CHEQ00099007326	05350180 Cheque Deposits 05350		63.87
10/31/2019			1	<u>63.87</u>
BOBBY STEVENS				
000031222	CHEQ00099007318	04902901 Cheque Deposits 04902		100.96
10/17/2019			1	<u>100.96</u>
RG PATH ASSOCIATES, INC.				
000031109	CHEQ00099007309	01123700 Cheque Deposits 01123		75.35
10/11/2019			1	<u>75.35</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
PHILLIP ARNEY				
000031253	CHEQ00099007319	07707400 Overpayment		28.24
	10/25/2019		1	<u>28.24</u>
ABATIX CORP				
000031184	7873483	GENDEBRIS BAGS		544.11
	10/17/2019		1	<u>544.11</u>
AMERICAN RED CROSS				
000031113	22226141	FIRST AID TRAINING		910.00
000031185	22229252	FIRST AID TRAINING		910.00
	10/17/2019		2	<u>1,820.00</u>
AT&T MOBILITY				
000031294	87023041770X09282 019	WIRELESS COMM 08/21-09/20		1,244.39
	10/25/2019		1	<u>1,244.39</u>
ATKINSON, ANDELSON, LOYA, RUUD & ROMO				
000031047	576119	LEGAL SERVICES - AUGUST 2019		8,595.50
000031321	578537	LEGAL SERVICES-SEPTEMBER 2019		3,673.73
	10/31/2019		2	<u>12,269.23</u>
BAKER EQUIPMENT RENTAL				
000031114	54295	EQUIPMENT RENTAL		90.83
	10/11/2019		1	<u>90.83</u>
BAKER RESCUE SERVICES, INC				
000031255	1209	TRAINING - CONFINED SPACE		780.00
	10/25/2019		1	<u>780.00</u>
BEN RYAN				
000031256	C0033-18-01	CASH BOND RELEASE		1,620.00
	10/25/2019		1	<u>1,620.00</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>BLUECOSMO SATELLITE COMMUNICATIONS</b>				
000031115	BU307029	SATELLITE PHONE SERVICE		90.69
	10/11/2019		1	<u>90.69</u>
<b>BROWN &amp; CALDWELL</b>				
000031322	45355591	PROFESSIONAL SERVICES FOR AWIA		3,713.00
	10/31/2019		1	<u>3,713.00</u>
<b>BSI EHS SERVICES AND SOLUTIONS</b>				
000031323	54227	EHS SUPPORT SERVICES		13,950.00
	10/31/2019		1	<u>13,950.00</u>
<b>CALIFORNIA ADVOCATES INC.</b>				
000031226	101949	PROFESSIONAL SERVICES		7,000.00
	10/17/2019		1	<u>7,000.00</u>
<b>CA SPECIAL DISTRICTS ASSOCIATION</b>				
000031297	100119	FY20 CSDA MEMBERSHIP RENEWAL		7,615.00
	10/25/2019		1	<u>7,615.00</u>
<b>CALIFORNIA TRUCK DRIVING</b>				
000031227	002	KYLE B. COMM. CLASS A TRUCK		4,000.00
	10/17/2019		1	<u>4,000.00</u>
<b>CDW GOVERNMENT INC</b>				
000031188	VCC2952	TV WALL MOUNT		298.83
	10/17/2019		1	<u>298.83</u>
<b>CITY OF SANTA ANA</b>				
000031358	35821304SEP19	CRODDY WATER/SEWER		320.67
000031358	35776303SEP19	CHANDLER WATER/SEWER		148.27
	10/31/2019		1	<u>468.94</u>
<b>CCS ORANGE COUNTY JANITORIAL INC.</b>				
000031048	445765	JANITORIAL SERVICES		3,798.08
000031229	78568051	JANITORIAL SUPPLIES		77.90
000031229	78581595	JANITORIAL SUPPLIES		155.79

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
000031258	78595262	JANITORIAL SUPPLIES		1,174.89
000031325	78619499	JANITORIAL SUPPLIES		101.03
10/31/2019			4	<u>5,307.69</u>
<b>COMPONETICS</b>				
000031326	1650	REPAIR WATER KEYS AND VALVE		785.00
10/31/2019			1	<u>785.00</u>
<b>COSTA MESA FOUNDATION</b>				
000031049	1	ROOM RENTAL-ANNUAL AWARDS		500.00
10/4/2019			1	<u>500.00</u>
<b>DENNIS D ROCK CONSTRUCTION (1ST ALERT)</b>				
000031260	19155	REPAIR GAS PUMP		350.00
10/25/2019			1	<u>350.00</u>
<b>CASCO INTERNATIONAL, INC. DBA C.A. SHORT COMPANY</b>				
000031232	7021803	2019 AWARD		39.21
10/17/2019			1	<u>39.21</u>
<b>ENTERPRISE FM TRUST</b>				
000031261	FBN3792714	AUTO LEASES - OCTOBER 2019		1,028.41
10/25/2019			1	<u>1,028.41</u>
<b>FOUR STAR INVESTIGATIONS, LLC</b>				
000031080	083119	EMPLOYEE INVESTIGATION SERV		7,289.56
000031328	100119	EMPLOYEE INVESTIGATION SERV		1,043.90
10/31/2019			2	<u>8,333.46</u>
<b>FRASER COMMUNICATIONS</b>				
000031053	019306	AD RESIZE		270.00
000031329	019382	FACIFLITY OUTREACH DEVELOPMNT		1,000.00
10/31/2019			2	<u>1,270.00</u>
<b>FRONTIER COMMUNICATIONS</b>				
000031054	17945SEP19	DDS LINE 09/13-10/12		117.84
000031330	17945OCT19	DDS LINE 10/13-11/12		108.37
10/31/2019			2	<u>226.21</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>FULL CIRCLE RECYCLING</b>				
000031174	23795	RECYCLING SERVICES		133.50
	10/11/2019		1	<u>133.50</u>
<b>GALLUP, INC.</b>				
000031055	275144	LEADERSHIP RESULTS BRIEFING		4,500.00
	10/4/2019		1	<u>4,500.00</u>
<b>GARZA INDUSTRIES</b>				
000031264	1872554	OFFICE SUPPLIES		53.76
	10/25/2019		1	<u>53.76</u>
<b>GEIGER</b>				
000031121	3933818	PROMO ITEMS		0.89
000031331	4022260	PROMO ITEMS		478.96
	10/31/2019		2	<u>479.85</u>
<b>GERARD SIGNS &amp; GRAPHICS INC</b>				
000031056	28558	DESIGN SERVICES		697.61
000031192	28443	DESIGN SERVICES		45.00
	10/17/2019		2	<u>742.61</u>
<b>HDR ENGINEERING INC</b>				
000031267	1200222768	M19-103 PIPELINE INTEGRITY		7,543.19
	10/25/2019		1	<u>7,543.19</u>
<b>INFOSEND INC</b>				
000031099	156601	CUSTOMER BILLING SERVICE		1,282.86
000031099	156762	CUSTOMER BILLING SERVICE		2,296.72
000031099	156968	CUSTOMER BILLING SERVICE		1,455.42
000031099	157102	CUSTOMER BILLING SERVICE		1,873.77
000031151	146565	RECRUITMENT LETTERS-WAT TECH		1,594.10
000031151	146566	RECRUITMENT LETTERS-FIELD REP		1,882.72
000031301	160945	DISTRICT POSTCARDS		7,376.26
000031301	161078	INVOICE CLOUD POSTCARDS		6,018.26
000031336	160940	COMMUNITY POSTCARDS		13,373.02

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
	10/31/2019		4	<u>37,153.13</u>
JOHN ROBINSON CONSULTING, INC.				
000031235	MW201901-06	SEPT WATER RESOURCE CONSULTANT		9,600.00
000031235	MW201502-48	PP 45 WATER RESOURCE ASSIST		2,500.00
	10/17/2019		1	<u>12,100.00</u>
KLEEN KRAFT SERVICES				
000031360	1013912	UNIFORMS, MATS, TOWELS		242.57
000031360	1014601	UNIFORMS, MATS, TOWELS		252.83
000031360	1015306	UNIFORMS, MATS, TOWELS		265.31
000031360	1016003	UNIFORMS, MATS, TOWELS		237.33
000031360	1016696	UNIFORMS, MATS, TOWELS		226.04
000031360	S1016338	CS HOODED SHIRT		58.16
	10/31/2019		1	<u>1,282.24</u>
KNOBBE MARTENS OLSON & BEAR LLP				
000031269	1438371	LEGAL SERVICES		140.00
	10/25/2019		1	<u>140.00</u>
LA CONSULTING INC				
000031270	0014807	PP 51 BUS PROCESS IMPLEMENT		2,020.38
	10/25/2019		1	<u>2,020.38</u>
LANDS' END BUSINESS OUTFITTERS				
000031196	SIN7830213	MWD EMBROIDERED WEAR		1,177.26
	10/17/2019		1	<u>1,177.26</u>
LOS ANGELES TIMES				
000031175	71466-102819	LAT SUBSCRIPTION 10/28-01/23		180.49
	10/11/2019		1	<u>180.49</u>
LIEBERT CASSIDY WHITMORE				
000031361	1486508	PROFESSIONAL SERVICES-SEP 2019		3,266.95
000031361	1486509	PROFESSIONAL SERVICES-SEP 2019		1,952.85
	10/31/2019		1	<u>5,219.80</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>LIFECOM, INC.</b>				
000031088	2087102-IN	SERVICE/CALIBRATE - RKI EAGLE		65.00
000031088	2087101-IN	SERVICE/CALIBRATE - RKI EAGLE		445.54
000031088	2087100-IN	SERVICE/CALIBRATE - RKI EAGLE		65.00
000031088	2087177-IN	SERVICE/CALIBRATE RKI EAGLE		429.38
000031306	2087298-IN	SERVICE /CALIBRATE-RKI EAGLE		145.82
000031306	2087297-IN	SERVICE/CALIBRATE RKI EAGLE		510.19
	10/25/2019		2	<u>1,660.93</u>
<b>LOWE'S</b>				
000031125	980610	BOARDROOM REFRIGERATOR		736.91
000031125	918440	BOARDROOM REFRIGERATOR		50.45
000031125	914958	BOARDROOM REFRIGERATOR		14.32
000031236	984234	ADMIN REFRIGERATOR		3,817.80
000031236	994648	Receivings Transaction Entry		1,124.96
000031236	L191002	FINANCE CHARGE		11.05
	10/17/2019		2	<u>5,755.49</u>
<b>MAILFINANCE</b>				
000031062	P7918890	MAIL EQUIPMENT-PROPERTY TAX		109.44
	10/4/2019		1	<u>109.44</u>
<b>MORAN CONSULTING, INC.</b>				
000031273	3592	CS ONGOING SUPPORT		10,375.00
	10/25/2019		1	<u>10,375.00</u>
<b>MOUSE GRAPHICS</b>				
000031090	429454	WELL BINDERS		2,077.76
000031090	429412	WATER ATLAS MAPS		3,978.40
000031090	429644	WATER ATLAS MAPS		1,375.97
000031340	430675	WATER QUALITY POSTCARDS		96.23
	10/31/2019		2	<u>7,528.36</u>
<b>MUNICIPAL WATER DISTRICT OF OC</b>				
000031199	2311	SMART TIMERS - AUG 2019		166.48
	10/17/2019		1	<u>166.48</u>



# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
NEXTDAY DELIVERY SERVICE, LLC				
000031127	754838	MAIL DELIVERY SERVICE		552.84
	10/11/2019		1	<u>552.84</u>
NEWPORT MESA UNIFIED SCHOOL				
000031341	6572	MPR ROOM RENTAL FEE		31.50
	10/31/2019		1	<u>31.50</u>
NOACK AWARDS & ENGRAVING INC				
000031200	25672	ONE YEAR MUG		30.17
	10/17/2019		1	<u>30.17</u>
NOVATIME TECHNOLOGY INC				
000031201	PSI106857	MONTHLY FEE - TIME CARDS		179.00
	10/17/2019		1	<u>179.00</u>
NEWPORT BEACH CHAMBER OF COMMERCE				
000031275	GALA131	NEWPORT CHAMBER HONORS		1,250.00
	10/25/2019		1	<u>1,250.00</u>
NTH GENERATION COMPUTING INC.				
000031202	35112TM2	AUDIT PLAN SUPPORT		4,291.25
	10/17/2019		1	<u>4,291.25</u>
ORANGE COUNTY TREASURER - TAX COLLECTOR				
000031364	415-014-03-FY20	FY20 SPECIAL ASSESSMNT-CHANDLR		538.84
000031364	415-024-17-FY20	FY20 SPECIAL ASSESSMENT-CRODDY		424.84
000031364	422-301-03-FY20	FY20 SPECIAL ASSESSMNT-1965PLA		2,925.92
000031364	140-041-57-FY20	FY20 SPECIAL ASSESSMENT		339.00
	10/31/2019		1	<u>4,228.60</u>
OC TAX PAYERS ASSOCIATION				
000031153	19-00160RRR	SPONSORSHIP		1,500.00
	10/11/2019		1	<u>1,500.00</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
O'NEIL STORAGE #0481				
000031238	1909056	FILE STORAGE - SEPTEMBER 2019		137.28
	10/17/2019		1	<u>137.28</u>
PIVOT INTERIORS INC.				
000031204	PJIN-000025359	M17-106 BOARDROOM CHAIRS		14,542.96
	10/17/2019		1	<u>14,542.96</u>
PROCARE WORK INJURY CENTER (DBA)				
000031365	278851	PHYSICAL EXAM		120.00
000031365	276136	MEDICAL SERVICES		110.00
	10/31/2019		1	<u>230.00</u>
RAYNE WATER SYSTEMS				
000031278	30486OCT19	SOF WATER SERVICE OCT 2019		39.45
	10/25/2019		1	<u>39.45</u>
HERITAGE ENVIRONMENTAL/RINECO				
000031207	1987810	HAZARDOUS WASTE DISPOSAL		209.00
000031308	1986765	HAZARDOUS WASTE DISPOSAL		1,130.00
	10/25/2019		2	<u>1,339.00</u>
RSM US PRODUCT SALES, LLP				
000031065	5774450	GREAT PLAINS SUPPORT		800.00
	10/4/2019		1	<u>800.00</u>
SECTRAN SECURITY INC				
000031279	19100961	WEEKLY BANK DEPOSITS		124.30
	10/25/2019		1	<u>124.30</u>
SENTRIC INC				
0150335	1169630	PAYROLL PROCESSING FEE		1,087.40
0150477	1170956	SUPPORT SERVICES		313.20
	10/16/2019		2	<u>1,400.60</u>
THEODORE ROBINS FORD				
000031138	C27681	AUTO MAINTENANCE		1,143.61

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
000031211	C28260	AUTO MAINTENANCE		641.70
000031281	C28057	AUTO MAINTENANCE		3,410.84
000031349	C28548	AUTO MAINTENANCE		1,709.33
	10/31/2019		4	<u>6,905.48</u>
TIME WARNER CABLE				
000031068	1524356091519	INTERNET - MWRF SUBLEASE		204.98
000031158	0679649091819	INTERNET - MWRF		324.98
000031158	1048224091919	INTERNET - DISTRICT		2,114.00
000031158	0012934092319	INTERNET-DISTRICT		349.35
000031367	1524356101519	INTERNET - MWRF		204.98
000031367	0679649101819	INTERNET-MWRF		324.98
	10/31/2019		3	<u>3,523.27</u>
TOMCO SYSTEMS				
000031139	72840	REPAIR MWRF CO2 SYSTEM		4,780.00
	10/11/2019		1	<u>4,780.00</u>
TOTALFUNDS				
000031140	5780SEP19	POSTAGE - SEPTEMBER 2019		500.00
	10/11/2019		1	<u>500.00</u>
TOUCHBOARDS.COM				
000031240	0841454-IN	BUILDING IMPROVEMENTS		97.83
	10/17/2019		1	<u>97.83</u>
ULINE				
000031284	112913701	GENERAL SUPPLIES		720.45
	10/25/2019		1	<u>720.45</u>
MUG UNION BANK				
000031350	1175283	FY20 Q1 BANK DEPOSITORY FEE		875.00
	10/31/2019		1	<u>875.00</u>
UNIVERSAL WASTE SYSTEMS, INC				
000031069	0000410535	WASTE REMOVAL - OCTOBER 2019		87.00
	10/4/2019		1	<u>87.00</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
UNUM				
000031212	04205600016NOV19	LIFE INSURANCE - NOV 2019		3,521.14
	10/17/2019		1	3,521.14
VANGUARD UNIVERSITY				
000031071	CF2019.03	SPONSORSHIP - FANTASIA		2,750.00
	10/4/2019		1	2,750.00
VERIZON WIRELESS				
000031286	9838246066	MOBILE INTERNET - 8/17-9/16		3,944.00
000031353	9840275134	MOBILE INTERNET - 9/17-10/16		4,093.98
	10/31/2019		2	8,037.98
VORTEX INDUSTRIES, INC				
000031161	09-1379233	PANIC EXIT DEVICE		1,569.00
000031161	09-1379630	REAR GATE DETECTORS		814.00
000031161	09-1372076	REPAIR GATE		6,033.00
000031244	09-1383401	REPLACE BOARDROOM DOOR		777.00
	10/17/2019		2	9,193.00
WASTE MANAGEMENT OF OC				
000031097	0379354-2515-9	TR CONTAINER RENTAL OCT 2019		819.18
000031144	7945879-0149-5	TR CONTAINER RENTAL SEP 2019		450.00
	10/11/2019		2	1,269.18
WE SAVE BEES				
000031213	5810	BEE REMOVAL SERVICES		175.00
000031213	5817	BEE REMOVAL SERVICES		175.00
000031375	5340	BEE REMOVAL SERVICES		175.00
000031375	5885	BEE REMOVAL SERVICES		175.00
	10/31/2019		2	700.00
WESTERN EXTERMINATOR COMPANY				
000031288	7459509	PEST CONTROL - DISTRICT		92.50
000031288	7459500	PEST CONTROL - MWRF		92.50
	10/25/2019		1	185.00

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
HD SUPPLY CONSTRUCTION SUPPLY, LTD				
000031376	50011322071	PARTS & MATERIALS		4,233.54
000031376	50011322072	PARTS & MATERIALS		2,116.76
	10/31/2019		1	6,350.30
WHITE NELSON DIEHL EVANS LLP				
000031215	196763	FY19 INTERIM AUDIT SERVICES		12,500.00
	10/17/2019		1	12,500.00
WISHON COMPANY INC				
000031074	8826-2	GLASS TABLE TOP		217.86
	10/4/2019		1	217.86
YORKE ENGINEERING, LLC				
000031075	20106	AQ & ES COMPLIANCE ASSISTANCE		6,770.50
	10/4/2019		1	6,770.50
<b>TOTAL GENERAL AND ADMINISTRATIVE</b>			<b>143</b>	<b>275,903.16</b>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>RETIREE CHECKS</b>				
ALAN COOK				
000031112	100119	OCT 2019 INSURANCE SUBSIDY		108.74
10/11/2019			1	108.74
BRIAN HUNT				
000031116	100119	OCT 2019 INSURANCE SUBSIDY		3.00
10/11/2019			1	3.00
COLEEN L MONTELEONE				
000031176	100119	OCT 2019 INSURANCE SUBSIDY		248.00
10/11/2019			1	248.00
DIANA LEACH				
000031177	100119	OCT 2019 INSURANCE SUBSIDY		274.79
10/11/2019			1	274.79
JOHN CERNEK				
000031152	100119	OCT 2019 INSURANCE SUBSIDY		70.00
10/11/2019			1	70.00
LORI MULLER				
000031124	100119	OCT 2019 INSURANCE SUBSIDY		108.74
10/11/2019			1	108.74
PATTI REYNOLDS				
000031154	100119	OCT 2019 INSURANCE SUBSIDY		7.79
10/11/2019			1	7.79
<b>TOTAL RETIREE CHECKS</b>			<b>7</b>	<b>821.06</b>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>CHECK SIGNATURE EXEMPT</b>				
SOUTHERN CALIFORNIA EDISON CO				
000031035	2236281499SEP19	ELECTRICITY - SEPTEMBER 2019		131,971.18
	10/4/2019		1	131,971.18
<b>TOTAL CHECK SIGNATURE EXEMPT</b>			<b>1</b>	<b>131,971.18</b>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>WATER SUPPLY</b>				
AIRGAS USA LLC				
000031045	9092968684	PARTS/SUPPLIES		690.48
000031254	9965467728	CYLINDER RENTAL		153.82
	10/25/2019		2	<u>844.30</u>
CULLIGAN OF SANTA ANA				
000031051	1146654	WATER SOFTENER - SALT		1,109.48
	10/4/2019		1	<u>1,109.48</u>
HILL BROTHERS CHEMICAL CO.				
000031059	07058746	AMMONIA		4,664.00
000031193	07059623	AMMONIA		4,664.00
	10/17/2019		2	<u>9,328.00</u>
JCI JONES CHEMICAL CO.				
000031085	799758	CAUSTIC SODA		1,737.98
000031085	801069	CAUSTIC SODA		1,696.46
000031122	801736	CAUSTIC SODA		2,269.81
000031304	803137	CAUSTIC SODA		1,766.03
	10/25/2019		3	<u>7,470.28</u>
JR FILANC CONSTRUCTION COMPANY				
000031100	6	M17-002A CONSTRUCTION		116,458.60
	10/11/2019		1	<u>116,458.60</u>
MUNICIPAL WATER DISTRICT OF OC				
0150715	16324	WATER LOSS FY 2019-20		47,540.00
0150729	16205	WTR TECH ASSISTANCE		9,850.00
0150730	9953	AUG WTR DELIVERIES		52,142.01
	10/10/2019		3	<u>109,532.01</u>
NALCO WATER PRETREATMENT SOLUTIONS				
000031274	2381126	MWRF GARDEN SUPPLIES		525.02
	10/25/2019		1	<u>525.02</u>



# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
OCWD				
0150731	20763	AUGUST 19 GAP WTR		129,599.16
	10/3/2019		1	129,599.16
SEPARATION PROCESSES, INC				
000031239	9546	SUPPORT SERVICES		1,802.50
000031239	9549	SUPPORT SERVICES		3,728.00
	10/17/2019		1	5,530.50
TESTOIL				
000031067	246749	PAT1/COMENG ENG OIL SAMPLE		33.00
	10/4/2019		1	33.00
UNIVAR USA, INC.				
000031096	LA752016	SOD HYPO		2,882.19
000031096	LA752163	SOD HYPO		3,429.91
000031096	LA753735	SOD HYPO		2,621.56
000031096	LA755460	SOD HYPO		2,805.86
000031096	LA757114	SOD HYPO		2,335.85
000031096	LA757316	SOD HYPO		3,816.75
000031096	LA757344	SOD HYPO		229.01
000031160	LA755588	SODIUM BISULFITE		1,740.74
000031160	LA758775	SOD HYPO		2,188.63
000031160	LA758776	SOD HYPO		2,136.29
000031242	LA758875	SOD HYPO		214.83
000031310	LA760536	SOD HYPO		2,184.27
000031310	LA760537	SOD HYPO		1,631.39
000031310	LA760792	SOD HYPO		835.32
000031351	LA761975	SOD HYPO		3,989.05
	10/31/2019		5	33,041.65
UNITED WATERWORKS INC.				
000031143	S100081468-001	WATER OPS SUPPLIES		272.45
000031243	S100081270.001	WATER OPS SUPPLIES		1,587.42
000031243	S100081310.001	WATER OPS SUPPLIES		437.80
	10/17/2019		2	2,297.67

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
YALE CHASE MATERIALS HANDLING, INC.				
000031098	PSV533703	WELL 7 SERVICE		1,263.66
000031098	PSV534892	WELL 7 REPAIR		871.31
000031098	PSV534891	WELL 9 SERVICE		1,213.75
000031098	PSV534890	WELL 3 SERVICE		1,213.75
000031355	PSV533702	MWRF GENERATOR REPAIRS		1,512.58
10/31/2019			2	6,075.05
<b>TOTAL WATER SUPPLY</b>			<b>25</b>	<b>421,844.72</b>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>WATER SYSTEM</b>				
ACCESSORIE AIR COMPRESSOR SYSTEMS				
000031110	193928	AIR COMPRESSOR REPAIR		311.09
	10/11/2019		1	311.09
DIG SAFE BOARD				
000031119	18DSBFE5193	DIG SAFE BOARD FEES		321.85
	10/11/2019		1	321.85
DME, INC				
000031189	116711	INJECTION LINES		1,582.00
	10/17/2019		1	1,582.00
EXPRESS PIPE & SUPPLY CO. INC				
000031190	S107169583-001	PIPE SUPPLIES		10.65
000031262	S107218325-001	PIPE SUPPLIES		52.96
	10/25/2019		2	63.61
HOPKINS TECHNICAL PRODUCTS				
000031300	3619301160	WATER OPS SUPPLIES		1,488.98
	10/25/2019		1	1,488.98
IRVINE PIPE & SUPPLY				
000031060	922514	PIPE FITTINGS AND SUPPLIES		432.14
000031195	923333	PIPE FITTINGS AND SUPPLIES		451.95
000031303	923733	PIPE FITTINGS AND SUPPLIES		155.48
000031303	923333-1	PIPE FITTINGS AND SUPPLIES		13.57
000031303	924322	PIPE FITTINGS AND SUPPLIES		213.84
	10/25/2019		3	1,266.98
LARRY'S BUILDING MATERIALS				
000031086	CM-120091	BUILDING MATERIALS		5.39
000031197	CM-120474	BUILDING MATERIALS		61.96
000031271	CM-119839	BUILDING MATERIALS		126.88
	10/25/2019		3	194.23

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
BADGER METER INC.				
000031126	S1118897-001	METERS		11,168.47
	10/11/2019		1	<u>11,168.47</u>
ORANGE COUNTY SANITATION DISTRICT				
000031248	911008	FY19 ANNUAL USE RECONCILIATION		1,754.17
000031248	538519	FY20 Q1 ESTIMATED USE CHARGE		19,602.52
	10/17/2019		1	<u>21,356.69</u>
OMAR & SON'S TRUCKING				
000031130	5036	DIRT HAULING		637.00
	10/11/2019		1	<u>637.00</u>
ORANGE COUNTY PUMP				
000031178	152564	C02 PUMP REPAIR		2,069.88
000031178	152571	C02 PUMP REPAIR		5,719.66
	10/11/2019		1	<u>7,789.54</u>
POLLARD WATER				
000031343	0151765	WATER OPS TOOLS/SUPPLIES		2,325.72
	10/31/2019		1	<u>2,325.72</u>
PRAXAIR DISTRIBUTION, INC.				
000031131	91937284	CYLINDER RENTAL 8/20-9/20		30.91
000031344	92545777	CYLINDER RENTAL 09/20-10/20		31.55
	10/31/2019		2	<u>62.46</u>
PRAXAIR				
000031092	91574178	CARBON DIOXIDE		2,164.70
000031092	91752889	CARBON DIOXIDE		3,502.68
000031092	91829666	CARBON DIOXIDE		2,789.28
000031155	92024679	CARBON DIOXIDE		3,515.81
000031155	92206583	CARBON DIOXIDE		3,110.40
000031205	92097236	EQUIPMENT ANNUAL PROPERTY		629.35
000031277	92429926	CARBON DIOXIDE		3,452.38
	10/25/2019		4	<u>19,164.60</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>RYAN HERCO PRODUCTS CORP.</b>				
000031132	9319751	ROTAMETERS & O RINGS		330.05
	10/11/2019		1	<u>330.05</u>
<b>SAF-T-FLO</b>				
000031346	19-4595	REPAIR-STATIC MIXER		364.00
	10/31/2019		1	<u>364.00</u>
<b>SOUTH COAST A.Q.M.D.</b>				
000031157	3527295	ANNUAL RENEWAL FEES-ICE/GAS		842.04
000031157	3531481	FY19/20 FLAT FEE - EMISSIONS		136.40
	10/11/2019		1	<u>978.44</u>
<b>TAMORI DESIGNS</b>				
000031136	1373	PRINTING - FINAL NOTICE FORMS		786.75
	10/11/2019		1	<u>786.75</u>
<b>ALS TRUESDAIL LABORATORIES INC</b>				
000031159	521904705	WATER QUALITY TESTING		62.00
000031159	521904567	WATER QUALITY TESTING		84.00
000031282	521905042	WATER QUALITY TESTING		84.00
	10/25/2019		2	<u>230.00</u>
<b>UNDERGROUND SERVICE ALERT/SC</b>				
000031142	920190429	UNDERGROUND DIG ALERT		703.00
	10/11/2019		1	<u>703.00</u>
<b>VULCAN MATERIALS</b>				
000031072	72344197	PAVING MATERIALS		246.36
000031245	72354180	PAVING MATERIALS		86.58
000031245	72363087	PAVING MATERIALS		209.49
000031245	72371002	PAVING MATERIALS		295.25
000031354	72371001	PAVING MATERIALS		86.58
	10/31/2019		3	<u>924.26</u>
<b>TOTAL WATER SYSTEM</b>			<b>33</b>	<b><u>72,049.72</u></b>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>VARIOUS</b>				
ACADEMY ELECTRIC INC.				
000031146	1302-6	ELECTRICAL REPAIRS		924.13
	10/11/2019		1	924.13
AMAZON BUSINESS				
000031077	13FY-NGWV-NLNX	OFFICE SUPPLIES		34.30
000031077	13FY-NGWV-69MG	OFFICE SUPPLIES		51.99
000031077	1NPW-HWWM-HRTV	HR SUPPLIES		12.99
000031077	1FT4-6XDQ-FQWF	OFFICE SUPPLIES		27.19
000031147	1H3G-FYHM-DCWJ	OFFICE SUPPLIES		324.68
000031147	1KVP-VDFC-P4F4	OFFICE SUPPLIES		73.14
000031147	1L9L-7DJV-NRHC	OFFICE SUPPLIES		17.08
000031147	19F1-XFDD-XXMQ	OFFICE SUPPLIES		29.86
000031147	11XN-DV7T-69DX	OFFICE SUPPLIES		40.24
000031224	1GP7-9RF7-6HGP	OFFICE SUPPLIES		22.01
000031224	1GP7-9RF7-71HX	OFFICE SUPPLIES		74.80
000031224	1X67-JT1T-66CD	OFFICE SUPPLIES		237.02
000031224	1X67-JT1T-H3XH	OFFICE SUPPLIES		150.70
000031224	14PC-C64Q-PK1X	OFFICE SUPPLIES		18.30
000031296	19F1-XFDD-HWHK	OFFICE SUPPLIES		10.76
000031296	1X67-JT1T-DWT4	OFFICE SUPPLIES		106.08
000031296	177K-GJ7Q-1Q4W	OFFICE SUPPLIES		13.60
000031296	11FY-TMLW-774K	OFFICE SUPPLIES		20.74
000031296	1WXC-17V9-FMJR	OFFICE SUPPLIES		32.79
000031296	1VVD-63MY-TNQ1	OFFICE SUPPLIES		84.72
000031356	1RT3-1VNH-CCCT	OFFICE SUPPLIES		262.23
000031356	17GK-13PG-1V1Y	OFFICE SUPPLIES		47.44
000031356	17GK-13PG-NWHT	OFFICE SUPPLIES		13.41
000031356	1GPX-TN6R-KPM7	OFFICE SUPPLIES		64.42
000031356	1PWJ-P4CF-37LH	OFFICE SUPPLIES		164.96
000031356	1PYY-9K3V-CF9F	OFFICE SUPPLIES		31.66
000031356	1YRF-M6PW-GJ49	OFFICE SUPPLIES		14.92
000031356	1C9M-KDCV-FGGD	OFFICE SUPPLIES		213.79
000031356	1HPY-3H97-P93K	OFFICE SUPPLIES		118.33
	10/31/2019		5	2,314.15

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
ANDREW OPFER				
000031319	241	I HEART MW DESIGN		750.00
	10/31/2019		1	750.00
AT&T				
000031289	000013696463	ACCT#9391061444-SEPTEMBER 2019		55.61
000031290	000013695605	ACCT#9391055284-SEPTEMBER 2019		1,680.92
000031320	EB16455060	ACCT# 0701020197129		399.50
	10/31/2019		3	2,136.03
AT&T				
000031162	8315SEP19	714-241-8315 SEPTEMBER 2019		717.14
000031163	3044SEP19	949-574-3044 SEPTEMBER 2019		2,168.74
000031164	0926SEP19	949-650-0926 SEPTEMBER 2019		1,466.21
000031165	8883SEP19	949-631-8883 SEPTEMBER 2019		352.81
000031166	3066SEP19	960-350-3066 SEPTEMBER 2019		4,019.07
000031167	9337OCT19	714-435-9337 OCTOBER 2019		1,733.04
000031168	8315OCT19	714-241-8315 OCTOBER 2019		651.06
000031169	3044OCT19	949-574-3044 OCTOBER 2019		2,169.34
000031170	0926OCT19	949-650-0926 OCTOBER 2019		1,479.64
000031171	8883OCT19	949-631-8883 OCTOBER 2019		352.97
000031172	3066OCT19	960-350-3066 OCTOBER 2019		4,044.55
000031173	0779OCT19	339-263-0779 OCTOBER 2019		1,594.63
000031291	9024SEP19	339-264-9024 SEPTEMBER 2019		351.43
000031292	8274SEP19	949-722-8274 SEPTEMBER 2019		177.34
000031293	9024OCT19	339-264-9024 OCTOBER 2019		351.43
	10/25/2019		15	21,629.40
BEHRENS AND ASSOCIATES, INC.				
000031187	RI11498	SOUND PANEL RENTAL		1,551.60
	10/17/2019		1	1,551.60
CAROUSEL INDUSTRIES NORTH AMERICA				
000031257	2421568H0919	FUZE SIMPLICITY VOICE CLOUD		4,491.48
	10/25/2019		1	4,491.48

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
CITADEL ENVIRONMENTAL SERVICES INC				
000031228	0024748	EHS AUDIT		6,058.00
	10/17/2019		1	<u>6,058.00</u>
CROWN ACE HARDWARE				
000031050	048170	SUPPLIES		7.53
000031230	048182	SUPPLIES		21.54
000031230	048201	OFFICE SUPPLIES		62.47
000031230	048213	SUPPLIES		41.67
000031230	048221	SUPPLIES		36.59
000031259	048238	SUPPLIES		10.76
000031327	048261	SUPPLIES		31.08
	10/31/2019		4	<u>211.64</u>
DION & SONS, INC				
000031231	737380	DIESEL FUEL		2,554.30
000031231	737379	GASOLINE		9,392.65
	10/17/2019		1	<u>11,946.95</u>
ELITE EQUIPMENT				
000031299	37752	REPAIRS		295.67
000031299	37753	REPAIRS		427.80
000031299	37750	REPAIRS		927.56
000031299	37751	REPAIRS		275.86
	10/25/2019		1	<u>1,926.89</u>
FEDERAL EXPRESS CORPORATION				
000031052	6-736-66378	SHIPPING SERVICES		156.79
000031263	6-764-29829	SHIPPING SERVICES		232.71
	10/25/2019		2	<u>389.50</u>
FLW, INC				
000031191	1217003	PIPE SUPPLIES		258.62
	10/17/2019		1	<u>258.62</u>



# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
GRAINGER				
000031081	9296546642	SAFETY TOOLS & EQUIPMENT		27.02
000031081	9296455844	SAFETY TOOLS & EQUIPMENT		487.96
000031081	9298227308	SAFETY TOOLS & EQUIPMENT		241.46
000031081	9298944597	SAFETY TOOLS & EQUIPMENT		19.97
000031081	9306873580	SAFETY TOOLS & EQUIPMENT		582.26
000031148	9299370883	SAFETY TOOLS & EQUIPMENT		588.86
000031148	9306842189	SAFETY TOOLS & EQUIPMENT		101.50
000031233	9299370891	SAFETY TOOLS & EQUIPMENT		1,267.58
	10/17/2019		3	<u>3,316.61</u>
I HEART COSTA MESA				
000031332	100719	BANNER AD CAMPAIGN SPONSORSHIP		3,350.00
	10/31/2019		1	<u>3,350.00</u>
HACH COMPANY				
000031082	11637317	WATER QUALITY SUPPLIES		157.87
000031082	11639852	WATER QUALITY SUPPLIES		425.29
000031149	11656990	WATER QUALITY SUPPLIES		2,949.84
000031234	11666337	WATER QUALITY SUPPLIES		2,379.33
000031234	11664868	WATER QUALITY SUPPLIES		1,522.02
000031265	11673788	WATER QUALITY SUPPLIES		2,493.16
	10/25/2019		4	<u>9,927.51</u>
HANKS ELECTRICAL SUPPLIES				
000031266	505403002	ELECTRICAL SUPPLIES		7.82
	10/25/2019		1	<u>7.82</u>
HASHTAG PINPOINT				
000031058	1203	STRATEGIC COMMUNICATIONS		4,000.00
	10/4/2019		1	<u>4,000.00</u>
THE HOME DEPOT COMMERCIAL ACCT				
000031268	1915SEP19	TOOLS \$ EQUIPMENT		2,080.87
	10/25/2019		1	<u>2,080.87</u>
HUB AUTO SUPPLY				
000031083	121550	AUTO SUPPLIES		20.48

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
000031083	122223	AUTO SUPPLIES		10.65
000031083	122327	AUTO SUPPLIES		463.27
000031334	130867	AUTO SUPPLIES		13.03
	10/31/2019		2	<u>507.43</u>
INTEGRA CHEMICAL COMPANY				
000031302	0132557-IN	WATER QUALITY SUPPLIES		2,038.79
	10/25/2019		1	<u>2,038.79</u>
JETT CONSTRUCTION MANAGEMENT LLC				
000031061	18-001-12	M17-106 HVAC CONST MANAGEMENT		17,990.00
	10/4/2019		1	<u>17,990.00</u>
LABTECH SUPPLY COMPANY, INC.				
000031337	5211	M19-006 - WATER LAB IMPROVMNTS		17,321.61
	10/31/2019		1	<u>17,321.61</u>
LEWIS CONSULTING GROUP				
000031123	2019-148	GOV'T RELATIONS SERVICES		4,000.00
000031339	2019-152	GOV'T RELATIONS SERVICES		4,000.00
	10/31/2019		2	<u>8,000.00</u>
MATTHEW MESA				
000031237	129	MWD WEBSITE SUPPORT		1,500.00
	10/17/2019		1	<u>1,500.00</u>
MEYERS NAVE				
000031063	2019080300	E200-0001 MATTER 1893.003		7,857.80
000031362	2019090350	E200-0001 MATTER 1893.003		3,164.66
000031362	2019090351	E200-0001 MATTER 1893.003		364.50
	10/31/2019		2	<u>11,386.96</u>
NORTHERN SAFETY CO INC				
000031128	903631584	SAFETY SUPPLIES		389.09
	10/11/2019		1	<u>389.09</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
ORANGE COUNTY HOSE CO				
000031276	157029	WATER HOSE & FITTINGS		87.28
	10/25/2019		1	<u>87.28</u>
PRIME SYSTEMS INDUSTRIAL AUTOMATION				
000031249	893-02	M18-005A MWRF MODICON UPGRADE		152,200.00
	10/25/2019		1	<u>152,200.00</u>
PROCRETE RESOURCES INC				
000031064	49069	PUMP REPAIR		397.02
	10/4/2019		1	<u>397.02</u>
RUTAN & TUCKER, LLP				
000031208	848133	SPECIAL LEGAL COUNSEL		1,380.00
	10/17/2019		1	<u>1,380.00</u>
SOUTHERN CALIFORNIA GAS CO				
000031093	05200799004SEP19	NATURAL GAS RES 2, SEP 2019		1,752.04
000031093	08520813000SEP19	NATURAL GAS DISTRICT SEP 19		55.52
000031093	08940813002SEP19	NATURAL GAS, RES 1 SEP 2019		708.48
000031156	05060829008SEP19	NATURAL GAS, WELL 5, SEP 2019		9,010.78
000031366	05200799004OCT19	NATURAL GAS RES 2, OCT 2019		1,391.55
000031366	08940813002OCT19	NATURAL GAS, RES 1 OCT 2019		873.19
000031366	08520813000OCT19	NATURAL GAS DISTRICT OCT 19		75.68
	10/31/2019		3	<u>13,867.24</u>
SHERWIN WILLIAMS COMPANY				
000031066	5966-9	PAINTING SUPPLIES		189.60
000031209	4932-5	PAINTING SUPPLIES		39.06
000031347	6918-9	PAINTING SUPPLIES		142.22
	10/31/2019		3	<u>370.88</u>
SIGN DEPOT				
000031280	8940	SIGNS-WARNING,TANK FILLING		1,050.56
	10/25/2019		1	<u>1,050.56</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>SOTO RESOURCES</b>				
000031134	MWD#004	PROFESSIONAL SERVICES		9,497.25
	10/11/2019		1	<u>9,497.25</u>
<b>STEIN TECHNOLOGY CONSULTING GROUP</b>				
000031135	1-18	PROFESSIONAL SERVICES - PHN SY		5,278.34
	10/11/2019		1	<u>5,278.34</u>
<b>TANGERINE PROMOTIONS, A DIVISION OF BAMKO LLC</b>				
000031210	43828	MESA WATER WEAR		417.86
	10/17/2019		1	<u>417.86</u>
<b>TRUSSELL TECHNOLOGIES INC</b>				
000031283	5878	E400-0013 PUBLIC HEALTH GOALS		1,482.50
	10/25/2019		1	<u>1,482.50</u>
<b>TYCO/ JOHNSON CONTROLS</b>				
000031241	32886050	M18-105 QRTL Y SERVICE CHARGE		69.91
000031241	32999891	M17-106 ACCESS CONTROL		1,492.66
000031241	10443710	QUARTERLY SECURITY SERVICE		8,193.92
000031368	32990471	REPAIRS - RES 2		505.34
000031368	32990470	SERVICE CALL		484.88
	10/31/2019		2	<u>10,746.71</u>
<b>UNITED INTERIORS</b>				
000031095	4052	M18-105 DISTRICT IMPROVEMENTS		7,541.75
000031095	4040	M18-105 DISTRICT IMPROVEMENTS		6,860.67
000031285	4019	M18-105 ADMIN BLDG IMPROVEMENT		1,728.53
000031370	4106	M18-003A ADMIN BLDG IMPROVMNT		8,314.00
000031370	4167	M17-106 DISTRICT IMPROVEMENTS		16,275.97
	10/31/2019		3	<u>40,720.92</u>
<b>VALLEY POWER</b>				
000031070	B41652	MAINTENANCE - RES 1 ENGINE		560.88
	10/4/2019		1	<u>560.88</u>

# ACCOUNTS PAID LISTING

FROM 10/1/2019 TO 10/31/2019

Vendor Check Number	Invoice Number	Description	Check Count	Amount
<b>VFS FIRE &amp; SECURITY SERVICES</b>				
000031287	5487384	QTRLY FIRE SPRINKLER TEST/INSP		250.00
	10/25/2019		1	<u>250.00</u>
<b>WECK ANALYTICAL ENVIRONMENTAL SERVICES INC.</b>				
000031374	70453	WATER QUALITY ANALYSIS		3,781.00
	10/31/2019		1	<u>3,781.00</u>
<b>WHITTINGHAM PUBLIC AFFAIRS ADVISORS</b>				
000031073	000479	AQMD CONSULTING		4,743.75
000031214	000505	AQMD CONSULTING		5,775.00
	10/17/2019		2	<u>10,518.75</u>
<b>TOTAL VARIOUS</b>			<b>84</b>	<b>389,012.27</b>
<b>GRAND TOTAL</b>			<b>363</b>	<b>2,577,261.41</b>



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Finance Committee  
FROM: Marwan Khalifa, CPA, MBA, Chief Financial Officer  
DATE: November 25, 2019  
SUBJECT: Monthly Financial Reports

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### RECOMMENDATION

This item is provided for information.

### STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

### PRIOR BOARD ACTION/DISCUSSION

None.

### DISCUSSION

The attached Treasurer's status reports reflect the performance of Mesa Water's cash and investment accounts.

### FINANCIAL IMPACT

None.

### ATTACHMENTS

Attachment A: Monthly Treasurer's Status Report on Investments as of 10/31/19  
Attachment B: Monthly Treasurer's Status Report on Investments as of 09/30/19

**Mesa Water District**  
**Monthly Treasurer's Status Report on Investments**  
**As of 10/31/2019**



Investments are in compliance with the Investment Policy adopted as Resolution 1506 of the Mesa Water District Board of Directors. The liquidity of investments will meet cash flow needs for the next six months except under unforeseen catastrophic circumstances.

<u>Investments</u>	<u>Maturity Date</u>	<u>Days to Maturity</u>	<u>YTM@Cost</u>	<u>Cost Value</u>	<u>% of Portfolio</u>	<u>Policy % Limit</u>	<u>Market Value</u>
Local Agency Investment Fund (LAIF)	Liquid	1	2.19%	1,061.98	0.00%	No Limit	1,061.98
Orange County Investment Pool (OCIP)	Liquid	1	2.12%	3,724,460.73	11.24%	No Limit	3,724,460.73
Miscellaneous Cash (Petty Cash, Emergency Cash, etc.)	Liquid	1	0.00%	4,500.00	0.01%	N/A	4,500.00
Union Bank Custody Account							
Negotiable Certificate of Deposit	Various	1,042	2.10%	7,814,787.50	23.78%	30.00%	7,878,478.97
US Agency	Various	656	1.72%	13,301,716.00	40.23%	No Limit	13,330,066.75
<b>Sub Total / Average</b>				<b>21,116,503.50</b>			<b>21,208,545.72</b>
Union Bank Accounts							
	Liquid	1	0.45%	8,196,148.53	24.74%	No Limit	8,196,148.53
<b>Total / Average</b>		<b>512</b>	<b>1.54%</b>	<b>\$ 33,042,674.74</b>	<b>100.00%</b>		<b>\$ 33,134,716.96</b>

<u>PARS OPEB &amp; Pension Trust</u>	<u>Monthly Rate of Return</u>	<u>Cost Value</u>	<u>Market Value</u>
Public Agency Retirement Services (PARS)			
Capital Appreciation HighMark PLUS Fund			
OPEB	1.61%	1,306,505.71	1,445,000.01
Pension Trust	1.61%	12,973,399.57	13,683,425.66
		<b>\$ 14,279,905.28</b>	<b>\$ 15,128,425.67</b>

**Local Agency Investment Fund (LAIF)**

LAIF includes funds designated for allocation of working capital cash to reserves, working capital cash and advances for construction. LAIF market value on Monthly Treasurer's Status Report on Investments for months between quarters is the dollar amount invested times the fair market value Fair Value factor of prior quarter end. The general ledger LAIF carrying value reflects market value (unrealized gains and losses) only at fiscal year end. LAIF provides the Fair Value factor as of March 31, June 30, September 30 and December 31 each year. LAIF market value on this report is based on the September 2019 Fair Value Factor of 1.001642817.

**Orange County Treasurer's Investment Pool (OCIP)**

The MY 2019 net asset value factor is estimated at 1.00, and the interest rate is the Monthly Net Yield.

**Weighted Average Return**

Mesa Water® Funds | 1.54%

Benchmark: 3 Month Treasury Bill - October 2019 | 1.69%

**Weighted Average Maturity**

Years | 1.4

Days to Maturity | 512

**PARS OPEB & Pension Trust Benchmark - S & P 500 Index**

1 Month | 2.04%

Mesa Water District  
 Portfolio Holdings  
 Certificate of Participation Investments  
 Report Format: By Transaction  
 Group By: Portfolio Name  
 Average By: Market Value  
 Portfolio / Report Group: Report Group: COPS Trust Indentures  
 As of 10/31/2019

Description	CUSIP/Ticker	Asset Category	Coupon Rate	YTM @ Cost	Settlement Date	Maturity Date	Cost Value	Market Value	% of Portfolio
<b>2010 COPS</b>									
US Bank Cash	MM6000	6000 Reserve Fund - Liquid Assets	0.000	0.000	8/31/2015	N/A	0.02	0.02	100.00
<b>Sub Total / Average 2010 COPS</b>			<b>0.000</b>	<b>0.000</b>			<b>0.02</b>	<b>0.02</b>	<b>100.00</b>
<b>Total / Average</b>			<b>0.000</b>	<b>0.000</b>			<b>0.02</b>	<b>0.02</b>	<b>100</b>



Mesa Water District  
Transactions Summary  
Monthly Treasurer's Status Report - Investment Activity  
Group By: Action  
Portfolio / Report Group: Report Group: Treasurer's Report  
Begin Date: 09/30/2019, End Date: 10/31/2019

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
<b>Buy</b>								
Sallie Mae Bank UT 1.9 10/16/2024	7954504P7	1.900	10/17/2019	10/16/2024	247,000.00	247,000.00	12.86	247,012.86
Celtic Bank UT 1.65 10/23/2024	15118RSV0	1.650	10/23/2019	10/23/2024	249,000.00	249,000.00	0.00	249,000.00
First Keystone Community Bank PA 1.9 10/23/2023-20	32065RAF2	1.900	10/23/2019	10/23/2023	249,000.00	249,000.00	0.00	249,000.00
Parkside Financial Bank MO 1.85 10/23/2024	70147ADG6	1.850	10/23/2019	10/23/2024	249,000.00	249,000.00	0.00	249,000.00
Ally Bank UT 1.85 10/24/2022	02007GML4	1.850	10/24/2019	10/24/2022	247,000.00	247,000.00	0.00	247,000.00
<b>Sub Total / Average Buy</b>					<b>1,241,000.00</b>	<b>1,241,000.00</b>	<b>12.86</b>	<b>1,241,012.86</b>
<b>Interest</b>								
Merrick Bank UT 3 7/31/2023	59013J6G9	0.000	10/1/2019	7/31/2023	0.00	0.00	613.97	613.97
Wells Fargo SD 1.6 8/3/2021	9497486Z5	0.000	10/3/2019	8/3/2021	0.00	0.00	324.82	324.82
Amercian Express 2.45 4/5/2022	02587DN38	0.000	10/5/2019	4/5/2022	0.00	0.00	3,034.04	3,034.04
LAIF LGIP	LGIP0012	0.000	10/15/2019	N/A	0.00	0.00	6.50	6.50
Commonwealth Bank & Trust KY 2 9/18/2024	202710AJ8	0.000	10/18/2019	9/18/2024	0.00	0.00	409.32	409.32
Business Bank MO 2 1/20/2022	12325EHH8	0.000	10/20/2019	1/20/2022	0.00	0.00	406.03	406.03
First National Bank MI 2 1/20/2022	32110YJT3	0.000	10/20/2019	1/20/2022	0.00	0.00	330.41	330.41
Eaglebank MD 2.5 5/24/2024	27002YEN2	0.000	10/24/2019	5/24/2024	0.00	0.00	511.64	511.64
FNMA 1 10/24/2019	3135G0R39	0.000	10/24/2019	10/24/2019	0.00	0.00	5,000.00	5,000.00
FNMA 1.35 4/27/2020-17	3136G4FP3	0.000	10/27/2019	4/27/2020	0.00	0.00	1,012.50	1,012.50
Countryside Federal CU NY 1.65 10/28/2021	22239MAL2	0.000	10/28/2019	10/28/2021	0.00	0.00	334.97	334.97
FHLB 1.43 10/29/2019-13	3133813H6	0.000	10/29/2019	10/29/2019	0.00	0.00	1,787.50	1,787.50
OCIP LGIP	LGIP9LC	0.000	10/31/2019	N/A	0.00	0.00	7,198.52	7,198.52
Franklin Synergy Bank TN 2 1/31/2022	35471TCV2	0.000	10/31/2019	1/31/2022	0.00	0.00	419.56	419.56
<b>Sub Total / Average Interest</b>					<b>0.00</b>	<b>0.00</b>	<b>21,389.78</b>	<b>21,389.78</b>
<b>Matured</b>								
FNMA 1 10/24/2019	3135G0R39	0.000	10/24/2019	10/24/2019	1,000,000.00	1,000,000.00	0.00	1,000,000.00
FHLB 1.43 10/29/2019-13	3133813H6	0.000	10/29/2019	10/29/2019	250,000.00	250,000.00	0.00	250,000.00
<b>Sub Total / Average Matured</b>					<b>1,250,000.00</b>	<b>1,250,000.00</b>	<b>0.00</b>	<b>1,250,000.00</b>

Mesa Water District  
 Portfolio Holdings  
 Investment Report | PARS Trust  
 Report Format: By CUSIP / Ticker  
 Group By: Portfolio Name  
 Average By: Market Value  
 Portfolio / Report Group: Report Group: PARS Trust  
 As of 10/31/2019

Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value
<b>PARS OPEB Trust</b>					
Columbia Contrarian Fund	19766M709	Mutual Fund	3,288.88	76,225.19	89,358.64
DFA Large Cap	233203868	Mutual Fund	2,596.25	54,298.15	59,142.29
Dodge & Cox International	256206103	Mutual Fund	978.80	39,013.53	41,510.28
Dodge & Cox Stock Fund	256219106	Mutual Fund	647.91	118,642.37	123,770.84
Doubeline Core Fix Income	258620301	Mutual Fund	8,973.93	97,781.48	99,790.06
Harbor Capital Appreciation	411512528	Mutual Fund	815.89	53,203.85	61,836.00
Hartford Schroders	41665X859	Mutual Fund	3,602.28	53,061.63	56,844.03
iShares Russell Mid Cap	464287499	Mutual Fund	1,551.00	53,349.81	87,709.05
Managers Behavioral Value	904504479	Mutual Fund	1,111.10	69,153.99	68,233.14
MFS International	552746356	Mutual Fund	1,163.82	33,073.63	41,501.75
PGIM Total Return Bond	74440B884	Mutual Fund	6,694.66	97,522.51	100,553.60
Pimco Total Return Fund	693390700	Mutual Fund	9,583.59	99,268.65	100,819.60
Price T Rowe Growth	741479406	Mutual Fund	883.40	52,344.86	61,370.37
US Bank PARS - OPEB Trust MM	MM4900	Money Market	53,341.63	53,341.63	53,341.63
Vanguard Growth & Income	921913208	Mutual Fund	2,830.58	200,065.65	233,212.74
Vanguard Real Estate	922908553	Mutual Fund	623.00	53,071.36	58,748.90
Vanguard Short Term	922031836	Mutual Fund	3,517.75	36,788.82	37,815.79
Victoria RS	92647Q363	Mutual Fund	872.15	66,298.60	69,441.30
<b>Sub Total / Average PARS OPEB Trust</b>			<b>103,076.62</b>	<b>1,306,505.71</b>	<b>1,445,000.01</b>

Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value
<b>PARS Pension Trust</b>					
Columbia Contrarian Fund	19766M709	Mutual Fund	31,272.44	807,479.94	849,671.78
DFA Large Cap	233203868	Mutual Fund	24,689.38	515,079.08	562,424.26
Dodge & Cox International	256206103	Mutual Fund	9,310.28	414,762.28	394,849.39
Dodge & Cox Stock Fund	256219106	Mutual Fund	6,163.25	1,226,080.89	1,177,366.59
Doubeline Core Fix Income	258620301	Mutual Fund	85,365.89	927,494.89	949,268.57
Harbor Capital Appreciation	411512528	Mutual Fund	7,753.60	561,874.71	587,645.20
Hartford Schroders	41665X859	Mutual Fund	34,267.28	504,756.99	540,737.63
iShares Russell Mid Cap	464287499	Mutual Fund	14,754.00	549,270.58	834,338.70
Managers Behavioral Value	904504479	Mutual Fund	10,568.84	698,153.82	649,032.35
MFS International	552746356	Mutual Fund	11,070.31	366,114.86	394,767.26
PGIM Total Return Bond	74440B884	Mutual Fund	63,370.81	918,776.33	951,829.63
Pimco Total Return Fund	693390700	Mutual Fund	90,734.74	928,216.99	954,529.53
Price T Rowe Growth	741479406	Mutual Fund	8,395.92	556,796.44	583,264.42
US Bank PARS - Pension Trust MM	MM4901	Money Market	458,650.14	458,650.14	458,650.14
Vanguard Growth & Income	921913208	Mutual Fund	26,918.08	2,067,622.54	2,217,779.86
Vanguard Real Estate	922908553	Mutual Fund	5,933.00	495,952.02	559,481.90
Vanguard Short Term	922031836	Mutual Fund	33,312.57	347,361.63	358,110.07
Victoria RS	92647Q363	Mutual Fund	8,285.33	628,955.44	659,678.38
<b>Sub Total / Average PARS Pension Trust</b>			<b>930,815.86</b>	<b>12,973,399.57</b>	<b>13,683,425.66</b>
<b>Total / Average</b>			<b>1,033,892.48</b>	<b>14,279,905.28</b>	<b>15,128,425.67</b>

Mesa Water District  
 Transactions Summary  
 Monthly Treasurer's Status Report - Investment Activity  
 Group By: Action  
 Portfolio / Report Group: PARS OPEB Trust  
 Begin Date: 09/30/2019, End Date: 10/31/2019

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
<b>Buy</b>								
Pimco Total Return Fund	693390700	0.000	10/31/2019	N/A	24.501	257.75	0.00	257.75
PGIM Total Return Bond	74440B884	0.000	10/31/2019	N/A	17.813	267.55	0.00	267.55
Vanguard Short Term	922031836	0.000	10/31/2019	N/A	8.372	90.00	0.00	90.00
<b>Sub Total / Average Buy</b>					<b>50.686</b>	<b>615.30</b>	<b>0.00</b>	<b>615.30</b>
<b>Dividend</b>								
Doubeline Core Fix Income	258620301	0.000	10/2/2019	N/A	0.00	0.00	286.66	286.66
Pimco Total Return Fund	693390700	0.000	10/31/2019	N/A	0.00	0.00	257.75	257.75
PGIM Total Return Bond	74440B884	0.000	10/31/2019	N/A	0.00	0.00	267.55	267.55
Vanguard Short Term	922031836	0.000	10/31/2019	N/A	0.00	0.00	90.00	90.00
<b>Sub Total / Average Dividend</b>					<b>0.00</b>	<b>0.00</b>	<b>901.96</b>	<b>901.96</b>
<b>Interest</b>								
US Bank PARS - OPEB Trust MM	MM4900	0.000	10/31/2019	N/A	0.00	0.00	0.01	0.01
US Bank PARS - OPEB Trust MM	MM4900	0.000	10/31/2019	N/A	0.00	0.00	86.36	86.36
<b>Sub Total / Average Interest</b>					<b>0.00</b>	<b>0.00</b>	<b>86.37</b>	<b>86.37</b>

Mesa Water District  
 Transactions Summary  
 Monthly Treasurer's Status Report - Investment Activity  
 Group By: Action  
 Portfolio / Report Group: PARS Pension Trust  
 Begin Date: 09/30/2019, End Date: 10/31/2019

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
<b>Dividend</b>								
Doubeline Core Fix Income	258620301	0.000	10/2/2019	N/A	0.00	0.00	2,726.94	2,726.94
Pimco Total Return Fund	693390700	0.000	10/31/2019	N/A	0.00	0.00	2,446.44	2,446.44
PGIM Total Return Bond	74440B884	0.000	10/31/2019	N/A	0.00	0.00	2,539.32	2,539.32
Vanguard Short Term	922031836	0.000	10/31/2019	N/A	0.00	0.00	854.38	854.38
<b>Sub Total / Average Dividend</b>					<b>0.00</b>	<b>0.00</b>	<b>8,567.08</b>	<b>8,567.08</b>
<b>Interest</b>								
US Bank PARS - Pension Trust MM	MM4901	0.000	10/31/2019	N/A	0.00	0.00	553.68	553.68
US Bank PARS - Pension Trust MM	MM4901	0.000	10/31/2019	N/A	0.00	0.00	0.18	0.18
<b>Sub Total / Average Interest</b>					<b>0.00</b>	<b>0.00</b>	<b>553.86</b>	<b>553.86</b>

**Mesa Water District**  
**Quarterly Treasurer's Report on Investments**  
**As of 09/30/2019**



Investments are in compliance with the Investment Policy adopted as Resolution 1506 of the Mesa Water District Board of Directors. The liquidity of investments will meet cash flow needs for the next six months except under unforeseen catastrophic circumstances.

Investments	Maturity Date	Days to Maturity	Yield to Maturity @ Cost	Cost Value	% of Portfolio	Policy % Limit	Market Value	Interest Year to Date	Notes
Local Agency Investment Fund (LAIF)	Liquid	1	2.28%	1,048.78	0.00%	No Limit	1,048.78	6.70	1,4
Orange County Investment Pool (OCIP)	Liquid	1	2.24%	3,717,262.21	11.41%	No Limit	3,717,262.21	20,651.88	1,6
Miscellaneous (Petty Cash, Emergency Cash, etc.)	Liquid	1	0.00%	4,500.00	0.01%	N/A	4,500.00	0.00	
Union Bank Custody Account									2,5
Negotiable CD	Various	970	2.15%	6,573,787.50	20.39%	30.00%	6,643,228.68	41,135.22	
US Agency	Various	631	1.77%	14,540,022.00	44.69%	No Limit	14,555,942.75	84,875.00	
<b>Sub Total / Average</b>				21,113,809.50			21,199,171.43	126,010.22	
Union Bank Accounts	Liquid	1	0.45%	7,654,355.50	23.50%	No Limit	7,654,355.50	0.00	1,3
<b>Total / Average</b>		<b>480</b>	<b>1.59%</b>	<b>\$32,490,975.99</b>	<b>100.00%</b>		<b>\$32,576,337.92</b>	<b>\$146,668.80</b>	

	1 Month Rate of Return	3 Month Rate of Return	Cost Value	Market Value
<b>PARS OPEB &amp; Pension Trust</b>				
Public Agency Retirement Services (PARS)				
Capital Appreciation HighMark PLUS Fund				
OPEB	1.17%	0.13%	1,306,073.63	1,422,641.70
Pension Trust	1.18%	0.14%	13,027,312.39	13,528,832.83
			<b>\$ 14,333,386.02</b>	<b>\$ 14,951,474.53</b>

**Sources of Market Value Valuation - Account Statements**

LAIF, OCIP & Union Bank

I certify that this report reflects the cash and investments of Mesa Water District and is in conformity with the Government Code requirements and the District Investment Policy/Guidelines in effect at the time of the investment.

**Local Agency Investment Fund (LAIF)**

District LAIF includes the funds designated for advances; construction, customer deposits, working capital cash and monies to pay COP principal/interest payments.

  
 Marwan Khalifa, CPA, MBA, - District Treasurer

**Weighted Average Return | 1.66%**

Benchmark: 3 Month Treasury Bill - September | 1.94%

**Weighted Average Maturity | 1.3 Years**

Days to Maturity | 480

**PARS OPEB & Pension Trust Benchmark - S & P 500 Index**

1 Month | -0.61 %    3 Month | 0.14 %    1 YEAR | 6.38 %

**Notes**

- The interest or yield shown is for the current month net of fees.
- The interest rate (Yield to Maturity @Cost) shown is the guaranteed annual interest rate for the term of the investment.
- The rate shown is the Earnings Credit Rate. These earnings are applied against bank service charges; no actual monies are received.
- LAIF general ledger carrying value reflects market value (unrealized gains/losses) only at fiscal year end. LAIF only provides the market value participation factor quarterly. \* The March Fair Value Factor is 1.001642817. The yield earned on the Treasurer's Reports does not reflect change in fair market value.
- Union Bank Custody Account general ledger carrying value reflects market value (unrealized gains/losses). The Yield earned does not reflect change in fair market value.
- Orange County Investment Pool - September 2019, Net Asset Value is 1.00.

\* LAIF June Fair Value Factor not available at reporting deadline.

Mesa Water District  
 Portfolio Holdings  
 Certificate of Participation Investments  
 Report Format: By Transaction  
 Group By: Portfolio Name  
 Average By: Market Value  
 Portfolio / Report Group: Report Group: COPS Trust Indentures  
 As of 9/30/2019

<u>Description</u>	<u>CUSIP/Ticker</u>	<u>Asset Category</u>	<u>Coupon Rate</u>	<u>YTM @ Cost</u>	<u>Settlement Date</u>	<u>Maturity Date</u>	<u>Cost Value</u>	<u>Market Value</u>	<u>% of Portfolio</u>
<b>2010 COPS</b>									
US Bank Cash	MM6000	6000 Reserve Fund - Liquid Assets	0.000	0.000	8/31/2015	N/A	0.02	0.02	100.00
<b>Sub Total / Average 2010 COPS</b>			<b>0.000</b>	<b>0.000</b>			<b>0.02</b>	<b>0.02</b>	<b>100.00</b>
<b>Total / Average</b>			<b>0.000</b>	<b>0.000</b>			<b>0.02</b>	<b>0.02</b>	<b>100</b>

Mesa Water District  
Transactions Summary

Quarterly Treasurer's Status Report - Investment Activity

Group By: Action

Portfolio / Report Group: Report Group: Treasurer's Report

Begin Date: 06/30/2019, End Date: 09/30/2019

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
<b>Buy</b>								
JPMorgan Chase OH 2.1 8/31/2024-20	48128H6D5	2.100	8/30/2019	8/31/2024	247,000.00	247,000.00	0.00	247,000.00
Commonwealth Bank & Trust KY 2 9/18/2024	202710AJ8	2.000	9/18/2019	9/18/2024	249,000.00	249,000.00	0.00	249,000.00
<b>Sub Total / Average Buy</b>					<b>496,000.00</b>	<b>496,000.00</b>	<b>0.00</b>	<b>496,000.00</b>
<b>Called</b>								
Texas Exchange Bank TX 2.1 1/24/2022-19	88241TAZ3	0.000	9/23/2019	1/24/2022	247,000.00	247,000.00	0.00	247,000.00
Orrstown Bank PA 2 8/28/2020-19	687377DS7	0.000	9/28/2019	8/28/2020	247,000.00	247,000.00	0.00	247,000.00
<b>Sub Total / Average Called</b>					<b>494,000.00</b>	<b>494,000.00</b>	<b>0.00</b>	<b>494,000.00</b>
<b>Interest</b>								
Merrick Bank UT 3 7/31/2023	59013J6G9	0.000	7/1/2019	7/31/2023	0.00	0.00	613.97	613.97
Wells Fargo SD 1.6 8/3/2021	9497486Z5	0.000	7/3/2019	8/3/2021	0.00	0.00	324.82	324.82
FFCB 1.42 1/12/2021-16	3133EGLH6	0.000	7/12/2019	1/12/2021	0.00	0.00	14,200.00	14,200.00
Everbank FL 2 7/14/2020	29976DZD5	0.000	7/14/2019	7/14/2020	0.00	0.00	2,449.70	2,449.70
LAIF LGIP	LGIP0012	0.000	7/15/2019	N/A	0.00	0.00	6.70	6.70
Goldman Sachs NY 3.3 1/16/2024	38148P4E4	0.000	7/16/2019	1/16/2024	0.00	0.00	4,009.27	4,009.27
Business Bank MO 2 1/20/2022	12325EHH8	0.000	7/20/2019	1/20/2022	0.00	0.00	406.03	406.03
First National Bank MI 2 1/20/2022	32110YJT3	0.000	7/20/2019	1/20/2022	0.00	0.00	330.41	330.41
Texas Exchange Bank TX 2.1 1/24/2022-19	88241TAZ3	0.000	7/23/2019	1/24/2022	0.00	0.00	426.33	426.33
Eaglebank MD 2.5 5/24/2024	27002YEN2	0.000	7/24/2019	5/24/2024	0.00	0.00	511.64	511.64
FNMA 1.6 7/28/2021-16	3136G3J30	0.000	7/28/2019	7/28/2021	0.00	0.00	24,000.00	24,000.00
Countryside Federal CU NY 1.65 10/28/2021	22239MAL2	0.000	7/28/2019	10/28/2021	0.00	0.00	334.97	334.97
Orrstown Bank PA 2 8/28/2020-19	687377DS7	0.000	7/28/2019	8/28/2020	0.00	0.00	406.03	406.03
Morgan Stanley UT 3.05 1/31/2024	61690UDV9	0.000	7/31/2019	1/31/2024	0.00	0.00	3,720.67	3,720.67
OCIP LGIP	LGIP9LC	0.000	7/31/2019	N/A	0.00	0.00	6,613.81	6,613.81
Morgan Stanley NY 3.05 1/31/2024	61760AVF3	0.000	7/31/2019	1/31/2024	0.00	0.00	3,720.67	3,720.67
Franklin Synergy Bank TN 2 1/31/2022	35471TCV2	0.000	7/31/2019	1/31/2022	0.00	0.00	419.56	419.56
Merrick Bank UT 3 7/31/2023	59013J6G9	0.000	8/1/2019	7/31/2023	0.00	0.00	634.44	634.44
Wells Fargo SD 1.6 8/3/2021	9497486Z5	0.000	8/3/2019	8/3/2021	0.00	0.00	335.65	335.65
FNMA 1.625 8/10/2021-16	3136G3N76	0.000	8/10/2019	8/10/2021	0.00	0.00	16,250.00	16,250.00
FFCB 1.58 2/17/2021-16	3133EGAZ8	0.000	8/17/2019	2/17/2021	0.00	0.00	7,900.00	7,900.00



Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total
Business Bank MO 2 1/20/2022	12325EHH8	0.000	8/20/2019	1/20/2022	0.00	0.00	419.56	419.56
First National Bank MI 2 1/20/2022	32110YJT3	0.000	8/20/2019	1/20/2022	0.00	0.00	341.42	341.42
Texas Exchange Bank TX 2.1 1/24/2022-19	88241TAZ3	0.000	8/23/2019	1/24/2022	0.00	0.00	440.54	440.54
FHLMC 1.3 8/23/2019-16	3134G93S4	0.000	8/23/2019	8/23/2019	0.00	0.00	6,500.00	6,500.00
Synchrony Bank UT 2.3 2/24/2022	87165FPA6	0.000	8/24/2019	2/24/2022	0.00	0.00	2,817.15	2,817.15
Eaglebank MD 2.5 5/24/2024	27002YEN2	0.000	8/24/2019	5/24/2024	0.00	0.00	528.70	528.70
Investors Bank NJ 2 8/25/2020	46176PEJ0	0.000	8/25/2019	8/25/2020	0.00	0.00	2,449.70	2,449.70
FHLB 1.68 8/25/2021-16	3134G93Q8	0.000	8/25/2019	8/25/2021	0.00	0.00	8,400.00	8,400.00
Countryside Federal CU NY 1.65 10/28/2021	22239MAL2	0.000	8/28/2019	10/28/2021	0.00	0.00	346.14	346.14
Privatebank and Trust IL 1.5 8/30/2021	74267GVM6	0.000	8/28/2019	8/30/2021	0.00	0.00	1,847.42	1,847.42
Orrstown Bank PA 2 8/28/2020-19	687377DS7	0.000	8/28/2019	8/28/2020	0.00	0.00	419.56	419.56
OCIP LGIP	LGIP9LC	0.000	8/31/2019	N/A	0.00	0.00	6,948.40	6,948.40
Franklin Synergy Bank TN 2 1/31/2022	35471TCV2	0.000	8/31/2019	1/31/2022	0.00	0.00	419.56	419.56
Merrick Bank UT 3 7/31/2023	59013J6G9	0.000	9/1/2019	7/31/2023	0.00	0.00	634.44	634.44
Capital One Bank VA 2.3 3/1/2022	140420Y53	0.000	9/1/2019	3/1/2022	0.00	0.00	2,863.85	2,863.85
Wells Fargo SD 1.6 8/3/2021	9497486Z5	0.000	9/3/2019	8/3/2021	0.00	0.00	335.65	335.65
State Bank India NY 2.35 3/14/2022	8562846V1	0.000	9/14/2019	3/14/2022	0.00	0.00	2,926.10	2,926.10
FAMC 3.05 9/19/2023	3132X06C0	0.000	9/19/2019	9/19/2023	0.00	0.00	7,625.00	7,625.00
Business Bank MO 2 1/20/2022	12325EHH8	0.000	9/20/2019	1/20/2022	0.00	0.00	419.56	419.56
First National Bank MI 2 1/20/2022	32110YJT3	0.000	9/20/2019	1/20/2022	0.00	0.00	341.42	341.42
HSBC Bank VA 1.5 12/21/2020-19	40434YCS4	0.000	9/21/2019	12/21/2020	0.00	0.00	744.82	744.82
Texas Exchange Bank TX 2.1 1/24/2022-19	88241TAZ3	0.000	9/23/2019	1/24/2022	0.00	0.00	440.54	440.54
Eaglebank MD 2.5 5/24/2024	27002YEN2	0.000	9/24/2019	5/24/2024	0.00	0.00	528.70	528.70
Countryside Federal CU NY 1.65 10/28/2021	22239MAL2	0.000	9/28/2019	10/28/2021	0.00	0.00	346.14	346.14
Mercantil Commerce Bank FL 1.65 9/28/2021	58733ADJ5	0.000	9/28/2019	9/28/2021	0.00	0.00	2,054.50	2,054.50
Orrstown Bank PA 2 8/28/2020-19	687377DS7	0.000	9/28/2019	8/28/2020	0.00	0.00	419.56	419.56
OCIP LGIP	LGIP9LC	0.000	9/30/2019	N/A	0.00	0.00	7,089.67	7,089.67
Franklin Synergy Bank TN 2 1/31/2022	35471TCV2	0.000	9/30/2019	1/31/2022	0.00	0.00	406.03	406.03
<b>Sub Total / Average Interest</b>					<b>0.00</b>	<b>0.00</b>	<b>146,668.80</b>	<b>146,668.80</b>
<b>Matured</b>								
FHLMC 1.3 8/23/2019-16	3134G93S4	0.000	8/23/2019	8/23/2019	1,000,000.00	1,000,000.00	0.00	1,000,000.00
<b>Sub Total / Average Matured</b>					<b>1,000,000.00</b>	<b>1,000,000.00</b>	<b>0.00</b>	<b>1,000,000.00</b>

Mesa Water District  
Portfolio Holdings  
Investment Report | PARS Trust  
Report Format: By CUSIP / Ticker  
Group By: Portfolio Name  
Average By: Market Value  
Portfolio / Report Group: Report Group: PARS Trust  
As of 9/30/2019

Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value
<b>PARS OPEB Trust</b>					
Columbia Contrarian Fund	19766M709	Mutual Fund	3,288.88	76,225.19	87,648.43
DFA Large Cap	233203868	Mutual Fund	2,596.25	54,298.15	57,247.03
Dodge & Cox International	256206103	Mutual Fund	978.80	39,013.53	40,100.83
Dodge & Cox Stock Fund	256219106	Mutual Fund	647.91	118,642.37	120,932.97
Doubeline Core Fix Income	258620301	Mutual Fund	8,973.93	97,781.48	99,879.80
Harbor Capital Appreciation	411512528	Mutual Fund	815.89	53,203.85	59,926.84
Hartford Schroders	41665X859	Mutual Fund	3,602.28	53,061.63	54,898.79
iShares Russell Mid Cap	464287499	Mutual Fund	1,551.00	53,349.81	86,778.45
Managers Behavioral Value	904504479	Mutual Fund	1,111.10	69,153.99	68,377.58
MFS International	552746356	Mutual Fund	1,163.82	33,073.63	40,209.92
PGIM Total Return Bond	74440B884	Mutual Fund	6,031.63	87,563.52	90,655.18
PGIM Total Return Bond	744408884	Mutual Fund	645.22	9,691.44	9,697.74
Pimco Total Return Fund	693390700	Mutual Fund	9,559.09	99,010.90	100,466.27
Price T Rowe Growth	741479406	Mutual Fund	883.40	52,344.86	60,071.75
US Bank PARS - OPEB TrustCash	CASH4900	Cash	-11,163.68	-11,163.68	-11,163.68
US Bank PARS - OPEB Trust MM	MM4900	Money Market	64,688.53	64,688.53	64,688.53
Vanguard Growth & Income	921913208	Mutual Fund	2,830.58	200,065.65	228,542.24
Vanguard Real Estate	922908553	Mutual Fund	623.00	53,071.36	58,094.75
Vanguard Short Term	922031836	Mutual Fund	3,509.38	36,698.82	37,690.70
Victoria RS	92647Q363	Mutual Fund	872.15	66,298.60	67,897.58
<b>Sub Total / Average PARS OPEB Trust</b>			<b>103,209.16</b>	<b>1,306,073.63</b>	<b>1,422,641.70</b>

Description	CUSIP/Ticker	Security Type	Face Amount/Shares	Cost Value	Market Value
<b>PARS Pension Trust</b>					
Columbia Contrarian Fund	19766M709	Mutual Fund	31,272.44	807,479.94	833,410.13
DFA Large Cap	233203868	Mutual Fund	24,689.38	515,079.08	544,401.02
Dodge & Cox International	256206103	Mutual Fund	9,310.28	414,762.28	381,442.58
Dodge & Cox Stock Fund	256219106	Mutual Fund	6,163.25	1,226,080.89	1,150,371.54
Doubeline Core Fix Income	258620301	Mutual Fund	85,365.89	927,494.89	950,122.23
Harbor Capital Appreciation	411512528	Mutual Fund	7,753.60	561,874.71	569,501.78
Hartford Schroders	41665X859	Mutual Fund	34,267.28	504,756.99	522,233.30
iShares Russell Mid Cap	464287499	Mutual Fund	14,754.00	549,270.58	825,486.30
Managers Behavioral Value	904504479	Mutual Fund	10,568.84	698,153.82	650,406.30
MFS International	552746356	Mutual Fund	11,070.31	366,114.86	382,479.22
PGIM Total Return Bond	74440B884	Mutual Fund	62,016.82	898,439.48	932,112.88
PGIM Total Return Bond	744408884	Mutual Fund	1,353.98	20,336.85	20,350.39
Pimco Total Return Fund	693390700	Mutual Fund	90,734.74	928,216.99	953,622.19
Price T Rowe Growth	741479406	Mutual Fund	8,395.92	556,796.44	570,922.43
US Bank PARS - Pension Trust Cash	CASH4901	Cash	3,788.31	3,788.31	3,788.31
US Bank PARS - Pension Trust MM	MM4901	Money Market	508,774.65	508,774.65	508,774.65
Vanguard Growth & Income	921913208	Mutual Fund	26,918.08	2,067,622.54	2,173,365.07
Vanguard Real Estate	922908553	Mutual Fund	5,933.00	495,952.02	553,252.25
Vanguard Short Term	922031836	Mutual Fund	33,312.57	347,361.63	357,776.93
Victoria RS	92647Q363	Mutual Fund	7,894.14	598,736.03	614,559.19
Victory RS Small Cap Growth	926470363	Mutual Fund	391.19	30,219.41	30,454.14
<b>Sub Total / Average PARS Pension Trust</b>			<b>984,728.67</b>	<b>13,027,312.39</b>	<b>13,528,832.83</b>
<b>Total / Average</b>			<b>1,087,937.83</b>	<b>14,333,386.02</b>	<b>14,951,474.53</b>

Mesa Water District  
Transactions Summary  
Quarterly Transaction Summary - by Action  
Group By: Action  
Portfolio / Report Group: PARS OPEB Trust  
Begin Date: 06/30/2019, End Date: 09/30/2019

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total	Security Type
<b>Buy</b>									
Pimco Total Return Fund	693390700	0.000	7/31/2019	N/A	18.606	192.01	0.00	192.01	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	7/31/2019	N/A	13.478	199.07	0.00	199.07	Mutual Fund
Vanguard Short Term	922031836	0.000	7/31/2019	N/A	16.996	181.86	0.00	181.86	Mutual Fund
Hartford Schroders	41665X859	0.000	8/13/2019	N/A	5,377.493	79,210.47	0.00	79,210.47	Mutual Fund
Vanguard Real Estate	922908553	0.000	8/14/2019	N/A	89.00	8,000.16	0.00	8,000.16	Mutual Fund
DFA Large Cap	233203868	0.000	8/14/2019	N/A	80,229	1,677.58	0.00	1,677.58	Mutual Fund
Pimco Total Return Fund	693390700	0.000	8/14/2019	N/A	2,088.716	21,952.41	0.00	21,952.41	Mutual Fund
Dodge & Cox International	256206103	0.000	8/14/2019	N/A	28.106	1,073.64	0.00	1,073.64	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	8/14/2019	N/A	1,420.061	21,329.32	0.00	21,329.32	Mutual Fund
MFS International	552746356	0.000	8/14/2019	N/A	8.40	278.39	0.00	278.39	Mutual Fund
Doubline Core Fix Income	258620301	0.000	8/14/2019	N/A	1,988.008	22,225.93	0.00	22,225.93	Mutual Fund
iShares Russell Mid Cap	464287499	0.000	8/14/2019	N/A	44.00	2,369.80	0.00	2,369.80	Mutual Fund
Vanguard Growth & Income	921913208	0.000	8/19/2019	N/A	19.301	1,530.20	0.00	1,530.20	Mutual Fund
DFA Large Cap	233203868	0.000	8/19/2019	N/A	14.506	309.27	0.00	309.27	Mutual Fund
Managers Behavioral Value	904504479	0.000	8/19/2019	N/A	11.733	682.76	0.00	682.76	Mutual Fund
Dodge & Cox Stock Fund	256219106	0.000	8/19/2019	N/A	9.571	1,744.59	0.00	1,744.59	Mutual Fund
Columbia Contrarian Fund	19766M709	0.000	8/19/2019	N/A	19.586	513.93	0.00	513.93	Mutual Fund
Dodge & Cox International	256206103	0.000	8/19/2019	N/A	7.521	293.23	0.00	293.23	Mutual Fund
MFS International	552746356	0.000	8/19/2019	N/A	1.751	59.28	0.00	59.28	Mutual Fund
Price T Rowe Growth	741479406	0.000	8/19/2019	N/A	5.513	379.53	0.00	379.53	Mutual Fund
Victoria RS	92647Q363	0.000	8/19/2019	N/A	2.994	246.32	0.00	246.32	Mutual Fund
Harbor Capital Appreciation	411512528	0.000	8/19/2019	N/A	5.216	386.74	0.00	386.74	Mutual Fund
Pimco Total Return Fund	693390700	0.000	8/31/2019	N/A	20.665	218.64	0.00	218.64	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	8/31/2019	N/A	15.962	241.18	0.00	241.18	Mutual Fund
Vanguard Short Term	922031836	0.000	8/31/2019	N/A	11.336	122.09	0.00	122.09	Mutual Fund
Dodge & Cox Stock Fund	256219106	0.000	9/25/2019	N/A	2.746	514.74	0.00	514.74	Mutual Fund
PGIM Total Return Bond	744408884	0.000	9/27/2019	N/A	630.122	9,464.43	0.00	9,464.43	Mutual Fund
Vanguard Growth & Income	921913208	0.000	9/27/2019	N/A	169.832	13,639.22	0.00	13,639.22	Mutual Fund
Vanguard Real Estate	922908553	0.000	9/27/2019	N/A	51.00	4,738.08	0.00	4,738.08	Mutual Fund
DFA Large Cap	233203868	0.000	9/27/2019	N/A	112.682	2,484.64	0.00	2,484.64	Mutual Fund

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total	Security Type
Managers Behavioral Value	904504479	0.000	9/27/2019	N/A	23.139	1,420.97	0.00	1,420.97	Mutual Fund
Dodge & Cox Stock Fund	256219106	0.000	9/27/2019	N/A	32.384	6,030.51	0.00	6,030.51	Mutual Fund
Columbia Contrarian Fund	19766M709	0.000	9/27/2019	N/A	198.996	5,269.42	0.00	5,269.42	Mutual Fund
Pimco Total Return Fund	693390700	0.000	9/27/2019	N/A	929.715	9,762.01	0.00	9,762.01	Mutual Fund
Dodge & Cox International	256206103	0.000	9/27/2019	N/A	24.116	986.60	0.00	986.60	Mutual Fund
MFS International	552746356	0.000	9/27/2019	N/A	62.738	2,161.33	0.00	2,161.33	Mutual Fund
Price T Rowe Growth	741479406	0.000	9/27/2019	N/A	73.417	4,961.52	0.00	4,961.52	Mutual Fund
Vanguard Short Term	922031836	0.000	9/27/2019	N/A	328.714	3,527.10	0.00	3,527.10	Mutual Fund
Victoria RS	92647Q363	0.000	9/27/2019	N/A	106.424	8,221.25	0.00	8,221.25	Mutual Fund
Doubeline Core Fix Income	258620301	0.000	9/27/2019	N/A	885.022	9,868.00	0.00	9,868.00	Mutual Fund
Harbor Capital Appreciation	411512528	0.000	9/27/2019	N/A	61.324	4,480.93	0.00	4,480.93	Mutual Fund
iShares Russell Mid Cap	464287499	0.000	9/27/2019	N/A	121.00	6,743.94	0.00	6,743.94	Mutual Fund
PGIM Total Return Bond	744408884	0.000	9/30/2019	N/A	15.104	227.01	0.00	227.01	Mutual Fund
Pimco Total Return Fund	693390700	0.000	9/30/2019	N/A	21.457	225.51	0.00	225.51	Mutual Fund
Vanguard Short Term	922031836	0.000	9/30/2019	N/A	7.455	80.07	0.00	80.07	Mutual Fund
<b>Sub Total / Average Buy</b>					<b>15,176.135</b>	<b>260,225.68</b>	<b>0.00</b>	<b>260,225.68</b>	

#### Deposit

US Bank PARS - OPEB Trust MM	MM4900	0.000	7/31/2019	N/A	0.06	0.06	0.00	0.06	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	7/31/2019	N/A	35.78	35.78	0.00	35.78	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	7/31/2019	N/A	1,954.73	1,954.73	0.00	1,954.73	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	8/31/2019	N/A	0.01	0.01	0.00	0.01	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	8/31/2019	N/A	39.72	39.72	0.00	39.72	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	8/31/2019	N/A	775.67	775.67	0.00	775.67	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	8/31/2019	N/A	96,558.59	96,558.59	0.00	96,558.59	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	9/30/2019	N/A	0.01	0.01	0.00	0.01	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	9/30/2019	N/A	40.21	40.21	0.00	40.21	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	9/30/2019	N/A	2,338.04	2,338.04	0.00	2,338.04	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	9/30/2019	N/A	4,852.83	4,852.83	0.00	4,852.83	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	9/30/2019	N/A	11,163.68	11,163.68	0.00	11,163.68	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	9/30/2019	N/A	110,000.00	110,000.00	0.00	110,000.00	Money Market
<b>Sub Total / Average Deposit</b>					<b>227,759.33</b>	<b>227,759.33</b>	<b>0.00</b>	<b>227,759.33</b>	

#### Dividend

DFA Large Cap	233203868	0.000	7/1/2019	N/A	0.00	0.00	762.01	762.01	Mutual Fund
Vanguard Real Estate	922908553	0.000	7/2/2019	N/A	0.00	0.00	411.22	411.22	Mutual Fund
Doubeline Core Fix Income	258620301	0.000	7/2/2019	N/A	0.00	0.00	208.56	208.56	Mutual Fund
Pimco Total Return Fund	693390700	0.000	7/31/2019	N/A	0.00	0.00	192.01	192.01	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	7/31/2019	N/A	0.00	0.00	199.07	199.07	Mutual Fund

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total	Security Type
Vanguard Short Term	922031836	0.000	7/31/2019	N/A	0.00	0.00	181.86	181.86	Mutual Fund
Doubeline Core Fix Income	258620301	0.000	8/2/2019	N/A	0.00	0.00	193.76	193.76	Mutual Fund
Pimco Total Return Fund	693390700	0.000	8/31/2019	N/A	0.00	0.00	218.64	218.64	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	8/31/2019	N/A	0.00	0.00	241.18	241.18	Mutual Fund
Vanguard Short Term	922031836	0.000	8/31/2019	N/A	0.00	0.00	122.09	122.09	Mutual Fund
Doubeline Core Fix Income	258620301	0.000	9/4/2019	N/A	0.00	0.00	246.63	246.63	Mutual Fund
Dodge & Cox Stock Fund	256219106	0.000	9/25/2019	N/A	0.00	0.00	514.74	514.74	Mutual Fund
Vanguard Real Estate	922908553	0.000	9/27/2019	N/A	0.00	0.00	425.57	425.57	Mutual Fund
PGIM Total Return Bond	744408884	0.000	9/30/2019	N/A	0.00	0.00	227.01	227.01	Mutual Fund
DFA Large Cap	233203868	0.000	9/30/2019	N/A	0.00	0.00	318.34	318.34	Mutual Fund
Pimco Total Return Fund	693390700	0.000	9/30/2019	N/A	0.00	0.00	225.51	225.51	Mutual Fund
Vanguard Short Term	922031836	0.000	9/30/2019	N/A	0.00	0.00	80.07	80.07	Mutual Fund
iShares Russell Mid Cap	464287499	0.000	9/30/2019	N/A	0.00	0.00	300.17	300.17	Mutual Fund
<b>Sub Total / Average Dividend</b>					<b>0.00</b>	<b>0.00</b>	<b>5,068.44</b>	<b>5,068.44</b>	
<b>Interest</b>									
US Bank PARS - OPEB Trust MM	MM4900	0.000	7/31/2019	N/A	0.00	0.00	0.06	0.06	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	7/31/2019	N/A	0.00	0.00	35.78	35.78	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	8/31/2019	N/A	0.00	0.00	39.72	39.72	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	8/31/2019	N/A	0.00	0.00	0.01	0.01	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	9/30/2019	N/A	0.00	0.00	40.21	40.21	Money Market
<b>Sub Total / Average Interest</b>					<b>0.00</b>	<b>0.00</b>	<b>115.78</b>	<b>115.78</b>	
<b>Sell</b>									
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	29.677	393.86	0.00	393.86	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	41.382	549.21	0.00	549.21	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	58.433	775.51	0.00	775.51	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	102.42	1,359.29	0.00	1,359.29	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	188.698	2,504.34	0.00	2,504.34	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	1,144.812	15,193.61	0.00	15,193.61	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	3,808.423	50,544.27	0.00	50,544.27	Mutual Fund
Vanguard Growth & Income	921913208	0.000	8/14/2019	N/A	93.885	7,225.39	0.00	7,225.39	Mutual Fund
Managers Behavioral Value	904504479	0.000	8/14/2019	N/A	29.308	1,662.06	0.00	1,662.06	Mutual Fund
Dodge & Cox Stock Fund	256219106	0.000	8/14/2019	N/A	11.121	1,975.53	0.00	1,975.53	Mutual Fund
Columbia Contrarian Fund	19766M709	0.000	8/14/2019	N/A	179.305	4,574.07	0.00	4,574.07	Mutual Fund
Price T Rowe Growth	741479406	0.000	8/14/2019	N/A	50.535	3,375.23	0.00	3,375.23	Mutual Fund
Vanguard Short Term	922031836	0.000	8/14/2019	N/A	14.119	151.62	0.00	151.62	Mutual Fund
Vanguard Short Term	922031836	0.000	8/14/2019	N/A	14.201	152.52	0.00	152.52	Mutual Fund
Vanguard Short Term	922031836	0.000	8/14/2019	N/A	14.376	154.40	0.00	154.40	Mutual Fund

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total	Security Type
Vanguard Short Term	922031836	0.000	8/14/2019	N/A	14.764	158.57	0.00	158.57	Mutual Fund
Vanguard Short Term	922031836	0.000	8/14/2019	N/A	98.755	1,060.63	0.00	1,060.63	Mutual Fund
Vanguard Short Term	922031836	0.000	8/14/2019	N/A	111.629	1,198.90	0.00	1,198.90	Mutual Fund
Vanguard Short Term	922031836	0.000	8/14/2019	N/A	3,525.341	37,862.17	0.00	37,862.17	Mutual Fund
Victoria RS	92647Q363	0.000	8/14/2019	N/A	68.194	5,460.29	0.00	5,460.29	Mutual Fund
Harbor Capital Appreciation	411512528	0.000	8/14/2019	N/A	44.789	3,207.79	0.00	3,207.79	Mutual Fund
Hartford Schroders	41665X859	0.000	8/19/2019	N/A	1,455.735	21,646.78	0.00	21,646.78	Mutual Fund
Vanguard Real Estate	922908553	0.000	8/19/2019	N/A	14.00	1,283.94	0.00	1,283.94	Mutual Fund
Pimco Total Return Fund	693390700	0.000	8/19/2019	N/A	107.895	1,132.90	0.00	1,132.90	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	8/19/2019	N/A	65.276	979.79	0.00	979.79	Mutual Fund
Vanguard Short Term	922031836	0.000	8/19/2019	N/A	0.631	6.78	0.00	6.78	Mutual Fund
Vanguard Short Term	922031836	0.000	8/19/2019	N/A	21.347	229.48	0.00	229.48	Mutual Fund
Doubline Core Fix Income	258620301	0.000	8/19/2019	N/A	66.663	744.63	0.00	744.63	Mutual Fund
iShares Russell Mid Cap	464287499	0.000	8/19/2019	N/A	42.00	2,315.12	0.00	2,315.12	Mutual Fund
Hartford Schroders	41665X859	0.000	9/27/2019	N/A	319.475	4,852.83	0.00	4,852.83	Mutual Fund
<b>Sub Total / Average Sell</b>					<b>11,737.189</b>	<b>172,731.51</b>	<b>0.00</b>	<b>172,731.51</b>	

**Withdraw**

US Bank PARS - OPEB Trust MM	MM4900	0.000	7/31/2019	N/A	255.56	255.56	0.00	255.56	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	7/31/2019	N/A	288.97	288.97	0.00	288.97	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	7/31/2019	N/A	572.94	572.94	0.00	572.94	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	8/31/2019	N/A	257.11	257.11	0.00	257.11	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	8/31/2019	N/A	290.60	290.60	0.00	290.60	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	8/31/2019	N/A	85,634.99	85,634.99	0.00	85,634.99	Money Market
US Bank PARS - OPEB TrustCash	CASH4900	0.000	9/30/2019	N/A	11,163.68	11,163.68	0.00	11,163.68	Cash
US Bank PARS - OPEB Trust MM	MM4900	0.000	9/30/2019	N/A	253.06	253.06	0.00	253.06	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	9/30/2019	N/A	284.53	284.53	0.00	284.53	Money Market
US Bank PARS - OPEB Trust MM	MM4900	0.000	9/30/2019	N/A	94,807.28	94,807.28	0.00	94,807.28	Money Market
<b>Sub Total / Average Withdraw</b>					<b>193,808.72</b>	<b>193,808.72</b>	<b>0.00</b>	<b>193,808.72</b>	

Mesa Water District  
Transactions Summary  
Quarterly Transaction Summary - by Action  
Group By: Action  
Portfolio / Report Group: PARS Pension Trust  
Begin Date: 06/30/2019, End Date: 09/30/2019

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total	Security Type
<b>Buy</b>									
Hartford Schroders	41665X859	0.000	8/13/2019	N/A	55,440.343	816,636.25	0.00	816,636.25	Mutual Fund
Vanguard Real Estate	922908553	0.000	8/14/2019	N/A	907.00	81,529.69	0.00	81,529.69	Mutual Fund
DFA Large Cap	233203868	0.000	8/14/2019	N/A	824.511	17,240.53	0.00	17,240.53	Mutual Fund
Pimco Total Return Fund	693390700	0.000	8/14/2019	N/A	21,916.378	230,341.13	0.00	230,341.13	Mutual Fund
Dodge & Cox International	256206103	0.000	8/14/2019	N/A	288.752	11,030.32	0.00	11,030.32	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	8/14/2019	N/A	14,898.664	223,777.93	0.00	223,777.93	Mutual Fund
MFS International	552746356	0.000	8/14/2019	N/A	85.44	2,831.47	0.00	2,831.47	Mutual Fund
Doubeline Core Fix Income	258620301	0.000	8/14/2019	N/A	20,487.309	229,048.12	0.00	229,048.12	Mutual Fund
iShares Russell Mid Cap	464287499	0.000	8/14/2019	N/A	461.00	24,829.10	0.00	24,829.10	Mutual Fund
Vanguard Growth & Income	921913208	0.000	8/19/2019	N/A	200.481	15,894.15	0.00	15,894.15	Mutual Fund
DFA Large Cap	233203868	0.000	8/19/2019	N/A	151.023	3,219.82	0.00	3,219.82	Mutual Fund
Managers Behavioral Value	904504479	0.000	8/19/2019	N/A	121.578	7,074.60	0.00	7,074.60	Mutual Fund
Dodge & Cox Stock Fund	256219106	0.000	8/19/2019	N/A	99.012	18,047.97	0.00	18,047.97	Mutual Fund
Columbia Contrarian Fund	19766M709	0.000	8/19/2019	N/A	203.667	5,344.21	0.00	5,344.21	Mutual Fund
Dodge & Cox International	256206103	0.000	8/19/2019	N/A	78.104	3,045.27	0.00	3,045.27	Mutual Fund
MFS International	552746356	0.000	8/19/2019	N/A	18.696	633.06	0.00	633.06	Mutual Fund
Price T Rowe Growth	741479406	0.000	8/19/2019	N/A	57.293	3,944.02	0.00	3,944.02	Mutual Fund
Victoria RS	92647Q363	0.000	8/19/2019	N/A	31.301	2,575.17	0.00	2,575.17	Mutual Fund
Harbor Capital Appreciation	411512528	0.000	8/19/2019	N/A	54.197	4,018.72	0.00	4,018.72	Mutual Fund
Victory RS Small Cap Growth	926470363	0.000	9/27/2019	N/A	391.19	30,219.41	0.00	30,219.41	Mutual Fund
PGIM Total Return Bond	744408884	0.000	9/27/2019	N/A	1,353.985	20,336.85	0.00	20,336.85	Mutual Fund
Vanguard Real Estate	922908553	0.000	9/27/2019	N/A	42.00	3,899.91	0.00	3,899.91	Mutual Fund
Pimco Total Return Fund	693390700	0.000	9/27/2019	N/A	2,206.464	23,167.87	0.00	23,167.87	Mutual Fund
Price T Rowe Growth	741479406	0.000	9/27/2019	N/A	45.527	3,076.69	0.00	3,076.69	Mutual Fund
Vanguard Short Term	922031836	0.000	9/27/2019	N/A	716.075	7,683.49	0.00	7,683.49	Mutual Fund
Doubeline Core Fix Income	258620301	0.000	9/27/2019	N/A	1,975.398	22,025.69	0.00	22,025.69	Mutual Fund
iShares Russell Mid Cap	464287499	0.000	9/27/2019	N/A	19.00	1,058.40	0.00	1,058.40	Mutual Fund
<b>Sub Total / Average Buy</b>					<b>123,074.388</b>	<b>1,812,529.84</b>	<b>0.00</b>	<b>1,812,529.84</b>	



Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total	Security Type
<b>Deposit</b>									
US Bank PARS - Pension Trust MM	MM4901	0.000	7/31/2019	N/A	0.65	0.65	0.00	0.65	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	7/31/2019	N/A	109.56	109.56	0.00	109.56	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	7/31/2019	N/A	401.53	401.53	0.00	401.53	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	7/31/2019	N/A	20,137.99	20,137.99	0.00	20,137.99	Money Market
US Bank PARS - Pension Trust Cash	CASH4901	0.000	7/31/2019	N/A	5,884.69	5,884.69	0.00	5,884.69	Cash
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	0.12	0.12	0.00	0.12	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	467.03	467.03	0.00	467.03	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	7,979.86	7,979.86	0.00	7,979.86	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	816,636.25	816,636.25	0.00	816,636.25	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	1,784,134.73	1,784,134.73	0.00	1,784,134.73	Money Market
US Bank PARS - Pension Trust Cash	CASH4901	0.000	8/31/2019	N/A	97.58	97.58	0.00	97.58	Cash
US Bank PARS - Pension Trust MM	MM4901	0.000	9/30/2019	N/A	0.15	0.15	0.00	0.15	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	9/30/2019	N/A	443.39	443.39	0.00	443.39	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	9/30/2019	N/A	2,193.46	2,193.46	0.00	2,193.46	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	9/30/2019	N/A	24,072.12	24,072.12	0.00	24,072.12	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	9/30/2019	N/A	272,050.77	272,050.77	0.00	272,050.77	Money Market
US Bank PARS - Pension Trust Cash	CASH4901	0.000	9/30/2019	N/A	3,788.31	3,788.31	0.00	3,788.31	Cash
<b>Sub Total / Average Deposit</b>					<b>2,938,398.19</b>	<b>2,938,398.19</b>	<b>0.00</b>	<b>2,938,398.19</b>	

<b>Dividend</b>									
DFA Large Cap	233203868	0.000	7/1/2019	N/A	0.00	0.00	7,856.09	7,856.09	Mutual Fund
Vanguard Real Estate	922908553	0.000	7/2/2019	N/A	0.00	0.00	4,247.04	4,247.04	Mutual Fund
Doubline Core Fix Income	258620301	0.000	7/2/2019	N/A	0.00	0.00	2,150.17	2,150.17	Mutual Fund
Pimco Total Return Fund	693390700	0.000	7/31/2019	N/A	0.00	0.00	1,973.72	1,973.72	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	7/31/2019	N/A	0.00	0.00	2,046.92	2,046.92	Mutual Fund
Vanguard Short Term	922031836	0.000	7/31/2019	N/A	0.00	0.00	1,864.05	1,864.05	Mutual Fund
Doubline Core Fix Income	258620301	0.000	8/2/2019	N/A	0.00	0.00	1,997.59	1,997.59	Mutual Fund
Pimco Total Return Fund	693390700	0.000	8/31/2019	N/A	0.00	0.00	2,249.26	2,249.26	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	8/31/2019	N/A	0.00	0.00	2,480.79	2,480.79	Mutual Fund
Vanguard Short Term	922031836	0.000	8/31/2019	N/A	0.00	0.00	1,252.22	1,252.22	Mutual Fund
Doubline Core Fix Income	258620301	0.000	9/4/2019	N/A	0.00	0.00	2,542.59	2,542.59	Mutual Fund
Dodge & Cox Stock Fund	256219106	0.000	9/26/2019	N/A	0.00	0.00	5,306.55	5,306.55	Mutual Fund
Vanguard Real Estate	922908553	0.000	9/27/2019	N/A	0.00	0.00	4,382.90	4,382.90	Mutual Fund
DFA Large Cap	233203868	0.000	9/30/2019	N/A	0.00	0.00	3,281.86	3,281.86	Mutual Fund
Pimco Total Return Fund	693390700	0.000	9/30/2019	N/A	0.00	0.00	2,310.99	2,310.99	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	9/30/2019	N/A	0.00	0.00	2,333.90	2,333.90	Mutual Fund

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total	Security Type
Vanguard Short Term	922031836	0.000	9/30/2019	N/A	0.00	0.00	820.37	820.37	Mutual Fund
iShares Russell Mid Cap	464287499	0.000	9/30/2019	N/A	0.00	0.00	3,092.96	3,092.96	Mutual Fund
<b>Sub Total / Average Dividend</b>					<b>0.00</b>	<b>0.00</b>	<b>52,189.97</b>	<b>52,189.97</b>	

#### Interest

US Bank PARS - Pension Trust MM	MM4901	0.000	7/31/2019	N/A	0.00	0.00	401.53	401.53	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	7/31/2019	N/A	0.00	0.00	0.65	0.65	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	0.00	0.00	467.03	467.03	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	0.00	0.00	0.12	0.12	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	9/30/2019	N/A	0.00	0.00	0.15	0.15	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	9/30/2019	N/A	0.00	0.00	443.39	443.39	Money Market
<b>Sub Total / Average Interest</b>					<b>0.00</b>	<b>0.00</b>	<b>1,312.87</b>	<b>1,312.87</b>	

#### Sell

Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	237.767	3,504.69	0.00	3,504.69	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	301.256	4,440.51	0.00	4,440.51	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	447.534	6,596.65	0.00	6,596.65	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	1,229.488	18,122.65	0.00	18,122.65	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	1,858.426	27,393.20	0.00	27,393.20	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	11,807.755	174,046.31	0.00	174,046.31	Mutual Fund
Hartford Schroders Emerging Markets	41665H797	0.000	8/13/2019	N/A	39,520.505	582,532.24	0.00	582,532.24	Mutual Fund
Vanguard Growth & Income	921913208	0.000	8/14/2019	N/A	762.435	58,677.00	0.00	58,677.00	Mutual Fund
Managers Behavioral Value	904504479	0.000	8/14/2019	N/A	303.274	17,198.67	0.00	17,198.67	Mutual Fund
Dodge & Cox Stock Fund	256219106	0.000	8/14/2019	N/A	77.181	13,710.43	0.00	13,710.43	Mutual Fund
Columbia Contrarian Fund	19766M709	0.000	8/14/2019	N/A	1,851.771	47,238.68	0.00	47,238.68	Mutual Fund
Price T Rowe Growth	741479406	0.000	8/14/2019	N/A	521.812	34,851.82	0.00	34,851.82	Mutual Fund
Vanguard Short Term	922031836	0.000	8/14/2019	N/A	120.216	1,291.12	0.00	1,291.12	Mutual Fund
Vanguard Short Term	922031836	0.000	8/14/2019	N/A	5,029.607	54,017.98	0.00	54,017.98	Mutual Fund
Vanguard Short Term	922031836	0.000	8/14/2019	N/A	33,361.133	358,298.57	0.00	358,298.57	Mutual Fund
Victoria RS	92647Q363	0.000	8/14/2019	N/A	703.855	56,357.67	0.00	56,357.67	Mutual Fund
Harbor Capital Appreciation	411512528	0.000	8/14/2019	N/A	462.359	33,114.15	0.00	33,114.15	Mutual Fund
Hartford Schroders	41665X859	0.000	8/19/2019	N/A	15,009.992	223,198.58	0.00	223,198.58	Mutual Fund
Vanguard Real Estate	922908553	0.000	8/19/2019	N/A	149.00	13,664.81	0.00	13,664.81	Mutual Fund
Pimco Total Return Fund	693390700	0.000	8/19/2019	N/A	1,105.475	11,607.49	0.00	11,607.49	Mutual Fund
PGIM Total Return Bond	74440B884	0.000	8/19/2019	N/A	668.403	10,032.73	0.00	10,032.73	Mutual Fund
Vanguard Short Term	922031836	0.000	8/19/2019	N/A	224.745	2,416.01	0.00	2,416.01	Mutual Fund
Doubeline Core Fix Income	258620301	0.000	8/19/2019	N/A	682.563	7,624.23	0.00	7,624.23	Mutual Fund

Description	CUSIP/Ticker	YTM @ Cost	Settlement Date	Maturity Date	Face Amount/Shares	Principal	Interest/Dividends	Total	Security Type
iShares Russell Mid Cap	464287499	0.000	8/19/2019	N/A	439.00	24,198.54	0.00	24,198.54	Mutual Fund
Hartford Schroders	41665X859	0.000	9/27/2019	N/A	6,163.074	93,617.09	0.00	93,617.09	Mutual Fund
Vanguard Growth & Income	921913208	0.000	9/27/2019	N/A	512.361	41,147.71	0.00	41,147.71	Mutual Fund
DFA Large Cap	233203868	0.000	9/27/2019	N/A	914.17	20,157.45	0.00	20,157.45	Mutual Fund
Managers Behavioral Value	904504479	0.000	9/27/2019	N/A	647.295	39,750.39	0.00	39,750.39	Mutual Fund
Dodge & Cox Stock Fund	256219106	0.000	9/27/2019	N/A	154.067	28,690.36	0.00	28,690.36	Mutual Fund
Columbia Contrarian Fund	19766M709	0.000	9/27/2019	N/A	581.832	15,406.91	0.00	15,406.91	Mutual Fund
Dodge & Cox International	256206103	0.000	9/27/2019	N/A	531.616	21,748.41	0.00	21,748.41	Mutual Fund
MFS International	552746356	0.000	9/27/2019	N/A	280.982	9,679.83	0.00	9,679.83	Mutual Fund
Harbor Capital Appreciation	411512528	0.000	9/27/2019	N/A	25.354	1,852.62	0.00	1,852.62	Mutual Fund
<b>Sub Total / Average Sell</b>					<b>126,686.303</b>	<b>2,056,185.50</b>	<b>0.00</b>	<b>2,056,185.50</b>	

**Withdraw**

US Bank PARS - Pension Trust Cash	CASH4901	0.000	7/1/2019	N/A	5,994.25	5,994.25	0.00	5,994.25	Cash
US Bank PARS - Pension Trust MM	MM4901	0.000	7/31/2019	N/A	2,634.50	2,634.50	0.00	2,634.50	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	7/31/2019	N/A	2,973.41	2,973.41	0.00	2,973.41	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	97.58	97.58	0.00	97.58	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	2,650.34	2,650.34	0.00	2,650.34	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	2,988.74	2,988.74	0.00	2,988.74	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	816,636.25	816,636.25	0.00	816,636.25	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	8/31/2019	N/A	1,701,061.53	1,701,061.53	0.00	1,701,061.53	Money Market
US Bank PARS - Pension Trust Cash	CASH4901	0.000	9/1/2019	N/A	5,982.27	5,982.27	0.00	5,982.27	Cash
US Bank PARS - Pension Trust MM	MM4901	0.000	9/30/2019	N/A	2,608.85	2,608.85	0.00	2,608.85	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	9/30/2019	N/A	2,933.10	2,933.10	0.00	2,933.10	Money Market
US Bank PARS - Pension Trust MM	MM4901	0.000	9/30/2019	N/A	111,468.31	111,468.31	0.00	111,468.31	Money Market
<b>Sub Total / Average Withdraw</b>					<b>2,658,029.13</b>	<b>2,658,029.13</b>	<b>0.00</b>	<b>2,658,029.13</b>	



## FINANCE COMMITTEE

### Major Staff Projects

Title	Comments	Status
Human Resource Information System/Payroll System	Human Resource Information System/Payroll System	In Process
Invoice Cloud	Invoice Cloud (New Billing System)	In Process



## COMMITTEE POLICY & RESOLUTION REVIEW

### FINANCE COMMITTEE

#### Policy Assignments for 2019

Policy Name	Resolution No.	Date Adopted	Revision Schedule	Last Reviewed
Fees and Charges for Miscellaneous Services	1423	10/23/12	Review at least annually  * Scheduled for the 11/25/19 meeting	10/23/12
Travel and Business Expense Reimbursement	1467	11/16/15	Review and update as needed  * Scheduled for the 1/20/20 meeting	03/20/17
Designated Funds - Financial Policies and Guidelines in Establishing Rates	1443	03/15/14	Review at least once every 5 years  * Scheduled for the 1/20/20 meeting	03/15/14
Auditors, Policy to Solicit Proposals for Outside Services	1501	06/08/17	Review and update as needed	06/08/17
Capacity Charges	1449	08/14/14	Review and update as needed	08/14/14
Disposal of Surplus Property	1513	06/21/18	Review and update as needed	06/21/18
Identity Theft Prevention Program	1372	03/24/09	Review and update as needed	03/24/09
Investment Policy and Delegation of Authority	1506	12/14/17	Review and update as needed	12/20/18
Procurement Guidelines/ Disbursement Guidelines	1508	01/18/18	Review and update as needed	01/18/18



Dedicated to  
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Water Needs

# MEMORANDUM

TO: Finance Committee  
FROM: Marwan Khalifa, CPA, MBA, Chief Financial Officer  
DATE: November 25, 2019  
SUBJECT: Fiscal Year 2020 First Quarter Financial Update

## RECOMMENDATION

This item is provided for information.

## STRATEGIC PLAN

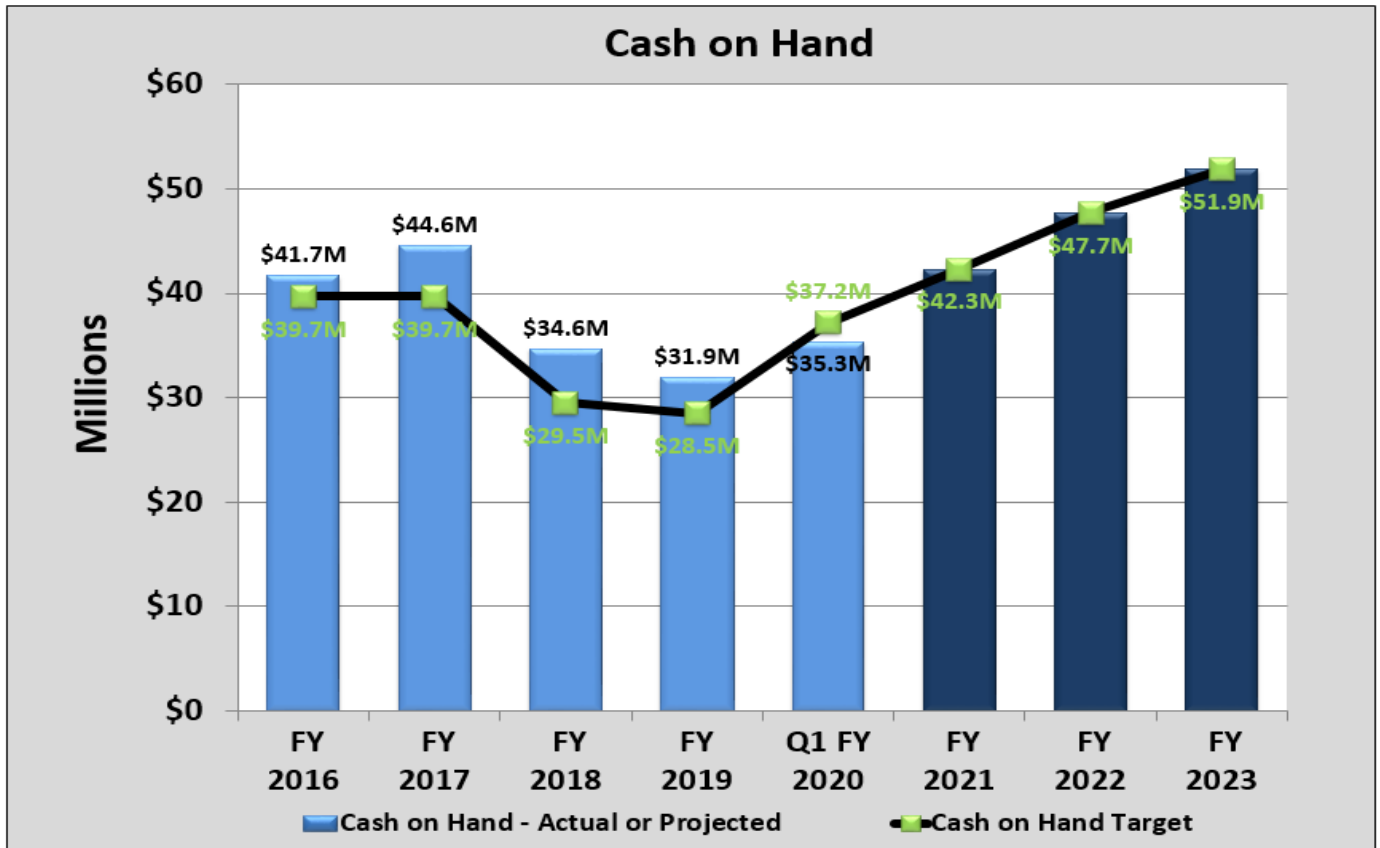
- Goal #1: Provide a safe, abundant, and reliable water supply.
- Goal #2: Practice perpetual infrastructure renewal and improvement.
- Goal #3: Be financially responsible and transparent.

## PRIOR BOARD ACTION/DISCUSSION

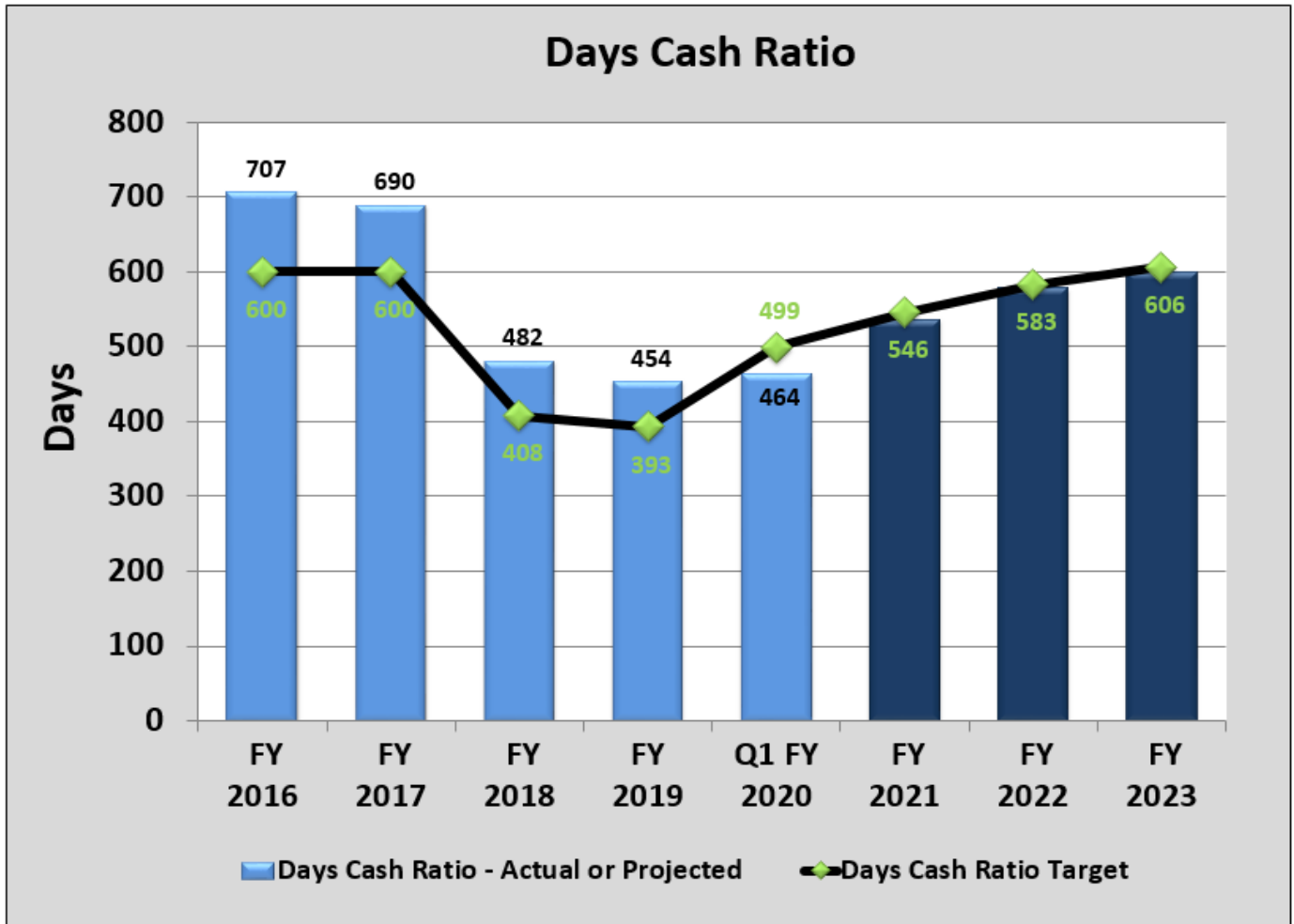
At its May 28, 2019 meeting, the Board of Directors (Board) approved the Fiscal Year (FY) 2020 Budget.

## DISCUSSION

Through the first quarter of FY 2020, Cash on Hand totaled \$35,312,000. As a result, Cash on Hand of \$35,312,000 is below the budgeted year-end cash balance of \$37,200,000.



Additionally, 464 Days Cash is below the budgeted Days Cash estimate of 499 days at year end by 35 days.



The Current Debt Coverage ratio is projected to be 349%, which exceeds both the requirement for the 2017 Revenue Certificates of Participation (COPs) and the Designated Funds Policy. The Debt Coverage ratio goal of the Board is 130% and was established in the Designated Funds Policy.

Water production is below budget through the first quarter by 7% and corresponds with a similar decrease in water revenue through the first quarter of FY 2020.



The mix of water production between clear and basin managed water has varied which is depicted in the table below:

	<b>Acre Feet</b>		<b>Variance</b>
	<b>Budgeted</b>	<b>Actual</b>	
Clear Water	2,559	3,126	(567)
Amber Water	1,500	1,227	273
Basin Managed (CPTP) Water	1,100	449	651
In-Lieu Water	-	-	-
Total	5,159	4,802	(357)

Clear and amber water costs have a combined favorable variance of \$184,770 due to production pumping less than budgeted. The total cost of potable water (including CPTP offset) is \$431,865 favorable to budget.

Total operating revenues year-to-date have an unfavorable balance of \$1,245,464 or approximately 11%. This is a result of water consumption being lower than expected. Additionally, operating expenses through the first quarter have a favorable balance of \$843,703 or 11%. This is predominately a result of lower than budgeted water costs due to a decrease in water consumption. As a result, operating income through September 30, 2019 has an unfavorable balance of \$475,881 or 17%.

In addition, non-operating revenue, net of expenses, through the first quarter of FY 2020 has a favorable balance of \$194,779 mostly due to investment earnings over-performing.

Overall, the Change in Net Position has an unfavorable balance of \$347,515 or 12% through September 30, 2019.

**ATTACHMENTS**

Attachment A: Statement of Revenues, Expenses, and Changes in Net Position for the Three Months Ended 09/30/2019





## Statement of Revenues, Expenses, and Changes in Net Position For the Three Months Ended 9/30/2019

	FY2020 YTD BUDGET	FY2020 YTD ACTUAL	Variance
<b>OPERATING REVENUES:</b>			
Water consumption sales	\$ 8,576,444	\$ 7,949,111	\$ (627,333)
Monthly meter service charge	1,975,632	1,906,072	(69,560)
Recycled water sales	664,463	342,408	(322,055)
Concession from governmental agencies (CPTP)	496,800	248,014	(248,786)
Other charges and services	111,600	133,870	22,270
<b>TOTAL OPERATING REVENUES</b>	<b>11,824,939</b>	<b>10,579,475</b>	<b>(1,245,464)</b>
<b>OPERATING EXPENSES:</b>			
Imported sources of supply	107,335	99,459	7,876
Basin managed water	945,000	328,365	616,635
Clear water cost	1,577,029	1,879,352	(302,323)
Amber water cost	1,109,704	992,151	117,553
Recycled water	486,221	334,541	151,680
Transmission and distribution	1,357,944	1,271,626	86,318
General and administrative	2,199,131	2,033,167	165,964
<b>TOTAL OPERATING EXPENSES</b>	<b>7,782,364</b>	<b>6,938,661</b>	<b>843,703</b>
<b>OPERATING INCOME BEFORE DEPRECIATION AND AMORTIZATION:</b>	<b>4,042,575</b>	<b>3,640,814</b>	<b>(401,761)</b>
Depreciation and amortization	(1,312,500)	(1,386,619)	(74,119)
<b>OPERATING INCOME (LOSS)</b>	<b>2,730,075</b>	<b>2,254,194</b>	<b>(475,881)</b>
<b>NONOPERATING REVENUES / (EXPENSES):</b>			
Bond issuance costs	-	-	-
Investment earnings	116,250	252,319	136,069
Interest expense - long term debt	(213,313)	(213,313)	-
Gain (Loss) on sale/disposition of capital assets, net	-	-	-
Impairment of capital assets & termination of lease	(7,500)	-	7,500
Other non-operating, net	(6,250)	44,960	51,210
<b>NONOPERATING REVENUES / (EXPENSES)</b>	<b>(110,813)</b>	<b>83,966</b>	<b>194,779</b>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<b>2,619,262</b>	<b>2,338,160</b>	<b>(281,102)</b>
<b>CAPITAL CONTRIBUTIONS:</b>			
Capacity and installation charges	-	-	-
Capital Grant (includes LRP)	250,782	184,369	(66,413)
Developers and others	-	-	-
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>250,782</b>	<b>184,369</b>	<b>(66,413)</b>
<b>CHANGE IN NET POSITION</b>	<b>\$ 2,870,044</b>	<b>\$ 2,522,529</b>	<b>\$ (347,515)</b>



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Water Needs*

## MEMORANDUM

TO: Finance Committee  
FROM: Marwan Khalifa, CPA, MBA, Chief Financial Officer  
DATE: November 25, 2019  
SUBJECT: Rules and Regulations for Water Service

---

### RECOMMENDATION

Recommend that the Board of Directors adopt Resolution No. XXXX Amending Mesa Water's Rules and Regulations for Water Service Superseding Resolution No. 1514.

### 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 #6: Provide outstanding customer service.

### PRIOR BOARD ACTION/DISCUSSION

At its February 11, 2016 meeting, the Board of Directors (Board) adopted Resolution 1470 Amending the Rules and Regulations for Water Service Superseding Resolution No. 1452.

At its July 12, 2018 meeting, the Board adopted Resolution No. 1514 Amending Rules and Regulations for Water Service Superseding Resolution No. 1470. The resolution included an upper limit amount to the General Manager's authority to waive Delinquent Fees and a limit of up to \$5,000 based on half the General Manager's authority to approve sole source contracts.

### BACKGROUND

Mesa Water District (Mesa Water®) periodically updates its Rules and Regulations for Water Service to reflect changes in industry practices, enhance business practices with its customers, and modify requirements based on newly enacted laws. Mesa Water's Rules and Regulations for Water Service provides the minimum requirements of how the District will provide water service to its customers, each party's rights and responsibilities, and methodology of resolving disputes.

### DISCUSSION

The following are proposed amendments to Mesa Water's existing Rules and Regulations for Water Service:

**Amend Section 2.6 Customer Liability** – This section was updated to add language regarding the consequences of tampering with any Mesa Water property including locks, meters or unauthorized restoration of service.

**Remove Section 3.4.1 Billing Disputes** – This section was removed and added, with additional information, to Section 3.13.1.



**Amend Section 3.5.5 Payment Extensions & Section 3.5.6 Payment Plans** – These sections were updated to state that only one payment arrangement can be active at a time.

**Amend Section 3.6 Delinquencies** – This section was updated to include customer service contact information and the District's address.

**Amend Section 3.6.1 Delinquent Bills** – This section was updated to increase the number of days to a delinquent bill and add detailed information regarding what information will be included in a mailed notice to the customer.

**Amend Section 3.6.2 Final Written Notice of Service Termination** – This section was updated to increase the number of days to a final notice and to include information required by SB-998 Discontinuation of residential water service: urban and community water systems.

**Amend Section 3.6.3 Notice of Pending Water Service Termination for Non-Payment** – This section was updated to include information required by SB-998 Discontinuation of residential water service: urban and community water systems.

**Add Section 3.7 Termination of Water Service for Non-Payment** – This section was added to include information required by SB-998 Discontinuation of residential water service: urban and community water systems.

**Add Section 3.9 Procedures for Occupants or Tenants to Become Customer of Record of Mesa Water District** – This section was added to detail the process for which a customer can become a customer of record for Mesa Water, including becoming a customer without paying a prior balance of a previous customer.

**Amend Section 3.13 (Formerly 3.9) Customer Inquiries, Disputes and Complaints** – This section was updated to include subsection 3.13.1 Billing Disputes.

**Add Section 4.2.7.1 Meter Equipment Standards** – This section was added to include Meter Technology by Type of Use.

**Add Section 4.2.7.2 High-Use Customers** – This section was added to identify high-use customers and the potential for those customers to be provided real-time metering equipment.

**Add Section 4.2.7.3 Non-High Use Customers** – This section was added to identify non-high use customers and the potential for those customers to be provided real-time metering equipment at their own cost.

**Minor grammatical and pronoun amendments** – Various references to Mesa Water or the District have been made more consistent. Additional minor grammatical changes were made throughout the resolution.

Staff recommends that the Board consider approving the aforementioned amendments to Mesa Water's Rules and Regulations for Water Service.



FINANCIAL IMPACT

None.

ATTACHMENTS

- Attachment A: Draft Resolution No. XXXX
- Attachment B: Resolution No. 1514, Redline

**RESOLUTION NO. XXXX**

**RESOLUTION OF THE  
MESA WATER DISTRICT BOARD OF DIRECTORS  
AMENDING RULES AND REGULATIONS FOR WATER SERVICE  
SUPERSEDING RESOLUTION NO. 1514**

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

WHEREAS, Mesa Water has established Rules and Regulations for Water Service (Rules and Regulations) concerning the sale, distribution and use of water, and related matters pursuant to the provisions of California Water Code Sections 31000, 31001 and 31024; and

WHEREAS, the Board of Directors (Board) has determined that it is appropriate at this time to provide for certain amendments to the Rules and Regulations; and

WHEREAS, the Board has determined to adopt this Resolution to provide for such amendments to the Rules and Regulations.

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

**Section 1.** The Rules and Regulations are amended as set forth in Attachment A to this Resolution, which is incorporated herein by this reference. The amendments to the Rules and Regulations shall be effective immediately upon the adoption of this Resolution by the Board.

**Section 2.** Except as set out in Section 1, above, the Rules and Regulations are not otherwise amended or revised.

**Section 3.** Mesa Water staff and consultants are authorized to take such other and further action(s) as are necessary or desirable to carry out the directives of this Resolution.

ADOPTED, SIGNED AND APPROVED this 12<sup>th</sup> day of December 2019 by the following roll call vote.

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

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Shawn Dewane  
President, Board of Directors

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Denise Garcia  
District Secretary

**RESOLUTION NO. XXXX**

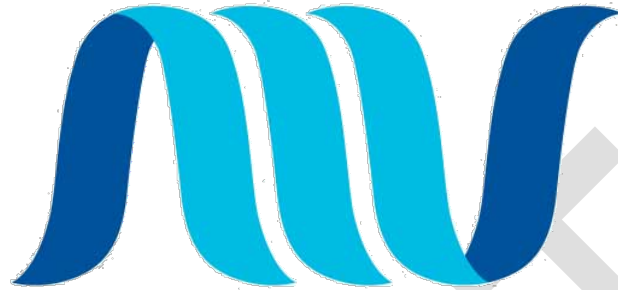
**ATTACHMENT A**

**RESOLUTION OF THE  
MESA WATER DISTRICT BOARD OF DIRECTORS  
AMENDING THE RULES AND REGULATIONS FOR WATER SERVICE  
SUPERSEDING RESOLUTION NO. 1514**

Rules and Regulations for Water Service

December 12, 2019

DRAFT



**MesaWater**  
DISTRICT®

---

**Rules and Regulations  
for Water Service**

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Adopted on December 12, 2019

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## SECTION 1 – GENERAL

### 1.1 INTRODUCTION

Mesa Water District (Mesa Water®) was formed on January 1, 1960, under the provisions of the Costa Mesa Merger Law being Water Code Sections 33200 and following, a special act of the California Legislature, which was enacted in 1959. Mesa Water District is a county water district operating pursuant to the County Water District Law. The Board, as authorized by Sections 31000, 31001, 31024, and 31025 of the Water Code, has established these Rules and Regulations for the sale, distribution and use of Water.

Mesa Water provides Water Service to all Applicants, subject to the availability of Water and the facilities necessary to provide the service, conditional upon receipt of all required Fees and Charges and in accordance with these Rules and Regulations.

All terms, conditions, Rates and requirements contained herein are subject to change by actions of the Board.

### 1.2 DEFINITIONS

Whenever the following terms, or pronouns used in their place, occur in these Rules and Regulations, or in any documents that these Rules and Regulations govern, the intent and meaning shall be interpreted as follows:

AFSSC – shall mean Automatic Fire Sprinkler Service Connection for the dedicated fireline Service Connections.

Air-Gap Separation – shall mean a physical separation between the free flowing discharge end of a Water supply pipeline and an open or non-pressure receiving vessel. The separation shall be at least double the diameter of the supply pipe measured vertically above the overflow rim of the vessel, and in no case less than one inch. The design shall be to the satisfaction of the General Manager or the General Manager's Designee(s) and the Appropriate Regulatory Agencies.

Applicant – shall mean any person, persons, firm, corporation, association or agency that desires and applies to obtain Water Service from Mesa Water.

Application for New Service Form – shall mean a contractual agreement applied for by a person, persons, firm, corporation, association or agency who desires to install, remove, alter or replace, or cause to be installed, removed, altered, or replaced, any Water facility or appurtenance.

Application for New Service Permit – shall mean the Application for New Service Form becomes a permit when approved and validated by Mesa Water.



Application for Temporary Water Service – shall mean a contractual agreement applied for by a person, persons, firm, corporation, association or agency who desires to obtain temporary Water Service for use during construction.

Appropriate Regulatory Agencies – shall mean those public agencies legally constituted to protect the public health and Water quality such as, but not limited to, the California Department of Health Services, the Santa Ana Regional Water Quality Control Board, the Orange County Health Care Agency and the City of Costa Mesa Building and Safety Department.

Approved Use – shall mean an application of Recycled Water in a manner, and for a purpose, designated in a User Agreement or Water Service Agreement issued by Mesa Water and in compliance with any and all appropriate regulatory agency requirements.

Approved Use Area – shall mean a site, with well-defined boundaries, designated in a User Agreement or Water Service Agreement issued by Mesa Water to receive Recycled Water for an Approved Use and acknowledged by the Appropriate Regulatory Agencies.

AWWA – shall mean American Water Works Association.

AWWA Guidelines – shall mean the latest versions of “*Guidelines for Distribution of Non-Potable Water*” and “*Guidelines for the On-site Retrofit of Facilities Using Disinfected Tertiary Recycle Water*” as put out by the California-Nevada Section of the American Water Works Association.

Backflow – shall mean the flow of Water or other liquids, mixtures, gases or any other substances into the distribution pipes of the Potable Water System from any source or sources other than Mesa Water’s sources.

Backflow Prevention Assembly – shall mean a specially designed and certified Reduced Pressure Principle Backflow Prevention Assembly and the Double Check Valve Assembly, that is used in protecting the Potable Water System from contamination that originated downstream of the assembly.

Basic Charge – shall mean a fixed Rate or charge imposed by Mesa Water for readiness-to-serve Water on a periodic basis based on meter or service size, as applicable, as set forth in the Water Rate and Charge Schedule.

Billing Unit – shall mean the unit of Water used to apply Water Rates for purposes of calculating Water Charges for Water usage. Mesa Water’s Billing Unit is currently equal to 100 cubic feet of Water.

Board or Board of Directors – shall mean the elected Board of Directors of the Mesa Water District.



Business Day – shall mean Monday – Friday 8:00 a.m. to 5:00 p.m. excluding holidays.

Capacity Charge – shall mean a Fee or Charge charged to an Applicant in connection with an Application for New Service Permit, for an increase in demand for Potable Water Service. A Capacity Charge shall be charged for property not previously served by Mesa Water or property with an existing Water Service requiring an increase in demand for Water Service.

Charges – shall mean the accumulation of any and all applicable Fees, Rates, Basic Charge(s), Usage Charge(s), and other amounts due pursuant these Rules and Regulations, or as otherwise directed by Mesa Water, chargeable to the Customer of Record or other person or party, as shall be applicable.

Construction Use – shall mean an Approved Use of Water to support construction activities such as soil compaction and dust control.

Contractor – shall mean the party entering into contract with the Applicant for performance of the work for which Mesa Water issues a Permit. The Applicant and the Contractor may or may not be one and the same.

County of Orange Health Care Agency, Department of Environmental Health (OCHCA) – shall mean the local health agency responsible for onsite public health issues covering Mesa Water’s service area.

County of Orange Department of Public Health (OCDPH) – See County of Orange Health Care Agency, Department of Environmental Health (OCHCA).

Cross Connection – shall mean any unprotected, actual or potential connection between any part of a Potable Water System used to supply Water for drinking purposes and any source or system containing Water or substance that is not or cannot be approved by Mesa Water as safe, wholesome and potable. By-pass arrangements, jumper connections, removable sections, swivel or changeover device(s), or other device(s) through which Backflow could occur, shall be considered to be Cross Connections.

Customer – shall mean any person, persons, firm, corporation, association or agency receiving Water or services from Mesa Water.

Customer Agent – shall mean any person, persons, firm, corporation, association, or agency that has power of attorney or other written authorization from the Customer of Record, provided to Mesa Water, to act on their behalf.

Customer Control Valve – shall mean a valve meeting the requirements of the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities, installed on the outlet side of a Water meter.

Customer of Record – shall mean the person or persons, firm, corporation, association or agency that has entered into a contractual agreement with Mesa Water for Water Service. The contractual agreement may include the Application for New Service permit, the Water Service Agreement, the Application for Temporary Water Service Permit, and a request for service received at Mesa Water by phone, mail or in person. The Customer and Customer of Record may or may not be one and the same. The Customer of Record is responsible for payment of all monies owed on accounts for which the Customer of Record has entered into a contractual agreement.

Customer Records – shall mean records described within California Government Code Section 6254.16.

DC or DCV – shall mean a Double Check Valve Assembly, which is a Backflow Prevention Assembly used to protect against a non-health hazard (pollutant).

DCDA – shall mean a Double Check Detector Assembly with a parallel meter arrangement, equipped with an approved Double Check Valve Assembly, to detect unauthorized use of Water.

Delinquent Fee – shall mean a Fee assessed on any bill or invoice in which the payment was not received by the due date, as set forth in the Water Rate and Charge Schedule.

Deposit – shall mean any money held by Mesa Water for the purpose of guaranteeing payment of money owed to the District for the costs of service. Deposits are applicable only to the account(s) for which such money was collected. Deposits are refunded only to the Customer of Record, unless the deposit or has made a written request and has received permission from Mesa Water to do otherwise.

Design Area – shall mean a site, with well-defined boundaries, proposed to receive Water for an Approved Use as delineated in an application for a User Agreement or Water Service Agreement.

Design Consultant – shall mean any person or firm registered with the State as an engineer or landscape architect to provide Water System design plans, site layout, landscaping, or irrigation system design services.

Direct Beneficial Use – shall mean the use of Recycled Water that has been transported from the point of production to the point of use without an intervening discharge to waters of the State.

Direct Overspray – shall mean any discharge of Water directly onto areas other than that for which the application of Recycled Water is approved.

District Agent or District Designee – shall mean any person, persons, firm, corporation, association, or agency that has obtained written authorization from the General Manager or Board of Directors to represent Mesa Water or act on the District’s behalf.

District Engineer – shall mean the duly approved and acting District Engineer of the Mesa Water District or an authorized designee.

District Water System – shall mean the entirety of the Mesa Water owned and controlled Water system, inclusive of the Potable Water System and Recycled Water System, inclusive of all appurtenances and attachments thereto, up to and including the Point of Connection.

Division of Drinking Water (DDW) – shall mean the primary State agency (the State Water Resources Control Board) responsible for protection of public health and the regulation of drinking Water. The California Legislature has defined several specific regulatory responsibilities of DDW related directly or indirectly to Recycled Water use activities.

Drawings – shall mean the plans, working drawings, detail drawings, profiles, typical cross sections and supplemental drawings or reproductions thereof, approved by Mesa Water, which show locations, character, dimensions or details of the work or modifications to be performed.

Due Date – shall mean the date a bill or invoice is due. If not paid by the stated Due Date a bill or invoice becomes delinquent.

Fee – shall mean any amount of money imposed or required by Mesa Water to a Customer of Record or other person or party, as applicable: (i) for Mesa Water employees to perform a service; (ii) as a penalty (which may include assessed penalties resulting from a Violation); and/or (iii) to recoup costs, each as stated in the Water Rate and Charge Schedule or other Fee schedule adopted by Mesa Water. Fees shall include, but are not limited to, those Charges imposed by Mesa Water on its Customers for services based on a fixed schedule for the particular Fee or Charge, generally not tied to a specific volume of use and thus independent of Rates. Examples of Fees include, but are not limited to, plan check and construction inspection Fees and Final Notice Fees.

Final Notice Fee(s) – shall mean a Fee assessed on any bill, after the bill has been in arrears, prior to termination of service in the event payment was not received by the due date, as stated in the Water Rate and Charge Schedule.

General Manager or Designee – shall mean the duly appointed and acting General Manager, interim General Manager or equivalent officer appointed by the Board of Directors of Mesa Water District.

General Public – shall mean any person(s) at large who may come in contact with

facilities or areas where Water is approved for use.

Hose Bib – shall mean a faucet or similar device to which a common garden hose can be readily attached (California Code of Regulations Title 22 Section 60301.400).

Irrigation Use – shall mean an Approved Use of Potable Water or Recycled Water for landscape, horticultural, or agricultural irrigation. Irrigation Use for Recycled Water is defined under Title 22 of the California Code of Regulations.

Landscape Irrigation System – shall mean an irrigation system with pipes, drip hoses, spray heads, or sprinkling devices that are operated by hand or through an automated system.

Level – shall mean any building surface above or below the street grade.

Main or Mainline – shall mean Water distribution pipelines located in streets, highways, public ways or private right-of-ways used to deliver or transmit Water.

Mesa Water or District – shall mean the Mesa Water District or authorized District Agent.

Mesa Water Inspector – shall mean any person authorized by Mesa Water to perform inspections of either Onsite or Offsite facilities prior to construction, during construction, after construction and during operation.

Mesa Water Office or Office – shall mean the Mesa Water business office - currently located at 1965 Placentia Avenue, Costa Mesa, California 92627.

Non-Potable Water – shall mean Water (including Recycled Water) that is not intended for human consumption in conformance with the standards referred to in the definition of Potable Water, below, such as Potable Water downstream of an approved Backflow Prevention Assembly within an Landscape Irrigation System.

Offsite or Offsite Facilities or Offsite System – shall mean all Recycled Water Facilities and appurtenances thereto upstream of the Point of Connection.

Onsite or Onsite Facilities or Onsite System – shall mean all Recycled Water Facilities as designed, constructed, altered, repaired, replaced or restored downstream from the Point of Connection.

Owner – shall mean any holder of legal title, contract purchaser, or lessee under a lease where the tenant(s) are responsible for Water Service, of property for which Water Service has been requested or established.

Point of Connection – shall mean the location where the Offsite Water Service line connects to the Onsite System, which shall be taken at the downstream end of Mesa Water’s Customer Control Valve located on the service meter. In the absence of a Customer Control Valve, the Point of Connection will be taken at the downstream end of the service meter unless, by written agreement only, Mesa Water designates another location as the Point of Connection. Mesa Water’s meter normally will be set in a location that abuts a curb line or property line of the Approved Use Area.

Point of Ownership – Mesa Water’s Point of Ownership shall end at the outlet side of the Customer Control Valve or, if in the absence of a Customer Control Valve, the outlet side of the water meter or the control valve upstream of the Backflow Assembly. By written agreement only, Mesa Water may designate another location as the ending Point of Ownership.

Ponding – shall mean the retention of Recycled Water on the surface of the ground or other natural or constructed surface for a period of time following the cessation of an approved Recycled Water use activity such that a hazard, or potential hazard, to the public health results.

Potable Water – shall mean Water that is approved for human consumption by the appropriate federal, State, and local regulatory agencies.

Potable Water System – shall mean the facilities that produce, convey, and store Potable Water.

Presentation Date or Billed Date – shall mean the date a bill or invoice is generated. The Presentation Date will generally be printed on the bill or invoice.

Purple Color – shall mean the color Pantone 512 or approved equal that is used to identify aboveground equipment using Recycled Water.

Pulled Meter – shall mean where the meter has been removed, but the service line is still in place.

Qualified Person – shall mean the Mesa Water District Engineer or other designee as assigned by the District Engineer.

Rate(s) – shall mean the Basic Charge and/or the Usage Charge, as shall be applicable.

RPDA – shall mean a line-sized approved Reduced Pressure Principle Detector Assembly with a parallel meter arrangement, equipped with an approved Reduced Pressure Principal Assembly, to detect unauthorized use of Water.

RPP or RPPD – shall mean a Reduced Pressure Principal Assembly, which is a Backflow Prevention Assembly used to protect against a non-health hazard (pollutant)

or a health hazard (contaminant).

Recycled Water – shall mean Water that, as a result of treatment of wastewater, is suitable for Direct Beneficial Use or controlled use that would not otherwise occur.

Recycled Water Service – shall mean the furnishing of Recycled Water to a user, pursuant to these Rules and Regulations, through a metered connection to the Onsite Facilities.

Recycled Water System or Recycled Water Facilities – shall mean the Offsite Facilities that produce, convey, store and supply Recycled Water.

Recycled Water User – shall mean any Customer issued a User Agreement or Water Service Agreement by Mesa Water that replaces the User Agreement. The Recycled Water User and Owner may be one and the same.

Record Drawings – shall mean the design drawings that have been marked to show all construction changes for a given project to the best of available knowledge.

Rules and Regulations – shall mean these Rules and Regulations for Water Service as adopted, and as such may be amended from time to time, by Mesa Water.

Returned Item Fee – shall mean a Fee assessed to the Customer of Record for any payment that is returned by the District's or Customer of Record's financial institution or bank, in the amount set forth in the Water Rate and Charge Schedule.

Retrofit – shall mean to change or modify in part or in whole the existing plumbing of an Onsite Potable Water System in order to serve Recycled Water.

Runoff – shall mean the flow of Potable Water or Recycled Water along the surfaces of the ground or other natural or constructed surface, including, but not limited to, pedestrian walkways, streets, playground surfaces and grassy slopes.

SARWQCB – shall mean the Santa Ana Regional Water Quality Control Board.

Service Connection – shall mean the physical Point of Connection of the Customer's Water System with the Water Service facilities of the District, including the tap, line, curb stop, meter and meter box supplied by and owned by the District. Typically, the Service Connection shall be the downstream end of the Water meter tailpiece.

Service Restoration Trip Fee – shall mean a Fee assessed on any account when a Mesa Water employee arrives at the service address to restore Water Services after being terminated for non-payment, as set forth in the Water Rate and Charge Schedule.



Service Termination Trip Fee – shall mean a Fee assessed on any account when a Mesa Water employee arrives at the service address to terminate Water Services after being terminated for non-payment, as set forth in the Water Rate and Charge Schedule.

Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities – shall mean the latest version of Mesa Water's publication.

State – shall mean the State of California.

Usage Charge(s) – shall mean the charge(s) based on the amount of Water that has passed through the Point of Ownership, based on measured usage from Water meter readings, or in some cases, estimated usage.

User Agreement – shall mean the "Recycled Water User Agreement" is a contractual agreement between the user and Mesa Water that establishes the conditions for Recycled Water Service that the District may use in place of the standard Water Service Agreement.

User Supervisor – shall mean a Qualified Person designated by the user (Customer) and approved by Mesa Water who is responsible for the installation, operation, and maintenance of the user onsite facilities, the prevention of Cross Connection, and compliance with these Rules and Regulations.

Violation – shall mean non-compliance with any condition or conditions of these Rules and Regulations, User Agreement, or Water Service Agreement by any person, action or occurrence, whether willfully or by accident.

Water – shall mean all Water provided by Mesa Water for use within its service area or otherwise, and is inclusive of both Potable Water and Recycled Water.

Water Conservation Coordinator – shall mean the person (who may be an officer or employee of Mesa Water) charged with the principal enforcement of the District's Policies and Programs related to water efficiency and the conservation of water within Mesa Water's service area. The Water Conservation Coordinator may be the General Manager or the General Manager's Designee(s).

Water Quality Report – shall mean the annual Consumer Confidence Report.

Water Rate and Charge Schedule – shall mean the then current schedule of Rates, Fees, and Charges as approved by the Board of Directors.

Water Recycling Criteria – shall mean the Uniform Statewide recycling criteria established in California Code of Regulations Title 22 by DDW for each varying type of use of Recycled Water where the use involves the protection of public health (California Water Code Section 13521).

Water Service – shall mean the availability of Water as provided by the District.

Water Service Agreement – shall mean a written contractual agreement between an Applicant and Mesa Water regarding the terms under which the District shall provide Water Service to the Applicant.

Windblown Spray – shall mean dispersed, airborne Recycled Water capable of being transmitted through the air by natural or manmade wind to locations other than that for which the direct application of Recycled Water is approved.

### **1.3 SERVICE AREA**

Mesa Water provides Potable Water and Recycled Water Service to most of the City of Costa Mesa, parts of the City of Newport Beach and some unincorporated county areas, including the John Wayne Airport. The District's service area is on file at the Mesa Water Office. Mesa Water may only provide water or services outside of the service area through special arrangement.

### **1.4 SERVICE CONDITIONS**

Water Service shall be available only in accordance with these Rules and Regulations, as well as applicable federal, State, and local statutes, ordinances, regulations, and contracts, and other requirements including, but not by way of limitation, the California Water Code, the California Administrative Code and regulations imposed by State and local health departments, as well as the terms of any Water Service Agreement (Refer to Appendix 6) or Permit issued by Mesa Water. Any such Permit may be revoked by Mesa Water, and there upon, all such Water Service, shall cease in the manner provided in these Rules and Regulations.

As a condition of service, Mesa Water reserves the right to require any Applicant to construct any water facility that it deems essential, including adding capacity for future use of the water facilities.

### **1.5 REQUESTS FOR THE RELEASE OF CUSTOMER RECORDS**

Mesa Water holds various records concerning its operations, services, and Customers of Record. Mesa Water has adopted specific policies concerning certain records retained by the District concerning its Customers, which fall within the scope of California Government Code Section 6254.16. That Section provides that certain information and records are not subject to requests made for records pursuant to the provisions of the California Public Records Act (being California Government Code Section 6250 *et seq.*). Those policies and directives are set out in Mesa Water's Public Records Act Policies and are incorporated herein by this reference. Such policies were and are enacted by the Board pursuant to Water Code Sections 31000, 31001 and 31024 and shall be, and are, part of these Rules and Regulations.



## **1.6 ESTABLISHMENT OF RATES**

In accordance with the California Water Code, the Board fixes the Water Rates and other related Fees and Charges. Periodically, the Board reviews and adjusts the Rates, Fees and Charges.

The Water Rate and Charge Schedule is available at the Mesa Water Office and is posted on the website at [www.MesaWater.org](http://www.MesaWater.org).

## **1.7 GUIDELINES AND INTERPRETATIONS**

The General Manager shall have the authority to adopt additional guidelines or generate written interpretations of these Rules and Regulations where necessary for day-to-day operations until such time as the Board chooses to act on such matter or on an indefinite basis if the matter is strictly operational. The General Manager shall make the Board aware of any day-to-day changes or adopted guidelines.

## **1.8 SEVERABILITY**

If any section, subsection, sentence, clause or phrase of these Rules and Regulations is for any reason held to be invalid or unconstitutional, such decision shall not affect the remaining portions of these Rules and Regulations. The Board hereby declares that it would have passed these Rules and Regulations by section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

## **1.9 AMENDMENTS**

The Board reserves the right, in its sole discretion, to amend these Rules and Regulations from time to time.

## **SECTION 2 – CONDITIONS FOR SERVICE**

### **2.1 ACCESS TO PREMISES**

Authorized employees of Mesa Water, upon presentation of credentials and during reasonable or necessary hours, and at any frequency per the business needs of the District, shall have free access including, but not limited to, gate codes and keys or key cards, to any premises supplied with Water by Mesa Water for the purpose of reading meters, making repairs, inspections, examinations or tests of the Water System upon said premises and to ensure compliance with these Rules and Regulations.

If any authorized employee is refused admittance to any premises, or is hindered or prevented from reading meters, making repairs or inspections, examinations or tests, Mesa Water may cause the Water to be turned off from said premises after giving 24 hours' notice to the Owner or occupant of said premises of the intention to do so. In the case of major Violations, health hazards, or for shut off due to non-payment Mesa Water may cause the Water to be turned off without notice.

### **2.2 OPERATION BY MESA WATER EMPLOYEES**

All of the District's Water System, including but not limited to, Water pipelines, reservoirs, fire hydrants, manholes, pumping stations, valves, connections, treatment facilities and other appurtenances and property, shall be under the management and control of the General Manager. No other persons, except authorized employees of Mesa Water, shall have any right to enter upon, inspect, operate, adjust, change, alter, move or relocate any portion of the foregoing or any of Mesa Water's property without the written consent of the General Manager or the General Manager's Designee(s). In the event that an unauthorized person(s) enters upon, inspects, operates, adjusts, changes, alters, or relocates any facilities without written consent from the General Manager or the General Manager's Designee(s) then Mesa Water reserves the right to prosecute such an unauthorized person to the fullest extent of the law.

### **2.3 ENFORCEMENT OF EXISTING SERVICE CONNECTIONS**

Existing Service Connections shall be brought into compliance with these Rules and Regulations when the Customer of Record is so notified of a Violation or non-compliance by Mesa Water. The notification will include a compliance date. Failure to comply by the compliance date may result in appropriate action(s) by Mesa Water, up, and including, termination of Water Service.

### **2.4 MESA WATER'S RIGHT TO INTERRUPT SERVICE**

Mesa Water reserves the right at any and all times to shut off Water Service for emergency, operational or maintenance purposes.

Mesa Water will make reasonable efforts to minimize negative impacts and provide appropriate notice to the Customer(s) when shutdowns occur. However, Mesa Water assumes no liability for the damages, real or monetary, as a result of such shutdowns or interruptions in service.

## **2.5 MESA WATER LIMITS OF RESPONSIBILITY AND LIABILITY**

Mesa Water assumes no responsibility for the maintenance or operation of the Customer's Water System or facilities beyond the Point of Ownership.

Mesa Water assumes no responsibility or liability if damage or injury is the result of the Customer or Customer of Record violating these Rules and Regulations.

Mesa Water does not, and will not, assume any liability for damages to private property or for personal injury as a result of interruptions in Water Service or variations in Water pressure as provided for herein.

## **2.6 CUSTOMER LIABILITY**

Except to shut off Water to prevent damage, no person other than an authorized Mesa Water employee shall, at any time or in any manner, operate or cause to be operated, any valve in or connected with a Water Main, Service Connection or fire hydrant or tamper or otherwise interfere with any Water meter, check valve or other part of the District's Water System, except the Customer Control Valve. In the event a person, for any reason, digs out or uncovers a corporation stop, angle meter stop or valve controlling a Water supply, lifts or removes a meter box cover or its center piece or causes or suffers any such act to be done, such person will be held liable to Mesa Water for any injury or damage occasioned thereby or resulting there from. In addition, the Customer of Record will be held liable to Mesa Water for any costs incurred for repairing, replacing or adjusting any meter or other appurtenances which have been damaged due to negligence or carelessness, including but not limited to, damages caused by hot Water or steam from a boiler.

Tampering with the lock, meter or appurtenances, unauthorized service restoration or in any other manner interfering or tampering with Mesa Water's property, is prohibited per these Rules and Regulations and California Penal Code Sections 498, 592, 624 and 625. Penalties for such interference will be charged in accordance with the Water Rate and Charge Schedule to the Customer of Record. Criminal penalties, as set out in State Law, may also apply.

## **2.7 VIOLATIONS AND ENFORCEMENT**

Mesa Water shall have the right to terminate service to any Customer or property who fails to comply with these Rules and Regulations. Such discontinuance of service shall occur after the Customer of Record has been given notice to remedy such non-compliance and to cease and desist from such Violation or infraction, and a reasonable

opportunity thereafter within which to comply with said notices. Such time may be specified in the notice to comply/desist. No such notice need be given where the non-compliance, Violation or infraction of any rule or regulation by the Customer results, or is likely to result, in a dangerous or unsanitary condition or a health, pollution or system hazard on the Customer's premises or in the District's Water System or elsewhere, or where discontinuance of service is necessary to protect Mesa Water from fraud, loss or abuse.

By definition, non-compliance with any condition or conditions of these Rules and Regulations, Application for New Service or Application for New Service Permit, whether willfully or by accident, shall constitute a Violation. The General Manager may assess a fine to the Customer of Record, as stated in the Water Rate and Charge Schedule (Refer to Mesa Water's website at [www.MesaWater.org](http://www.MesaWater.org)), for each Violation of these Rules and Regulations and for each incidence involving the intentional and improper taking of Water. Each day that a Violation of these Rules and Regulations continues, or each day such intentional and improper taking of Water continues, shall be treated as a separate Violation of this provision. No further Water Service shall be provided to such Customer or property by Mesa Water until such charge has been paid or otherwise satisfied. If the charge is paid under protest, the Customer of Record may file a written appeal to the Board.

## **2.8 CORRECTIVE ACTION**

Any person, firm, corporation, association, or agency found to be violating any provision of these Rules and Regulations or the terms and conditions of the Application for New Service, Application for New Service Permit, or applicable State or local statutes, regulations, ordinances, or other requirements shall be served by Mesa Water with written notice stating the nature of the Violation and providing a reasonable time limit for the satisfactory correction thereof. The offender shall, within the period of time stated in such notice, permanently cease or cure all such Violations. Failure to conform or comply with such notice with the stated time period may subject the noticed party to all rights and remedies available at law or in equity to Mesa Water. This Section 2.8 is in addition to, and not by way of derogation of, any other remedies or procedures available to Mesa Water by law, regulation, or pursuant to any of the provisions of these Rules and Regulations.

## **2.9 RIGHT OF APPEAL**

Notwithstanding any of the provisions of these Rules and Regulations concerning Water Service, any aggrieved Customer of Record, who remains dissatisfied with the final decision of the General Manager in administering these Rules and Regulations, may appeal, in writing, such final decision to the Board. The Board shall hear such appeal and render its decision. The decision of the Board shall be final.

The Board may, in its sole, absolute and exclusive discretion, refer any such appeal to either (i) a committee appointed by the Board, which committee may include Board

members, staff members or both (exclusive of the General Manager) (Appeals Committee); or (ii) a hearing officer designated by the Board (Hearing Officer), either of which will have full authority to hear and administer any appeal on behalf of the Board or to bring the Board recommendations as the Board shall direct. The Appeals Committee or Hearing Officer, as applicable, may be charged with the duty of developing a summary of the issues on appeal and/or developing a recommendation as to the disposition of such appeal based on evidence and information presented and received, for presentation to the Board. The Board's determination shall thereafter be based on such presentation by the Appeals Committee and Hearing Officer. The General Manager may not serve as the Hearing Officer for these purposes.

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## **SECTION 3 – WATER BILLING AND CUSTOMER SERVICE**

### **3.1 RESPONSIBILITY FOR ACCOUNT**

The Owner of the property to which Mesa Water provides Water Service shall be responsible for all Water Service related costs and Fees, and shall establish Water Service in their name to become the Customer of Record. The property Owner may allow a tenant or other responsible party to become the Customer of Record.

The Customer of Record, or the Applicant on the Application for New Service (Refer to Appendix 1), is responsible for all Water Service related Charges, costs and Fees until Mesa Water is notified that the account is being closed, or a new Customer of Record is named to the account. The Customer of Record is responsible for services, and Water used up to, and including the day the account is closed.

The Customer of Record is responsible for ensuring the completeness and accuracy of all personal, financial and contact information provided to Mesa Water.

### **3.2 NEW ACCOUNTS AND SERVICE ESTABLISHMENT**

Customers requesting Water Service, and to become a Customer of Record, shall contact Mesa Water's Customer Services staff during business hours to establish an account prior to Water Service being turned on. Subject to the terms set out in these Rules and Regulations, Water service will be provided upon request where there is an existing service line and meter. If Mesa Water determines that Water may run uncontrolled at a property and no Person is present at the property, then Water Service will not be turned on.

Requests must be made at least one Business Day in advance of the requested first day of service, in order to ensure timely service establishment. If one Business Day advance notice is not given prior to the desired first day of service, then a Fee to expedite service establishment may be applied to the corresponding account.

A Customer of Record shall provide the following identifying information in order to establish service:

- Full Legal Name
- Date of Birth, if applicable
- Social Security Number or U.S. Federal Tax Identification Number
- State or U.S. Federal Issued Identification Number (e.g., Driver's License), if applicable
- U.S. Mailing Address
- Additionally, Named Person(s) or Contact Person(s)
- Phone Number(s)
- E-mail Address

### 3.3 CLOSING OF ACCOUNTS

A Customer of Record requesting to disconnect Water Service shall contact Mesa Water's Customer Services staff during business hours at least one Business Day prior to closing an account.

The Customer of Record will be responsible for payment for all Water registering on the meter up to and including the day the final meter reading is obtained. The Water Service shall be turned off and the meter will be locked at the time of the final meter reading, unless a new Customer of Record has notified Mesa Water that they will be responsible for service to that property and meter.

A closing bill will be prepared, which reflects the Charges for all Water registering on the meter at the time of final reading, any previous balances owed (including prior bills, Fees and Charges) and the Basic Charge, which shall be prorated based on the number of days in service.

Per California Health and Safety Code Section 17920 and California Civil Code Section 1941.1, buildings lacking Water Service are considered substandard and non-tenantable. Therefore, should any domestic Water Service or service providing Water for fire suppression be closed, service will not be left on between parties taking financial responsibility. Mesa Water has no liability to furnish Water for consumptive use or for fire suppression to an uninhabited building. Should Mesa Water find or determine that persons may be inhabiting said building lacking domestic or fire Water Service, the District may, in its sole discretion and without legal obligation, contact the local Building Safety Authority or law enforcement agency to advise them of such situation. Mesa Water shall not be subject to any voluntary assumption of risk or liability as a result of taking such action(s).

#### 3.3.1 Credits on Closed Accounts

Closed accounts may have credits due to overpayments, Deposit refunds and/or other reasons.

Credits may be refunded to the Customer of Record in one of the following methods, per their request and at the discretion of Mesa Water:

- The District may transfer the credit to another account of which the Customer is the current Customer of Record.
- A refund check will be sent to the mailing address listed on the applicable account.

Unclaimed credits will be processed in accordance with State regulations.



### **3.4 BILLING AND MEASUREMENT OF WATER SERVICE**

Bills cover a specified period of service, which is stated on the Water bill.

Billing frequency will be on regular intervals as determined by Mesa Water.

Bills for Water Service will be based on two components, in addition to any applicable surcharges, the Basic Charge and the Usage Charge. The Basic and Usage Charges will be imposed in accordance with the Water Rate and Charge Schedule.

Mesa Water reserves the right to estimate Water usage based on past usage in the case of meter failure.

An additional Charge may be applied to Basic and Usage Charges for accounts that receive Water Service outside of Mesa Water's service area in accordance with the Water Rate and Charge Schedule.

Mesa Water may periodically collect various surcharges imposed by other government entities, including but not limited to, those assessed or imposed by the Orange County Local Agency Formation Commission, State Water Resources Control Board, or the California Department of Water Resources. Mesa Water does not set these surcharges, but has a legal responsibility to collect them. These mandatory surcharges are due and payable along with billings for Water Service, and follow the same billing, delinquency and collection process as such.

Water bills shall be dated as of the Presentation Date. All bills are due and payable no later than the Due Date.

### **3.5 PAYMENTS**

The Customer of Record is responsible for complete and timely payment of all Mesa Water bills.

Non-receipt of a bill does not release the Customer of Record from payment obligation.

Cash payments for all services provided by Mesa Water must be made at the Office currently located at 1965 Placentia Avenue, Costa Mesa, California.

No payment by any method will be accepted by Mesa Water employees away from the Office.

Payments received without sufficient information to properly credit an account may be returned without being processed. As set forth herein, accounts for which no payment is made or processed may be subject to Fees/Charges including, but not limited to, Delinquent Fees.



Upon receipt, payment(s) to an account shall be credited in the following order, or priority, as shall be applicable:

- To pay outstanding Charges, Fees, and applicable Delinquent Fee(s), in order of oldest to newest; then,
- To pay current Charges and Fees; and then,
- To replenish or provide any required Deposit amounts.

Any funds held as a Deposit for an account shall be applied to pay applicable bills, Charges, or other Fees due and owing on such account, at the time a delinquency would otherwise occur.

### 3.5.1 Payments Made at the Mesa Water Office

Payments made at the Mesa Water Office may be in the form of cash, credit card, check, cashier's check, or money order. Payments can be made online at the Office via the computer located in the lobby.

Payments made at the Office by close of a Business Day will be credited to the account that same day. Payments received in the night drop box by the opening of business on a regular Business Day will be credited to the account that Business Day. Mesa Water's business hours are posted at the Office and online.

### 3.5.2 Payments Made by Mail and to the Lockbox

Payments made by mail will be credited to the account on the same day that they are received by Mesa Water or the lockbox service provider so long as proper account and payment information is included.

Postmark dates are not accepted or considered in posting payments to an account.

### 3.5.3 Payments Made by Third Party Vendor

Mesa Water accepts payments by credit/debit card through its approved third-party administrator that may impose a convenience fee to the Customer for this service. Customers may call Mesa Water's Customer Services staff at 949.631.1200 or visit the website at [www.MesaWater.org](http://www.MesaWater.org) in order to obtain the toll free number.

Payments made to Mesa Water through its third party administrator(s) will be credited to the Customer of Record's account on the date of transaction. If the Customer's service is in danger of termination, then the Customer should notify Mesa Water that a payment has been made by providing the confirmation number following payment. It is the responsibility of Customers using any third party administrator for payment to ensure timely payment is made to Mesa Water.

### 3.5.4 Payments Returned by Bank

Should any payment, including, but not limited to, check, credit card, online payment or Electronic Fund Transfer, be returned by Mesa Water's or Customer's bank for any reason, the Customer of Record will be notified and a Returned Item Fee will be charged against the account(s) to which the payment had been credited. The Returned Item Fee will be assessed in accordance with the Water Rate and Charge Schedule. Should a Customer of Record have two returned payments within 12 months, Mesa Water may require all payments by or on behalf of such Customer of Record be made by cash, cashier's check, money order, or credit/debit card for a period of up to 24 months. The District may reduce the time for the foregoing requirement on a case-by-case scenario at the sole discretion of the General Manager or the General Manager's Designee(s).

Returned Item Fees are due and payable immediately. Returned Items Fees are payable by cash, cashier's check, money order or credit/debit card.

Mesa Water may waive the Returned Item Fee if the assessment of the Returned Item Fee was due to the District or District's bank error. In its sole discretion, Mesa Water may waive the Returned Item Fee for other reasons not listed herein. Should Mesa Water waive the Returned Item Fee for reasons other than District error, it may be waived one time per account in a rolling 24-month period, or at the discretion of the General Manager or the General Manager's Designee(s).

### 3.5.5 Payment Extensions

A payment extension is a payment arrangement in which the due date for the entire unpaid balance is delayed to avoid delinquent Charges or service termination. Agreement to payment extension(s) is within the sole discretion of Mesa Water. An account may only have one active payment arrangement at a time.

Payment extension arrangements may be made between Mesa Water and the Customer of Record prior to the due date on any invoices during the billing process. The Customer of Record must adhere to the terms of the payment extension in order to avoid Delinquent Fees or service termination, and the account being ineligible for payment extensions and payment plans for 12 months.

Payment extensions may not extend beyond 30 calendar days; otherwise, a payment plan shall be arranged (See Section 3.5.6 for Payment Plans).

### 3.5.6 Payment Plans

A payment plan is a payment arrangement in which the entire unpaid balance is spread out over multiple payments over a defined period of time. Agreement to a payment plan is within the sole discretion of Mesa Water. An account may only have one active payment arrangement at a time.

The Customer of Record must adhere to the terms of the payment plan in order to avoid Delinquent Fees or service termination, and the account being ineligible for payment extensions and payment plans for 12 months.

### 3.5.7 Financial Assistance

Per California Proposition 218 (1996), Mesa Water is unable to use revenues derived from Water Rates and Charges for any purpose other than delivering Water. Mesa Water is legally prohibited from using revenues from Water Rates and Charges to subsidize costs of service to its Customers.

Mesa Water may direct Customers to non-profit and charitable organizations that may offer assistance in paying Water bills.

### 3.5.8 Overpayments and Credits

Should an account be overpaid due to any reason, regardless of purposeful or accidental, the overpayment will remain on the corresponding account as a credit against future Charges.

Requested refunds of less than \$100.00 and greater will not be approved. Requested refunds of \$100.00 will be considered on a case-by-case scenario.

Requested refunds will be processed with approval by the Chief Financial Officer, General Manager or the General Manager's Designee(s).

## 3.6 DELINQUENCIES

Customers that have questions or require assistance regarding the payment of water bills should contact Mesa Water District Customer Services Department at 949.631.1200 or visit the Office at 1965 Placentia Avenue, Costa Mesa.

Regular and closing bills have a Due Date of not less than 28 days from the Presentation Date. Unpaid bills are considered delinquent if payment is not received by the Due Date shown on the bill; and a Delinquent Fee will be assessed in accordance with the Water Rate and Charge Schedule.

### 3.6.1 Delinquent Bills

A Delinquent Fee will be assessed to the account, in accordance with the Water Rate and Charge Schedule, and a delinquent bill will be sent to the Customer of Record if payment is not received by Mesa Water by the regular or closing bill's Due Date. Delinquent Fees are due and payable immediately with the outstanding balance of the bill.

The delinquent bill will have a Due Date within 28 calendar days after the Presentation Date.

The Delinquent Bill will be a mailed notice to the Customer of Record and will contain:

- The Customer of Record's Name and Service Address;
- The amount of the delinquency;
- The date by which payment or payment arrangement must be made to avoid termination of service;
- A description of the procedure by which the Customer of Record may request a Payment Extension or Payment Plan;
- The procedure for the customer to obtain information on financial assistance, if applicable; and,
- The telephone number where the Customer of Record may request a Payment Extension, Payment Plan, or receive additional information from the District.

Delinquent Fees are administrative and may be waived one time per account in a rolling 24-month period, or at the discretion of the General Manager or the General Manager's Designee(s) up to \$5,000.

### 3.6.2 Final Written Notice of Service Termination (Final Notice)

A Final Notice Fee will be assessed to the account, in accordance with the Water Rate and Charge Schedule, and a Final Notice bill (Final Notice) will be sent to the Customer of Record if payment is not received by Mesa Water by the Due Date of the delinquent bill. Final Notice Fees are due and payable immediately with the outstanding balance of the bill.

The Final Notice will have a Due Date not less than 28 calendar days after the Presentation Date.

The Final Notice will be a mailed notice to the Customer of Record and will contain:

- The Customer of Record's Name and Service Address;
- The amount of the delinquency;
- The date by which payment or payment arrangement must be made to avoid termination of service;
- A description of the procedure by which the Customer of Record may request a Payment Extension or Payment Plan;
- The procedure for the customer to obtain information on financial assistance, if applicable; and,
- The telephone number where the Customer of Record may request a Payment Extension, Payment Plan, or receive additional information from the District.

Where a landlord-tenant relationship between the residential occupants and the owner,

manager, or operator of the dwelling exists, or if the Customer of Record's mailing address is not the Service Address, then a Final Notice will also be mailed, a least 10 days prior to water service termination, to the Service Address attention "Occupant" or "Current Resident" as deemed appropriate by Mesa Water. The Final Notice will also notify the tenant of its opportunity to become the customer of record without being required to pay any amount that may be due on the landlord delinquent account.

The Final Notice is Mesa Water's final written attempt to collect a past due balance before Water Service is terminated.

Where the delinquent account provides Water Service to more than one residential dwelling unit (for example, apartment buildings), when practical, a Final Notice will be delivered to each dwelling unit benefiting from the service. However, if this step is not practical, the Final Notice shall be posted in a common area accessible to residents. Additional Fees may be charged for this service, in accordance with the Water Rate and Charge Schedule.

If payment of all Water bills, Fees, Charges and Deposits is not received by the Due Date of the Final Notice then Water Service may be terminated.

Final Notice Fees, and Fees related to the Final Notice, are administrative and may be waived one time per account in a rolling 24-month period, or at the discretion of the General Manager or the General Manager's Designee(s).

### 3.6.3 Notice of Pending Water Service Termination for Non-Payment

In addition to the written notice(s), as described herein, Mesa Water will also make a reasonable attempt to personally contact the Customer of Record by telephone, e-mail, in person, or by posting a Notice of Pending Water Service Termination in a conspicuous place at the Service Address, at least 48-hours prior to terminating service. This personal contact is Mesa Water's final attempt to collect a past due balance before Water Service is terminated.

The Notice of Pending Water Service Termination will contain all of the following:

- The Customer of Record's Name and Service Address;
- The amount of the delinquency;
- The date by which payment or payment arrangement must be made to avoid termination of service;
- A description of the procedure by which the Customer of Record may request a Payment Extension or Payment Plan;
- The procedure for the customer to obtain information on financial assistance, if applicable; and,
- The telephone number where the Customer of Record may request a Payment Extension, Payment Plan, or receive additional information from the District.

The Notice of Pending Water Service Termination shall be provided in writing, in person, or by telephone contact/message.

### **3.7 TERMINATION OF WATER SERVICE FOR NON-PAYMENT**

Mesa Water strives to provide excellent customer service, and as such provides many opportunities and assistance to avoid Water Service termination. However, after all past attempts have failed to resolve an unpaid balance, and consistent with these Rules and Regulations, the Water Service shall be terminated.

Mesa Water's written policy on termination of water service for non-payment is available in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean. A printed copy of this policy is available at Mesa Water's Office and on the website.

#### **3.7.1 Circumstances Under Which Water Service Will Not be Immediately Terminated After Exhausting Procedures in Section 3.6**

- During an investigation by the District of a customer dispute as described in Sections 3.13.1 – 3.13.3;
- During the pending of an appeal to the Board of Directors under Section 2.9;
- During the period of time in which a Customer of Record's payment is subject to a District-approved Payment Extension or Payment Plan and the Customer of Record remains in compliance with the approved payment arrangement.

#### **3.7.2 Special Medical and Financial Circumstances Under Which Water Service Will Not be Terminated**

Mesa Water will not terminate water service if all of the following conditions are met:

- The Customer of Record, or tenant of the Customer of Record, submits to Mesa Water the certification of a licensed primary care provider that termination of water service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided;
- The Customer of Record demonstrates that he or she is financially unable to pay for residential service within the normal billing cycle. The customer is deemed financially unable to pay during the normal billing cycle if: (a) any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level; and,
- The Customer of Record is willing to enter into an alternative payment arrangement, including a Payment Extension or Payment Plan.



The Customer of Record is responsible for demonstrating that the conditions of Section 3.7.2 have been met. Upon receipt of documentation from the Customer of Record, Mesa Water will review the documentation within seven days. The District will then respond within seven days with one of the following: (1) Notify the customer of the alternative payment arrangement selected by Mesa Water and request the Customer of Record's signed assent to participate in that alternative payment arrangement; (2) Request additional information from the Customer of Record; or (3) Notify the Customer of Record that they do not meet the conditions in Section 3.7.2.

For any Customer of Record who demonstrates that they meet all of the above conditions, Mesa Water will offer the customer one of the following options, to be selected by the District at the discretion of the General Manager or the General Manager's Designee(s):

- Payment Extension, as described in Section 3.5.5.
- Payment Plan, as described in Section 3.5.6.

The Customer of Record must adhere to the terms of the Payment Extension or Payment Plan as stated in Sections 3.5.5 and 3.5.6 to avoid Water Service termination. However, any unpaid balance that was included in the defaulted alternative payment arrangement will not be considered in any investigations or reviews by the District.

### 3.7.3 Days and Times of Service Termination Due to Non-Payment

Mesa Water will only terminate Water Service due to non-payment during its regular business hours.

### 3.7.4 Procedures for Terminating Water Service for Non-Payment

When a Mesa Water employee arrives at the service address to terminate Water Services for non-payment a Service Termination Trip Fee will be assessed. Fees and Charges associated with termination of service as a result of non-payments are shown in the Water Rate and Charge Schedule. When Water Service is terminated, the meter will be locked in the off position and a tag will be attached to the meter notifying Customers that tampering with the meter and lock is prohibited per Section 2.6 of these Rules and Regulations and California Penal Code Sections 498, 592, 624, and 625.

Service Termination Trip Fees recuperate the staff, equipment, and fuel costs associated with visiting the property to terminate service, and therefore cannot be waived, except at the discretion of the General Manager or the General Manager's Designee(s).

In the case where a property is served by multiple accounts and services, and are the financial responsibility of the same Customer of Record, then additional and all services may be terminated until the balance(s) have been satisfied.

If payment is not received within ten days of termination of service, the account will be closed, and the process as described in Section 3.3 shall be followed.

### **3.8 RESTORATION OF WATER SERVICE**

Following service termination for non-payment, the Customer of Record must contact Mesa Water by telephone or in person at the Office regarding restoration of water service.

All amounts owed, including all bills, Fees, Charges, and Deposits, must be paid or otherwise satisfied before Water Service will be restored. If the Water meter has been removed, all Fees must be paid before a Water meter is re-installed. Fees for the service restoration are shown in the Water Rate and Charge Schedule.

Service will be restored on the same Business Day that the account balance has been satisfied, if conditions permit. Otherwise, the service will be restored the following Business Day.

Service Restoration Trip Fees recuperate the staff, equipment, and fuel costs associated with visiting the property to restore service, and therefore cannot be waived, except at the discretion of the General Manager or the General Manager's Designee(s)

### **3.9 PROCEDURES FOR OCCUPANTS OR TENANTS TO BECOME CUSTOMER OF RECORD OF MESA WATER DISTRICT**

#### **3.9.1 Applicability**

This Section 3.9 shall apply only when the property owner, landlord, manager, or operator of a residential service address is listed as the Customer of Record and has been issued a Final Notice to terminate water service due to non-payment.

#### **3.9.2 Agreement to Mesa Water Rules and Regulations for Water Service**

Mesa Water will make Water Service available to the actual residential occupants if each occupant agrees to the Rules and Regulations for Water Service and meets the requirements of Mesa Water's Rules and Regulations. Notwithstanding, if one or more of the occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of Mesa Water, or if there is a physical means, legally available to the District, of selectively discontinuing service to those occupants who have not met the requirements of the Mesa Water's Rules and Regulations, the District shall make service available to the occupants who have met those requirements.

#### **3.9.3 Verification of Tenancy**

To be eligible to become a Customer of Record without paying the amount due on the delinquent account, the occupant shall verify that the delinquent account's Customer of



Record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code, at the sole discretion of Mesa Water District.

#### 3.9.4 Deductions from Rental Payment

Pursuant to Government Code Section 60371(d), any occupant who becomes a Customer of Record of Mesa Water District pursuant to this Section 3.9 and whose periodic payments, such as rental payments, include charges for residential Water Service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the District for those services during the preceding payment period.

### 3.10 COLLECTIONS

Mesa Water may, at its sole discretion, transfer unpaid and uncollected balances on accounts to any active or new account(s) under the control and responsibility of the same Customer of Record.

Mesa Water may contract with a collection agency for the recovery of any outstanding balances on closed accounts. The past due account must be paid in full or otherwise be arranged for payment within 90 calendar days of the delinquent closing bill due date before being sent to a collection agency. Any account that is sent to a collection agency may be subject to a collection agency Fee, as set forth in the Water Rate and Charge Schedule.

Mesa Water or its collection agency may report on unpaid balances to credit bureaus.

### 3.11 DEPOSITS

Deposits may, at the discretion of Mesa Water, be required on accounts when any of the following situations occur:

- The Customer of Record's account contains insufficient identification information, as listed in Section 3.2;
- The account receives two Final Notices of Service Termination (Final Notices) within a 24-month period;
- Service is terminated for non-payment;
- The Customer of Record files for bankruptcy or a related Order for Relief;
- Two payment items are returned by the Customer of Record or District's bank within the last 12 months;
- Tampering or damage to District appurtenances including, but not limited to, the Water Service meter;
- The Water Service was off and locked without a current Customer of Record, and Mesa Water has determined that the Water Service has been turned on without

the express permission of the District and Water has passed through the meter.

Deposits will be held on the account until one of the following occurs:

- Bills are paid consecutively on time for a period of at least 24 months.
- The account is closed. However, if the Customer of Record becomes the holder of another account with Mesa Water, the Deposit may be transferred to the new account.
- If the Customer of Record provides sufficient identification information as listed in Section 3.2.
- In this case, the Customer of Record must still have a satisfactory payment history of at least 24 months.

Deposits do not excuse future late payments or prevent future Delinquent Fees from being assessed.

Deposits will be refunded as a credit on the account. If the account is being closed, then the Deposit will be used to satisfy the balance on the account before any refund is issued. A closing bill stating any remaining balance will be issued to the Customer of Record. If there are remaining funds, the credit process will follow the procedures listed in 3.3.1, Credits on Closed Accounts.

The standard amount of the Deposit is shown in the Water Rate and Charge Schedule. However, the amount of the Deposit may be set differently at the discretion of the General Manager or the General Manager's Designee(s) in an amount sufficient in his/her judgment to ensure that future bills will be paid when presented. Additional Deposit amounts may be collected in the future to account for higher bills. Mesa Water may make a payment arrangement with the Customer of Record if the Deposit creates an immediate financial hardship.

Any interest accrued on a Deposit will not be refunded to the Customer of Record.

Deposit requirements may be waived once every 24 months or per the discretion of the General Manager or the General Manager's Designee(s).

### **3.12 CUSTOMER BANKRUPTCY**

When Mesa Water receives notice that a Customer of Record has filed for bankruptcy, the Customer of Record's account(s) will be closed, as soon as possible following receipt of such notice. The date used for purposes of determining the amount to be included in the bankruptcy is the date of filing on the notification form. Any outstanding balances as of that time will be considered within the scope of such bankruptcy proceedings and Mesa Water may file a claim accordingly.

A new Customer account will be created for such Customer of Record should the Customer of Record request ongoing service. A Deposit will be charged in accordance with the Water Rate and Charge Schedule and Section 3.11 of these Rules and Regulations for Water Service. Subject to the provisions of these Rules and Regulations, Mesa Water will not terminate service unless otherwise directed by the Customer of Record.

### **3.13 CUSTOMER INQUIRIES, DISPUTES, AND COMPLAINTS**

All Customer inquiries, disputes, and complaints will be handled as expeditiously as reasonably possible. In some instances, extensive research will be required, thus extending the time required for resolution, and the Customer will be so informed.

#### **3.13.1 Billing Disputes**

Any dispute by the Customer of Record of the amount owed, as shown on a bill or invoice, must be raised within ten days of the date of billing produced on the bill or invoice, otherwise the bill or invoice will be considered correct and payable.

Only the disputed portion of the bill may be set aside by Mesa Water pending resolution of the dispute. The Basic Charge plus any outstanding balance, Charges or Deposits must be paid. The undisputed portion of the bill must be paid in accordance with these Rules and Regulations for Water Service governing undisputed bills or invoices.

A timely request for investigation will be reviewed by Mesa Water. The review will include consideration of whether the Customer of Record may receive a Payment Extension, Payment Plan, or none. Mesa Water may, in its sole discretion, review untimely disputes; however, such disputes are not subject to appeal.

In the case of a Water usage dispute, Mesa Water employees will re-read the meter and determine if the usage and bill are correct.

- If the usage is correct, the bill shall be due and payable as presented.
- If the usage is incorrect, the bill will be reissued with the correct usage. The billing and payment process will start over for that portion of the bill.

Multiple similar requests made by the Customer of Record for the same service address may not be able to be fulfilled based upon employee availability and the business needs of Mesa Water District.

Any Customer of Record whose timely dispute has resulted in an adverse determination may appeal the determination to the Board of Directors within ten business days of the District's mailing or communication of its determination, following the process outlined in Section 2.9.

### 3.13.2 Meter Inquiries and Testing

If the Customer of Record is concerned that the meter is not operating correctly or is not accurate, the Customer of Record may submit a completed Customer Service Meter Test Request form (Refer to Appendix 2). Mesa Water will arrange for an approved third party testing facility chosen by and facilitated by the District to test, the meter for accuracy based on standards by the American Water Works Association (AWWA). Prior to the removal of the meter for testing, Mesa Water shall require a meter test Deposit in accordance with the Water Rate and Charge Schedule. Meter test Deposits will be refunded if the meter is determined to be recording outside the prescribed limits for meter accuracy as described herein.

If the meter is found to be registering three percent on average in excess of the actual quantity flowing through the meter based on meter accuracy standards by the AWWA, Mesa Water will replace the defective meter, refund the meter test Deposit and refund to the Customer of Record the full amount of the overcharge based on the corrected meter readings for the previous period, not exceeding six months from the date of the written request, that the meter was in use by the same Customer of Record.

If the meter is not found to be defective and does not register three percent in excess, then the meter test Deposit shall be forfeited to Mesa Water and the Water bill shall be due and payable as presented.

If the meter is found to be registering less than 97 percent on average of the actual quantity flowing through the meter, based on meter accuracy standards by the AWWA, the meter will be replaced and the Customer of Record may be assessed based on the average consumption for up to six preceding months during which the meter was in use and found to have been registering correctly.

### 3.13.3 High Water Use Investigations

Customers may request that Mesa Water assist them in the determination of possible leaks or other conditions, which may result in higher than normal Water usage. Inspections may be arranged with Mesa Water to check the Water meter for potential flow indicating a leak. Such requests will be handled by appointment only. Appointments may be arranged by contacting Mesa Water's Customer Services staff. Multiple similar requests made by the Customer of Record for the same service address may not be able to be fulfilled, based upon employee availability and the business needs of the District. In performing leak determinations, Mesa Water is not providing any warranty or guarantee of accuracy thereof. Mesa Water does not provide leak investigations on private property.

### 3.13.4 Water Quality Inquiries

Mesa Water strives to provide Customers with high quality Water at all times. If a Customer suspects any problem with the quality of Water provided the Customer may

contact the District and a Mesa Water employee will arrange to meet with the Customer at home or business to investigate the concern. Information regarding Water quality analyses of the District's Water is available to the public. Mesa Water's annual Water Quality Report is available on the District's website, and printed copies are made available during business hours at the Office.

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## **SECTION 4 – CONSTRUCTION OF WATER FACILITIES AND APPURTENANCES**

### **4.1 APPLICATION PROCESS**

Any person, firm, or corporation who wishes to install, remove, alter or replace, or cause to be installed, removed, altered, or replaced, any Water facility or appurtenance connected to, or part of, the District System must obtain a Permit from Mesa Water to do such work.

Any person legally entitled to apply for and receive the Permit shall complete the Mesa Water supplied Application for New Service form. The Applicant shall submit the Application for New Service form, a complete subdivision map when applicable and a Water facility construction plan showing the proposed Service Connection thereon, signed by a Civil Engineer registered in the State of California. All maps and plans shall be to the standards, size and drawn on material specified in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities.

#### **4.1.1 Plan Check Process**

After payment of the Plan Check Fee (Refer to Appendix 3 for Payment Voucher), Mesa Water's District Engineer, or an authorized designee or other appropriate employee, will review such plans in accordance with the plan check process located in the Standard Specifications and Drawings for the Construction of Mesa Water Facilities. All plans must conform to the current Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities before they will be approved.

#### **4.1.2 Issuing the Permit**

Upon approval of such plans, and upon receipt of required Fees and Charges, including Capacity Charges, Mesa Water shall validate and issue a Permit.

The Permit shall be valid for a period of one year from the date of issuance. If construction has not commenced within said year, the Permit automatically becomes invalid and the Applicant forfeits all moneys, except Capacity Charges, paid to Mesa Water in connection with the Permit. The Applicant will be required to reapply for a new Permit.

#### **4.1.3 Water Service Agreement**

Before Water Service is provided, the Applicant shall enter into a Water Service Agreement (Refer to Appendix 6) with Mesa Water regarding the terms under which Mesa Water shall provide Water Service to the Applicant. The Applicant shall complete, sign and submit a Water Service Agreement. Mesa Water shall enter into the Water Service Agreement only upon approval of the development project and payment by the Applicant of required Fees and Charges set forth in the Water Service Agreement. No Water Service shall be provided by temporary Water Services or by any other means

until the Water Service Agreement has been signed by Mesa Water and the Applicant.

#### 4.1.4 Fees and Charges

Mesa Water employees will determine the Fees and Charges applicable to new development in accordance with the Water Rate and Charge Schedule.

#### 4.1.5 Capacity Charges

Mesa Water has adopted Capacity Charges in the amounts specified in the Water Rate and Charge Schedule. The Capacity Charges will be used to assist Mesa Water in paying for the facilities and improvements to the District's Water System required by this development.

All Rules and Regulations governing Capacity Charges in their entirety are applicable to the same property for which a Water Service Agreement is in effect.

##### 4.1.5.1 Calculating the Capacity Charge

As herein provided, the amount of the applicable Capacity Charge(s) shall be determined by the District Engineer (based on the Capacity Charge rate approved by the Board of Directors). All decisions in regard thereto shall be based on sound engineering practices consistent with new development paying only the amount of money necessary to fund its fair share of facilities required to provide Water capacity.

Capacity Charge credit for existing 5/8 inch and 3/4 inch meters will be applied based on a ratio of the maximum flow rate for that meter using a 1-inch meter as base line for the credit. In all other cases the Capacity Charge shall be assessed in accordance with the Fee schedule contained in the Water Rate and Charge Schedule.

At the time the Applicant requests meters to be installed, Mesa Water will review the assessed Capacity Charge. If there have been changes in the project, which affect the Capacity Charges, additional Capacity Charges will be assessed or a refund will be credited to the meter costs. The meters will not be installed until both the meter costs and all applicable Capacity Charges have been paid.

Capacity Charge credits are the possession of the property Owner and under no circumstances are to be severed from the real property for which such credits were paid. For commercial developments, the property Owner shall provide a letter granting a tenant the right to any Capacity Charge credit(s), if said credits are to be attributed to anyone other than the property Owner.

No Capacity Charges will be assessed if an Applicant is removing a meter and is replacing it with a meter of the same size, providing that one of the following conditions also be satisfied:



- The new meter is installed on the same service line from which the old meter is removed; or
- The new meter is installed on a new service line and the existing service line is abandoned when the old meter is removed.

Mesa Water does not assess Capacity Charges for dedicated fireline Service Connections or temporary service connected to fire hydrants.

#### 4.1.5.2 Calculating Capacity Charge Credits on Meters Pulled at the Time of Redevelopment

Mesa Water will apply a Capacity Charge credit on an account for meters that will be pulled at the time the property is redeveloped, providing one of the following conditions is satisfied:

- The old meter is pulled and a new meter of a different size is installed on the existing service line; or
- The old meter is pulled and the existing service line is abandoned. Any new meters of different sizes shall be installed on new service lines.

The District Engineer or an authorized designee will determine the Capacity Charge credit on the meter that is pulled per the Water Rate and Charge Schedule.

The credit will be based on the Capacity Charge in effect for the meter size being pulled according to the building classification and Water use type the meter presently serves.

If the Capacity Charge credit exceeds the Capacity Charge calculated on the new meters, the excess credit may be carried forward with the property for additional development. The excess credit will be discounted five percent each year that it is carried and at the 15<sup>th</sup> year, the credit can no longer be used. Any excess credit may only be used once. Subsequent excess credit cannot be carried forward.

The number of years used for Capacity Charge credit will be determined by calculating the number of years between the date the Application for New Service Permit was issued for the redevelopment project for which the credit originated and the date the Application for New Service Permit was issued for the redevelopment project for which the Applicant wishes to use the credit.

No Capacity Charge credit will be allowed for the removal of Automatic Fire Sprinkler Service Connections.

#### 4.1.5.3 Calculating Capacity Charge Credits on Meters Pulled Prior to Redevelopment

Mesa Water will apply a Capacity Charge credit on meters pulled prior to the redevelopment of the property providing that all of the following conditions be satisfied:



- The service line to which the meter was once connected is still connected to the District's Water System; and
- The Pulled Meter was recorded and the record is on file at Mesa Water; and
- The new meters that will be installed are a different size (upgrade or downgrade) from the meters that were pulled prior to the redevelopment of the property; and
- A new meter shall be installed on the service line, to which the meter was once connected, or the service line shall be abandoned and the new meter shall be installed on a new service line.

Mesa Water will not apply a Capacity Charge credit for meters where both the meter and the service line were abandoned prior to the redevelopment of the property.

The District Engineer or an authorized designee will determine the appropriate credit amount.

The credit on the Pulled Meter will be based on the Fee in effect for the meter size being replaced according to the building classification and Water use type the meter previously served.

The credit is subject to a five percent reduction for each year that the meter was pulled prior to the Application for New Service Permit. No credit will be given for meters that were pulled 15 years or more prior to the date the Application for New Service Permit is issued.

The number of years that will be used for the reduction in Capacity Charge credit will be determined by calculating the difference between the date on file at Mesa Water that the meter was pulled and the date the Application for New Service Permit is issued.

In the case where the new meters being installed are the same size as the meters that were pulled, Mesa Water will apply a discount on the amount of the Capacity Charge calculated on the new meters, providing all of the following conditions are satisfied:

- The service line to which the meter was once connected is still connected to the District's Water System; and
- The Pulled Meter was recorded and the record is on file at Mesa Water; and
- A new meter shall be installed on the service line to which the meter was once connected or the service line shall be abandoned and the new meter shall be installed on a new service line.

The amount of the discount will be based on the length of time since the meter was pulled. The length of time will be determined by calculating the difference between the date on file at Mesa Water that the meter was pulled and the date the Application for New Service Permit is issued.

#### 4.1.5.4 Application of Capacity Charges to Public Agencies

For purposes of this section "Public Agency" shall have the same meaning as set forth in Government Code Section 54999.1(c) or any successor section thereto.

Any development or application to Mesa Water for increased Water Service by any Public Agency shall be subject to a Capacity Charge. The amount of such Capacity Charge shall be determined under Section 4.1.5 of these Rules and Regulations. The determination of the Capacity Charge with regard to an individual Public Agency development project shall be made based on the same criteria and methodology applicable to non-public Applicants.

The assessment of the Capacity Charge on any school district, county office of education, community college district, the California State University, the University of California or State agency, as defined in Government Code Section 54999.1(g), (collectively referred to as "School/State Agency" for the purposes of this Section) shall be subject to the following:

The Capacity Charge shall be paid by such School/State Agency in an amount equal to the actual construction costs of that portion of the District's Water System actually providing, or needed to provide, service to such School/State Agency.

To the extent that the appropriate Capacity Charge to such School/State Agency is in excess of the amount equal to the actual construction costs, the assessment and collection of said Capacity Charges may be adjusted on a case-by-case basis by the District Engineer.

#### 4.1.5.5 Use of Recycled Water

If a Capacity Charge was calculated, in whole or in part, based on the average annual usage that included service that is later replaced by the use of Recycled Water, upon written request, the Customer of Record shall be entitled to a rebate (without interest) of a portion of the Capacity Charge paid to Mesa Water, provided the Customer of Record has entered into an agreement with Mesa Water for the provision of Recycled Water at the same property for which the Capacity Charge was paid.

The rebate shall be calculated based on the original Capacity Charge paid and the amount of Recycled Water subsequently provided and used on such property. Mesa Water shall pay the rebate to the Customer of Record 30 days after the Customer begins receiving Recycled Water Service from Mesa Water.

New Recycled Water meter connections are not currently available, unless previously approved by Mesa Water and Orange County Water District.

#### 4.1.6 Bonds and Conditions for Release of Bonds

As security for guarantee against defective material or work quality and as security for guarantee of the completion of the proposed project, the Applicant shall deliver to Mesa Water a Construction Performance Bond (“Bond”) in accordance with the Rate specified in the Water Rate and Charge Schedule. The Bond must be received and approved by Mesa Water prior to the District’s final approval of plans or issuance of the Application for Water Service permit.

Mesa Water will accept only a cash bond as payment for the Bond. The bond amount is calculated at ten percent of the Water utility construction cost, or \$1,000 whichever is greater.

The Bond, whether cash or a surety, will be eligible for release one year after all of the following conditions have been satisfied:

- All Fees and Charges are paid current; and
- The project has been completed to the satisfaction of Mesa Water; and
- Mesa Water has received and has recorded with the County Recorder’s office all necessary documents of conveyance and guarantees.

Approximately one year after all of the above conditions have been satisfied, Mesa Water will conduct a follow-up inspection of the Water facilities. If the facilities are free from defective material and work quality, and all Fees and Charges are current, the Bond will be released. The Bond will stay in effect until all such conditions are met.

#### 4.1.7 Document of Conveyance and Guarantee

Easements shall be approved and accepted by the Board prior to the installation of meters. The document(s) will transfer to Mesa Water all interest and title to such system and appurtenances, guaranteed free of all liens, together with necessary deeds, easements or rights-of-way, as applicable, for future maintenance and upkeep. Documents of conveyance shall be received not less than 60 days’ prior installation of meter that was requested to allow sufficient time for Board consideration and approval.

For a period of one year after acceptance of the work by Mesa Water, repair or replacement of any and all dedicated facilities that may prove to be defective in work quality or materials, together with any other works that may be displaced in so doing, shall be at the sole cost and expense of the Applicant. Such repair or replacement shall be without expense whatsoever to Mesa Water unless the repair(s) or replacement(s) were the result of ordinary wear and tear or unusual abuse or neglect by the District.

In the event of an emergency, as determined by Mesa Water, the District shall notify the Applicant of any defect and shall immediately proceed to have the defects repaired or replaced at the expense of the Applicant, who shall pay the costs and Charges upon demand.

In the event that Mesa Water becomes aware of a defect in material or work quality, which does not involve an emergency, the District shall notify the Applicant and the Applicant shall undertake to accomplish the necessary repair or replacement. If within one week from the date of notification the Applicant has not accomplished the necessary corrective procedures or made satisfactory arrangements thereof, Mesa Water shall proceed to have the defects repaired or replaced at the expense of the Applicant, who shall pay the costs and Charges upon demand by the District.

In the event that the Applicant fails to pay for the costs and Charges resulting from repairs or replacements of the facilities as provided in this section, Mesa Water reserves the right to reduce the amount of, or draw upon, the Applicant's security bond by the amount necessary to cover any such costs and Charges.

## **4.2 CONSTRUCTION OF WATER FACILITIES**

The Applicant is required to perform construction with the assistance of a licensed Contractor (Class A or C34).

It will be the responsibility of the Contractor to furnish all materials that meet the specifications contained in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. It also will be the responsibility of the Contractor to provide all labor and equipment necessary to install the Water facilities in conformance with the approved plans and the specifications contained in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities.

### **4.2.1 Underground Service Alert**

The Contractor shall be responsible for researching utility records and indicating the location of all known utilities on the plans. At least two Business Days before beginning the work, the Contractor shall call U.S.A. (Underground Service Alert) at 1(800) 227-2600 for utility Owners to mark the location of substructures. It shall be the Contractor's responsibility to determine the true location and depth of all utilities and Service Connections. The Contractor shall become familiar with the type, material, age and condition of any utility that may be affected by the work.

The Contractor shall not interrupt the service function or disturb the supporting base of any utility without authority from the utility Owner or on order from Mesa Water.

Where protection is required to ensure support of utilities, the Contractor shall furnish and place the necessary protection at the Contractor's expense.

The Contractor shall immediately notify the District Engineer and the utility Owner if the Contractor disturbs, disconnects or damages any utility.

#### 4.2.2 Safety Requirements

The Contractor must adhere to all appropriate CAL/OSHA safety requirements while on the job site. The Contractor shall have, at the job site, copies or suitable extracts of Construction Safety Orders, Tunnel Safety Orders and General Industrial Safety Orders issued by the California State Division of Industrial Safety. The Contractor shall comply with provisions of these and all other applicable laws, ordinances and regulations.

#### 4.2.3 Charges for Damages

It will be the Contractor's responsibility to "protect in place" all Mesa Water facilities. In the event it becomes necessary for the District to provide assistance to the Applicant, the Contractor or any third party, or to make repairs to Mesa Water's facilities damaged by any of the above, the District will charge the Applicant, Contractor or third party for the actual cost of assistance and/or repairs plus its full overhead Rate.

#### 4.2.4 Valves and Water Main Shutdowns

It shall be the Contractor's responsibility to keep all valves exposed and accessible at all times. If a Water Main shutdown is required, only Mesa Water employees are authorized to perform shutdown operations. The Contractor shall notify Mesa Water's Engineering staff and affected users at least 72 hours in advance in areas where shutdown is requested.

#### 4.2.5 Mesa Water Inspection

All new Water facilities shall be subject to inspection by Mesa Water or its authorized District Agent(s). Such facilities shall be installed in accordance with the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. Inspection of new Water facilities shall be scheduled in accordance with the requirements of the issued permit and accompanying inspection checklist.

The Contractor shall notify Mesa Water's Engineering staff at least two Business Days prior to the commencement of construction of any water facilities.

Contractors requiring inspection outside Mesa Water's business hours shall be charged the District's full overhead Rate and overtime Rate. Requests for after-hours inspections shall be made in writing to the Mesa Water Inspector a minimum of five Business Days in advance.

Water facilities under construction shall be under the Customer's control and under the management of an onsite superintendent designated by the Customer or the Contractor and approved by Mesa Water. The onsite superintendent shall be responsible for the installation, operation, and maintenance of the onsite facility, equipment, enforcement of these Rules and Regulations, and prevention of Cross Connections and potential hazards. The onsite superintendent or his representative shall be available via

telephone at numbers listed with Mesa Water for contact during business hours (Monday through Thursday from 7:00 a.m. to 4:30 p.m. and Friday from 7:00 a.m. to 3:30 p.m.) and after hours.

#### 4.2.6 Size, Location and Installation of Water Services

Mesa Water reserves the right to determine the size of the meter and Service Connection and determine location of the meter and Service Connection in relation to boundaries of the premises to be served.

Due to changes in the 2012 Uniform Plumbing Code, all new residential meter installations are required to be 1 inch or larger in order to supply adequate flow for fire protection.

Mesa Water reserves the right to limit the number of houses or buildings, or the area of the land, under one ownership, to be supplied by one Service Connection. When property provided with a Service Connection is subdivided, the Service Connection shall be considered as belonging to the lot or parcel of land that it directly enters.

A Service Connection shall not be used to supply an adjoining property.

If a Service Connection relocation is more than five feet laterally from the existing Service Connection, it will be considered a new Service Connection.

All new fire Service Connections shall have a fire service tattle-tale meter installed per the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities.

Mesa Water reserves the right to require the installation of a fire service meter on existing fire service at the Owner's expense per the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities if it has been determined by the District that Water from the fire service has been illegally used by the Owner.

#### 4.2.7 Meter Installation

All meters shall be provided and installed by Mesa Water and shall remain the property of the District at all times, though committed to a particular Service Connection, and shall be maintained, repaired, replaced and meters read by Mesa Water employees. The Applicant shall pay the cost of installing meters at the time the permit is issued before any meters will be installed. The Fees for meter installation will be in accordance with the rates in the Water Rate and Charge Schedule.



#### 4.2.7.1 Meter Equipment Standards

Mesa Water shall install meter styles, registers, and communications endpoints based on the type of use, as delineated in Table 1.

Table 1. Meter Technology by Type of Use

Meter Use	Meter Style	Register	Communications Endpoint
1. Residential <sup>1</sup>	Nutating Disc	8-Digit HR-E	None
2. Multi-Unit Residential <sup>2/3</sup>	Nutating Disc	8-Digit HR-E	Migratable
3. High Density <sup>7</sup>	Master Meter	8-Digit HR-E	Cellular
4. Irrigation (<2")	Nutating Disc	8-Digit HR-E	Cellular
4b. Irrigation (>2")	Turbo	8-Digit HR-E	Cellular
5. Firelines	5/8" Tattletale	8-Digit HR-E	Migratable
6. Commercial <sup>4</sup>	<3" Nutating Disc >3" Combo Meter	8-Digit HR-E	Migratable <sup>5</sup>
7. High-Use <sup>5</sup>	<3" Nutating Disc >3" Combo Meter	8-Digit HR-E	Cellular
8. Hard to Access <sup>6</sup>	Varies	8-Digit HR-E	Cellular

Notes:

1. Single-family detached home that does not meet the criteria of Notes 2 and 3.
2. Single-family detached or attached townhomes with thirty or more units with meters located in front of home and within a development community.
3. Single-family homes within a development community with meters located within the public right-of-way in a meter bank shall not be equipped with migratable endpoints.
4. Meter size varies based on fixture unit count. Combo meters shall be designed for low and high flow usage patterns based on proposed architectural drawings and plumbing plans.
5. Meters are considered high use when average monthly flows are greater than 65 HCF/month (1"), 100 HCF/month (1.5"), 200 HCF/month (2"), 450 HCF/month (3"), 850 HCF/month (4"), 1,400 HCF/month (6"), and 3,000 HCF/month (8") shall be equipped with a cellular endpoint.
6. Hard to access locations shall be determined by the Meter Reading Group and submitted to the Plan Checker for integration into the approved plans.
7. Master Meter installations shall follow the requirements of Section 4.2.8.2 herein.

The District Engineer or General Manager reserves the right to evaluate and amend the meter, register, or endpoint type of the Table 1 requirements on a case-by-case basis.

#### 4.2.7.2 High-Use Customers

Existing high-use customers with average annual usage greater than the values shown in Table 2 may be equipped with real-time metering equipment at no additional cost to the customer. New development projects will be evaluated for high flow applications during the plan check process and high flow usage will be based on the proposed fixture count and criteria in Table 2. High-use customers shall receive metering

equipment with cellular endpoints that send automatic usage data to the meter reading system.

Table 2. Minimum Use to be Designated as High Use Customer

Meter Size	High Use (Units of Water per Month as 100 Cubic Feet)
1"	65
1.5"	100
2"	200
3"	450
4"	850
6"	1,400
8"	3,000

#### 4.2.7.3 Non-High Use Customers

Non-high use Customers are customers with usage equal to or lower than the average annual usage shown in Table 2. Non-high use customers shall have meters equipped with meter registers as identified in Section 4.2.7.1. Non-high use customers may request Mesa Water to install a real-time meter with a cellular endpoint and access for the cost of the equipment, installation labor, and monthly access fee. The Non-high use customer shall be billed for the total cost of the meter equipment, cellular endpoint, installation and set-up over a one-year period on the customers' regular bi-monthly bill or pay in a lump sum. New meter equipment shall be installed to obtain real-time metering service. The monthly access fee will be billed to the customer on the same billing cycle as their regular water bill and continue in perpetuity or until terminated by the customer.

Termination of the real-time metering program will be granted with a minimum of 30 days written notice to Mesa Water and complete repayment of all equipment and labor installation costs.

#### 4.2.8 Single Meter Policy

Mesa Water's standard metering Policy is that individually owned units shall be individually metered unless otherwise set forth in these Rules and Regulations.

All meters shall be placed in public right of way unless approved easements are accepted by the District Engineer and approved by the Board of Directors per Section 4.2.15.

##### 4.2.8.1 Multi-Family Buildings Policy

Multi-family buildings may apply for a master meter given the following conditions:

- Building has 10 or more and separate units
- Building is greater than three Levels



However, Mesa Water recognizes that there may be local and individual conditions that make individual metering not feasible. Therefore, the Board delegates to the General Manager the authority to waive the single meter per unit Policy on a case-by-case basis according to the following standards:

- Mesa Water's Policy of appropriate distribution of costs to all consumers still applies. For example, regardless of whether a party occupies the traditional single-family residence or occupies a condominium unit, the same Basic Charge, plus the cost of the Water would apply.
- A development shall be billed on the greater of the following: the cost of Water used, plus the Basic Charge based upon actual meter size, or the cost of Water used, plus the number of individual units multiplied by the Basic Charge for the size of meter that would have been installed at each unit, if the variance had not been granted.
- In addition, Mesa Water shall require a letter signed by the appropriate officer or Customer Agent stating that the appropriate entity accepts full responsibility for payment of all Water bills, and that in the event of transfer of ownership, the new Owner(s), or Owners association, accepts full responsibility for payment.

The District Engineer shall review each case and make recommendations to the General Manager. The General Manager shall report to the Board about each variance granted, the location, Owner and conditions.

#### 4.2.8.2 Master Meter Policy

Mesa Water recognizes that there may be local and individual conditions that make individual metering not feasible as follows:

- Residential meter installations of 30 or more meters located on a manifold within the public right-of-way
- Conflicts with existing infrastructure that would result in non-traditional meter installations
- Commercial complexes with continuously changing tenants

In such cases, the Board delegates to the General Manager the authority to waive the single meter per unit Policy on a case-by-case basis according to the following standards:

- Mesa Water's Policy of appropriate distribution of costs to all consumers still applies. For example, regardless of whether a party occupies the traditional single-family residence or occupies a condominium unit, the same Basic Charge, plus the cost of the Water would apply.
- A development shall be billed on the greater of the following: the cost of Water used, plus the Basic Charge based upon actual meter size, or the cost of Water used, plus the number of individual units multiplied by the Basic Charge for the

size of meter that would have been installed at each unit, if the variance had not been granted.

- A development shall be billed on the greater of the following: the Capacity Charge based upon actual meter size, or number of individual units multiplied by the Capacity Charge for the size of meter that would have been installed at each unit, if the variance had not been granted.
- In addition, Mesa Water shall require a letter signed by the appropriate officer or Customer Agent stating that the appropriate entity accepts full responsibility or payment of all Water bills, and that in the event of transfer of ownership, the new Owner(s), or Owners association, accepts full responsibility for payment.

The District Engineer shall review each case and make recommendations to the General Manager. The Board of Directors will be notified through the Developer's Status Report when a master meter has been installed. Documentation for waiving the single meter unit Policy will be kept in the project file.

#### 4.2.8.3 Landscape Irrigation Meters

Landscape Water meters are defined as a dedicated Water Service meter that provides Water for outdoor uses including but not limited to landscape irrigation, pools, and spas.

- All new irrigated landscapes of 1,000 square feet or more shall require a separate landscape Water meter, except those for single-family residential developments.
- All new single-family residential irrigated landscapes of 5,000 square feet or more shall require a separate landscape Water meter.
- The meter size for an irrigation system shall be a 5/8 inch or larger.
  - In most cases, the irrigation meter shall be sized based on the peak flow through a single valve of the irrigation system (i.e., highest producing valve). However, Mesa Water reserves the right to further evaluate the system and to select a meter size that best meets the needs of the system. The meter size may be based on multiple valves, branches of the system, square footage, or as deemed most appropriate by Mesa Water.

#### 4.2.9 Submetering and Prohibited Practices

##### 4.2.9.1 Application

This rule pertains to all Customers located within Mesa Water's service area to which Mesa Water provides Water Service. For purposes of this rule, multi-family residential units shall mean two or more residential units served from one Water meter.

##### 4.2.9.2 Prohibited Practices

In the case of multi-family residential units, mobile home parks and commercial

locations that install or use submeters or a submetering system in order to allocate the costs of Water to tenants, subtenants, lessees or similar persons or parties, the following practices shall be prohibited (unless authorized in advance in writing by the Board, or by the General Manager at the direction of the Board):

- 1) No Customer, or contractee with a Customer, shall represent to any submetered tenant, subtenant, lessee or similar person or party that such Customer (or such contractee) is a provider of Water Service or Water Services; and
- 2) No Customer, or contractee with a Customer, shall terminate, or threaten to terminate, Water Service to any submetered tenant, subtenant, lessee or similar person or party by reason of non-payment of any allocated costs for Water.

A Violation of this rule occurs whenever Mesa Water becomes aware of a Violation of Rule 4.2.9.2 (1) or 4.2.9.2 (2), as set forth above. Upon Mesa Water becoming aware that such a Violation has occurred, Mesa Water shall provide written notice to the Customer of Record to cure such Violation, and the notice shall include; (i) a statement of the nature of the Violation, (ii) the date upon which Mesa Water became aware of the Violation, and (iii) a date by which the Customer of Record shall cure such Violation. If such Violation is not cured by the date stated in the notice, the provisions of Rule 2.7 of these Rules and Regulations shall apply. Any such Violation shall be reported by the General Manager to the Board of Directors, in writing, together with a description of the action(s) taken to compel enforcement of these Rules and Regulations as soon thereafter as shall be practical.

Customers of Record that have submeter systems attached to the District's Water System shall comply with all applicable laws, statutes and regulations of the State of California and the city in which they are located, or the County of Orange, as applicable.

Mesa Water encourages efforts, including submetering, that support and promote the efficient use of Water within its service area; however, it does not encourage, favor, or support any submetering system or process that is used to generate revenue(s) over and above the fair and reasonable cost of installation of such system, fairly allocated costs of Water, and reasonable administrative costs.

#### 4.2.10 Automatic Fire Sprinkler Service Connections

When an automatic fire sprinkler Service Connection (AFSSC) is installed, the control valve will be left closed and sealed until a written order to turn on the Water is received by Mesa Water from the Customer of Record.

After an AFSSC is activated, Mesa Water shall not be liable for damages of any kind whatsoever that may occur on or to the premises served, due to the installation, maintenance, or use of such AFSSC, or due to pressure fluctuations or interruption of Water supply.

Should the Customer request an AFSSC be shut off, Mesa Water must receive, in

advance of the shut off, a written order from the Customer of Record and written approval from the appropriate fire department or authority.

Water is not to be used through an AFSSC for any purpose other than the extinguishing of fires, or a purpose related thereto. Mesa Water shall have the right to shut off the entire supply of Water to the premises through the AFSSC when improper use occurs or for non-payment of bills. Mesa Water will notify the appropriate fire department or authority prior to any such termination.

Should Water be used through an AFSSC for an unauthorized purpose, the Customer of Record shall be charged for the unauthorized taking of Water in accordance with the Water Rate and Charge Schedule. A fireline meter indicating flow will result in a letter being sent to the Customer of Record. It is the Customer of Record's duty to determine if there is an illegal connection or leak and make the necessary repairs.

#### 4.2.10.1 Down-Stream Residential Fire Sprinkler Systems

Certain residential dwelling units located within Mesa Water's service area may have installed, or may in the future install, fire sprinkler systems that are connected downstream of Mesa Water's service meter (Point of Ownership) (for purposes of this Section, a "System"). Mesa Water hereby provides notice that it is not responsible, and assumes no liability of any kind, for the installation, ownership, operation or use of any such System. The provisions of Sections 2.4 and 2.5 of these Rules and Regulations shall apply to any such System. Mesa Water expressly declines to provide, or guarantee, any particular Water Service, or pressure, to a Customer, or Customer account, that has such a System, and no contractual obligation therefore shall arise, whether through a Water Service Agreement or otherwise, without the express prior written agreement of the Board. Mesa Water assumes no liability whatsoever for any injuries or damages, of whatever nature, that arise or occur based on the installation, ownership or use of any such System. The provisions of this Section shall be in addition to, and not in derogation of, Mesa Water's statutory protections applicable to such matters.

#### 4.2.11 Fire Hydrant Installation

The appropriate fire department or authority having jurisdiction shall designate the size and location of all fire hydrants to be installed. Fire hydrants shall be installed in the parking or sidewalk area adjacent to the curb within the public right of way. Residential and commercial developments requiring fire hydrants shall be considered private fire hydrants. Mesa Water shall not be responsible for maintaining or relocating private fire hydrants. Upon request and approval by the appropriate fire agency Mesa Water will change the location of fire hydrants owned and operated by the District when necessary. At the sole cost of the property Owner, Mesa Water may relocate a public fire hydrant with approval from the appropriate fire protection authority.

#### 4.2.12 Water Main Extensions

Mesa Water will extend its Water distribution Mains to individual developers at the expense of the property Owner. If Mesa Water deems it necessary to install larger Mains for future use, the District will bear the costs of such over sizing.

#### 4.2.13 Benefited Property Agreement

In the event that a Mainline extension or a new Mainline will benefit adjacent properties, at its discretion, Mesa Water may enter into a benefited property agreement with developer(s) of the adjacent properties. All terms and conditions of such a benefited property agreement will be subject to approval by the Board of Directors.

#### 4.2.14 Regulation of Booster Pumps

When it becomes necessary, due to low Water pressure or special operating conditions, to install a booster pump on the service to any premise, such pump shall be equipped with a low-pressure cut-off switch designed to shutoff the pump when a Water pressure on the inlet side is 25 pounds per square inch gauge (PSIG) or less. It shall be the duty of the Customer of Record to maintain the cut-off device in proper working order and certify to Mesa Water, at least once a year that the device is operable. A person deemed competent by Mesa Water shall execute low-pressure cut-off device certification.

#### 4.2.15 Acceptance of Easements

Subject to the provisions of this Section 4.2.15, Mesa Water requires that all facilities to convey potable and Recycled Water to Customers be installed in the public right-of-way. Mesa Water shall not accept facilities constructed on private property. However, the District Engineer and General Manager will consider the acceptance of an easement and Water facilities under the following conditions:

- Closed or Dead End Layout: Developments that contain a closed or dead-end layout that could result in substandard Water quality as determined by the District Engineer; or
- Multiple Unit Developments: Developments with 30 or more individually owned units requiring large Mainline construction as determined by the District Engineer.

The above conditions shall be at the discretion of the District Engineer and General Manager and subsequent approval of the Board of Directors. Acceptance of an easement by Mesa Water shall include, but not be limited to, the following criterion:

- Points of Connection: Customer shall establish a minimum of two points of connection Mesa Water's Mainline system as determined by the District Engineer.
- Easement Preparation and Costs: Easements shall be designed by the Customer

at their costs and be certified by a California Registered Professional Land Surveyor. Easement documents shall be submitted to and approved by Mesa Water prior to meters being approved for installation.

- Easement Requirements: A 15 feet easement (7.5 feet each side of Main) shall be granted to Mesa Water for Mainlines and five feet for Water Services (2.5 feet each side of the service). Easements shall include within the boundaries Mainlines, service laterals, fire hydrants and Water meters.
- Water System Repair and Maintenance Responsibilities: Mesa Water shall not be responsible for replacing decorative concrete, pavers, block walls, fences, grass, rock, irrigation systems or other appurtenances within the boundaries of a granted easement as a result of standard maintenance or emergency repair work. Mesa Water shall use asphalt paving to repair maintenance work performed within the easement and only over the location of repair. Mesa Water shall not be responsible for any cost over the cost of replacing the asphalt pavement. This requirement shall be written into the easement document.
- Water System Design Requirements: Mesa Water reserves the right to determine the location of Mains, services, meters and other appurtenances within the private development.
- City of Costa Mesa Private Gate Waiver: Customers shall not apply to the City or construct a privately gated community. This condition must be written into the easement document and a letter from the City received designating their agreement.
- Hold Harmless Agreement: The Customer shall execute Mesa Water's hold harmless agreement indemnifying the District with any existing or future damage caused by its facilities.



## **SECTION 5 – TEMPORARY WATER SERVICES**

### **5.1 TEMPORARY CONNECTIONS**

On a case-by-case basis, Mesa Water will allow the use of temporary connections to the District's Water System when Water Service is needed only for construction or other purposes as approved by Mesa Water. Mesa Water reserves the right to require the Applicant to use an existing Service Connection whenever feasible.

Mesa Water reserves the right at any time to set a meter on any temporary Service Connection and collect the required Deposits, and thereafter charge the regular metered Rate for the kind of service to be rendered.

All meters set on temporary Service Connections will be read by Mesa Water on a regular basis, and all temporary service accounts will be billed monthly or bi-monthly.

### **5.2 HYDRANT METERS**

Water may be procured from fire hydrants for construction or other purposes only in the manner prescribed in these Rules and Regulations for Water Service. When Water is to be procured from a fire hydrant, the Applicant shall sign a Rules for Hydrant Meters For Construction Water Service form (Refer to Appendix 5) and also an Application Temporary Water Service (Refer to Appendix 4), wherein the Applicant shall specify the location of the fire hydrant to be used, the anticipated length of use and shall agree to make the required Deposit to Mesa Water. Copies of both forms shall be issued to the Applicant and shall constitute authority to procure and make such limited use from the fire hydrant therein designated, through a Mesa Water supplied hydrant meter.

Only Mesa Water employees are allowed to install or remove fire hydrant meters, which shall be subject to the approval of the Customer Services Manager. Private hydrants are not available for use with Mesa Water hydrant meters prior to installation of such meter; the permit holder must pay an Installation Fee in accordance with the Water Rate and Charge Schedule and Mesa Water's Policy DS-009 Hydrant Meters. The permit holder is required to give Mesa Water at least one Business Day (24 hours) notice when requesting the installation (set up) or removal of a fire hydrant meter.

Only Mesa Water employees may relocate a fire hydrant meter. The permit holder must give the District at least one Business Day (24 hours) notice when requesting fire hydrant meter relocation. Relocation will only be performed by Mesa Water employees during business hours and a Fee for moving the hydrant meter will be assessed in accordance with the rates listed in the Water Rate and Charge Schedule.

The permit holder is responsible for paying the costs of repairing any damages to the fire hydrant meters or hydrants. These costs will be the actual cost of repairs plus Mesa Water's full labor overhead Rate.

## **SECTION 6 – CROSS CONNECTION AND BACKFLOW PREVENTION**

### **6.1 INTRODUCTION**

Mesa Water recognizes that it has a responsibility to take all reasonable precautions to protect the public Water supply. Thus, in the exercise of this responsibility, Mesa Water must take all reasonable precautions to protect the District's Water System from the hazards originating on the premises of its Customers that may degrade the Water in the Water System.

To affect such precautions, Mesa Water, has adopted these Rules and Regulations pursuant to the State of California Administrative Code, Title 17 - Public Health entitled "Regulations Relating to Cross Connections."

In addition to these Rules and Regulations for Water Service, the Customer must comply with Public Law 99-339 - the Safe Drinking Water Act and its amendments, all State and local regulations including but not limited to Title 17 - Regulations Relating to Cross Connections, and the latest edition of the Manual of Cross Connection Control from the Foundation for Cross Connection Control and Hydraulic Research, University of Southern California.

These Rules and Regulations were written to assist Mesa Water in safeguarding its Potable Water supply. Mesa Water cannot, and will not, be held liable for actions by others that are beyond its control, including, but not limited to, willful sabotage, deceptive or fraudulent activities and acts of nature. These Rules and Regulations do not provide regulatory measures for protection of Water users from the hazards of Cross Connection within the Water users own premises.

### **6.2 GENERAL PROVISIONS**

#### **6.2.1 Protection**

Protection shall be accomplished by isolating within the premises, any and all used, degraded, contaminated or polluted Water or other liquids, mixtures or substances. Mesa Water recognizes that there are varying degrees of potential and actual hazards; consequently, the degree of protection shall be commensurate with the degree of hazard.

#### **6.2.2 Backflow Prevention Assemblies**

Backflow Prevention Assemblies shall be provided and maintained by the Applicant, Owner or Customer of Record at his/her expense. Such assemblies shall be located on the premises of the property served and shall not be installed on Mesa Water's portion of the Water System. All such assemblies shall be readily accessible for testing and maintenance and no assembly shall be submerged at any time or exposed to Recycled Water, Direct Overspray or Runoff at any time.



From time to time, representatives of any health agency having jurisdiction or Mesa Water may conduct surveys of any premises where Recycled Water Service is provided by the District. The purpose of such surveys is to determine if any actual or potential cross-connections exist. The Applicant, Owner or Customer shall provide reasonable cooperation in facilitating such surveys.

The type of Backflow protection required is related to the degree of hazard that exists on the premises served. The type of Backflow Prevention Assembly that may be required (listed in increasing level of protection) includes Double Check Valve Assembly (DCV), Reduced Pressure Principle Assembly (RPP), and an Air Gap Separation (AG). The Applicant may choose to install an assembly with a higher level of protection than required by Mesa Water. The minimum types required, relative to various situations shall be as required by California Administrative Regulations, Title 17, or to the extent not covered thereby, as determined by Mesa Water or applicable regulatory agency.

It shall be the responsibility of the Applicant on any premises on which Backflow Prevention Assembly(ies) are installed to have competent inspections made at least once a year, or more often in those instances where successive inspections indicate repeated failure.

#### 6.2.3 Unprotected Cross Connections

Unprotected Cross Connections to the public Water supply are prohibited.

#### 6.2.4 New Service Requests

Mesa Water shall review all requests for new service to determine if Backflow protection is needed. Plans and specifications must be submitted to Mesa Water for review of possible Cross Connection hazards as a condition of service for new Service Connections.

#### 6.2.5 Protection Required Before Granting Service

Whenever Backflow protection is found necessary, Mesa Water will require the Customer of Record or Applicant to install an approved Backflow Prevention Assembly at the Customer's expense for continued services or before a new service is approved.

#### 6.2.6 Protect All Water Lines

Wherever Backflow protection is necessary on a Water supply line entering a Customer's premises, any and all Water Service lines from Mesa Water's Mains entering such premises, buildings or structures shall be protected by an approved Backflow Prevention Assembly. The type of assembly to be installed will be in accordance with the requirements of these Rules and Regulations.

## **6.3 WHERE PROTECTION IS REQUIRED**

### **6.3.1 Premises Having an Auxiliary Water Supply**

Premises that have an auxiliary Water supply shall be protected against Backflow of Water from the premises into the public Water System, unless the auxiliary Water supply is accepted as an additional source by Mesa Water and is approved by the public health agency having jurisdiction.

### **6.3.2 Premises Handling Processed Water**

Premises, on which any substance is handled in such fashion that it may allow its entry into the Water System; shall be protected against Backflow of the Water from the premises into the public Water System. Such substances include, but are not limited to, the handling of processed Waters and Waters originating from the District's Water System subjected to deterioration in sanitary quality.

## **6.4 PREMISES HAVING OR POSSIBLY HAVING CROSS CONNECTIONS**

Premises that have any one of the following shall be protected against Backflow of the Water from the premises into the public Water System:

- Internal Cross Connections;
- Intricate plumbing and piping arrangements susceptible to Cross Connection; or
- Where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not Cross Connections exist.

## **6.5 TYPE OF PROTECTION**

### **6.5.1 Type of Backflow Assembly**

The type of approved Backflow Prevention Assembly shall depend upon the degree of hazard. The decision as to when, where and which assembly to be used shall be made at the discretion of Mesa Water and shall depend upon the facts of each particular situation.

In determining, the degree of hazard and the type of approved Backflow Assembly required the following principles shall apply:

- Health or System Hazard – An approved Air-Gap Separation or an approved Reduced Pressure Principle Backflow Prevention Assembly (RPP) shall be used where there is an existing or potential contaminant (health or system hazard).
- Pollution Hazard – A Double Check Valve Assembly (DCV) is to be used where there is an existing or potential pollution (non-health hazard).

## 6.6 APPLICATION

### 6.6.1 Structures of More Than Two Stories in Height

At the Service Connection to any premises, where there are more than two stories in height above the Service Connection, an approved Backflow Prevention Assembly shall protect the District's Water supply.

### 6.6.2 Residential Buildings with Fire Sprinklers

New residential buildings requiring fire sprinkler protection systems shall utilize a 13D flow through the sprinkler system or install a testable Backflow Prevention Assembly.

Remodeled residential buildings installing fire sprinkler protection systems shall utilize a 13D flow through the sprinkler system or install a testable Backflow Prevention Assembly.

### 6.6.3 Recirculating Water

At the Service Connection to any premises containing recirculating Water systems (hot or cold); the District's Water supply shall be protected by an approved Backflow Prevention Assembly.

### 6.6.4 Five or More Units

At the Service Connection to any premises where there are multiple units or dwellings that have five or more individual units being serviced through one metering system, the District's Water supply shall be protected by an approved Backflow Prevention Assembly.

### 6.6.5 Health or System Hazard from Auxiliary Water Supply

At the Service Connection to any premises, where there is an auxiliary Water supply that may constitute a health or system hazard, an approved Air-Gap Separation or an approved reduced pressure principle Backflow Assembly, or both, shall be installed.

### 6.6.6 Sewage and Storm Drain Facilities

At the Service Connection to any wastewater treatment plant, wastewater pumping station or storm Water pumping station, the District's Water supply shall be protected by an approved Air-Gap Separation. All piping between the meter and the receiving vessel shall be entirely visible. If, in the opinion of Mesa Water, an Air-Gap Separation provides insufficient protection, the District may require installation of an additional approved Backflow Prevention Assembly(ies).

#### 6.6.7 Hospitals, Mortuaries, Etc.

At the Service Connection to hospitals, medical and dental buildings, mortuaries and other premises where special hazards exist, the District's Water supply shall be protected by an approved Reduced Pressure Principle Backflow Prevention Assembly.

#### 6.6.8 Commercial or Industrial Buildings

At the Service Connection to any premises containing commercial or industrial buildings subject to varying and unknown use, the District's Water supply shall be protected by an approved Backflow Prevention Assembly.

#### 6.6.9 Fireline Services

Approved Double Check Detector Assembly (DCDA) shall be installed on all fireline services, except where, in the opinion of Mesa Water, the DCDA does not provide sufficient Backflow protection. In this case, Mesa Water will require the installation of an approved Reduced Pressure Principle Detector Assembly (RPDA).

#### 6.6.10 Irrigation Services

Meters serving only irrigation systems shall be protected by an approved Reduced Pressure Principle Backflow Prevention Assembly.

#### 6.6.11 Multiple Use Services

In the case of meters serving domestic and fire services (sprinklers), the District's Water supply shall be protected by an approved Backflow Prevention Assembly that will meet the minimum requirement for the existing or potential hazard.

### **6.7 INSTALLATION**

#### 6.7.1 Only Mesa Water Approved Assemblies

Only Backflow Prevention Assemblies that have been approved by Mesa Water and the DDW shall be acceptable for installation on a Service Connection. Upon request, Mesa Water will provide a list of approved Backflow Prevention Assemblies.

#### 6.7.2 Installation Specifications

Backflow Prevention Assemblies shall be installed in a manner prescribed in Section 7603, Title 17 of the California Administrative Code and they shall be installed on the Customer's side of, and as close to the Service Connection as is practical. The assembly shall be installed a minimum of 12 inches and a maximum of 36 inches above final grade measured from the concrete pad to the bottom of the assembly and with a minimum of 12 inches clearance on either side. The assembly shall be installed so that

it is readily accessible for maintenance and testing. Mesa Water shall have the final authority in determining the required location of a Backflow Prevention Assembly.

#### 6.7.3 Replacement of Obsolete Assemblies

The Customer of Record must replace obsolete Backflow Prevention Assemblies when notified by Mesa Water that the assembly is no longer appropriate or acceptable. An obsolete assembly may be upgraded provided that a factory manufactured upgrading kit is available. The upgraded Backflow Prevention Assembly must be approved by Mesa Water and the California Department of Health Services Office of Drinking Water.

#### 6.7.4 Testing New Assemblies

As soon as the installation of the Backflow Prevention Assembly has been completed, the Customer of Record shall have the assembly tested by a certified tester, and submit the test results to Mesa Water within ten days of the test date. An Orange County Health Department approved list of local certified testers may be obtained at the Mesa Water Office or on the website at [www.MesaWater.org](http://www.MesaWater.org).

#### 6.7.5 Right to Reject

Mesa Water reserves the right to reject any installation or assemblies.

#### 6.7.6 Potable Water Plumbing

In September 2006, the State Legislature passed Assembly Bill 1953 prohibiting the use of any pipe, pipe or plumbing fitting or fixture, solder or flux that is not lead free in the installation or repair of any fixture intended to convey or dispense Water for human consumption. The prohibition has been in effect since January 1, 2010. All Potable Water facilities shall be provided with materials that meet the lead free requirements as defined in AB 1953, and certified by an independent American National Standards Institute (ANSI) accredited third party, including but not limited to, NSF International, as being in compliance with Section 116875 (g) of the Health and Safety Code as amended by AB 1953. Each shipment shall contain a copy of the certification that the item is lead free as defined by AB 1953.

### **6.8 INSPECTION AND TESTING**

#### 6.8.1 Original Test

All Backflow Prevention Assemblies shall be inspected, tested and certified as operational when the assembly is originally installed, replaced, relocated or repaired. All tests shall be conducted by a certified tester who shall prepare a report certifying that the assembly has been tested and is operating satisfactorily.

## 6.8.2 Annual Test by Certified Tester

At the expense of the Customer of Record, all Backflow Prevention Assemblies shall be inspected, tested and certified as operational at least once a year. All tests shall be conducted by a certified tester who shall complete a Mesa Water Backflow test form report for each assembly certifying that the assembly has been tested and is operating satisfactorily.

### 6.8.2.1 First Notification

Mesa Water will notify the Applicant, Owner, or Customer(s) when their annual testing is required and supply them with the necessary test form(s) that must be filled out each time a Backflow Prevention Assembly is tested or repaired. Such notice will include the date by which the test must be completed, (generally 30 days after the date of the notice). Copies of the completed forms shall also be sent to the local regulatory agency (OCHCA). The Applicant, Owner, or Customer shall notify Mesa Water any time an assembly is repaired, replaced or relocated. A Backflow Prevention Assembly shall be repaired or replaced by, and at the expense of the Applicant, whenever it is found to be defective. Records of all such tests and repairs shall be submitted to Mesa Water with ten days and maintained by the Applicant.

### 6.8.2.2 Shutoff Notification

A shutoff notice shall be sent to each Customer of Record who does not have the Backflow Prevention Assembly tested within the 30-day period as prescribed in the first notice. The shutoff notice will give the Customer of Record a two-week period to have the applicable Backflow Prevention Assembly tested. If no action is taken within such two-week period, Mesa Water may terminate Water Service to the Customer's premises until the subject assembly is scheduled for testing and testing company calls in to restore Water Service.

### 6.8.2.3 Customer of Record's Responsibility

The Customer of Record shall cause annual tests to be made of the Backflow Prevention Assembly at the expense of the Customer of Record. Defective assemblies shall be repaired, overhauled or replaced immediately at the expense of the Customer of Record. As a courtesy Mesa Water provides a notice of annual testing, but failure to receive such notice shall not relieve the Customer of Record of requirements under this section.

### 6.8.2.4 Reports

Reports of inspections, tests, repairs, overhauling of the assembly and corrections made shall be submitted to Mesa Water within ten days of the test date by the certified tester. Such reports shall be submitted to Mesa Water on forms supplied by the District.



### 6.8.3 Random Tests and Inspections of Assemblies

Mesa Water will maintain a program of random or spot testing of various Backflow Prevention Assemblies at no cost to the Customer of Record. This testing may be done at the time of installation and periodically thereafter. This testing will in no way relieve the Customer of Record from responsibility for maintaining functional assemblies, but will serve to help assure that the program is serving its intended purpose.

### 6.8.4 On-Premise Inspection by Mesa Water

At its discretion, Mesa Water may require an on-premises inspection for Cross Connection hazards on any property to which it serves Water. Mesa Water will transmit a written notice requesting an inspection appointment to each Customer of Record. Any Customer or Customer of Record who cannot or will not allow an on premise inspection of the piping system shall be required to install any Backflow Prevention Assembly that Mesa Water considers necessary.

### 6.8.5 More Frequent Inspection

Where successive annual reports indicate defective operation of a Backflow Prevention Assembly, Mesa Water may require more frequent inspections or require replacement of the assembly.

### 6.8.6 Duty of Tester

The certified tester shall be responsible for the competency of inspections, corrective actions and the accuracy of reports required under this Section and Mesa Water's code of conduct for Backflow assembly testers.

### 6.8.7 Testing Methods

Test results of Backflow Prevention Assemblies will only be accepted if performed in accordance with the methods used by the Foundation for Cross Connection Control and Hydraulic Research at the University of Southern California and County of Orange/Health Care Agency/Environmental Health.

## **6.9 ENFORCEMENT**

### 6.9.1 New Service Connections

No new Service Connections shall be completed, nor meters installed, until all provisions of these Rules and Regulations for Water Service have been satisfied.

### 6.9.2 Existing Service Connections

Existing Service Connections shall comply with all provisions of these Rules and Regulations for Water Service. If it is found that the service is out of compliance, the service will be brought into compliance with all provisions of these Rules and Regulations for Water Service when the Customer of Record is notified by Mesa Water. Failure to comply shall result in termination of Water service.

### 6.9.3 Termination of Water Service

Mesa Water may immediately terminate service to any premises where an actual or potential Cross Connection or other hazard to the District's Water supply is found to exist. Any Customer who violates any of the provisions of these Rules and Regulations or alters, bypasses or renders inoperative, or removes any installed Backflow Prevention Assembly, or fails to test the assembly as required, shall be subject to immediate termination of Water service.

### 6.9.4 Civil and Criminal Actions

Violation of these Rules and Regulations may constitute a public nuisance within the meaning of Health and Safety Code Section 117035 and Penal Code Sections 372 and 373a. Violators may be subject to civil actions for abatement and damages (Civil Code Section 3479, et seq.) and Criminal Penalties of up to six months in county jail or \$1,000 or both (Penal Code Section 19). Customers may also be assessed a fine of \$500 per day by Mesa Water for Violation of these Rules and Regulations for Water Service.

### 6.9.5 Onsite Irrigation Systems

For onsite irrigation systems, Mesa Water will focus its review on the identification requirements and any other specific items that are specified by these Rules and Regulations. The character and quality of the materials used for the irrigation system will be the responsibility of the design engineer or Applicant of the property.

The Contractor shall furnish Mesa Water with such information, as it may desire, regarding the character and quality of materials used. When requested by Mesa Water, the Contractor shall submit a certification that the product meets the requirements of these Rules and Regulations.

The onsite irrigation system shall be tested as required by the design engineer or landscape architect for the Applicant of the property and as is required by the local governing codes, rules, and regulations.



## **6.10 GENERAL TESTING**

### **6.10.1 Offsite Facilities**

Prior to final acceptance by Mesa Water, all offsite water and Recycled Water Facilities that will be ultimately be owned by the District shall pass all testing requirements specified within the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. All testing shall be conducted in accordance with the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. The tests shall be conducted by the Contractor in the presence of the Mesa Water Inspector. The scheduling of these tests shall be the responsibility of the Contractor. The Contractor shall provide adequate resources.

Upon the successful completion of the required testing, Mesa Water shall perform the final inspection in accordance with the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. All identification requirements will be reviewed and field inspected. Mesa Water will note all required corrections in the form of a punch list issued to the Contractor. Final acceptance of the Offsite Facilities will not be authorized until all corrections are made to the satisfaction of the District.

### **6.10.2 Onsite Facilities**

Prior to final acceptance by Mesa Water, all Onsite Recycled Water and Potable Water Systems shall pass an operational test within 30 days of the completed irrigation system installation. The test shall be conducted by the Contractor in the presence of Mesa Water Inspector. The scheduling of these tests shall be the responsibility of the Contractor. The Contractor shall provide adequate resources.

Mesa Water shall note all required corrections in the form of a punch list issued to the Contractor. Regular service startup shall not be authorized until all corrections are made to the satisfaction of Mesa Water. Punch list is valid for 30 days only.

## **6.11 TERMINATION**

### **6.11.1 Basis for Termination of Water Service**

In the event of contamination or pollution of its Potable Water System due to a cross-connection on premises to which the District's Water System is connected, the local health officer and Mesa Water shall be promptly advised by the person responsible for the premise Water System so that appropriate measures may be promptly taken to mitigate the contamination or pollution. When the District determines that Water uses or conditions encountered by Mesa Water employees represent a clear and immediate hazard to the District's Water supply that cannot be immediately abated, it shall institute the procedure for discontinuing Water use as set forth below. Conditions or Water uses that create a basis for Water Service termination shall include, but are not limited to, the

following:

- a. Refusal to install a required Backflow Prevention Assembly
- b. Refusal to test a Backflow Prevention Assembly
- c. Refusal to repair a faulty Backflow Prevention Assembly
- d. Refusal to replace a faulty Backflow Prevention Assembly
- e. Direct or indirect connection between the District's Water System and a sewer line
- f. Unprotected direct or indirect connection between the District's Water System and a system or equipment containing contaminants
- g. Unprotected direct or indirect connection between the District's Water system and an auxiliary Water System
- h. A situation that presents an immediate health hazard to the District's Water System
- i. Failure to comply with other provisions of these Rules and Regulations for Water Service

#### 6.11.2 Termination Procedures

For conditions, a through d stated in Section 6.11.1 Mesa Water will terminate service to a Customer's premises after two written notices have been sent specifying the corrective action(s) needed and the time period in which it must be taken. If no action is taken within the allowed time period, Water Service may be immediately terminated without further notice.

For conditions, e through i stated in Section 6.11.1 Mesa Water will make a reasonable effort to advise the Customer of the intent to terminate Water Service before termination.

#### 6.11.3 Restoration of Water Service

Water Service shall not be restored until all identified hazards are eliminated and/or all Violations have been corrected to the satisfaction of Mesa Water. Nor shall Water Service be restored until Mesa Water has received reimbursement for any costs incurred in terminating the Water Service and advance payment for the cost of service restoration. All costs will be in accordance with the Fees specified in the Water Rate and Charge Schedule.

## **SECTION 7 – WATER USE EFFICIENCY AND WATER WASTE PROHIBITION**

### **7.1 INTRODUCTION**

Mesa Water is dedicated to promoting and implementing the efficient use of water.

Water using appliances, devices, and irrigation systems shall be designed, installed, and used in such a way as to use Water efficiently, and to meet or exceed Water efficiency requirements of any applicable local or State standards or law.

### **7.2 WATER USE EFFICIENCY PROGRAMS AND SERVICES**

The District's Water Conservation Coordinator administers various programs and services to assist Customers in using Water efficiently in their homes, businesses, and landscapes.

Descriptions of these programs and services may be found on Mesa Water's website at [www.MesaWater.org](http://www.MesaWater.org)

### **7.3 WATER CONSERVATION AND WATER SUPPLY EMERGENCY PROGRAM**

Mesa Water has adopted a Permanent and Emergency Water Conservation Program that includes permanent Water-waste prohibitions, escalating water requirements to be implemented over Water supply shortage conditions, penalties and Violations, and other general provisions. The permanent Water-waste restrictions include primarily behavioral measures such as limiting irrigation times, prohibiting the washing of paved surfaces, and controlling excessive Runoff.

The Permanent and Emergency Water Conservation Program can be found on Mesa Water's website at [www.MesaWater.org](http://www.MesaWater.org) or upon request by calling 949.631.1200.

## **SECTION 8 – RECYCLED WATER SERVICE**

### **8.1 INTRODUCTION**

It is Mesa Water's desire to promote conservation of Water resources. Whenever possible, Recycled Water Service by Mesa Water, on behalf of Orange County Water District, may be made available to Customers.

When Recycled Water Service is available at a reasonable cost, as a condition to receiving Water Service, Mesa Water shall require, pursuant to California Water Code Sections 13550 and 13551, the Applicant, Owner or Customer to accept and use Recycled Water in lieu of Potable Water for legally permissible uses, as determined by the District. Mesa Water additionally may require an Applicant, Owner or Customer to install or pay for the installation of Recycled Water Service lines, Service Connections, meters, Backflow Prevention Assemblies and any and all other appurtenances to a service in compliance with these Rules and Regulations for Water Service.

In most instances where service is desired for the purposes of landscape irrigation, industrial Water use or other non-potable use, it is the general intent of Mesa Water to provide Recycled Water in lieu of Potable Water. However, the General Manager, on a case-by-case basis, must approve each use. Mesa Water may determine, at its discretion, whether it is necessary or desirable to furnish Potable Water at the Potable Water Rate, either on a permanent basis or on an interim basis.

Determinations on the specific, allowable uses of Recycled Water shall be in accordance with the standards of treatment and Water quality requirements set forth in Title 22, California Code of Regulations, Chapter 3, Water Recycling Criteria, and with the intent to protect the public health. In addition, each use shall be subject to the availability of facilities and the feasibility of making such facilities available.

### **8.2 GENERAL PROVISIONS**

#### **8.2.1 Specific Authority**

The Recycled Water User shall comply with these Rules and Regulations as well as, but not limited to, all applicable State, federal and local governing codes, rules and regulations, regardless if the above mentioned section(s) specifically refer to Recycled Water or Recycled Water Service. Mesa Water reserves the right, at its discretion, to determine the applicability of a specific rule, regulation or other provision.

#### **8.2.2 Enforcement**

Mesa Water shall enforce these Rules and Regulations in all matters concerning the use of any Recycled Water or Recycled Water Service within its service area. Each and every condition and requirement with respect to the use, connection, disconnection, reconnection or discontinuance of Recycled Water or Recycled Water Service provided

by and set forth in these Rules and Regulations shall apply with equal force and effect to any person, persons or firm, public or private. There shall be no deviation from these Rules and Regulations except upon authorization by the General Manager, who will act at all times within any and all appropriate regulatory agency constraints.

### 8.2.3 Amendments

These Rules and Regulations affecting Recycled Water Service (Sections) may be amended by Board action at any regular or special meeting for cause determined by the General Manager and without the approval of any user or Owner. Moreover, any amendments so made shall be incorporated immediately by these regulations and will be administered accordingly. Insofar as these regulations are based upon portions of the California Code of Regulations, Title 17 and Title 22, to the extent such State regulations are amended, these Rules and Regulations shall be deemed to have been amended in a corresponding manner or form.

### 8.2.4 Federal, State and Local Authority

All Onsite Facilities shall be designed to meet the standards of all applicable federal, State and local governing codes, rules and regulations.

### 8.2.5 Precedence

These Rules and Regulations shall take precedence when requirements contained herein are more stringent than those specified in federal, State or local governing codes, rules and regulations.

### 8.2.6 Service Area

The regulations set forth in this Section 8 pertain to Recycled Water Service to lands or improvements within the legal boundaries of Mesa Water's service area unless otherwise stated. Legal boundaries include, but are not limited to, most of the City of Costa Mesa Water, parts of the City of Newport Beach and some unincorporated county area, including the John Wayne Airport area. Mesa Water's service area may be subject to future changes.

### 8.2.7 System Responsibility

All Offsite Facilities within Mesa Water's service area are the responsibility of the District and shall be under the management and control of Mesa Water. Only Mesa Water and those authorized by the District shall have any right to operate the Offsite Facilities and related property in any manner. Mesa Water shall be responsible for the operation of the Offsite Facilities and distribution system within its service area and for the surveillance of all Recycled Water Users within its service area. Mesa Water shall not be responsible for the quality assessment of Recycled Water as it relates to compliance with requirements of the Appropriate Regulatory Agencies.

### 8.2.8 Protection of Public Health

Mesa Water reserves the right to take any action(s) with respect to the operation of the Recycled Water System and to take such action(s) at such time as it deems proper to safeguard public health.

The Appropriate Regulatory Agencies have independent authority and responsibility to protect public health and may take action at such time as deemed proper to safeguard public health.

### 8.2.9 Authorized Uses

This Section 8 of these Rules and Regulations address the application of Recycled Water for irrigation and Construction Use. Other proposed uses will be reviewed on a case-by-case basis by Mesa Water and the Appropriate Regulatory Agencies. In all cases, Mesa Water's approval of any proposed use will be contingent upon the proposed use being acceptable to the Appropriate Regulatory Agencies. Only those uses specified in the User Agreement or Water Service Agreement are uses authorized by these Rules and Regulations.

### 8.2.10 Approved Use Areas

These Rules and Regulations for Recycled Water pertain to Recycled Water Service to land or improvements, or both, lying within the boundaries of Mesa Water's service area and within the areas where Recycled Water Facilities are available. If Mesa Water has determined that Recycled Water shall be provided in accordance to the requirements contained in this Section; such service shall be provided only if a permit for such Recycled Water Service is obtained in the manner hereinafter provided.

The acceptable uses of Recycled Water for irrigations purposes include any of the following:

- Parks, greenbelts, and playgrounds
- School yards
- Athletic fields
- Golf courses
- Cemeteries
- Residential landscaping, common areas (individual owned residences are not eligible under the Orange County Water District Discharge Permit)
- Commercial landscaping, except eating areas
- Industrial landscaping, except eating areas
- Freeway, highway and street landscaping
- Agricultural irrigation
- Firefighting (only with special approval)
- Construction Use (soil compaction, dust control, etc.)



- Groundwater recharge (case-by-case basis)

Each such use must be considered for approval by Mesa Water on a case-by-case basis, and the District may determine, in its sole discretion, whether it is feasible to furnish Recycled Water for the specific use involved. Prior to approving such uses, Mesa Water may, in its sole discretion, set forth specific requirements as conditions to providing such services or require specific prior approval from the Appropriate Regulatory Agencies. Only those use areas specified in the User Agreement or Water Service Agreement are authorized areas for use of Recycled Water.

#### 8.2.11 Design Approval

Prior to the construction of Onsite Facilities, in or on an Approved Use Area, that will use or receive Recycled Water; the design of such Onsite Facilities must be approved by Mesa Water. Approval shall be obtained only through the procedure contained in these Rules and Regulations. Approval shall be contingent upon evidence that all applicable design requirements, including those contained within these Rules and Regulations, are satisfied.

#### 8.2.12 Construction Inspection

Mesa Water or its authorized District Agents may inspect the construction of Onsite Facilities that will use or receive Recycled Water to verify that such facilities are constructed in conformance with the approved Drawings and these Rules and Regulations.

#### 8.2.13 Service Approval

Before Mesa Water approves commencement of service for any facilities using Recycled Water, the Record Drawings of the facilities as constructed must be approved by the District. In addition, the system must have passed tests for Cross Connections and proper operation under design conditions, in accordance with these Rules and Regulations and the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities, to the satisfaction of the District.

#### 8.2.14 Service Conditions

Mesa Water reserves the right to control and schedule the use of Recycled Water if in the opinion of the General Manager, control and scheduling are necessary to maintain acceptable working conditions in the Offsite System. These and other service conditions contained in Section 8 of these Rules and Regulations will be administered by Mesa Water at its discretion.

#### 8.2.15 Rates, Fees and Deposit Schedule

All rates, Fees and Deposits regarding Recycled Water Service and respective

administrative provisions, shall be fixed and established by the Board. All costs will be in accordance with the Fees specified in the Water Rate and Charge Schedule.

#### 8.2.16 Mesa Water Limits of Responsibility and Liability

Mesa Water assumes no responsibility for the maintenance and operation of any Onsite Recycled Water System. Pursuant to the terms, which shall be set forth in all User Agreements or Water Service Agreements, the Owner shall assume all liability and responsibility and Mesa Water shall be kept whole and blameless at all times in any claim resulting from matters involving quantities, quality, time or occasion of delivery, or any other phase of the maintenance, operation and service of the Owner's Onsite Facilities.

Mesa Water will not turn on Recycled Water at any property unless the designated User Supervisor is onsite and available at the time.

Mesa Water does not, and will not, assume any liability for damages to private property or for personal injury as a result of interruptions in Recycled Water Service provided pursuant to these Rules and Regulations for reasons Mesa Water deems an emergency or a matter of public health and safety. In addition, Mesa Water does not, and will not, assume any liability for damages to private property or for personal injury as a result of interruptions in Recycled Water Service provided pursuant to these Rules and Regulations for reasons that are beyond its control.

#### 8.2.17 Surveillance

It is the responsibility of the user to provide surveillance and supervision of the Onsite Facilities in a manner that assures compliance at all times with these Rules and Regulations. A User Supervisor shall be designated by the user and shall be approved by the District. Mesa Water shall provide surveillance and supervision of the Offsite Facilities for compliance with these Rules and Regulations. Moreover, Mesa Water shall, and reserves the right to, inspect on a regular basis the Onsite System and operations for conformance with these Rules and Regulations.

#### 8.2.18 Contingency Reservations

If real or potential hazards are evidenced at any time during the construction or operation of any portion of the Recycled Water System or Onsite Facilities, Mesa Water reserves the right, and shall have the authority to, terminate Recycled Water Service without notice to the user in the interest of protecting public health.

#### 8.2.19 Specific Prohibitions

The following conditions are specifically prohibited. Should any such conditions occur at or on a location, Recycled Water Service may be terminated by Mesa Water in accordance with Section 2.4.



#### 8.2.19.1 Runoff Conditions

Conditions that directly or indirectly cause Recycled Water Runoff outside of/or within the Approved Use Area, whether by design, construction practice, or system operation, shall be minimized. The use of Recycled Water on Water-saturated or frozen ground or during periods of precipitation such that Runoff is induced, is prohibited.

#### 8.2.19.2 Ponding Conditions

Conditions that directly or indirectly cause a Ponding condition outside of or within the Approved Use Area, whether by design, construction practice, or system operation, shall be minimized. Temporary Ponding in a vegetated area caused by draining of system or meter testing is allowed in specified areas with prior Mesa Water approval.

#### 8.2.19.3 Direct Overspray Conditions

Any discharge of Recycled Water directly onto areas other than that within the Approved Use Area is strictly prohibited.

#### 8.2.19.4 Windblown Overspray Conditions

Conditions that directly or indirectly permit windblown Recycled Water spray to pass outside of the Approved Use Area, whether by design, construction practice, or system operation, shall be minimized.

#### 8.2.19.5 Unapproved Uses

Use of Recycled Water for any purposes other than those explicitly approved in the currently effective User Agreement or Water Service Agreement without the prior knowledge and written approval of Mesa Water is strictly prohibited.

#### 8.2.19.6 Disposal in Unapproved Areas

Disposal of Recycled Water for any purposes, including Approved Uses, in areas other than those explicitly approved in the User Agreement or Water Service Agreement issued by Mesa Water and without the prior knowledge and approval of the District, and is strictly prohibited. The discharge of Recycled Water from flushing or draining of the recycled system shall be done either at the Approved Use site and in a manner, that does not create Ponding or Runoff conditions, (See Section 8.2.19.2. "Ponding Conditions" for special considerations) or to a sanitary sewer manhole with the approval of the agency responsible for operation of such sanitary sewer. In no case shall the discharge of Recycled Water to a sanitary sewer cause the sewer to overflow or otherwise create a public health hazard or nuisance. Air gap protocol shall be applied.

The direct or indirect discharge from Approved Use Areas of Recycled Water to surface

waters, either perennial or ephemeral, including wetlands, vernal pools, etc. is prohibited, unless otherwise authorized by an NPDES Permit.

#### 8.2.19.7 Cross Connections

Cross connections between the Recycled Water System and the Potable Water System, whether by design, construction practices, or system operation is strictly prohibited.

#### 8.2.19.8 Unprotected Drinking Fountains

Any and all drinking fountains located within the Approved Use Area, as designated in the currently effective User Agreement or Water Service Agreement, shall be protected from contact with Recycled Water, whether by Windblown Spray or by direct application through irrigation or other Approved Use. The lack of such protection, whether by design, construction practice, or system operation, is strictly prohibited.

#### 8.2.19.9 Unprotected Public Facilities

Facilities that may be used by the General Public, or onsite staff, including, but not limited, to eating areas, eating surfaces/benches, pools, spas, hardscape, and playground equipment/play areas, and located within the Approved Use Area designated by the User Agreement or Water Service Agreement, shall be protected by siting or a structure from contact with mist, Runoff or direct contact with Recycled Water. Lack of such protection is prohibited until review and concurrence by Mesa Water and regulatory agencies on a case-by-case basis

#### 8.2.19.10 Hose Bibs

Installation of Hose Bibs on any Onsite System that presently operates or is designed to operate with Recycled Water, regardless of the Hose Bib construction or identification, is strictly prohibited unless the Customer is a cemetery or an industrial facility with minimal public access or exposure.

#### 8.2.19.11 Fire Hydrants

The use or installation of fire hydrants on any Onsite System that presently operates or is designed to operate with Recycled Water, regardless of the fire hydrant construction or identification, is strictly prohibited.

#### 8.2.19.12 Domestic Wells

The application of Recycled Water within 50 feet of a domestic well, and impoundment of Recycled Water within 100 feet of a domestic well, unless approved by Mesa Water and DDW, is prohibited.

#### 8.2.19.13 Hours of Operation

Irrigation with Recycled Water is restricted to particular hours that vary for the following Approved Use Areas:

- Turf areas and center street medians – between 10:00 p.m. and 6:00 a.m.
- Slopes and groundcover/shrub areas – any hour (if no potential for public contact)
- Golf courses – between 9:00 p.m. and 5:00 a.m.
- Golf courses – fill impoundments - between 5:00 a.m. and 6:00 p.m.

Potential public contact with Recycled Water shall take precedence over recycled watering schedules. Irrigation system runtimes shall be adjusted to minimize public contact with Recycled Water, on an individual lateral system basis. Mesa Water shall require specific run times and durations where there is a history of public contact. Consideration shall also be given to allow maximum drying time prior to subsequent public use.

#### 8.2.19.14 Water/Garden Hoses and Hose Appurtenances

Water/garden hoses and hose appurtenances using Recycled Water shall be purple in color with heavy-duty brass fittings. Hoses shall be continuously imprinted with “Caution; Recycled/reclaimed Water – Do Not Drink” and rated at 150 psi working pressure. Hoses shall only be used for Recycled Water use. Use of such hoses for Potable Water use is strictly prohibited.

#### 8.2.19.15 Recycled Water Impoundments

All Recycled Water impoundments shall be adequately protected from erosion, washout and flooding such that no discharge occurs unless the discharge is a result of a 25-year, 24-hour storm event or greater.

Any storage facility or impoundment containing Recycled Water for reuse applications shall be managed in a manner to control odors, nuisance conditions or vectors such as mosquitoes. Should such problems develop, a management plan shall be devised and implemented to monitor, correct and control future occurrences.

### **8.3 REQUIREMENTS FOR DESIGN AND OPERATION**

#### 8.3.1 Design Requirements

Design of Onsite Systems shall be performed by the Owner and such design plans shall be in conformance with the applicable portions of the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities and AWWA Guidelines except as herein modified.

#### 8.3.1.1 Design Responsibility

The design of an Onsite System that will use Recycled Water, including the preparation of plans and construction specifications, shall be under the responsibility of the Customer of Record. Onsite Facilities, in addition to conforming to these Rules and Regulations, shall conform to all applicable local governing codes, rules and regulations. Mesa Water shall have authority over materials, equipment, design, and construction methods used for Onsite Facilities.

#### 8.3.1.2 Point of Connection for Service

Mesa Water will establish the Point of Connection for each Recycled Water Service. The user shall be responsible for extending the Onsite service line to the established Point of Connection and the user will be responsible for all costs associated with extending the Offsite Facilities to the users Recycled Water site.

#### 8.3.1.3 Piping

All Onsite System piping used in conveying Recycled Water shall be of adequate size and structural integrity to ensure that leaks or ruptures will not occur. Lines crossing roadways or other areas receiving regular vehicular traffic must be buried to a depth of at least 24 inches and sleeved. Rigid pipe, able to withstand the planned vehicle loads, shall be used for such installations.

#### 8.3.1.4 Irrigation System Layout

Each Recycled Water irrigation system shall be designed based on peak-application rate requirements to prevent discharge onto areas outside of the Approved Use Areas. Adjustable arc, adjustable radius sprinklers with anti-drain/check valves shall be used adjacent to roadways, boundary lines, and hardscape to confine the discharge from the irrigation system to the Approved Use Area(s). A drainage device under control of the Owner shall be installed at the toe of slope draining to single-family residential lots. Drainage devices must stand-alone; slope drainage devices and shall not be tied into any other drainage systems, e.g., private systems for single-family lots.

The Onsite irrigation system shall be required to automatically shut off in the event of a line break. Use all available equipment to prevent unauthorized discharge of Recycled Water.

The irrigation system design shall avoid spray patterns that include obstructions that tend to concentrate Recycled Water to produce Ponding or Runoff, such as direct or indirect spraying against structures or objects.

No common trenching with other utilities of any kind is permitted.

Mesa Water reserves the right to limit the area of land under one ownership or

homeowner's association to be supplied by one Recycled Water Service Connection and corresponding meter. A Recycled Water Service Connection and its corresponding meter shall not be used to supply adjoining property of a different Owner, without the prior approval in writing from Mesa Water stating conditions and restrictions, such as easements or Memorandum of Understanding.

Irrigation systems where the landscaping around the homes and in common areas is served with one meter and owned by the same Customer, (e.g., a homeowner's association), may be allowed to cross roads, streets, or other public right-of-ways within the Customer's property.

When a property provided with a Recycled Water connection and corresponding meter is subdivided, such connection and meter shall be considered as serving the lot or parcel of land on which the meter is located. Additional Recycled Water Mains or Recycled Water Service lines shall be required for all subdivided areas in accordance with these Rules and Regulations.

For properties of the same Customer, irrigation systems shall be allowed to cross roads, streets, or other public rights-of-way to serve medians and slopes along streets. Recycled Water meters shall be located in the public right of way.

All Recycled Water used on any property must pass through the corresponding water meter. Customers shall be held responsible and charged for all Recycled Water passing through the Water meter(s).

#### 8.3.1.5 Storage Facilities

Onsite storage tanks used in storing Recycled Water shall be of adequate design and structural integrity to ensure that leaks or ruptures will not occur in the course of normal use. All storage tanks that are less than eight feet in elevation above ground Level shall be contained within a fence or other enclosure that will restrict access by the General Public to these facilities at all times. Outlet control with positive shut-off shall be provided at each storage facility. All storage facilities shall comply with posting and identification regulations contained in Section 8.4.7.

#### 8.3.1.6 Distribution Vehicles

Vehicles used for distributing Recycled Water for soil compaction and dust control purposes shall be provided with an adequate tank and plumbing systems to ensure that leaks and ruptures will not occur in the course of normal use. Control valves shall be provided such that Recycled Water can be applied in a controlled fashion on the Approved Use Area and completely retained during transit to all other areas. Spray heads or nozzles shall be provided and configured in such a way that the Recycled Water is uniformly applied and Runoff, Ponding or Windblown Spray conditions prevented. Each tank shall be equipped with an approved Air-Gap Separation. All vehicles used for distributing Recycled Water shall comply with posting and

identification Regulations contained in Section 8.4.7.

#### 8.3.1.7 Temporary Connections to Potable Water System

In those areas where Recycled Water is not immediately available for use and an approved Onsite Recycled Water System has been constructed, a temporary connection to Mesa Water's Potable Water System may be allowed with written approval by the General Manager. Mesa Water shall be solely responsible for making any connections to the Potable Water System. All temporary connections to Mesa Water's Potable Water System shall conform to all requirements specified within its Cross Connection and Backflow Prevention Rules and Regulations.

At the time when Mesa Water determines that Recycled Water is available, the District shall notify any user with a temporary Potable Water connection of the availability of Recycled Water and schedule a mutually acceptable time for making the conversion to Recycled Water. Mesa Water will establish Point of Connection to the Offsite Facilities.

#### 8.3.2 Operational Requirements

##### 8.3.2.1 Supervision

The operation and surveillance of Onsite Systems shall be under the management of the User Supervisor designated by the user and approved by Mesa Water. This User Supervisor, or their representative, shall be available during business hours at an address listed with Mesa Water for the purpose of hosting an inspection tour or for discussing operational aspects of the Onsite System. The User Supervisor, or representative, shall be available via telephone (at a number listed with Mesa Water) for emergency off-hours contact. It is a requirement of Mesa Water that the User Supervisor and their representative can adequately communicate with employees in the English language.

##### 8.3.2.2 Employee Training

It shall be the responsibility of the user to ensure that all Operations staff are trained in and familiarized with the use of Recycled Water, and are familiar with these Rules and Regulations and the requirements of the Appropriate Regulatory Agencies concerning the use of Recycled Water. The user shall attest, by way of the User Agreement or Water Service Agreement that such training shall be provided to all existing employees as well as to all new employees. In addition, the user shall provide Mesa Water with written conformation stating what training is provided to the Operations staff, who received the training and on what date the training was provided. A copy of these Rules and Regulations shall be maintained at the user's site at all times.



#### 8.3.2.3 Onsite Information

The user shall be responsible for furnishing the Water Operations staff with comprehensive system operating instructions, maintenance instructions, and Record Drawings to ensure proper operation in accordance with the system design and these Rules and Regulations. At least one complete set of this information shall be kept onsite or in the nearest field office or maintenance building established by the user. The user shall have the responsibility of properly disseminating this information to all appropriate Water Operations staff. The user shall provide Mesa Water with written confirmation stating what information was provided to the Water Operations staff, to whom the information was given and on what date the information was provided.

#### 8.3.2.4 Onsite Inspection

Inspection of the Onsite System may occur at any time without prior notice by Mesa Water, a District Agent, and various Appropriate Regulatory Agencies. The user and Water Operations staff shall cooperate with Inspectors and assist in the performance of operational tests as requested.

#### 8.3.2.5 Confinement of Irrigation

Any onsite irrigation system shall be operated to prevent discharge onto areas that are not approved for use. Overspray resulting from attempts to reach remote portions of the Approved Use Area shall not be practiced. This situation shall be rectified by appropriate design corrections to the system layout.

#### 8.3.2.6 Construction Use

Recycled Water used for the purpose of soil compaction and dust control shall not be stored or applied in a manner that causes Runoff, Ponding, windblown overspray conditions, or discharge in any way onto unapproved areas. If such conditions occur, the method of application shall be altered to correct them and prevent any further Ponding, Runoff, or Windblown Spray onto unapproved areas. Control valves on the Water distribution vehicles and other controlling devices shall be properly employed to prevent the application of Recycled Water outside the Approved Use Area onto surfaces including, but not limited to, street pavements, sidewalks, and drainage courses.

#### 8.3.2.7 Maintenance

A written preventative maintenance program and schedule designed to ensure the continued operation of all Onsite System elements within the requirements of these Rules and Regulations shall be evidenced by the user and shall be open to inspection by Mesa Water at all times.

### 8.3.2.8 Reuse of Recycled Water Equipment

Any equipment, such as tanks, Water trucks, temporary piping or valves and portable pumps that have been used for Recycled Water purposes shall be drained, cleaned and disinfected before removal from the Approved Use area to another job site. This disinfection and cleaning shall ensure the protection of the public health in the event of any reuse of such equipment with higher quality Water.

Methods of disinfection shall be approved by the District or the appropriate regulatory agency, and the disinfection process shall be performed in Mesa Water employee's presence. When storage tanks or distribution vehicle tanks are provided with an inlet air gap whose configuration is approved by the DDW and OCHCA, such Onsite disinfection shall not be required.

### 8.3.3 Submittals and Records

Facility layout Drawings shall be submitted as specified within these Rules and Regulations by the Customer and approved by Mesa Water prior to commencing any installation of Recycled Water Facilities. The Drawings shall be signed by the Design Consultant and shall include the construction of the use area, and the onsite irrigation system, as a minimum. A materials list shall also be submitted to Mesa Water and it shall include the following:

- Offsite or Onsite Distribution Facilities – The manufacturer, diameter, approximate length, and construction material of all offsite or onsite distribution Recycled Water Mains (pressurized).
- Onsite Storage Facilities – The estimated number and locations of fixed storage tanks or ponds and the approximate volume of each.
- Recycled Water Volume – The maximum and average amounts in gpm that will be drawn from Mesa Water Recycled Water distribution system, and the hours of operation.

Applicants that propose to use Recycled Water for industrial applications or for other special uses may be required to supply additional information, on a case-by-case basis.

#### 8.3.3.1 Preliminary Investigation

The Applicant shall meet with the District at the earliest possible date to determine whether the Design Area is within Mesa Water's service area. At this time, the availability of Recycled Water and the proximity of the site to the Offsite Facilities will be reviewed. Feasibility acceptance by Mesa Water must be obtained before an Application for Recycled Water Service will be accepted.

#### 8.3.3.2 Comprehensive Investigation (Retrofitting Only)

Upon accepting an Application for Recycled Water Service that involves retrofitting,



Mesa Water may conduct a comprehensive investigation of the existing facilities. The Applicant shall cooperate with Mesa Water in its efforts to: (i) obtain required information; (ii) review existing documents; and (iii) inspect the existing facilities.

### 8.3.3.3 System Design Documents

The following information briefly outlines what shall be submitted to, and approved by, Mesa Water prior to the commencing of any construction. Refer to the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities for a complete list of requirements for design document submittals:

#### Drawing and Specifications –

Drawing and specifications for the construction of an Onsite System with Offsite Facilities are located in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. Drawings and Specifications shall be submitted to Mesa Water for review and approval with associated Deposits and Fees outlined in the Water Rate and Charge Schedule. As part of such submittal, a construction cost estimate for the subject facilities shall be provided.

#### Meter Criteria –

The following information shall be provided, both on the Drawings and as a separate cost submittal:

- Existing meter sizes (inches)
- Proposed Recycled Water meter size (inches)
- Gross area to be served through the Recycled Water meter (square feet or acres)
- Peak flow through the Recycled Water meter (gpm) along with supporting calculations
- Estimate of the yearly Water requirements through the Recycled Water meter (acre-feet)
- Time of day when Recycled Water would normally be taken

Dimensioning – All dimensions shall be taken from two permanent points of reference.

Call-Outs – Backflow Prevention Assemblies, all Potable Water lines, exterior drinking fountains and other public facilities in the Design Area shall be shown and called out on the Drawings. If no Backflow Prevention Assemblies, Potable Water lines, exterior drinking fountains or other public facilities are present in the Design Area, it shall be specifically stated on Drawings that none exists.

#### Standard Water Construction Notes for Recycled Water

The standard notes for Recycled Water listed in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities shall be listed on all

## Drawings.

It shall be the responsibility of the Applicant to submit the Drawings and specifications as approved by Mesa Water to any agency having jurisdiction over such projects for their review, and to obtain all required permits prior to construction. Any costs associated with such submittals shall be borne by the Applicant.

### 8.3.3.4 Record Drawings

Record Drawings shall be submitted by the Applicant and approved by Mesa Water prior to the installation of Water meter(s) or the commencement of Recycled Water Service.

All changes in the work constituting departures from the original design Drawings, including changes in both pressure and gravity lines shall be accurately recorded on one reproducible set of design Drawings, which shall become the Record Drawings. The changes and dimensions shall be recorded in a legible manner to the satisfaction of Mesa Water. One complete set shall be maintained onsite at all times.

Specific Call-Outs – The locations and depths of the following items shall be shown:

- Points of connection
- Points of line severing
- Routing of sprinkler pressure lines
- Gate valves
- Sprinkler control valves
- Quick coupling valves
- Routing of control wires
- Control stations
- Backflow Prevention Assemblies, including type of such assembly(ies)

### 8.3.4 Cross Connection Control Requirements

The following requirements apply to all user sites where Recycled Water is stored, conveyed or applied in any manner.

#### 8.3.4.1 Protection at Potable Water Service Connection

An approved Air–Gap Separation shall be required on the user's Potable Water line at a location that is as close as practical to the Service Connection with Mesa Water's Potable Water System. An approved Reduced Pressure Principle Backflow Prevention Assembly may be provided in lieu of an Air–Gap Separation if approved by Mesa Water and the Appropriate Regulatory Agencies.

#### 8.3.4.2 Protection Within Onsite Potable Water System

Approved Backflow Prevention Assemblies, as required by the Appropriate Regulatory Agencies, shall be installed by the user at specified locations in the user's Onsite Potable Water System.

#### 8.3.4.3 Inspection of Onsite Facilities

Mesa Water or Appropriate Regulatory Agencies may, at their discretion, require an inspection of the user's Onsite Facilities for Cross Connection hazards. The Customer of Record shall cooperate with Mesa Water or Appropriate Regulatory Agencies in requests for information.

#### 8.3.4.4 Mesa Water's Cross Connection and Backflow Prevention Regulations for Recycled Water

In addition to the requirements contained in Sections 8.3.4.1 through 8.3.4.3, all requirements specified in Section 6 of these Rules and Regulations shall be adhered to by the user at the user's expense.

### 8.4 CONSTRUCTION REQUIREMENTS

#### 8.4.1 General Requirements

Construction of Onsite Recycled Water Systems shall be in conformance with the applicable portions of the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities except as herein modified.

#### 8.4.2 Areas of Responsibility

All Recycled Water meters and Customer Control Valves shall be provided and installed by Mesa Water at the expense of the Applicant. The cost of installing the meters must be paid by the Applicant before any meters will be installed. The responsibility for providing a Backflow Prevention Assembly at the Potable Water Service Connection shall be determined by Mesa Water at the time an application for Recycled Water is filed. The Applicant shall be responsible for constructing and maintaining all Onsite Recycled Water Facilities downstream of the established Point of Connection, and for testing and maintaining all Backflow Prevention Assemblies.

The Contractor shall keep fully informed of all laws, ordinances and regulations that in any manner affect those engaged or employed in the work or the materials used in the work, or that in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. If any discrepancy or inconsistency is discovered in the plans, Drawings, specifications, or other documents in relation to any such law, ordinance, regulations, order, or decree, the Contractor shall forthwith report the same to the Design Consultant and Mesa Water

in writing.

The Contractor shall observe and comply with and shall cause all of the Contractor's employees to observe and comply with all such existing and future laws, ordinances, resolutions, regulations, orders and decrees, and shall protect and indemnify Mesa Water, Orange County Water District, SARWQCB, DDW, OCHCA, and all their officers and Agents against any claim or liability arising from or based on the Violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or Contractor's employees.

The Contractor shall also indemnify and save Mesa Water, its officers, its employees or authorized District Agents harmless from all costs, losses, expenses, damages, attorneys' Fees, and other costs of defense that the District may incur with respect to or on account of the work, and with respect to the failure, neglect or refusal of Contractor to faithfully perform the work and all of Contractor's obligations under the contract. Such costs, expenses, and damages shall include all costs incurred by Mesa Water to defend against any claims, stop notices or lawsuits based thereon in which it is made a party.

The Contractor shall observe the rules and regulations of the State Department of Industrial Relations, Division of Industrial Safety, and, in particular, rules and regulations relating to shoring of trenches and excavations. All work shall be done in accordance with all directives, provisions and requirements pertaining to the method and manner of performing the work, in accordance with CAL-OSHA latest amendment or revision.

The Contractor shall provide a job foreman present during business hours that can communicate with Mesa Water employees both orally and in writing.

#### 8.4.3 Specific Requirements

##### 8.4.3.1 Connections to Existing Mesa Water Facilities

The Applicant shall not make a connection to existing Mesa Water facilities or interrupt Recycled Water Service in any portion of Mesa Water's service area unless it has been approved by the District. If it becomes necessary to interrupt service to an existing system, this interruption shall be done at a time determined by Mesa Water, under its direction and inspection.

##### 8.4.3.2 Inspection Authority

Mesa Water, those authorized by the District, and various Appropriate Regulatory Agencies shall at all times have access to all the onsite work during construction, and shall be provided with such information as it may desire regarding location of facilities, the progress, workmanship and character of materials used in the work.

Mesa Water shall have the authority to notify the Customer of an apparent failure on the part of the Contractor to carry out orders given or to perform any provisions of the

approved plans or specifications. Upon its confirmation of the apparent failure, the Customer shall be obligated to require the Contractor to suspend the work wholly or in part. The Contractor shall immediately comply with the written order of Mesa Water to suspend the work wholly or in part. Dependent on the nature of the non-compliance, it may require immediate action by the Contractor via verbal order with a written order following. The work shall be resumed when methods or defective work are corrected as ordered and approved in writing by Mesa Water. Failure to comply with requests of Mesa Water will prevent further work, may result in termination of all Potable Water and Recycled Water, and may prevent or delay the final release of the entire project.

#### 8.4.4 Material of Construction

The following information briefly outlines the materials of construction that will be approved by, Mesa Water and other appropriate Regulating Agencies prior to the commencing of any construction. Refer to the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities for a complete list of requirements for Materials of Construction.

##### 8.4.4.1 Valves

Quick coupling valves may be required to be removed if they are used in a manner contrary to these Rules and Regulations or are located in an area that encourages unauthorized use. The manner of removal shall be subject to approval by Mesa Water. Quick coupling valves shall conform to the following:

- Rating – Quick coupling valves for Recycled Water shall be  $\frac{3}{4}$  inch or one-inch nominal size with brass construction, acme thread body and key, and a normal working pressure of 125 psi. All quick coupling valves for Recycled Water shall be of a design that prevents the quick coupler key (spike) from being used in Potable Water or Non-Potable Water quick couplers.
- Key – All quick coupling valves shall be operated with a special coupler key with an Acme thread for opening and closing the valve. This provision may be modified by Mesa Water in those cases where an existing Onsite Potable Water System is currently equipped with quick coupling valves that are operated with an Acme threaded key.
- Identification – All quick coupling valves shall be tagged to for identification. All tagging shall be to the satisfaction of Mesa Water and Appropriate Regulatory Agencies.
- Cover – The cover shall be permanently attached to the quick coupling valve. It shall be purple in color and made of rubber or vinyl with the following information stamped or molded on the cover: “Recycled Water” in English and Spanish; “Do Not Drink” in English and Spanish; or the international “Do Not Drink” symbol (a glass of Water in a circle with a slash through it), and a locking cover.

All Recycled Water valves shall be in serviceable condition and free from leaks and structural faults. All underground gate valves three inches and smaller may be furnished

with either operating nuts or handwheels.

#### 8.4.4.2 Valve Boxes

All new valve boxes (gate valves, manual control valves or electrical control valves) on the recycled Water irrigation system shall be purple (Pantone 512) and have the words "Recycled Water" in white letters on top.

#### 8.4.4.3 Piping

All new buried onsite constant pressure Recycled Water irrigation piping shall be marked as follows: PVC Pipe must be purple-colored PVC pipe with continuous wording "Caution – Recycled Water – Do Not Drink" printed on opposite sides of the pipe. The use of continuous lettering on 3-inch minimum width of purple tape with 1 inch black or white contrasting lettering bearing the continuous wording "Caution – Recycled Water – Do Not Drink" permanently affixed at 5 foot intervals atop all horizontal piping, laterals and Mains is an acceptable alternative to purple pipe.

All new Recycled Water piping above ground or in vaults, including adapters and fittings, shall be painted purple in color (Color Code Pantone 512). Black or white stenciling shall appear on both sides of the pipe with the marking "Caution – Recycled Water" in 5/8 inch letters repeated every 3 feet.

#### 8.4.4.4 Storage Tanks

All storage tanks used for Recycled Water, whether fixed or mounted on distribution vehicles; shall be structurally sound and free from leaks.

#### 8.4.5 Construction Notification

The Applicant shall give Mesa Water at least two Business Days' notice before starting the Onsite Recycled Water System construction work.

#### 8.4.6 Final Inspection and Testing

##### 8.4.6.1 Final Inspection

Following completion of all construction work, and upon receiving Mesa Water approval of Record Drawings, the Applicant shall request final inspection of the work. This request shall include the scheduling of a Cross Connection control test and an operational test. The tests shall be scheduled in coordination with and in the presence of Mesa Water and representatives of the various Appropriate Regulatory Agencies in order to verify such testing.



#### 8.4.6.1.1 Cross Connection Control Testing

A Cross Connection control test shall be conducted on both the Onsite Potable Water and the Onsite Recycled Water Systems. The test shall be conducted in the following manner:

- The activated and pressurized Recycled Water System shall be shut down at or near the Point of Connection. After shutting the Recycled Water System down, all outlets of the Recycled Water System shall be opened. Flow from any Recycled Water System outlet shall be deemed to indicate a Cross Connection condition. (Note: Initial flows that result from the system's depressurization can be ignored for purposes of this test.) After conducting this test of the Recycled Water System, the Potable Water System shall be tested by opening all Potable Water outlets. A no-flow result from any Potable Water outlet shall be deemed to indicate a Cross Connection condition.
- Recharge Recycled Water System, then the activated and pressurized Potable Water System, shall be shut down at the Backflow Prevention Assembly. After shutting the Potable Water System down, all outlets of the Potable Water System shall be opened. Flow from any Potable Water outlet shall be deemed to indicate a Cross Connection condition. (Note: Initial flows that result from the system's depressurization can be ignored for purposes of this test.) After conducting this test of the Potable Water System, the Recycled Water System shall be tested by opening all Recycled Water outlets. A no-flow result from any Recycled Water outlet shall be deemed to indicate a Cross Connection condition.

#### 8.4.6.1.2 Operational Testing

Prior to final acceptance by Mesa Water, all Onsite Recycled Water Systems shall be required to successfully pass an operational test. Any required corrections shall be noted and submitted to the Applicant by Mesa Water. Regular service start-up shall not be authorized until all corrections are made to the satisfaction of the District.

#### 8.4.7 Posting and Identification

Posting and Identification requirements for the design and construction of an Onsite System with Onsite and Offsite facilities are located in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. Proposed posting and identification shall be submitted within the design and specifications to Mesa Water for review and approval with associated Deposits and Fees outlined in the Water Rate and Charge Schedule

##### 8.4.7.1 Posting of Approved Use Areas

Recycled Water identification signs shall be made of 1/16-inch-thick, minimum, aluminum and its size shall be 18 inches wide by 12 inches high, minimum. The signage size and wording shall be approved by the City and the site Owner. At a minimum, the

wording shall include “Recycled Water – Do Not Drink” and display the international symbol shown on Figure 30610-A in Title 22 of the California Code of Regulations. Submit the final verbiage including colors to the City for review and approval prior to ordering the identification signs. The location of the sign placement shall be determined in the field by the City and the site Owner. An example of an approved sign is Christy’s Part Number ID-Sign REC1218. Other wordings may be used with approval of Mesa Water and the Appropriate Regulatory Agencies.

#### 8.4.7.2 Recycled Water Pipe Identification

##### 8.4.7.2.1 Buried Recycled Water Pipe

The following pipe identification requirements and options shall be applied to all new Recycled Water Systems that are to be constructed, and applied to retrofitted Recycled Water Systems whenever buried pipe is replaced.

- Purple Pipe – For all buried offsite Recycled Water pipelines (PVC, ductile iron pipe or copper) and any onsite Recycled Water pipelines that cross public streets, the pipelines shall have Purple Colored warning tape, minimum of 12 inches wide, placed in the trench 12 inches above the pipe with the wording, “CAUTION: RECYCLED WATER LINE BURIED BELOW”. This requirement is to provide additional warning for any excavation activities within the public streets to reduce the potential for damaging the Recycled Water pipeline.
- Warning Tape – The plastic identification (warning) tape shall be virgin low-density polyethylene specifically formulated for prolonged underground use. The minimum thickness shall be 4 mils and the overall width of the tape shall be 12 inches for 8 inch or larger diameter pipe and 6 inches for 6 inch and smaller diameter pipe.
- Identification /Warning Tags – Identification /warning tags shall be inert plastic film or polyurethane specifically formulated for prolonged exposure. The identification /warning tag shall incorporate an integral attachment neck and reinforced attachment hole. The size of the tag shall be 3 inch by 4 inch with a minimum thickness of 10 mils. Identification /warning tags shall be attached with heavy-duty nylon fasteners. The size, type of label and location will be dictated by each individual application and subject to acceptance by the City’s representative. The minimum size shall be ½-inch letters. Tags shall be as manufactured by T. Christy Enterprise (ID-Max-P2-RC009 for Recycled Water (purple) or ID-Max-B2-PW015 for Potable Water (blue) or ID-Max-Y2-NP012 for Non-Potable Water (yellow)) or approved equal. T. Christy Enterprises, Inc. is located at 655 E. Ball Road, Anaheim, CA 92805 (phone: (714)507-3300).
- Warning Labels – Warning labels shall be a minimum of 3.5 mil flexible vinyl base with a permanent acrylic adhesive backing on a 90# stayflat liner. Both the background and legend shall be printed with a UV cured vinyl ink. The entire decal shall be clear flood over-printed for superior weathering and UV protection. The size shall be 3.5 inch by 4.4 inch for controllers, 2.5 inch by 8.25 inch for pumping equipment, and 1.25 inch by 5.75 inch for Potable Water decals. The



controller warning label shall be as manufactured by T. Christy Enterprise (Christy's Part No. 4100) or approved equal. The pumping equipment warning label shall be as manufactured by T. Christy Enterprise (Christy's Part No. 4200) or approved equal. The Potable Water decals shall be as manufactured by T. Christy Enterprise (Christy's Part No. 4300) or approved equal.

#### 8.4.7.2.2 Above Ground Recycled Water Pipe

The following identification requirements shall be applied to all Recycled Water Systems.

- Purple Pipe – All such piping, including adapters and fittings, shall be purple in color. Black or white stenciling shall appear on both sides of the pipe with the marking "CAUTION - RECYCLED WATER" in 5/8 inch letters repeated every 3 feet. Mesa Water must review and approve any proposal that calls for above ground Recycled Water pipe to be painted as a means for complying with the color requirement. Other proposed methods for identifying above ground pipe must be reviewed and approved by Mesa Water on a case-by-case basis.
- Sprinkler Labeling/Tags – For sprinkler risers located on slopes or in the vicinity of adjacent properties, the risers shall be installed with either sprinkler warning labels/warning tags or riser markers as is appropriate for each situation. The riser markers shall be Christy's Model #5100 for Recycled Water applications, and Christy's Model #5200 for Non-Potable Water applications, or approved equal.

#### 8.4.7.3 Valve Identification

All remote control valves, gate valves, quick coupling, drip valve assemblies, flush valve assemblies, manual drain valves, and pressure relief valves shall be installed in suitable valve boxes, complete with locking and hinged cover, or other approved secure enclosure. Recycled Water valve boxes and covers must be colored purple and have Recycled Water identification imprinted. All valve box covers shall be bolted down with stainless steel bolts and washers

#### 8.4.7.4 Storage Tank Identification

Each and every storage tank shall be identified by a painted label as containing Recycled Water. The label shall contain the words "DO NO DRINK - RECYCLED WATER" with white letters at least two inches high on a purple background. In addition, at least one sign shall be posted on the fence surrounding each storage tank. The label and sign shall be so placed that they can be readily seen by all Water Operations staff using the facilities.

#### 8.4.7.5 Vehicle Identification

Each and every vehicle used to distribute Recycled Water shall be identified by painted labels or signs as using Recycled Water. The label shall contain the words "DO NOT

DRINK - RECYCLED WATER" with white letters on a purple background. The label shall be placed on the driver's side of the vehicle on the tank at a spot close to the cab. The labels or signs shall be so placed that they can be readily seen by all Operations staff using the vehicles.

## **8.5 PROCEDURES FOR ADMINISTRATION**

### **8.5.1 Obtaining Service**

The following interactions between Mesa Water and the Applicant are required for the administration of a Recycled Water Service.

#### **8.5.1.1 Application Submittal**

An application form for Recycled Water Service, in the form supplied by Mesa Water, shall be completed and signed by the Applicant, who may be the Owner or authorized representative. The Application shall request information concerning the Applicant's relationship to the subject property as legal Owner, tenants, or lessee; the type of Recycled Water use being proposed; the address and telephone number; and a legal description of the property to be served; purpose for which the property is to be used; and total area to be served. The Application may also list any special conditions for service pursuant to these Rules and Regulations. Certain technical information, derived from the design and peculiar to the type of Recycled Water use, may also be requested.

The Application form shall be accompanied by a service exhibit. This exhibit shall be a drawing delineating the subject Design Area, identifying the location and size of all Service Connections, delineating areas in which Recycled Water Service is to be applied or excluded, and showing the nearest major street(s).

#### **8.5.1.2 Mesa Water Evaluation**

Upon receipt of a completed Application, the General Manager shall review such Application and make such investigation relating thereto, as deemed necessary. The General Manager may prescribe specific requirements applicable to such Application, which may include, but shall not be limited to the design of the facilities, the manner of construction, the method of operation, and the conditions of service. An evaluation shall be performed by Mesa Water that will establish that all information obtained on the form is consistent with these Rules and Regulations and the requirements of the Appropriate Regulatory Agencies.

#### **8.5.1.3 Issuing of User Agreement**

A User Agreement or Water Service Agreement issued by Mesa Water and signed by the Applicant shall constitute a legally binding service agreement. A User Agreement or Water Service Agreement shall incorporate expressly, or by reference, these Rules and Regulations and shall also include any additional requirements prescribed by Mesa

Water to ensure contained operation of the Recycled Water System and to protect the public's health.

#### 8.5.1.4 Service Activation

Following final inspection, testing and approval of the project by Mesa Water the Applicant shall request in writing Recycled Water Service activation. Following a service termination, regardless of the reason, service may be re-established by telephone request. For all service activation requests, Mesa Water shall require two Business Days' notice. In addition to two Business Days' notice, the designated User Supervisor must be onsite and available at the time.

#### 8.5.2 Conditions of Service

Mesa Water reserves the right to revoke a User Agreement or Water Service Agreement if all or any of the service conditions contained herein is not complied with at all times.

##### 8.5.2.1 Regulatory Conditions

Service to a user may be terminated at any time if the quality of the Recycled Water does not comply with the requirements of Appropriate Regulatory Agencies or at any time the user's operations do not conform to these Rules and Regulations.

##### 8.5.2.2 Financial Conditions

Conditions relating to Fees, Deposits, and billings shall be the same as established for the Potable Water System, as specified in Section 3 – Water Billing and Customer Service. Rates, Fees, and Charges for Recycled Water Service shall be as established by the Board.

A Fee may be imposed upon a user to re-establish Recycled Water Service if service was terminated at the request of the user or for reason of failure on the user's part to comply with Mesa Water requirements or these Rules and Regulations for Water Service. Fees shall be in accordance with those listed in the Water Rate and Charge Schedule.

##### 8.5.2.3 Operational Conditions

###### 8.5.2.3.1 Liability

Mesa Water shall not be liable for any damage caused by any Onsite Facilities.

###### 8.5.2.3.2 Service Scheduling

In order to maintain acceptable working conditions throughout the Recycled Water

distribution system, Mesa Water may schedule the use of Recycled Water. Such scheduling may involve programming deliveries to different users or to various portions of a single user's Onsite System. Scheduling shall take into account the constraints of Appropriate Regulatory Agencies, the requirements of these Rules and Regulations, and the operating constraints of affected users.

#### 8.5.2.3.3 Relations of Property to Service

A Service Connection shall not be used to supply adjoining property of a different Owner nor an area outside the Owner's defined area.

#### 8.5.2.3.4 Metering

All Recycled Water used on any premises where a Mesa Water meter is installed shall pass through that meter. Users shall be held responsible and charged for all Water passing through a Mesa Water meter.

#### 8.5.2.3.5 Other Conditions

Conditions relating to meter reading and testing and service terminations shall be the same as established for the Potable Water System.

### 8.5.3 Reporting

The following types of reporting shall be transmitted in writing.

#### 8.5.3.1 Mesa Water to User

The following items shall be reported by Mesa Water to the user:

- The quantity of Recycled Water delivered to the user during the applicable billing period, to be submitted as part of Mesa Water's billing for Recycled Water Service and shall be based on readings taken from its meter.
- The quality of Recycled Water delivered to the user, to be submitted only at the specific written request of the user.

#### 8.5.3.2 User to Mesa Water

The user shall report the following items within 24 hours of an occurrence to Engineering or Water Operations staff:

- Any failure of Onsite potable or Recycled Water pipelines, storage tanks or related facilities.
- Any Violation of Mesa Water's Rules and Regulations for Water Service.
- Change in Owner, User Supervisor.
- Alterations to any Onsite Facilities or topography.

## 8.5.4 Violations

### 8.5.4.1 Determination

Mesa Water reserves the right to determine whether a Violation of these Rules and Regulations has resulted from any action or occurrence that is the responsibility of the user.

### 8.5.4.2 Specific Violations

Specific Violations shall include those that directly caused non-compliance with any one of the specific prohibitions as listed in Section 8.2.19 of these Rules and Regulations: Runoff conditions, Ponding conditions, unapproved uses, disposal in unapproved areas, Cross Connections, unprotected drinking fountains, Hose Bibs and fire hydrants. However, by definition, non-compliance with any condition or conditions of these Rules and Regulations, whether willfully or by accident, shall constitute a Violation.

### 8.5.4.3 Corrective Action

If the General Manager's investigation results in the determination that a Violation has occurred, Mesa Water shall immediately notify the user. It shall be the responsibility of the user to promptly initiate action that will correct the conditions having caused the Violation. If, in the opinion of the General Manager, the Violation constitutes an immediate danger to the public health, then service may be terminated immediately by shutting off the meter and locking it. Service shall be resumed only after such Violation has been corrected to the satisfaction of the General Manager. If the Violation is determined to be of a lesser degree of danger to public health, then a timetable for completing the corrections shall be negotiated between the General Manager and the user, with Mesa Water having final approval. Corrections not being made in accordance with the timetable may also result in the termination of service.

The Appropriate Regulatory Agencies may order a service termination if they find a Violation that constitutes an immediate danger to public health. Service shall be resumed only after the Violation has been corrected to the satisfaction of both the Appropriate Regulatory Agencies and Mesa Water.

### 8.5.4.4 Appeal

A user may appeal Mesa Water's determination on a matter in accordance with Section 2.7-2.9 of these Rules and Regulations.

**Appendix 1: Application for New Service**

DRAFT



1965 Placentia Avenue, Costa Mesa, CA 92627 949-631-1291

MESA WATER FILE NO.

THIS APPLICATION BECOMES A PERMIT WHEN APPROVED AND VALIDATED

APPLICATION FOR NEW SERVICE

Legal Description of Property

Assessors Parcel No.

Address of Property

APPLICANT (Property Owner Only) Type or Print

(Property Owner)

(Mailing Address)

(City/State/Zip)

Phone

DL#/SS#

I attest under penalty of law to the truth and correctness of all facts, exhibits, maps and attachments presented with and made a part of this application.

I hereby authorize to act as my representative and to bind me in all matters concerning this application.

Signature - Applicant (Property Owner only)

day of , 20

Signature (Notary)

(SEAL)

FOR MESA WATER USE ONLY - Do Not Write Below This Line

PERMIT

THE TERMS AND CONDITIONS OF THIS PERMIT ARE PRINTED ON BOTH SIDES OF THIS FORM. APPLICANT HEREBY ACKNOWLEDGES THAT HE OR SHE HAS READ AND UNDERSTANDS SAID TERMS AND CONDITIONS AND AGREES TO ABIDE BY THEM.

WATER BILLING SERVICE CUSTOMER

Applicant Contractor Other (Below)

Name

Address

Zip

Phone

DL#/SS#

CONTRACTOR Type or Print (if applicable)

Name

Address

Bus. Phone

Job Site Phone

License No.

License Type

Business Tax ID#

Date Entered on Computer

Customer No.

Account Nos.

Signature of Applicant (Property Owner only)

PERMIT APPROVED FOR MESA WATER

By

Date

Permit Expires

VALIDATION





### For Work Done By Mesa Water District® (Mesa)

AGREEMENT: I agree to have my installation fee credited to charges for installation costs and I understand the installation fee is on a fixed cost basis. I further understand that the installation shall at all times remain under the exclusive control of Mesa, and that the water will not be turned on until any required backflow devices have been installed, tested and certified. I further understand that the water service will be billed to the applicant whose name appears on this form, or if specified to the billing customer, until Mesa has been instructed to bill otherwise. This Agreement is subject to the current Mesa Rules and Regulations and Standard Specifications on file at Mesa's office.

### For Work Done Under Permit

A construction performance bond shall be posted in accordance with the current Mesa Rules and Regulations. The bond and Permit Fee must be received by Mesa prior to Mesa's final approval of plans and/or issuance of Permit. All work done under this Permit shall in accordance with the current Mesa Rules and Regulations and Standard Specifications.

I understand that the installation shall at all times remain under the exclusive control of Mesa, and that the water will not be turned on until any required backflow devices have been installed, tested and certified. I further understand that the water service will be billed to the applicant whose name appears on this form, or if specified to the billing customer, until Mesa has been instructed to bill otherwise.

### Capacity Charges

Capacity Charges will be collected by Mesa on all projects requiring new or additional water service in accordance with the current Mesa Rules and Regulations. I understand that if Mesa determines after installation that water use exceeds the expected amount for the sized capacity of a meter, a larger meter with a larger flow capacity will be installed and I will be required to pay the additional net increase in the Capacity Charges.



**Appendix 2: Customer Service Meter Request Form**

DRAFT



# Customer Service Meter Test Request Form

Customer Information			
Name on Water Bill		Phone	
Account Number	----- -- -----		
Property Address		City	
Mailing Address (if different)		City	
Email Address			

Customer's Reason for Meter Test Request:

---

The terms and conditions as listed in the Rules and Regulations for Water Service shall apply to the Customer of Record requesting testing of a water meter.

The Customer of Record shall submit to Mesa Water a meter test deposit of \$50.00, or as listed in the current Water Rate and Charge Schedule.

A receipt for payment of the meter test deposit will be provided to the customer of record, and a copy will be kept with this request form.

*I agree to the terms and conditions as listed in the Rules and Regulations for Water Service, and that the meter test deposit may be forfeited if the meter is found to be accurate within the limits as specified therein.*

---

Customer Name

---

Customer Signature

**Appendix 3: Payment Voucher**

DRAFT



1965 Placentia Avenue, Costa Mesa, CA 92627 949-631-1291

## PAYMENT VOUCHER

DATE: \_\_\_\_\_ JOB LOCATION: \_\_\_\_\_

MC FILE NO.: \_\_\_\_\_

APPLICANT: \_\_\_\_\_

PAID BY: \_\_\_\_\_ CHECK: \_\_\_\_\_ CASH: \_\_\_\_\_

AFFILIATION: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

DESCRIPTION		QUANTITY	PRICE EACH (1)	DEPOSIT AMOUNT (1)
METER INSTALLATION	SIZE: 5/8"		\$	\$ _____
	SIZE: 3/4"		\$	\$ _____
	SIZE: 1"		\$	\$ _____
	SIZE: 1 1/2"		\$	\$ _____
	SIZE: 2"		\$	\$ _____
MANIFOLD	SIZE:		\$	\$ _____
PLAN CHECK -				
FIRST SERVICE (RESIDENTIAL / COMMERCIAL)			\$	\$ _____
ADDITIONAL SERVICES			\$	\$ _____
METER CHANGES ONLY			\$	\$ _____
ADDITIONAL PLAN REVIEWS (4 <sup>TH</sup> OR MORE)			\$	\$ _____
CONSTRUCTION PERFORMANCE BOND				\$ _____
CAPACITY CHARGES				\$ _____
OTHER (PLEASE SPECIFY)				\$ _____
<u>CONSTRUCTION INSPECTION</u>		<u>DEPOSIT</u>	<u>QUANTITY</u>	
Backflow Devices		\$		\$ _____
Meters		\$		\$ _____
Service Connection		\$		\$ _____
Manifolds		\$		\$ _____
Pressure Test		\$		\$ _____
Firelines		\$		\$ _____
Valves		\$		\$ _____
Chlorination/Flushing & Health Sample		\$		\$ _____
Weld Connections		\$		\$ _____
Shutdown		\$		\$ _____
<b>AFTER HOURS INSPECTION-</b>		<b>\$ PER HOUR</b>		<b>\$ _____</b>
<b>CONSTRUCTION INSPECTION TOTAL</b>				<b>\$ _____</b>

(1) Refer to the Mesa Water District website ([www.mesawater.org](http://www.mesawater.org)) under Water Rate and Charge Schedules for costs.

TOTAL DEPOSIT \$ \_\_\_\_\_

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Checked by: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

**Appendix 4: Application for Temporary Water Service**

DRAFT



# APPLICATION FOR TEMPORARY WATER SERVICE

Mesa Water District  
1965 Placentia Avenue, Costa Mesa, CA 92627  
949.631.1200

Date

## Customer Billing Information

<input type="checkbox"/>	Company	<input type="checkbox"/>	Individual			
Name					Phone	
Federal Tax ID						
CA Contractor's License #						
Billing/Mailing Address						
City		State		Zip		

## Job Site Information

Site Contact Name		Contact Phone	
Address / Cross Streets			
Estimated Length of time at location			

## Deposit

Deposit Amount	\$	Payment Method	Check / Credit / Cash
----------------	----	----------------	-----------------------

*I have read and agree to the Rules for Hydrant Meters for Construction Water Service.*

Contact Name (Print) \_\_\_\_\_ Contact Signature \_\_\_\_\_

*Mesa Water District use only*

Account Number \_\_\_\_\_ - \_\_\_\_\_

Location: Atlas Sheet \_\_\_\_\_ Hydrant # \_\_\_\_\_

**Appendix 5: Rules for Hydrant Meters  
for Construction Water Service**

DRAFT



# RULES FOR HYDRANT METERS FOR CONSTRUCTION WATER SERVICE

Mesa Water District Policy DS-009, Attachment B

Revised January 01, 2018

## REQUIREMENTS:

1. Mesa Water District (Mesa Water®) requires a minimum of one business day notice to set up or pick up hydrant meters.
2. An applicant or acting agent for the applicant must confirm the beginning meter read of the hydrant meter and complete the Rules for Hydrant Meters for Construction Water Service in order to activate water service.
3. Hydrant meters are locked to the selected hydrant. Selected hydrants must be a Mesa Water hydrant; Private hydrants may not be used with Mesa Water hydrant meters.
4. Mesa Water requires a minimum of one business day notice for moving a hydrant meter to an alternate location, during normal business hours. Only Mesa Water employees are authorized to move hydrant meters.
5. The hydrant meter permit holder assumes all liability arising from the use of said Mesa Water facilities and equipment, and will pay all costs for repair or replacement regardless of circumstances.
6. Mesa Water reserves the right to determine the degree of hazard associated with the temporary connection and may elect to require backflow protection. Mesa Water will install and certify the appropriate backflow device when required.

## FEES & CHARGES:

1. A deposit of **\$1,030.00** for each hydrant meter must be paid once the hydrant meter has been set and water service has started.
2. A one-time **\$149.00** hydrant meter Installation Fee to set up each hydrant meter will be charged to the customer's account.
3. The water usage charge is **\$4.27** per unit (1 unit = 748 gallons) of water used.
4. Daily rental rate for hydrant meters is **\$10.00**
5. A charge of **\$75.00** for moving the hydrant meter will be assessed when Mesa Water is not given sufficient advance notice to relocate hydrant meter. There is no charge for moving a hydrant meter with a minimum of one business day notice.
6. Backflow device set-up and certification fee is **\$45.00**.
7. Repair to or replacement of damaged hydrant meter parts is the actual cost of the part, plus labor. Labor costs are currently **\$150.00** per incident.
8. Replacement of stolen, lost meters is the actual cost of a replacement meter, which is currently **\$1,030.00**.

## PAYMENT:

1. Regular Bi-monthly Bills and Closing bills are due and payable upon receipt.
2. Delinquent Bills: Accounts not paid by the due date on the bill will be sent a delinquent bill and charged a late fee. Past due accounts will be sent to a collection agency and are subject to a penalty.

**By accepting water service, you are subject to Mesa Water's Rules and Regulations for Water Service, and are responsible for all charges until you notify Mesa Water to stop your water service/pick up hydrant meter. Please call 949.631.1200 to schedule pick-up when your job is completed.**

*I have read and agree to the Rules for Hydrant Meters for Construction Water Service.*

Contact Name (Print) \_\_\_\_\_ Contact Signature \_\_\_\_\_



**Appendix 6: Water Service Agreement**

DRAFT

FILE NO. \_\_\_\_\_

**WATER SERVICE AGREEMENT WITH THE  
MESA WATER DISTRICT  
FOR WATER SERVICE**

Date: \_\_\_\_\_  
File No.: \_\_\_\_\_  
Location: \_\_\_\_\_  
Atlas Sheet No.: \_\_\_\_\_

The undersigned, (hereinafter referred to as "Applicant"), hereby requests water service by the **MESA WATER DISTRICT**, (hereinafter referred to as "Mesa Water"), in accordance with all of the terms and conditions of this Water Service Agreement and Mesa Water's Rules and Regulations For Water Service", (hereinafter referred to as "Rules and Regulations"), which are incorporated herein by this reference and made a part hereof as though fully set forth.

Applicant hereby applies for that service as applicable, which can be provided by the facilities described below, to that certain real property located within Mesa Water, in the County of Orange, State of California, described as follows (metes and bounds description or as acceptable to Mesa Water):

AP-

Said property is to be used for the purpose(s) of:

Applicant hereby represents that Applicant is the owner of said real property. Applicant estimates that the total service to be required of Mesa Water upon development of said real property is \_\_\_\_\_ gallons per minute ("GPM") on the basis of the connected capacity demand ("CCD") as defined in the Rules and Regulations of Mesa Water.

Upon acceptance of this Application by Mesa Water, together with all costs, including the Capacity Charge as determined by the Mesa Water District Engineer or an authorized representative subject to appeal to the General Manager or the Board of Directors, plans and specifications, bonds, conveyance of necessary easements, and other items as may be required herein, Mesa Water agrees to provide the requested water service subject to the terms and conditions herein set forth and set forth in the Rules and Regulations of Mesa Water. Mesa Water shall deliver to the Applicant an executed copy of this Agreement.

1. Applicant shall adhere to the requirements prescribed by the Rules and Regulations, as amended from time to time, and to any additional requirements prescribed from time to time by the General Manager or Board of Directors of Mesa Water, or both, to insure compliance with such Rules and Regulations as to obtaining water.

2. Applicant hereby agrees to build or cause to be built the described water facilities, (hereinafter collectively referred to as "the Facilities"), and agrees to pay all costs of installation of same, including, but not limited to, cost of labor, materials, equipment, contractor's expense and profit,

environmental studies, design, engineering, surveying, inspection, testing, plan check, land and easement acquisition, condemnation, attorney's fees, insurance and bond premiums.

3. Applicant agrees that the Facilities shall be constructed in accordance with plans and specifications which shall comply with all applicable requirements of Mesa Water's "Standard Specifications for the Construction of Water Facilities", including, but not limited to, requirements as to information to be shown on the plans. Said document is on file at the office of Mesa Water and is by this reference incorporated herein. Such plans and specifications shall be approved by Mesa Water. Such approval of the plans and specifications by Mesa Water shall not constitute approval of the permit applied for herein. The Facilities shall be constructed by a contractor licensed by the State of California to install said Facilities.

4. Applicant guarantees the Facilities constructed under this Agreement against defects in workmanship and materials for a period of one (1) year after the date of acceptance of the Facilities by Mesa Water. It is further agreed that the Facilities shall be restored to full compliance with the requirements of the plans and specifications, including any test requirements, if during said one (1) year period the Facilities or any portion thereof are found not to be in conformance with any provisions of said plans and specifications. This guarantee is in addition to any and all other warranties, express or implied, with respect to the Facilities.

5. Applicant agrees to grant, or cause to be granted to Mesa Water, without cost to Mesa Water, all necessary easements for construction, installation, maintenance and access to the Facilities, across all privately-owned lands to be traversed by the Facilities, which easements shall be in a form and condition of title satisfactory to Mesa Water and shall be executed by all necessary parties having an interest in said lands.

6. Applicant, if applicable, agrees to provide to Mesa Water, prior to acceptance of the Facilities, a complete set of reproducible mylars of the approved plans and specifications for the Facilities.

7. Upon completion of the Facilities, Applicant, if applicable, agrees to execute and deliver to Mesa Water a report of the actual costs of the Facilities and to substantiate such report with invoices and receipts acceptable to Mesa Water. Applicant further agrees that such Facilities will become the property of Mesa Water when it is accepted by its duly authorized employee, evidencing acceptance of the Facilities. However, Applicant hereby disclaims in favor of Mesa Water all right, title and interest in and to said systems, appurtenances and easements; and Applicant hereby covenants and agrees to execute and deliver to Mesa Water any documents required to complete the transfer of the Facilities concurrently with the acceptance thereof by Mesa Water; and Applicant hereby agrees that Applicant is holding any title to said Facilities, pending acceptance thereof by Mesa Water, as trustee, acknowledging Applicant's obligation to complete said Facilities and transfer the same debt free to Mesa Water.

8. It is agreed that the above provisions shall not preclude the use of the Facilities by property owners within the developed area or outside of said development prior to such delivery of actual costs to Mesa Water, as long as the quality of said water is acceptable to Mesa Water under its Rules and Regulations and written permission has been obtained from Mesa Water by such property owners to connect to the Facilities or to existing facilities. Applicant agrees that the use of the Facilities by the Applicant, transferee or assignee of the Applicant, or others within Mesa Water, will not constitute acceptance of the Facilities by Mesa Water.

9. Applicant agrees to hold Mesa Water harmless from any expense or liability resulting from the construction of the Facilities, and further agrees that Applicant will indemnify and hold Mesa Water, its agents, employees, officers and representatives, free and harmless from and against any and all liabilities for death, injury, loss, damage or expense, (including reasonable attorney's fees), to person or property which may arise or is claimed to have arisen as a result of any work or action performed by Applicant or on behalf of Applicant with respect to the construction and in the installation or repair of the Facilities.

10. Applicant shall submit, concurrently with this Application, if applicable, Payment and Performance Bonds, in connection with the Facilities to be constructed, and for an amount to be determined by Mesa Water.

11. Applicant hereby agrees to pay all administration and engineering costs, (including inspection and plan check costs), calculated as a percentage of the total cost as estimated by Mesa Water, as well as Capacity Charges, meter costs, interim water service line costs, (if applicable), and any other costs incurred by Mesa Water. The amount of such costs shall be based on the applicable schedules of the Rules and Regulations in effect on the date when Applicant has submitted to Mesa Water its completed Application, payment of all deposits, plans and specifications, bonds, conveyance of necessary easements and other items which may be required herein prior to issuance of the permit and the plans of the Applicant have been approved by Mesa Water. Such deposits shall be set forth on Exhibit "A" hereto by Mesa Water, which Exhibit is by this reference incorporated herein, and is subject to revision pursuant to any changes in the applicable schedules prior to the date and application and all accompanying materials and payment are completed, submitted to and approved by Mesa Water.

Applicant hereby agrees that the meter costs set forth in Exhibit "A" includes the provisions by Mesa Water of a water meter and customer control valve. Applicant agrees that the customer control valve is to be obtained from Mesa Water and installed by the Applicant's contractor as the work progresses, and that the water meter is to be installed by Mesa Water prior to the provision of permanent water service by Mesa Water.

Applicant acknowledges and agrees that the payment of such costs is being required prior to final inspection or issuance of certificates of occupancy for the development proposed by Applicant, and that such requirement for prior payment is in accordance with all applicable legal requirements pursuant to Section 53077 et seq. of the Government Code.

12. Applicant agrees to accept such conditions of pressure and service as are provided for by District's water system at the location of all proposed connections thereto and to hold Mesa Water harmless from and against any and all damages, liability and expense arising out of high or low pressure conditions with respect thereto or from interruptions of service.

13. Applicant agrees, if said Mesa Water employs an attorney to enforce this Agreement, to pay said Mesa Water for all attorney's fees to be incurred.

14. Applicant agrees that the General Manager of Mesa Water or his authorized representative may enter upon the hereinabove described property during reasonable hours for the purpose of ascertaining whether the provisions of this Agreement are being performed. Applicant shall not be responsible in any way for the failure of its successors or assigns to comply with any of the provisions of this Agreement.

15. Applicant agrees that service shall be commenced only after the Facilities have been completed and transferred to Mesa Water and all required testing and inspection has been accomplished by Mesa Water.

Applicant is aware that the contracts may not have been let for all necessary water facilities of Mesa Water in order that Applicant can actually receive water service. Applicant further agrees that Mesa Water shall not be obligated to the Applicant or the successors of the Applicant for water service until such time as the actual completion of said necessary Mesa Water facilities.

16. Special conditions for service, if any:

**IN WITNESS WHEREOF**, the parties have duly caused their authorized signatures to be affixed hereto.

**APPLICANT**

**PROPERTY OWNER**

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

**MESA WATER DISTRICT**

By: \_\_\_\_\_  
Mesa Water District Engineer

Date: \_\_\_\_\_

**EXHIBIT "A" TO  
APPLICATION TO AND AGREEMENT WITH  
THE MESA WATER DISTRICT  
FOR WATER SERVICE**

Water Service Deposits

(i)	<b><u>Capacity Charges</u></b>		
	(a)	_____ GPM	\$ _____
	(b)	Credit Towards Capacity Charges, (If Applicable)	\$ _____
	(c)	Existing Meter Sizes, (If Applicable)	
		_____	
		<b>SUBTOTAL</b>	\$ _____
(ii)	<b><u>Administrative and Engineering</u></b>		
	Performance Bond	\$ _____ at _____ %	\$ _____
	Plan Check		\$ _____
	Construction Inspection		\$ _____
		<b>SUBTOTAL</b>	\$ _____
(iii)	<b><u>Meter Installation</u></b>		
		_____ meters at \$ _____ per meter	\$ _____
		_____ meters at \$ _____ per meter	\$ _____
		_____ meters at \$ _____ per meter	\$ _____
		<b>SUBTOTAL</b>	\$ _____
		<b>TOTAL DEPOSIT</b>	\$ _____

**NOTICE** – The Mesa Water District imposes a Capacity Charge pursuant to provisions of Government Code §66000 and following the Rules and Regulations of Mesa Water District adopted pursuant to Water Code §31024. These fees are used to finance necessary water facilities. The Capacity Charges and the basis for their collection are further described in the documents providing for their imposition and collection.

**NOTICE IS FURTHER GIVEN**, pursuant to Government Code §66020(d) that you have a 90-day period from the date of approval of the relevant project, or payment of the Capacity Charges, whichever first occurs, to provide a protest to Mesa Water District of the basis or the amount for such Capacity Charges.

I have received and read the above notice for Capacity Charges.

Signed \_\_\_\_\_

as an agent for \_\_\_\_\_

Date \_\_\_\_\_



**Applicant Acknowledgment of Responsibility for Meters**

I acknowledge that I have read and understand the following concerning the meter(s) to be installed on this project.

- 1) Meter(s) installation, operation and billing will be done in compliance with Mesa Water's Rules and Regulations for Water Service and Standard Specifications.
- 2) All meters smaller than 3" will only be installed by Mesa Water. Meter(s) 3" or larger will be installed only in the presence of authorized Mesa Water personnel regardless of the presence of any other agency(ies)' representatives.
- 3) The meter(s) must be clearly marked and protected from damage at all times. The applicant will be responsible for all damaged meters.
- 4) The meter(s) must remain accessible for reading at all times. If it is not, applicant will pay for costs incurred in rereading the meter.
- 5) Once the meter(s) is installed the applicant will be responsible for the meter. If it is damaged in any manner it will be repaired or replaced only by Mesa Water and the applicant will be required to pay Mesa Water for repairs and/or replacement.
- 6) Charges for the Basic Charge and any Usage Charges will commence as soon as the meter(s) is installed by Mesa Water or received by the applicant from Mesa Water.
- 7) If applicant wishes the meter(s) shut off and locked by Mesa Water they will not be responsible for the Basic Charge. Please call Customer Service, 949-631-1200, to arrange for termination of service. When the meter is turned on again any Usage registered on the meter will be billed to the applicant. If it is not possible to shut off and lock the meter(s) (which is the case with meters 3" or larger) applicant will be billed for both the Basic Charge and any Usage recorded by the meter.
- 8) Any costs to Mesa Water for failure to comply with these requirements will be payable by the applicant.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Applicant (please print)

Witnessed by: \_\_\_\_\_  
(Mesa Water Engineering staff)

MC Number: \_\_\_\_\_

Location: \_\_\_\_\_

**RESOLUTION NO. 1514XXXX**

**RESOLUTION OF THE  
MESA WATER DISTRICT BOARD OF DIRECTORS  
AMENDING RULES AND REGULATIONS FOR WATER SERVICE  
SUPERSEDING RESOLUTION NO. 14701514**

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

WHEREAS, Mesa Water has established Rules and Regulations for Water Service (Rules and Regulations) concerning the sale, distribution and use of water, and related matters pursuant to the provisions of California Water Code Sections 31000, 31001 and 31024; and

WHEREAS, the Board of Directors (Board) has determined that it is appropriate at this time to provide for certain amendments to the Rules and Regulations; and

WHEREAS, the Board has determined to adopt this Resolution to provide for such amendments to the Rules and Regulations.

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

**Section 1.** The Rules and Regulations are amended as set forth in Attachment A to this Resolution, which is incorporated herein by this reference. The amendments to the Rules and Regulations shall be effective immediately upon the adoption of this Resolution by the Board.

**Section 2.** Except as set out in Section 1, above, the Rules and Regulations are not otherwise amended or revised.

**Section 3.** Mesa Water staff and consultants are authorized to take such other and further action(s) as are necessary or desirable to carry out the directives of this Resolution.

ADOPTED, SIGNED AND APPROVED this 12<sup>th</sup> day of ~~July 2018~~ December 2019 by the following roll call vote.

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

---

~~Jim Atkinson~~ Shawn Dewane  
President, Board of Directors

---

Denise Garcia  
District Secretary

**RESOLUTION NO. 1514XXXX**

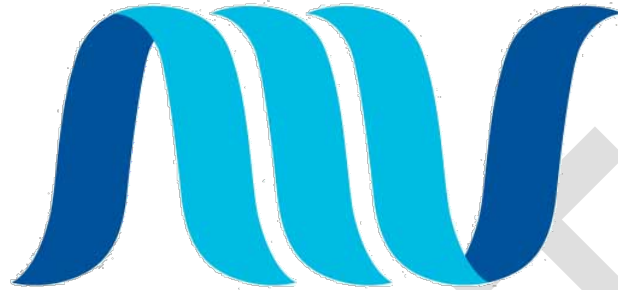
**ATTACHMENT A**

**RESOLUTION OF THE  
MESA WATER DISTRICT BOARD OF DIRECTORS  
AMENDING THE RULES AND REGULATIONS FOR WATER SERVICE  
SUPERSEDING RESOLUTION NO. 14701514**

Rules and Regulations for Water Service

~~July 12, 2018~~ December 12, 2019

DRAFT



**MesaWater**  
DISTRICT®

---

**Rules and Regulations  
for Water Service**

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Adopted on ~~July 12, 2018~~ December 12, 2019

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## SECTION 1 – GENERAL

### 1.1 INTRODUCTION

Mesa Water District (Mesa Water®) was formed on January 1, 1960, under the provisions of the Costa Mesa Merger Law being Water Code Sections 33200 and following, a special act of the California Legislature, which was enacted in 1959. Mesa Water District is a county water district operating pursuant to the County Water District Law. The Board, as authorized by Sections 31000, 31001, 31024, and 31025 of the Water Code, has established these Rules and Regulations for the sale, distribution and use of Water.

Mesa Water provides Water Service to all Applicants, subject to the availability of Water and the facilities necessary to provide the service, conditional upon receipt of all required Fees and Charges and in accordance with these Rules and Regulations.

All terms, conditions, Rates and requirements contained herein are subject to change by actions of the Board.

### 1.2 DEFINITIONS

Whenever the following terms, or pronouns used in their place, occur in these Rules and Regulations, or in any documents that these Rules and Regulations govern, the intent and meaning shall be interpreted as follows:

AFSSC – shall mean Automatic Fire Sprinkler Service Connection for the dedicated fireline Service Connections.

Air-Gap Separation – shall mean a physical separation between the free flowing discharge end of a Water supply pipeline and an open or non-pressure receiving vessel. The separation shall be at least double the diameter of the supply pipe measured vertically above the overflow rim of the vessel, and in no case less than one inch. The design shall be to the satisfaction of the General Manager or the General Manager's Designee(s) and the Appropriate Regulatory Agencies.

Applicant – shall mean any person, persons, firm, corporation, association or agency that desires and applies to obtain Water Service from Mesa Water.

Application for New Service Form – shall mean a contractual agreement applied for by a person, persons, firm, corporation, association or agency who desires to install, remove, alter or replace, or cause to be installed, removed, altered, or replaced, any Water facility or appurtenance.

Application for New Service Permit – shall mean the Application for New Service Form ~~once it~~ becomes a permit when approved and validated by Mesa Water.

Application for Temporary Water Service – shall mean a contractual agreement applied for by a person, persons, firm, corporation, association or agency who desires to obtain temporary Water Service for use during construction.

Appropriate Regulatory Agencies – shall mean those public agencies legally constituted to protect the public health and Water quality such as, but not limited to, the California Department of Health Services, the Santa Ana Regional Water Quality Control Board, the Orange County Health Care Agency and the City of Costa Mesa Building and Safety Department.

Approved Use – shall mean an application of Recycled Water in a manner, and for a purpose, designated in a User Agreement or Water Service Agreement issued by Mesa Water and in compliance with any and all appropriate regulatory agency requirements.

Approved Use Area – shall mean a site, with well-defined boundaries, designated in a User Agreement or Water Service Agreement issued by Mesa Water to receive Recycled Water for an Approved Use and acknowledged by the Appropriate Regulatory Agencies.

AWWA – shall mean American Water Works Association.

AWWA Guidelines – shall mean the latest versions of “*Guidelines for Distribution of Non-Potable Water*” and “*Guidelines for the On-site Retrofit of Facilities Using Disinfected Tertiary Recycle Water*” as put out by the California-Nevada Section of the American Water Works Association.

Backflow – shall mean the flow of Water or other liquids, mixtures, gases or any other substances into the distribution pipes of the Potable Water System from any source or sources other than Mesa Water’s sources.

Backflow Prevention Assembly – shall mean a specially designed and certified Reduced Pressure Principle Backflow Prevention Assembly and the Double Check Valve Assembly, that is used in protecting the Potable Water System from contamination that originated downstream of the assembly.

Basic Charge – shall mean a fixed Rate or charge imposed by Mesa Water for readiness-to-serve Water on a periodic basis based on meter or service size, as applicable, as set forth in the Water Rate and Charge Schedule.

Billing Unit – shall mean the unit of Water used to apply Water Rates for purposes of calculating Water Charges for Water usage. Mesa Water’s Billing Unit is currently equal to 100 cubic feet of Water.

Board or Board of Directors – shall mean the elected Board of Directors of the Mesa Water District.

Business Day – shall mean Monday – Friday 8:00 a.m. to 5:00 p.m. excluding holidays.

Capacity Charge – shall mean a Fee or Charge charged to an Applicant in connection with an Application for New Service Permit, for an increase in demand for Potable Water Service. A Capacity Charge shall be charged for property not previously served by Mesa Water or property with an existing Water Service requiring an increase in demand for Water Service.

Charges – shall mean the accumulation of any and all applicable Fees, Rates, Basic Charge(s), Usage Charge(s), and other amounts due pursuant these Rules and Regulations, or as otherwise directed by Mesa Water, chargeable to the Customer of Record or other person or party, as shall be applicable.

Construction Use – shall mean an Approved Use of Water to support construction activities such as soil compaction and dust control.

Contractor – shall mean the party entering into contract with the Applicant for performance of the work for which Mesa Water issues a Permit. The Applicant and the Contractor may or may not be one and the same.

County of Orange Health Care Agency, Department of Environmental Health (OCHCA) – shall mean the local health agency responsible for onsite public health issues covering Mesa Water’s service area.

County of Orange Department of Public Health (OCDPH) – See County of Orange Health Care Agency, Department of Environmental Health (OCHCA).

Cross Connection – shall mean any unprotected, actual or potential connection between any part of a Potable Water System used to supply Water for drinking purposes and any source or system containing Water or substance that is not or cannot be approved by Mesa Water as safe, wholesome and potable. By-pass arrangements, jumper connections, removable sections, swivel or changeover device(s), or other device(s) through which Backflow could occur, shall be considered to be Cross Connections.

Customer – shall mean any person, persons, firm, corporation, association or agency receiving Water or services from Mesa Water.

Customer Agent – shall mean any person, persons, firm, corporation, association, or agency that has power of attorney or other written authorization from the Customer of Record, provided to Mesa Water, to act on their behalf.

Customer Control Valve – shall mean a valve meeting the requirements of the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities, installed on the outlet side of a Water meter.



Customer of Record – shall mean the person or persons, firm, corporation, association or agency that has entered into a contractual agreement with Mesa Water for Water Service. The contractual agreement may include the Application for New Service permit, the Water Service Agreement, the Application for Temporary Water Service Permit, and a request for service received at Mesa Water by phone, mail or in person. The Customer and Customer of Record may or may not be one and the same. The Customer of Record is responsible for payment of all monies owed on accounts for which the Customer of Record has entered into a contractual agreement.

Customer Records – shall mean records described within California Government Code Section 6254.16.

DC or DCV – shall mean a Double Check Valve Assembly, which is a Backflow Prevention Assembly used to protect against a non-health hazard (pollutant).

DCDA – shall mean a Double Check Detector Assembly with a parallel meter arrangement, equipped with an approved Double Check Valve Assembly, to detect unauthorized use of Water.

Delinquent Fee – shall mean a Fee assessed on any bill or invoice in which the payment was not received by the due date, as set forth in the Water Rate and Charge Schedule.

Deposit – shall mean any money held by Mesa Water for the purpose of guaranteeing payment of money owed to the District for the costs of service. Deposits are applicable only to the account(s) for which such money was collected. Deposits are refunded only to the Customer of Record, unless the deposit or has made a written request and has received permission from Mesa Water to do otherwise.

Design Area – shall mean a site, with well-defined boundaries, proposed to receive Water for an Approved Use as delineated in an application for a User Agreement or Water Service Agreement.

Design Consultant – shall mean any person or firm registered with the State as an engineer or landscape architect to provide Water System design plans, site layout, landscaping, or irrigation system design services.

Direct Beneficial Use – shall mean the use of Recycled Water that has been transported from the point of production to the point of use without an intervening discharge to waters of the State.

Direct Overspray – shall mean any discharge of Water directly onto areas other than that for which the application of Recycled Water is approved.

District Agent or District Designee – shall mean any person, persons, firm, corporation, association, or agency that has obtained written authorization from the General Manager or Board of Directors to represent Mesa Water or act on the District’s behalf.

District Engineer – shall mean the duly approved and acting District Engineer of the Mesa Water District or an authorized designee.

District Water System – shall mean the entirety of the Mesa Water owned and controlled Water system, inclusive of the Potable Water System and Recycled Water System, inclusive of all appurtenances and attachments thereto, up to and including the Point of Connection.

Division of Drinking Water (DDW) – shall mean the primary State agency (the State Water Resources Control Board) responsible for protection of public health and the regulation of drinking Water. The California Legislature has defined several specific regulatory responsibilities of DDW related directly or indirectly to Recycled Water use activities.

Drawings – shall mean the plans, working drawings, detail drawings, profiles, typical cross sections and supplemental drawings or reproductions thereof, approved by Mesa Water, which show locations, character, dimensions or details of the work or modifications to be performed.

Due Date – shall mean the date a bill or invoice is due. If not paid by the stated Due Date a bill or invoice becomes delinquent.

Fee – shall mean any amount of money imposed or required by Mesa Water to a Customer of Record or other person or party, as applicable: (i) for Mesa Water employees to perform a service; (ii) as a penalty (which may include assessed penalties resulting from a Violation); and/or (iii) to recoup costs, each as stated in the Water Rate and Charge Schedule or other Fee schedule adopted by Mesa Water. Fees shall include, but are not limited to, those Charges imposed by Mesa Water on its Customers for services based on a fixed schedule for the particular Fee or Charge, generally not tied to a specific volume of use and thus independent of Rates. Examples of Fees include, but are not limited to, plan check and construction inspection Fees and Final Notice Fees.

Final Notice Fee(s) – shall mean a Fee assessed on any bill, after the bill has been in arrears, prior to termination of service in the event payment was not received by the due date, as stated in the Water Rate and Charge Schedule.

General Manager or Designee – shall mean the duly appointed and acting General Manager, interim General Manager or equivalent officer appointed by the Board of Directors of Mesa Water District.

General Public – shall mean any person(s) at large who may come in contact with



facilities or areas where Water is approved for use.

Hose Bib – shall mean a faucet or similar device to which a common garden hose can be readily attached (California Code of Regulations Title 22 Section 60301.400).

Irrigation Use – shall mean an Approved Use of Potable Water or Recycled Water for landscape, horticultural, or agricultural irrigation. Irrigation Use for Recycled Water is defined under Title 22 of the California Code of Regulations.

Landscape Irrigation System – shall mean an irrigation system with pipes, drip hoses, spray heads, or sprinkling devices that are operated by hand or through an automated system.

Level – shall mean any building surface above or below the street grade.

Main or Mainline – shall mean Water distribution pipelines located in streets, highways, public ways or private right-of-ways used to deliver or transmit Water.

Mesa Water or District – shall mean the Mesa Water District or authorized District Agent.

Mesa Water Inspector – shall mean any person authorized by Mesa Water to perform inspections of either Onsite or Offsite facilities prior to construction, during construction, after construction and during operation.

Mesa Water Office or Office – shall mean the Mesa Water business office - currently located at 1965 Placentia Avenue, Costa Mesa, California 92627.

Non-Potable Water – shall mean Water (including Recycled Water) that is not intended for human consumption in conformance with the standards referred to in the definition of Potable Water, below, such as Potable Water downstream of an approved Backflow Prevention Assembly within an Landscape Irrigation System.

Offsite or Offsite Facilities or Offsite System – shall mean all Recycled Water Facilities and appurtenances thereto upstream of the Point of Connection.

Onsite or Onsite Facilities or Onsite System – shall mean all Recycled Water Facilities as designed, constructed, altered, repaired, replaced or restored downstream from the Point of Connection.

Owner – shall mean any holder of legal title, contract purchaser, or lessee under a lease where the tenant(s) are responsible for Water Service, of property for which Water Service has been requested or established.

Point of Connection – shall mean the location where the Offsite Water Service line connects to the Onsite System, which shall be taken at the downstream end of Mesa Water’s Customer Control Valve located on the service meter. In the absence of a Customer Control Valve, the Point of Connection will be taken at the downstream end of the service meter unless, by written agreement only, Mesa Water designates another location as the Point of Connection. Mesa Water’s meter normally will be set in a location that abuts a curb line or property line of the Approved Use Area.

Point of Ownership – Mesa Water’s Point of Ownership shall end at the outlet side of the Customer Control Valve or, if in the absence of a Customer Control Valve, the outlet side of the water meter or the control valve upstream of the Backflow Assembly. By written agreement only, Mesa Water may designate another location as the ending Point of Ownership.

Ponding – shall mean the retention of Recycled Water on the surface of the ground or other natural or constructed surface for a period of time following the cessation of an approved Recycled Water use activity such that a hazard, or potential hazard, to the public health results.

Potable Water – shall mean Water that is approved for human consumption by the appropriate federal, State, and local regulatory agencies.

Potable Water System – shall mean the facilities that produce, convey, and store Potable Water.

Presentation Date or Billed Date – shall mean the date a bill or invoice is generated. The Presentation Date will generally be printed on the bill or invoice.

Purple Color – shall mean the color Pantone 512 or approved equal that is used to identify above-ground equipment using Recycled Water.

Pulled Meter – shall mean where the meter has been removed, but the service line is still in place.

Qualified Person – shall mean the Mesa Water District Engineer or other designee as assigned by the District Engineer.

Rate(s) – shall mean the Basic Charge and/or the Usage Charge, as shall be applicable.

RPDA – shall mean a line-sized approved Reduced Pressure Principle Detector Assembly with a parallel meter arrangement, equipped with an approved Reduced Pressure Principal Assembly, to detect unauthorized use of Water.

RPP or RPPD – shall mean a Reduced Pressure Principal Assembly, which is a Backflow Prevention Assembly used to protect against a non-health hazard (pollutant)

or a health hazard (contaminant).

Recycled Water – shall mean Water that, as a result of treatment of wastewater, is suitable for Direct Beneficial Use or controlled use that would not otherwise occur.

Recycled Water Service – shall mean the furnishing of Recycled Water to a user, pursuant to these Rules and Regulations, through a metered connection to the Onsite Facilities.

Recycled Water System or Recycled Water Facilities – shall mean the Offsite Facilities that produce, convey, store and supply Recycled Water.

Recycled Water User – shall mean any Customer issued a User Agreement or Water Service Agreement by Mesa Water that replaces the User Agreement. The Recycled Water User and Owner may be one and the same.

Record Drawings – shall mean the design drawings that have been marked to show all construction changes for a given project to the best of available knowledge.

Rules and Regulations – shall mean these Rules and Regulations for Water Service as adopted, and as such may be amended from time to time, by Mesa Water.

Returned Item Fee – shall mean a Fee assessed to the Customer of Record for any payment that is returned by the District's or Customer of Record's financial institution or bank, in the amount set forth in the Water Rate and Charge Schedule.

Retrofit – shall mean to change or modify in part or in whole the existing plumbing of an Onsite Potable Water System in order to serve Recycled Water.

Runoff – shall mean the flow of Potable Water or Recycled Water along the surfaces of the ground or other natural or constructed surface, including, but not limited to, pedestrian walkways, streets, playground surfaces and grassy slopes.

SARWQCB – shall mean the Santa Ana Regional Water Quality Control Board.

Service Connection – shall mean the physical Point of Connection of the Customer's Water System with the Water Service facilities of the District, including the tap, line, curb stop, meter and meter box supplied by and owned by the District. Typically, the Service Connection shall be the downstream end of the Water meter tailpiece.

Service Restoration Trip Fee – shall mean a Fee assessed on any account when a Mesa Water employee arrives at the service address to restore Water Services after being terminated for non-payment, as set forth in the Water Rate and Charge Schedule.

Service Termination Trip Fee – shall mean a Fee assessed on any account when a Mesa Water employee arrives at the service address to terminate Water Services after being terminated for non-payment, as set forth in the Water Rate and Charge Schedule.

Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities – shall mean the latest version of Mesa Water's publication.

State – shall mean the State of California.

Usage Charge(s) – shall mean the charge(s) based on the amount of Water that has passed through the Point of Ownership, based on measured usage from Water meter readings, or in some cases, estimated usage.

User Agreement – shall mean the "Recycled Water User Agreement" is a contractual agreement between the user and Mesa Water that establishes the conditions for Recycled Water Service that the District may use in place of the standard Water Service Agreement.

User Supervisor – shall mean a Qualified Person designated by the user (Customer) and approved by Mesa Water who is responsible for the installation, operation, and maintenance of the user onsite facilities, the prevention of Cross Connection, and compliance with these Rules and Regulations.

Violation – shall mean non-compliance with any condition or conditions of these Rules and Regulations, User Agreement, or Water Service Agreement by any person, action or occurrence, whether willfully or by accident.

Water – shall mean all Water provided by Mesa Water for use within its service area or otherwise, and is inclusive of both Potable Water and Recycled Water.

Water Conservation Coordinator – shall mean the person (who may be an officer or employee of Mesa Water) charged with the principal enforcement of the District's Policies and Programs related to water efficiency and the conservation of water within Mesa Water's service area. The Water Conservation Coordinator may be the General Manager or the General Manager's Designee(s).

Water Quality Report – shall mean the annual Consumer Confidence Report.

Water Rate and Charge Schedule – shall mean the then current schedule of Rates, Fees, and Charges as approved by the Board of Directors.

Water Recycling Criteria – shall mean the Uniform Statewide recycling criteria established in California Code of Regulations Title 22 by DDW for each varying type of use of Recycled Water where the use involves the protection of public health (California Water Code Section 13521).

Water Service – shall mean the availability of Water as provided by the District.

Water Service Agreement – shall mean a written contractual agreement between an Applicant and Mesa Water regarding the terms under which the District shall provide Water Service to the Applicant.

Windblown Spray – shall mean dispersed, airborne Recycled Water capable of being transmitted through the air by natural or manmade wind to locations other than that for which the direct application of Recycled Water is approved.

### **1.3 SERVICE AREA**

Mesa Water provides Potable Water and Recycled Water Service to most of the City of Costa Mesa, parts of the City of Newport Beach and some unincorporated county areas, including the John Wayne Airport. The District's service area is on file at the Mesa Water Office. Mesa Water may only provide water or services outside of the service area through special arrangement.

### **1.4 SERVICE CONDITIONS**

Water Service shall be available only in accordance with these Rules and Regulations, as well as applicable federal, State, and local statutes, ordinances, regulations, and contracts, and other requirements including, but not by way of limitation, the California Water Code, the California Administrative Code and regulations imposed by State and local health departments, as well as the terms of any Water Service Agreement (Refer to Appendix 6) or Permit issued by Mesa Water. Any such Permit may be revoked by Mesa Water, and there upon, all such Water Service, shall cease in the manner provided in these Rules and Regulations.

As a condition of service, Mesa Water reserves the right to require any Applicant to construct any water facility that it deems essential, including adding capacity for future use of the water facilities.

### **1.5 REQUESTS FOR THE RELEASE OF CUSTOMER RECORDS**

Mesa Water holds various records concerning its operations, services, and Customers of Record. Mesa Water has adopted specific policies concerning certain records retained by the District concerning its Customers, which fall within the scope of California Government Code Section 6254.16. That Section provides that certain information and records are not subject to requests made for records pursuant to the provisions of the California Public Records Act (being California Government Code Section 6250 *et seq.*). Those policies and directives are set out in Mesa Water's Public Records Act Policies and are incorporated herein by this reference. Such policies were and are enacted by the Board pursuant to Water Code Sections 31000, 31001 and 31024 and shall be, and are, part of these Rules and Regulations.

## **1.6 ESTABLISHMENT OF RATES**

In accordance with the California Water Code, the Board fixes the Water Rates and other related Fees and Charges. Periodically, the Board reviews and adjusts the Rates, Fees and Charges.

The Water Rate and Charge Schedule is available at the Mesa Water Office and is posted on the website at [www.MesaWater.org](http://www.MesaWater.org).

## **1.7 GUIDELINES AND INTERPRETATIONS**

The General Manager shall have the authority to adopt additional guidelines or generate written interpretations of these Rules and Regulations where necessary for day-to-day operations until such time as the Board chooses to act on such matter or on an indefinite basis if the matter is strictly operational. The General Manager shall make the Board aware of any day-to-day changes or adopted guidelines.

## **1.8 SEVERABILITY**

If any section, subsection, sentence, clause or phrase of these Rules and Regulations is for any reason held to be invalid or unconstitutional, such decision shall not affect the remaining portions of these Rules and Regulations. The Board hereby declares that it would have passed these Rules and Regulations by section, subsection, sentence, clause or phrase thereof, irrespective of the fact that any one or more sections, subsections, sentences, clauses or phrases be declared invalid or unconstitutional.

## **1.9 AMENDMENTS**

The Board reserves the right, in its sole discretion, to amend these Rules and Regulations from time to time.



## **SECTION 2 – CONDITIONS FOR SERVICE**

### **2.1 ACCESS TO PREMISES**

Authorized employees of Mesa Water, upon presentation of credentials and during reasonable or necessary hours, and at any frequency per the business needs of the District, shall have free access including, but not limited to, gate codes and keys or key cards, to any premises supplied with Water by Mesa Water for the purpose of reading meters, making repairs, inspections, examinations or tests of the Water System upon said premises and to ensure compliance with these Rules and Regulations.

If any authorized employee is refused admittance to any premises, or is hindered or prevented from reading meters, making repairs or inspections, examinations or tests, Mesa Water may cause the Water to be turned off from said premises after giving 24 hours' notice to the Owner or occupant of said premises of the intention to do so. In the case of major Violations, health hazards, or for shut off due to non-payment Mesa Water may cause the Water to be turned off without notice.

### **2.2 OPERATION BY MESA WATER EMPLOYEES**

All of the District's Water System, including but not limited to, Water pipelines, reservoirs, fire hydrants, manholes, pumping stations, valves, connections, treatment facilities and other appurtenances and property, shall be under the management and control of the General Manager. No other persons, except authorized employees of Mesa Water, shall have any right to enter upon, inspect, operate, adjust, change, alter, move or relocate any portion of the foregoing or any of Mesa Water's property without the written consent of the General Manager or the General Manager's Designee(s). In the event that an unauthorized person(s) enters upon, inspects, operates, adjusts, changes, alters, or relocates any facilities without written consent from the General Manager or the General Manager's Designee(s) then Mesa Water reserves the right to prosecute such an unauthorized person to the fullest extent of the law.

### **2.3 ENFORCEMENT OF EXISTING SERVICE CONNECTIONS**

Existing Service Connections shall be brought into compliance with these Rules and Regulations when the Customer of Record is so notified of a Violation or non-compliance by Mesa Water. The notification will include a compliance date. Failure to comply by the compliance date may result in appropriate action(s) by Mesa Water, up, and including, termination of Water Service.

### **2.4 MESA WATER'S RIGHT TO INTERRUPT SERVICE**

Mesa Water reserves the right at any and all times to shut off Water Service for emergency, operational or maintenance purposes.

Mesa Water will make reasonable efforts to minimize negative impacts and provide appropriate notice to the Customer(s) when shutdowns occur. However, Mesa Water assumes no liability for the damages, real or monetary, as a result of such shutdowns or interruptions in service.

## **2.5 MESA WATER LIMITS OF RESPONSIBILITY AND LIABILITY**

Mesa Water assumes no responsibility for the maintenance or operation of the Customer's Water System or facilities beyond the Point of Ownership.

Mesa Water assumes no responsibility or liability if damage or injury is the result of the Customer or Customer of Record violating these Rules and Regulations.

Mesa Water does not, and will not, assume any liability for damages to private property or for personal injury as a result of interruptions in Water Service or variations in Water pressure as provided for herein.

## **2.6 CUSTOMER LIABILITY**

Except to shut off Water to prevent damage, no person other than an authorized Mesa Water employee shall, at any time or in any manner, operate or cause to be operated, any valve in or connected with a Water Main, Service Connection or fire hydrant or tamper or otherwise interfere with any Water meter, check valve or other part of the District's Water System, except the Customer Control Valve. In the event a person, for any reason, digs out or uncovers a corporation stop, angle meter stop or valve controlling a Water supply, lifts or removes a meter box cover or its center piece or causes or suffers any such act to be done, such person will be held liable to Mesa Water for any injury or damage occasioned thereby or resulting there from. In addition, the Customer of Record will be held liable to Mesa Water for any costs incurred for repairing, replacing or adjusting any meter or other appurtenances which have been damaged due to negligence or carelessness, including but not limited to, damages caused by hot Water or steam from a boiler.

Tampering with the lock, meter or appurtenances, unauthorized service restoration or in any other manner interfering or tampering with Mesa Water's property, is prohibited per these Rules and Regulations and California Penal Code Sections 498, 592, 624 and 625. Penalties for such interference will be charged in accordance with the Water Rate and Charge Schedule to the Customer of Record. Criminal penalties, as set out in State Law, may also apply.

## **2.7 VIOLATIONS AND ENFORCEMENT**

Mesa Water shall have the right to ~~discontinue~~ terminate service to any Customer or property who fails to comply with these Rules and Regulations. Such discontinuance of service shall occur after the Customer of Record has been given notice to remedy such non-compliance and to cease and desist from such Violation or infraction, and a



reasonable opportunity thereafter within which to comply with said notices. Such time may be specified in the notice to comply/desist. No such notice need be given where the non-compliance, Violation or infraction of any rule or regulation by the Customer results, or is likely to result, in a dangerous or unsanitary condition or a health, pollution or system hazard on the Customer's premises or in the District's Water System or elsewhere, or where discontinuance of service is necessary to protect Mesa Water from fraud, loss or abuse.

By definition, non-compliance with any condition or conditions of these Rules and Regulations, ~~Water Use Permit~~Application for New Service or ~~Water Use~~Application for New Service Permit, whether willfully or by accident, shall constitute a Violation. The General Manager may assess a fine to the Customer of Record, as stated in the Water Rate and Charge Schedule (Refer to Mesa Water's website at [www.MesaWater.org](http://www.MesaWater.org)), for each Violation of these Rules and Regulations and for each incidence involving the intentional and improper taking of Water. Each day that a Violation of these Rules and Regulations continues, or each day such intentional and improper taking of Water continues, shall be treated as a separate Violation of this provision. No further Water Service shall be provided to such Customer or property by Mesa Water until such charge has been paid or otherwise satisfied. If the charge is paid under protest, the Customer of Record may file a written appeal to the Board.

## **2.8 CORRECTIVE ACTION**

Any person, firm, corporation, association, or agency found to be violating any provision of these Rules and Regulations or the terms and conditions of the ~~Water Use Permit~~Application for New Service, ~~Water Use~~Application for New Service Permit, or applicable State or local statutes, regulations, ordinances, or other requirements shall be served by Mesa Water with written notice stating the nature of the Violation and providing a reasonable time limit for the satisfactory correction thereof. The offender shall, within the period of time stated in such notice, permanently cease or cure all such Violations. Failure to conform or comply with such notice with the stated time period may subject the noticed party to all rights and remedies available at law or in equity to Mesa Water. This Section 2.8 is in addition to, and not by way of derogation of, any other remedies or procedures available to Mesa Water by law, regulation, or pursuant to any of the provisions of these Rules and Regulations.

## **2.9 RIGHT OF APPEAL**

Notwithstanding any of the provisions of these Rules and Regulations concerning Water Service, any aggrieved Customer of Record, who remains dissatisfied with the final decision of the General Manager in administering these Rules and Regulations, may appeal, in writing, such final decision to the Board. The Board shall hear such appeal and render its decision. The decision of the Board shall be final.

The Board may, in its sole, absolute and exclusive discretion, refer any such appeal to either (i) a committee appointed by the Board, which committee may include Board

members, staff members or both (exclusive of the General Manager) (Appeals Committee); or (ii) a hearing officer designated by the Board (Hearing Officer), either of which will have full authority to hear and administer any appeal on behalf of the Board or to bring the Board recommendations as the Board shall direct. The Appeals Committee or Hearing Officer, as applicable, may be charged with the duty of developing a summary of the issues on appeal and/or developing a recommendation as to the disposition of such appeal based on evidence and information presented and received, for presentation to the Board. The Board's determination shall thereafter be based on such presentation by the Appeals Committee and Hearing Officer. The General Manager may not serve as the Hearing Officer for these purposes.

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## SECTION 3 – WATER BILLING AND CUSTOMER SERVICE

### 3.1 RESPONSIBILITY FOR ACCOUNT

The Owner of the property to which Mesa Water provides Water Service shall be responsible for all Water Service related costs and Fees, and shall establish Water Service in their name to become the Customer of Record. The property Owner may allow a tenant or other responsible party to become the Customer of Record.

The Customer of Record, or the Applicant on the Application for New Service (Refer to Appendix 1), is responsible for all Water Service related Charges, costs and Fees until Mesa Water is notified that the account is being closed, or a new Customer of Record is named to the account. The Customer of Record is responsible for services, and Water used up to, and including the day the account is closed.

The Customer of Record is responsible for ensuring the completeness and accuracy of all personal, financial and contact information provided to Mesa Water.

### 3.2 NEW ACCOUNTS AND SERVICE ESTABLISHMENT

Customers requesting Water Service, and to become a Customer of Record, shall contact Mesa Water's Customer Services staff during business hours to establish an account prior to Water Service being turned on. Subject to the terms set out in these Rules and Regulations, Water service will be provided upon request where there is an existing service line and meter. If Mesa Water determines that Water may run uncontrolled at a property and no Person is present at the property, then Water Service will not be turned on.

Requests must be made at least one Business Day in advance of the requested first day of service, in order to ensure timely service establishment. If one Business Day advance notice is not given prior to the desired first day of service, then a Fee to expedite service establishment may be applied to the corresponding account.

A Customer of Record shall provide the following **identifying** information in order to establish service:

- Full Legal Name
- Date of Birth, if applicable
- Social Security Number or U.S. Federal Tax Identification Number
- State or U.S. Federal Issued Identification Number (e.g., Driver's License), if applicable
- U.S. Mailing Address
- Additionally, Named Person(s) or Contact Person(s)
- Phone Number(s)
- E-mail Address

### 3.3 CLOSING OF ACCOUNTS

A Customer of Record requesting to disconnect Water Service shall contact Mesa Water's Customer Services staff during business hours at least one Business Day prior to closing an account.

The Customer of Record will be responsible for payment for all Water registering on the meter up to and including the day the final meter reading is obtained. The Water Service shall be turned off and the meter will be locked at the time of the final meter reading, unless a new Customer of Record has notified Mesa Water that they will be responsible for service to that property and meter.

A closing bill will be prepared, which reflects the Charges for all Water registering on the meter at the time of final reading, any previous balances owed (including prior bills, Fees and Charges) and the Basic Charge, which shall be prorated based on the number of days in service.

Per California Health and Safety Code Section 17920 and California Civil Code Section 1941.1, buildings lacking Water Service are considered substandard and non-tenantable. Therefore, should any domestic Water Service or service providing Water for fire suppression be closed, service will not be left on between parties taking financial responsibility. Mesa Water has no liability to furnish Water for consumptive use or for fire suppression to an uninhabited building. Should Mesa Water find or determine that persons may be inhabiting said building **lacking domestic or fire Water Service**, the District may, in its sole discretion and without legal obligation, contact the local Building Safety Authority or law enforcement agency to advise them of such situation. Mesa Water shall not be subject to any voluntary assumption of risk or liability as a result of taking such action(s).

#### 3.3.1 Credits on Closed Accounts

Closed accounts may have credits due to overpayments, Deposit refunds and/or other reasons.

Credits may be refunded to the Customer of Record in one of the following methods, per their request and at the discretion of Mesa Water:

- The District may transfer the credit to another account of which the Customer is the current Customer of Record.
- A refund check will be sent to the mailing address listed on the applicable account.

Unclaimed credits will be processed in accordance with State regulations.

### 3.4 BILLING AND MEASUREMENT OF WATER SERVICE

Bills cover a specified period of service, which is stated on the Water bill.

Billing frequency will be on regular intervals as determined by Mesa Water.

Bills for Water Service will be based on two components, in addition to any applicable surcharges, the Basic Charge and the Usage Charge. The Basic and Usage Charges will be imposed in accordance with the Water Rate and Charge Schedule.

~~The District~~Mesa Water reserves the right to estimate Water usage based on past usage in the case of meter failure.

An additional Charge may be applied to Basic and Usage Charges for accounts that receive Water Service outside of Mesa Water's service area in accordance with the Water Rate and Charge Schedule.

Mesa Water may periodically collect various surcharges imposed by other government entities, including but not limited to, those assessed or imposed by the Orange County Local Agency Formation Commission, State Water Resources Control Board, or the California Department of Water Resources. Mesa Water does not set these surcharges, but has a legal responsibility to collect them. These mandatory surcharges are due and payable along with billings for Water Service, and follow the same billing, delinquency and collection process as such.

Water bills shall be dated as of the Presentation Date. All bills are due and payable no later than the Due Date.

#### ~~3.4.1 Billing Disputes~~

~~Any dispute by the Customer of Record of the amount owed, as shown on a bill or invoice, must be raised within ten days of the date of billing produced on the bill or invoice, otherwise the bill or invoice will be considered correct and payable.~~

~~Only the disputed portion of the bill may be set aside by Mesa Water pending resolution of the dispute. The Basic Charge plus any outstanding balance, Charges or Deposits must be paid. The undisputed portion of the bill must be paid in accordance with these Rules and Regulations for Water Service governing undisputed bills or invoices.~~

~~In the case of a Water usage dispute, Mesa Water employees will re-read the meter and determine if the usage and bill are correct.~~

~~If the usage is correct, the bill shall be due and payable as presented.~~

~~If the usage is incorrect, the bill will be reissued with the correct usage. The billing and payment process will start over for that portion of the bill.~~

~~Multiple similar requests made by the Customer of Record for the same service address may not be able to be fulfilled based upon employee availability and the business needs of the District.~~

### 3.5 PAYMENTS

The Customer of Record is responsible for complete and timely payment of all Mesa Water bills.

Non-receipt of a bill does not release the Customer of Record from payment obligation.

Cash payments for all services provided by Mesa Water must be made at the Office currently located at 1965 Placentia Avenue, Costa Mesa, California.

No payment by any method will be accepted by Mesa Water employees away from the Office.

Payments received without sufficient information to properly credit an account may be returned without being processed. As set forth herein, accounts for which no payment is made or processed may be subject to Fees/Charges including, but not limited to, Delinquent Fees.

Upon receipt, payment(s) to an account shall be credited in the following order, or priority, as shall be applicable:

- To pay outstanding Charges, Fees, and applicable Delinquent Fee(s), in order of oldest to newest; then,
- To pay current Charges and Fees; and then,
- To replenish or provide any required Deposit amounts.

Any funds held as a Deposit for an account shall be applied to pay applicable bills, Charges, or other Fees due and owing on such account, at the time a delinquency would otherwise occur.

#### 3.5.1 Payments Made at the Mesa Water Office

Payments made at the Mesa Water Office may be in the form of cash, credit card, check, cashier's check, or money order. Payments can be made online at the ~~Mesa Water~~ Office via the computer located in the lobby.

Payments made at the Office by close of a Business Day will be credited to the account that same day. Payments received in the night drop box by the opening of business on a regular Business Day will be credited to the account that Business Day. Mesa Water's business hours are posted at the Office and online.



### 3.5.2 Payments Made by Mail and to the Lockbox

Payments made by mail will be credited to the account on the same day that they are received by Mesa Water or the lockbox service provider so long as proper account and payment information is included.

Postmark dates are not accepted or considered in posting payments to an account.

### 3.5.3 Payments Made by Third Party Vendor

Mesa Water accepts payments by credit/debit card through its approved third-party administrator that may impose a convenience fee to the Customer for this service. Customers may call Mesa Water's Customer Services staff at 949.631.1200 or visit the website at [www.MesaWater.org](http://www.MesaWater.org) in order to obtain the toll free number.

Payments made to Mesa Water through its third party administrator(s) will be credited to the Customer of Record's account on the date of transaction. If the Customer's service is in danger of ~~disconnection~~ termination, then the Customer should notify Mesa Water that a payment has been made by providing the confirmation number following payment. It is the responsibility of Customers using any third party administrator for payment to ensure timely payment is made to Mesa Water.

### 3.5.4 Payments Returned by Bank

Should any payment, including, but not limited to, check, credit card, online payment or Electronic Fund Transfer, be returned by ~~the District's~~ Mesa Water's or Customer's bank for any reason, the Customer of Record will be notified and a Returned Item Fee will be charged against the account(s) to which the payment had been credited. The Returned Item Fee will be assessed in accordance with the Water Rate and Charge Schedule. Should a Customer of Record have two returned payments within 12 months, Mesa Water may require all payments by or on behalf of such Customer of Record be made by cash, cashier's check, money order, or credit/debit card for a period of up to 24 months. The District may reduce the time for the foregoing requirement on a case-by-case scenario at the sole discretion of the General Manager or the General Manager's Designee(s).

Returned Item Fees are due and payable immediately. Returned Items Fees are payable by cash, cashier's check, money order or credit/debit card.

~~The District~~ Mesa Water may waive the Returned Item Fee if the assessment of the Returned Item Fee was due to the District or District's bank error. In its sole discretion, ~~the District~~ Mesa Water may waive the Returned Item Fee for other reasons not listed herein. Should ~~the District~~ Mesa Water waive the Returned Item Fee for reasons other than District error, it may be waived one time per account in a rolling 24-month period, or at the discretion of the General Manager or the General Manager's Designee(s).

### 3.5.5 Payment Extensions

A payment extension is a payment arrangement in which the due date for the entire unpaid balance is delayed to avoid delinquent Charges or service ~~disconnection~~ termination. Agreement to payment extension(s) is within the sole discretion of Mesa Water. **An account may only have one active payment arrangement at a time.**

Payment extension arrangements may be made between ~~the District~~ Mesa Water and the Customer of Record prior to the due date on any invoices during the billing process. The Customer of Record must adhere to the terms of the payment extension in order to avoid Delinquent Fees or service ~~disconnection~~ termination, and the account being ineligible for payment extensions and payment plans for 12 months.

Payment extensions may not extend beyond 30 calendar days; otherwise, a payment plan shall be arranged (See Section 3.5.6 for Payment Plans).

### 3.5.6 Payment Plans

A payment plan is a payment arrangement in which the entire unpaid balance is spread out over multiple payments over a defined period of time. Agreement to a payment plan is within the sole discretion of Mesa Water. **An account may only have one active payment arrangement at a time.**

The Customer of Record must adhere to the terms of the payment plan in order to avoid Delinquent Fees or service ~~disconnection~~ termination, and the account being ineligible for payment extensions and payment plans for 12 months.

### 3.5.7 Financial Assistance

Per California Proposition 218 (1996), Mesa Water is unable to use revenues derived from Water Rates and Charges for any purpose other than delivering Water. Mesa Water is legally prohibited from using revenues from Water Rates and Charges to subsidize costs of service to its Customers.

Mesa Water may direct Customers to non-profit and charitable organizations that may offer assistance in paying Water bills.

### 3.5.8 Overpayments and Credits

Should an account be overpaid due to any reason, regardless of purposeful or accidental, the overpayment will remain on the corresponding account as a credit against future Charges.

Requested refunds of less than \$100.00 **and greater** will not be approved. Requested refunds of \$100.00 will be considered on a case-by-case scenario.

Requested refunds will be processed with approval by the Chief Financial Officer, General Manager or the General Manager's Designee(s).

### 3.6 DELINQUENCIES

Customers that have questions or require assistance regarding the payment of water bills should contact Mesa Water District Customer Services Department at 949.631.1200 or visit the Office at 1965 Placentia Avenue, Costa Mesa.

Regular and closing bills have a Due Date of not less than 28 days from the Presentation Date. Unpaid bills are considered delinquent if payment is not received by the Due Date shown on the bill; and a Delinquent Fee will be assessed in accordance with the Water Rate and Charge Schedule.

#### 3.6.1 Delinquent Bills ~~and Notice of Impending Service Termination~~

A Delinquent Fee will be assessed to the account, in accordance with the Water Rate and Charge Schedule, and a delinquent bill ~~notifying the Customer of Record of impending termination~~ will be sent to the Customer of Record if payment is not received by Mesa Water by the regular or closing bill's Due Date. Delinquent Fees are due and payable immediately with the outstanding balance of the bill.

The delinquent bill will have a Due Date within ~~15–28~~ calendar days after the Presentation Date.

The Delinquent Bill will be a mailed notice to the Customer of Record and will contain:

- The Customer of Record's Name and Service Address;
- The amount of the delinquency;
- The date by which payment or payment arrangement must be made to avoid termination of service;
- A description of the procedure by which the Customer of Record may request a Payment Extension or Payment Plan;
- The procedure for the customer to obtain information on financial assistance, if applicable; and,
- The telephone number where the Customer of Record may request a Payment Extension, Payment Plan, or receive additional information from the District.

~~Where the delinquent account provides Water Service to more than one residential dwelling unit (for example, apartment buildings), when practical, a Notice of Impending Termination will be delivered to each dwelling unit benefiting from the service as required by Public Utilities Code Sections 10009 and 10009.1. If this step is not practical, the Notice of Impending Termination shall be posted in a common area~~

~~accessible to residents. Additional Fees may be charged for this service, in accordance with the Water Rate and Charge Schedule.~~

Delinquent Fees are administrative and may be waived one time per account in a rolling 24-month period, or at the discretion of the General Manager or the General Manager's Designee(s) up to \$5,000.

### 3.6.2 Final ~~Written~~ Notice of Service Termination (Final Notice)

A Final Notice Fee will be assessed to the account, in accordance with the Water Rate and Charge Schedule, and a Final Notice bill (Final Notice) will be sent to the Customer of Record if payment is not received by Mesa Water by the Due Date of the delinquent bill. Final Notice Fees are due and payable immediately with the outstanding balance of the bill.

The Final Notice will have a Due Date not less than ~~628~~ calendar days after the Presentation Date.

The Final Notice will be a mailed notice to the Customer of Record and will contain:

- The Customer of Record's Name and Service Address;
- The amount of the delinquency;
- The date by which payment or payment arrangement must be made to avoid termination of service;
- A description of the procedure by which the Customer of Record may request a Payment Extension or Payment Plan;
- The procedure for the customer to obtain information on financial assistance, if applicable; and,
- The telephone number where the Customer of Record may request a Payment Extension, Payment Plan, or receive additional information from the District.

~~Where a landlord-tenant relationship between the residential occupants and the owner, manager, or operator of the dwelling exists, or if the Customer of Record's mailing address is not the Service Address, then a Final Notice will also be mailed, a least 10 days prior to water service termination, to the Service Address attention "Occupant" or "Current Resident" as deemed appropriate by Mesa Water. The Final Notice will also notify the tenant of its opportunity to become the customer of record without being required to pay any amount that may be due on the landlord delinquent account.~~

~~The Final Notice is the District's Mesa Water's final written attempt to collect a past due balance before Water Service is terminated. If payment of all Water bills, Fees, Charges and Deposits is not received by the Due Date of the Final Notice, Water Service may be terminated without further notice. In addition to the written notice, Mesa Water will make a reasonable attempt to personally contact the Customer of Record by telephone, e-mail, or in person, at least 48 hours prior to disconnecting service. This personal contact~~

~~is Mesa Water's final attempt to collect a past due balance before Water Service is terminated.~~

Where the delinquent account provides Water Service to more than one residential dwelling unit (for example, apartment buildings), when practical, a Final Notice will be delivered to each dwelling unit benefiting from the service. However, if this step is not practical, the Final Notice shall be posted in a common area accessible to residents. Additional Fees may be charged for this service, in accordance with the Water Rate and Charge Schedule.

If payment of all Water bills, Fees, Charges and Deposits is not received by the Due Date of the Final Notice then Water Service may be terminated.

Final Notice Fees, and Fees related to the Final Notice, are administrative and may be waived one time per account in a rolling 24-month period, or at the discretion of the General Manager or the General Manager's Designee(s).

### 3.6.3 Notice of Pending Water Service Termination ~~of Water Service~~ for Non-Payment

In addition to the written notice(s), as described herein, Mesa Water will also make a reasonable attempt to personally contact the Customer of Record by telephone, e-mail, in person, or by posting a Notice of Pending Water Service Termination in a conspicuous place at the Service Address, at least 48-hours prior to terminating service. This personal contact is Mesa Water's final attempt to collect a past due balance before Water Service is terminated.

The Notice of Pending Water Service Termination will contain all of the following:

- The Customer of Record's Name and Service Address;
- The amount of the delinquency;
- The date by which payment or payment arrangement must be made to avoid termination of service;
- A description of the procedure by which the Customer of Record may request a Payment Extension or Payment Plan;
- The procedure for the customer to obtain information on financial assistance, if applicable; and,
- The telephone number where the Customer of Record may request a Payment Extension, Payment Plan, or receive additional information from the District.

The Notice of Pending Water Service Termination shall be provided in writing, in person, or by telephone contact/message.

## 3.7 TERMINATION OF WATER SERVICE FOR NON-PAYMENT

Mesa Water strives to provide excellent customer service, and as such provides many opportunities and assistance to avoid Water Service termination. However, after all past

attempts have failed to resolve an unpaid balance~~;~~, and consistent with these Rules and Regulations, the Water Service shall be terminated.

Mesa Water's written policy on termination of water service for non-payment is available in English, Spanish, Chinese, Tagalog, Vietnamese, and Korean. A printed copy of this policy is available at Mesa Water's Office and on the website.

### 3.7.1 Circumstances Under Which Water Service Will Not be Immediately Terminated After Exhausting Procedures in Section 3.6

- During an investigation by the District of a customer dispute as described in Sections 3.13.1 – 3.13.3;
- During the pending of an appeal to the Board of Directors under Section 2.9;
- During the period of time in which a Customer of Record's payment is subject to a District-approved Payment Extension or Payment Plan and the Customer of Record remains in compliance with the approved payment arrangement.

### 3.7.2 Special Medical and Financial Circumstances Under Which Water Service Will Not be Terminated

Mesa Water will not terminate water service if all of the following conditions are met:

- The Customer of Record, or tenant of the Customer of Record, submits to Mesa Water the certification of a licensed primary care provider that termination of water service will be life threatening to, or pose a serious threat to the health and safety of, a resident of the premises where residential service is provided;
- The Customer of Record demonstrates that he or she is financially unable to pay for residential service within the normal billing cycle. The customer is deemed financially unable to pay during the normal billing cycle if: (a) any member of the customer's household is a current recipient of CalWORKs, CalFresh, general assistance, Medi-Cal, Supplemental Security Income/State Supplementary Payment Program, or California Special Supplemental Nutrition Program for Women, Infants, and Children, or (b) the customer declares under penalty of perjury that the household's annual income is less than 200 percent of the federal poverty level; and,
- The Customer of Record is willing to enter into an alternative payment arrangement, including a Payment Extension or Payment Plan.

The Customer of Record is responsible for demonstrating that the conditions of Section 3.7.2 have been met. Upon receipt of documentation from the Customer of Record, Mesa Water will review the documentation within seven days. The District will then respond within seven days with one of the following: (1) Notify the customer of the alternative payment arrangement selected by Mesa Water and request the Customer of Record's signed assent to participate in that alternative payment arrangement; (2) Request additional information from the Customer of Record; or (3) Notify the Customer of Record that they do not meet the conditions in Section 3.7.2.



For any Customer of Record who demonstrates that they meet all of the above conditions, Mesa Water will offer the customer one of the following options, to be selected by the District at the discretion of the General Manager or the General Manager's Designee(s):

- Payment Extension, as described in Section 3.5.5.
- Payment Plan, as described in Section 3.5.6.

The Customer of Record must adhere to the terms of the Payment Extension or Payment Plan as stated in Sections 3.5.5 and 3.5.6 to avoid Water Service termination. However, any unpaid balance that was included in the defaulted alternative payment arrangement will not be considered in any investigations or reviews by the District.

### 3.7.3 Days and Times of Service Termination Due to Non-Payment

Mesa Water will only terminate Water Service due to non-payment during its regular business hours.

### 3.7.4 Procedures for Terminating Water Service for Non-Payment

When a Mesa Water employee arrives at the service address to terminate Water Services for non-payment a Service Termination Trip Fee will be assessed. Fees and Charges associated with termination of service as a result of non-payments are shown in the Water Rate and Charge Schedule. When Water Service is terminated, the meter will be locked in the off position and a tag will be attached to the meter notifying Customers that tampering with the meter and lock is prohibited per Section 2.6 of these Rules and Regulations and California Penal Code Sections 498, 592, 624, and 625.

~~Tampering with the lock or meter, unauthorized service restoration, or in any other manner interfering or tampering with Mesa Water's property, is prohibited per these Rules and Regulations and California Penal Code Sections 498, 592, 624 and 625. Penalties for such interference will be charged in accordance with the Water Rate and Charge Schedule to the Customer of Record. Criminal penalties, as set out in State Law, may also apply.~~

Service Termination Trip Fees recuperate the staff, equipment, and fuel costs associated with visiting the property to terminate service, and therefore cannot be waived, except at the discretion of the General Manager or the General Manager's Designee(s).

In the case where a property is served by multiple accounts and services, and are the financial responsibility of the same Customer of Record, then additional and all services may be terminated until the balance(s) have been satisfied.

If payment is not received within ten days of termination of service, the account will be closed, and the process as described in Section 3.3 shall be followed.

### **3.86-4 RESTORATION OF WATER SERVICE**

Following service termination for non-payment, the Customer of Record must contact Mesa Water by telephone or in person at the Office regarding restoration of water service.

All amounts owed, including all bills, Fees, Charges, and Deposits, must be paid or otherwise satisfied before Water Service will be restored. If the Water meter has been removed, all Fees must be paid before a Water meter is re-installed. Fees for the service restoration are shown in the Water Rate and Charge Schedule.

Service will be restored on the same Business Day that the account balance has been satisfied, if conditions permit. Otherwise, the service will be restored the following Business Day.

Service Restoration Trip Fees recuperate the staff, equipment, and fuel costs associated with visiting the property to restore service, and therefore cannot be waived, except at the discretion of the General Manager or the General Manager's Designee(s)

### **3.9 PROCEDURES FOR OCCUPANTS OR TENANTS TO BECOME CUSTOMER OF RECORD OF MESA WATER DISTRICT**

#### **3.9.1 Applicability**

This Section 3.9 shall apply only when the property owner, landlord, manager, or operator of a residential service address is listed as the Customer of Record and has been issued a Final Notice to terminate water service due to non-payment.

#### **3.9.2 Agreement to Mesa Water Rules and Regulations for Water Service**

Mesa Water will make Water Service available to the actual residential occupants if each occupant agrees to the Rules and Regulations for Water Service and meets the requirements of Mesa Water's Rules and Regulations. Notwithstanding, if one or more of the occupants are willing and able to assume responsibility for the subsequent charges to the account to the satisfaction of Mesa Water, or if there is a physical means, legally available to the District, of selectively discontinuing service to those occupants who have not met the requirements of the Mesa Water's Rules and Regulations, the District shall make service available to the occupants who have met those requirements.

#### **3.9.3 Verification of Tenancy**

To be eligible to become a Customer of Record without paying the amount due on the delinquent account, the occupant shall verify that the delinquent account's Customer of



Record is or was the landlord, manager, or agent of the dwelling. Verification may include, but is not limited to, a lease or rental agreement, rent receipts, a government document indicating that the occupant is renting the property, or information disclosed pursuant to Section 1962 of the Civil Code, at the sole discretion of Mesa Water District.

### 3.9.4 Deductions from Rental Payment

Pursuant to Government Code Section 60371(d), any occupant who becomes a Customer of Record of Mesa Water District pursuant to this Section 3.9 and whose periodic payments, such as rental payments, include charges for residential Water Service, where those charges are not separately stated, may deduct from the periodic payment each payment period all reasonable charges paid to the District for those services during the preceding payment period.

## 3.106.5 COLLECTIONS

Mesa Water may, at its sole discretion, transfer unpaid and uncollected balances on accounts to any active or new account(s) under the control and responsibility of the same Customer of Record.

Mesa Water may contract with a collection agency for the recovery of any outstanding balances on closed accounts. The past due account must be paid in full or otherwise be arranged for payment within 90 calendar days of the delinquent closing bill due date before being sent to a collection agency. Any account that is sent to a collection agency may be subject to a collection agency Fee, as set forth in the Water Rate and Charge Schedule.

Mesa Water or its collection agency may report on unpaid balances to credit bureaus.

## 3.711 DEPOSITS

Deposits may, at the discretion of Mesa Water, be required on accounts when any of the following situations occur:

- The Customer of Record's account contains insufficient identification information, as listed in Section 3.2;
- The account receives two Final Notices of Service Termination (Final Notices) within a 24-month period;
- Service is terminated for non-payment;
- The Customer of Record files for bankruptcy or a related Order for Relief;
- Two payment items are returned by the Customer of Record or District's bank within the last 12 months;
- Tampering or damage to District appurtenances including, but not limited to, the Water Service meter;
- The Water Service was off and locked without a current Customer of Record, and Mesa Water has determined that the Water Service has been turned on without

the express permission of the District and Water has passed through the meter.

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Deposits will be held on the account until one of the following occurs:

- Bills are paid consecutively on time for a period of at least 24 months.
- The account is closed. However, if the Customer of Record becomes the holder of another account with Mesa Water, the Deposit may be transferred to the new account.
- If the Customer of Record provides sufficient identification information as listed in Section 3.2.
- In this case, the Customer of Record must still have a satisfactory payment history of at least 24 months.

Deposits do not excuse future late payments or prevent future Delinquent Fees from being assessed.

Deposits will be refunded as a credit on the account. If the account is being closed, then the Deposit will be used to satisfy the balance on the account before any refund is issued. A closing bill stating any remaining balance will be issued to the Customer of Record. If there are remaining funds, the credit process will follow the procedures listed in 3.3.1, Credits on Closed Accounts.

The standard amount of the Deposit is shown in the Water Rate and Charge Schedule. However, the amount of the Deposit may be set differently at the discretion of the General Manager or the General Manager's Designee(s) in an amount sufficient in his/her judgment to ensure that future bills will be paid when presented. Additional Deposit amounts may be collected in the future to account for higher bills. Mesa Water may make a payment arrangement with the Customer of Record if the Deposit creates an immediate financial hardship.

Any interest accrued on a Deposit will not be refunded to the Customer of Record.

Deposit requirements may be waived once every 24 months or per the discretion of the General Manager or the General Manager's Designee(s).

### **3.812 CUSTOMER BANKRUPTCY**

When Mesa Water receives notice that a Customer of Record has filed for bankruptcy, the Customer of Record's account(s) will be closed, as soon as possible following receipt of such notice. The date used for purposes of determining the amount to be included in the bankruptcy is the date of filing on the notification form. Any outstanding balances as of that time will be considered within the scope of such bankruptcy proceedings and Mesa Water may file a claim accordingly.

A new Customer account will be created for such Customer of Record should the Customer of Record request ongoing service. A Deposit will be charged in accordance with the Water Rate and Charge Schedule and Section 3.7-11 of these Rules and

Regulations for Water Service. Subject to the provisions of these Rules and Regulations, Mesa Water will not terminate service unless otherwise directed by the Customer of Record.

### **3.913 CUSTOMER INQUIRIES, DISPUTES, AND COMPLAINTS**

All Customer inquiries, **disputes**, and complaints will be handled as expeditiously as reasonably possible. In some instances, extensive research will be required, thus extending the time required for resolution, and the Customer will be so informed. **Please refer to Section 3.4.1 for billing disputes.**

#### **3.13.1 Billing Disputes**

Any dispute by the Customer of Record of the amount owed, as shown on a bill or invoice, must be raised within ten days of the date of billing produced on the bill or invoice, otherwise the bill or invoice will be considered correct and payable.

Only the disputed portion of the bill may be set aside by Mesa Water pending resolution of the dispute. The Basic Charge plus any outstanding balance, Charges or Deposits must be paid. The undisputed portion of the bill must be paid in accordance with these Rules and Regulations for Water Service governing undisputed bills or invoices.

A timely request for investigation will be reviewed by Mesa Water. The review will include consideration of whether the Customer of Record may receive a Payment Extension, Payment Plan, or none. Mesa Water may, in its sole discretion, review untimely disputes; however, such disputes are not subject to appeal.

In the case of a Water usage dispute, Mesa Water employees will re-read the meter and determine if the usage and bill are correct.

- If the usage is correct, the bill shall be due and payable as presented.
- If the usage is incorrect, the bill will be reissued with the correct usage. The billing and payment process will start over for that portion of the bill.

Multiple similar requests made by the Customer of Record for the same service address may not be able to be fulfilled based upon employee availability and the business needs of Mesa Water District.

Any Customer of Record whose timely dispute has resulted in an adverse determination may appeal the determination to the Board of Directors within ten business days of the District's mailing or communication of its determination, following the process outlined in Section 2.9.

#### **3.9.13.2 Meter Inquiries and Testing**

If the Customer of Record is concerned that the meter is not operating correctly or is not

accurate, the Customer of Record may submit a completed Customer Service Meter Test Request form (Refer to Appendix 2). Mesa Water will arrange for an approved third party testing facility chosen by and facilitated by the District to test, the meter for accuracy based on standards by the American Water Works Association (AWWA). Prior to the removal of the meter for testing, Mesa Water shall require a meter test Deposit in accordance with the Water Rate and Charge Schedule. Meter test Deposits will be refunded if the meter is determined to be recording outside the prescribed limits for meter accuracy as described herein.

If the meter is found to be registering three percent on average in excess of the actual quantity flowing through the meter based on meter accuracy standards by the AWWA, Mesa Water will replace the defective meter, refund the meter test Deposit and refund to the Customer of Record the full amount of the overcharge based on the corrected meter readings for the previous period, not exceeding six months from the date of the written request, that the meter was in use by the same Customer of Record.

If the meter is not found to be defective and does not register three percent in excess, then the meter test Deposit shall be forfeited to Mesa Water and the Water bill shall be due and payable as presented.

If the meter is found to be registering less than 97 percent on average of the actual quantity flowing through the meter, based on meter accuracy standards by the AWWA, the meter will be replaced and the Customer of Record may be assessed based on the average consumption for up to six preceding months during which the meter was in use and found to have been registering correctly.

### ~~3.9-213.3~~ High Water Use Investigations

Customers may request that Mesa Water assist them in the determination of possible leaks or other conditions, which may result in higher than normal Water usage. Inspections may be arranged with Mesa Water to check the Water meter for potential flow indicating a leak. Such requests will be handled by appointment only. Appointments may be arranged by contacting Mesa Water's Customer Services staff. Multiple similar requests made by the Customer of Record for the same service address may not be able to be fulfilled, based upon employee availability and the business needs of the District. In performing leak determinations, Mesa Water is not providing any warranty or guarantee of accuracy thereof. Mesa Water does not provide leak investigations on private property.

### ~~3.9-313.4~~ Water Quality Inquiries

Mesa Water strives to provide Customers with high quality Water at all times. If a Customer suspects any problem with the quality of Water provided the Customer may contact the District and a Mesa Water employee will arrange to meet with the Customer at home or business to investigate the concern. Information regarding Water quality analyses of the District's Water is available to the public. Mesa Water's annual Water

Quality Report is available on the District's website, and printed copies are made available during business hours at the Office.

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## SECTION 4 – CONSTRUCTION OF WATER FACILITIES AND APPURTENANCES

### 4.1 APPLICATION PROCESS

Any person, firm, or corporation who wishes to install, remove, alter or replace, or cause to be installed, removed, altered, or replaced, any Water facility or appurtenance connected to, or part of, the District System must obtain a Permit from Mesa Water to do such work.

Any person legally entitled to apply for and receive the Permit shall complete the Mesa Water supplied Application for New Service form. The Applicant shall submit the Application for New Service form, a complete subdivision map when applicable and a Water facility construction plan showing the proposed Service Connection thereon, signed by a Civil Engineer registered in the State of California. All maps and plans shall be to the standards, size and drawn on material specified in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities.

#### 4.1.1 Plan Check Process

After payment of the Plan Check Fee (Refer to Appendix 3 for Payment Voucher), Mesa Water's District Engineer, or an authorized designee or other appropriate employee, will review such plans in accordance with the plan check process located in the Standard Specifications and Drawings for the Construction of Mesa Water Facilities. All plans must conform to the current Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities before they will be approved.

#### 4.1.2 Issuing the Permit

Upon approval of such plans, and upon receipt of required Fees and Charges, including Capacity Charges, Mesa Water shall validate and issue a Permit.

The Permit shall be valid for a period of one year from the date of issuance. If construction has not commenced within said year, the Permit automatically becomes invalid and the Applicant forfeits all moneys, except Capacity Charges, paid to Mesa Water in connection with the Permit. The Applicant will be required to reapply for a new Permit.

#### 4.1.3 Water Service Agreement

Before Water Service is provided, the Applicant shall enter into a Water Service Agreement (Refer to Appendix 6) with Mesa Water regarding the terms under which Mesa Water shall provide Water Service to the Applicant. The Applicant shall complete, sign and submit a Water Service Agreement. Mesa Water shall enter into the Water Service Agreement only upon approval of the development project and payment by the Applicant of required Fees and Charges set forth in the Water Service Agreement. No Water Service shall be provided by temporary Water Services or by any other means



until the Water Service Agreement has been signed by Mesa Water and the Applicant.

#### 4.1.4 Fees and Charges

Mesa Water employees will determine the Fees and Charges applicable to new development in accordance with the Water Rate and Charge Schedule.

#### 4.1.5 Capacity Charges

Mesa Water has adopted Capacity Charges in the amounts specified in the Water Rate and Charge Schedule. The Capacity Charges will be used to assist Mesa Water in paying for the facilities and improvements to the District's Water System required by this development.

All Rules and Regulations governing Capacity Charges in their entirety are applicable to the same property for which a Water Service Agreement is in effect.

##### 4.1.5.1 Calculating the Capacity Charge

As herein provided, the amount of the applicable Capacity Charge(s) shall be determined by the District Engineer (based on the Capacity Charge rate approved by the Board of Directors). All decisions in regard thereto shall be based on sound engineering practices consistent with new development paying only the amount of money necessary to fund its fair share of facilities required to provide Water capacity.

Capacity Charge credit for existing 5/8 inch and 3/4 inch meters will be applied based on a ratio of the maximum flow rate for that meter using a 1-inch meter as base line for the credit. In all other cases the Capacity Charge shall be assessed in accordance with the Fee schedule contained in the Water Rate and Charge Schedule.

At the time the Applicant requests meters to be installed, Mesa Water will review the assessed Capacity Charge. If there have been changes in the project, which affect the Capacity Charges, additional Capacity Charges will be assessed or a refund will be credited to the meter costs. The meters will not be installed until both the meter costs and all applicable Capacity Charges have been paid.

Capacity Charge credits are the possession of the property Owner and under no circumstances are to be severed from the real property for which such credits were paid. For commercial developments, the property Owner shall provide a letter granting a tenant the right to any Capacity Charge credit(s), if said credits are to be attributed to anyone other than the property Owner.

No Capacity Charges will be assessed if an Applicant is removing a meter and is replacing it with a meter of the same size, providing that one of the following conditions also be satisfied:



- The new meter is installed on the same service line from which the old meter is removed; or
- The new meter is installed on a new service line and the existing service line is abandoned when the old meter is removed.

Mesa Water does not assess Capacity Charges for dedicated fireline Service Connections or temporary service connected to fire hydrants.

#### 4.1.5.2 Calculating Capacity Charge Credits on Meters Pulled at the Time of Redevelopment

Mesa Water will apply a Capacity Charge credit on an account for meters that will be pulled at the time the property is redeveloped, providing one of the following conditions is satisfied:

- The old meter is pulled and a new meter of a different size is installed on the existing service line; or
- The old meter is pulled and the existing service line is abandoned. Any new meters of different sizes shall be installed on new service lines.

The District Engineer or an authorized designee will determine the Capacity Charge credit on the meter that is pulled per the Water Rate and Charge Schedule.

The credit will be based on the Capacity Charge in effect for the meter size being pulled according to the building classification and Water use type the meter presently serves.

If the Capacity Charge credit exceeds the Capacity Charge calculated on the new meters, the excess credit may be carried forward with the property for additional development. The excess credit will be discounted five percent each year that it is carried and at the 15<sup>th</sup> year, the credit can no longer be used. Any excess credit may only be used once. Subsequent excess credit cannot be carried forward.

The number of years used for Capacity Charge credit will be determined by calculating the number of years between the date the Application for New Service Permit was issued for the redevelopment project for which the credit originated and the date the Application for New Service Permit was issued for the redevelopment project for which the Applicant wishes to use the credit.

No Capacity Charge credit will be allowed for the removal of Automatic Fire Sprinkler Service Connections.

#### 4.1.5.3 Calculating Capacity Charge Credits on Meters Pulled Prior to Redevelopment

Mesa Water will apply a Capacity Charge credit on meters pulled prior to the redevelopment of the property providing that all of the following conditions be satisfied:

- The service line to which the meter was once connected is still connected to the District's Water System; and
- The Pulled Meter was recorded and the record is on file at Mesa Water; and
- The new meters that will be installed are a different size (upgrade or downgrade) from the meters that were pulled prior to the redevelopment of the property; and
- A new meter shall be installed on the service line, to which the meter was once connected, or the service line shall be abandoned and the new meter shall be installed on a new service line.

Mesa Water will not apply a Capacity Charge credit for meters where both the meter and the service line were abandoned prior to the redevelopment of the property.

The District Engineer or an authorized designee will determine the appropriate credit amount.

The credit on the Pulled Meter will be based on the Fee in effect for the meter size being replaced according to the building classification and Water use type the meter previously served.

The credit is subject to a five percent reduction for each year that the meter was pulled prior to the Application for New Service Permit. No credit will be given for meters that were pulled 15 years or more prior to the date the Application for New Service Permit is issued.

The number of years that will be used for the reduction in Capacity Charge credit will be determined by calculating the difference between the date on file at Mesa Water that the meter was pulled and the date the Application for New Service Permit is issued.

In the case where the new meters being installed are the same size as the meters that were pulled, Mesa Water will apply a discount on the amount of the Capacity Charge calculated on the new meters, providing all of the following conditions are satisfied:

- The service line to which the meter was once connected is still connected to the District's Water System; and
- The Pulled Meter was recorded and the record is on file at Mesa Water; and
- A new meter shall be installed on the service line to which the meter was once connected or the service line shall be abandoned and the new meter shall be installed on a new service line.

The amount of the discount will be based on the length of time since the meter was pulled. The length of time will be determined by calculating the difference between the date on file at Mesa Water that the meter was pulled and the date the Application for New Service Permit is issued.

#### 4.1.5.4 Application of Capacity Charges to Public Agencies

For purposes of this section "Public Agency" shall have the same meaning as set forth in Government Code Section 54999.1(c) or any successor section thereto.

Any development or application to Mesa Water for increased Water Service by any Public Agency shall be subject to a Capacity Charge. The amount of such Capacity Charge shall be determined under Section 4.1.5 of these Rules and Regulations. The determination of the Capacity Charge with regard to an individual Public Agency development project shall be made based on the same criteria and methodology applicable to non-public Applicants.

The assessment of the Capacity Charge on any school district, county office of education, community college district, the California State University, the University of California or State agency, as defined in Government Code Section 54999.1(g), (collectively referred to as "School/State Agency" for the purposes of this Section) shall be subject to the following:

The Capacity Charge shall be paid by such School/State Agency in an amount equal to the actual construction costs of that portion of the District's Water System actually providing, or needed to provide, service to such School/State Agency.

To the extent that the appropriate Capacity Charge to such School/State Agency is in excess of the amount equal to the actual construction costs, the assessment and collection of said Capacity Charges may be adjusted on a case-by-case basis by the District Engineer.

#### 4.1.5.5 Use of Recycled Water

If a Capacity Charge was calculated, in whole or in part, based on the average annual usage that included service that is later replaced by the use of Recycled Water, upon written request, the Customer of Record shall be entitled to a rebate (without interest) of a portion of the Capacity Charge paid to Mesa Water, provided the Customer of Record has entered into an agreement with Mesa Water for the provision of Recycled Water at the same property for which the Capacity Charge was paid.

The rebate shall be calculated based on the original Capacity Charge paid and the amount of Recycled Water subsequently provided and used on such property. Mesa Water shall pay the rebate to the Customer of Record 30 days after the Customer begins receiving Recycled Water Service from Mesa Water.

New Recycled Water meter connections are not currently available, unless previously approved by Mesa Water and Orange County Water District.

#### 4.1.6 Bonds and Conditions for Release of Bonds

As security for guarantee against defective material or work quality and as security for guarantee of the completion of the proposed project, the Applicant shall deliver to Mesa Water a Construction Performance Bond (“Bond”) in accordance with the Rate specified in the Water Rate and Charge Schedule. The Bond must be received and approved by Mesa Water prior to the District’s final approval of plans or issuance of the Application for Water Service permit.

Mesa Water will accept only a cash bond as payment for the Bond. The bond amount is calculated at ten percent of the Water utility construction cost, or \$1,000 whichever is greater.

The Bond, whether cash or a surety, will be eligible for release one year after all of the following conditions have been satisfied:

- All Fees and Charges are paid current; and
- The project has been completed to the satisfaction of Mesa Water; and
- Mesa Water has received and has recorded with the County Recorder’s office all necessary documents of conveyance and guarantees.

Approximately one year after all of the above conditions have been satisfied, Mesa Water will conduct a follow-up inspection of the Water facilities. If the facilities are free from defective material and work quality, and all Fees and Charges are current, the Bond will be released. The Bond will stay in effect until all such conditions are met.

#### 4.1.7 Document of Conveyance and Guarantee

Easements shall be approved and accepted by the Board prior to the installation of meters. The document(s) will transfer to Mesa Water all interest and title to such system and appurtenances, guaranteed free of all liens, together with necessary deeds, easements or rights-of-way, as applicable, for future maintenance and upkeep. Documents of conveyance shall be received not less than 60 days’ prior installation of meter that was requested to allow sufficient time for Board consideration and approval.

For a period of one year after acceptance of the work by Mesa Water, repair or replacement of any and all dedicated facilities that may prove to be defective in work quality or materials, together with any other works that may be displaced in so doing, shall be at the sole cost and expense of the Applicant. Such repair or replacement shall be without expense whatsoever to Mesa Water unless the repair(s) or replacement(s) were the result of ordinary wear and tear or unusual abuse or neglect by the District.

In the event of an emergency, as determined by Mesa Water, the District shall notify the Applicant of any defect and shall immediately proceed to have the defects repaired or replaced at the expense of the Applicant, who shall pay the costs and Charges upon demand.

In the event that Mesa Water becomes aware of a defect in material or work quality, which does not involve an emergency, the District shall notify the Applicant and the Applicant shall undertake to accomplish the necessary repair or replacement. If within one week from the date of notification the Applicant has not accomplished the necessary corrective procedures or made satisfactory arrangements thereof, Mesa Water shall proceed to have the defects repaired or replaced at the expense of the Applicant, who shall pay the costs and Charges upon demand by the District.

In the event that the Applicant fails to pay for the costs and Charges resulting from repairs or replacements of the facilities as provided in this section, Mesa Water reserves the right to reduce the amount of, or draw upon, the Applicant's security bond by the amount necessary to cover any such costs and Charges.

## **4.2 CONSTRUCTION OF WATER FACILITIES**

The Applicant is required to perform construction with the assistance of a licensed Contractor (Class A or C34).

It will be the responsibility of the Contractor to furnish all materials that meet the specifications contained in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. It also will be the responsibility of the Contractor to provide all labor and equipment necessary to install the Water facilities in conformance with the approved plans and the specifications contained in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities.

### **4.2.1 Underground Service Alert**

The Contractor shall be responsible for researching utility records and indicating the location of all known utilities on the plans. At least two Business Days ~~(48 hours)~~ before beginning the work, the Contractor shall call U.S.A. (Underground Service Alert) at 1(800) 227-2600 for utility Owners to mark the location of substructures. It shall be the Contractor's responsibility to determine the true location and depth of all utilities and Service Connections. The Contractor shall become familiar with the type, material, age and condition of any utility that may be affected by the work.

The Contractor shall not interrupt the service function or disturb the supporting base of any utility without authority from the utility Owner or on order from Mesa Water.

Where protection is required to ensure support of utilities, the Contractor shall furnish and place the necessary protection at the Contractor's expense.

The Contractor shall immediately notify the District Engineer and the utility Owner if the Contractor disturbs, disconnects or damages any utility.

#### 4.2.2 Safety Requirements

The Contractor must adhere to all appropriate CAL/OSHA safety requirements while on the job site. The Contractor shall have, at the job site, copies or suitable extracts of Construction Safety Orders, Tunnel Safety Orders and General Industrial Safety Orders issued by the California State Division of Industrial Safety. The Contractor shall comply with provisions of these and all other applicable laws, ordinances and regulations.

#### 4.2.3 Charges for Damages

It will be the Contractor's responsibility to "protect in place" all Mesa Water facilities. In the event it becomes necessary for the District to provide assistance to the Applicant, the Contractor or any third party, or to make repairs to Mesa Water's facilities damaged by any of the above, the District will charge the Applicant, Contractor or third party for the actual cost of assistance and/or repairs plus its full overhead Rate.

#### 4.2.4 Valves and Water Main Shutdowns

It shall be the Contractor's responsibility to keep all valves exposed and accessible at all times. If a Water Main shutdown is required, only Mesa Water employees are authorized to perform shutdown operations. The Contractor shall notify Mesa Water's Engineering staff and affected users at least 72 hours in advance in areas where shutdown is requested.

#### 4.2.5 Mesa Water Inspection

All new Water facilities shall be subject to inspection by Mesa Water or its authorized District Agent(s). Such facilities shall be installed in accordance with the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. Inspection of new Water facilities shall be scheduled in accordance with the requirements of the issued permit and accompanying inspection check-list.

The Contractor shall notify Mesa Water's Engineering staff at least two Business Days ~~(48 hours)~~ prior to the commencement of construction of any water facilities.

Contractors requiring inspection outside Mesa Water's ~~normal working business~~ hours shall be charged the District's full overhead Rate and overtime Rate. Requests for after-hours inspections shall be made in writing to the Mesa Water Inspector a minimum of five Business Days in advance.

Water facilities under construction shall be under the Customer's control and under the management of an onsite superintendent designated by the Customer or the Contractor and approved by Mesa Water. The onsite superintendent shall be responsible for the installation, operation, and maintenance of the onsite facility, equipment, enforcement of these Rules and Regulations, and prevention of Cross Connections and potential hazards. The onsite superintendent or his representative shall be available via



telephone at numbers listed with Mesa Water for contact during ~~working-business~~ hours (Monday through Thursday from 7:00 a.m. to 4:30 p.m. and Friday from 7:00 a.m. to 3:30 p.m.) and after hours.

#### 4.2.6 Size, Location and Installation of Water Services

Mesa Water reserves the right to determine the size of the meter and Service Connection and determine location of the meter and Service Connection in relation to boundaries of the premises to be served.

Due to changes in the ~~newly-released~~ 2012 Uniform Plumbing Code, all new residential meter installations are required to be 1 inch or larger in order to supply adequate flow for fire protection.

Mesa Water reserves the right to limit the number of houses or buildings, or the area of the land, under one ownership, to be supplied by one Service Connection. When property provided with a Service Connection is subdivided, the Service Connection shall be considered as belonging to the lot or parcel of land that it directly enters.

A Service Connection shall not be used to supply an adjoining property.

If a Service Connection relocation is more than five feet laterally from the existing Service Connection, it will be considered a new Service Connection.

All new fire Service Connections shall have a fire service tattle-tale meter installed per the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities.

Mesa Water reserves the right to require the installation of a fire service meter on existing fire service at the Owner's expense per the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities if it has been determined by the District that Water from the fire service has been illegally used by the Owner.

#### 4.2.7 Meter Installation

All meters shall be provided and installed by Mesa Water and shall remain the property of the District at all times, though committed to a particular Service Connection, and shall be maintained, repaired, replaced and meters read by Mesa Water employees. The Applicant shall pay the cost of installing meters at the time the permit is issued before any meters will be installed. The Fees for meter installation will be in accordance with the rates in the Water Rate and Charge Schedule.

#### 4.2.7.1 Meter Equipment Standards

Mesa Water shall install meter styles, registers, and communications endpoints based on the type of use, as delineated in Table 1.

Table 1. Meter Technology by Type of Use

Meter Use	Meter Style	Register	Communications Endpoint
1. Residential <sup>1</sup>	Nutating Disc	8-Digit HR-E	None
2. Multi-Unit Residential <sup>2/3</sup>	Nutating Disc	8-Digit HR-E	Migratable
3. High Density <sup>7</sup>	Master Meter	8-Digit HR-E	Cellular
4. Irrigation (<2")	Nutating Disc	8-Digit HR-E	Cellular
4b. Irrigation (>2")	Turbo	8-Digit HR-E	Cellular
5. Firelines	5/8" Tattletale	8-Digit HR-E	Migratable
6. Commercial <sup>4</sup>	<3" Nutating Disc >3" Combo Meter	8-Digit HR-E	Migratable <sup>5</sup>
7. High-Use <sup>5</sup>	<3" Nutating Disc >3" Combo Meter	8-Digit HR-E	Cellular
8. Hard to Access <sup>6</sup>	Varies	8-Digit HR-E	Cellular

Notes:

1. Single-family detached home that does not meet the criteria of Notes 2 and 3.
2. Single-family detached or attached townhomes with thirty or more units with meters located in front of home and within a development community.
3. Single-family homes within a development community with meters located within the public right-of-way in a meter bank shall not be equipped with migratable endpoints.
4. Meter size varies based on fixture unit count. Combo meters shall be designed for low and high flow usage patterns based on proposed architectural drawings and plumbing plans.
5. Meters are considered high use when average monthly flows are greater than 65 HCF/month (1"), 100 HCF/month (1.5"), 200 HCF/month (2"), 450 HCF/month (3"), 850 HCF/month (4"), 1,400 HCF/month (6"), and 3,000 HCF/month (8") shall be equipped with a cellular endpoint.
6. Hard to access locations shall be determined by the Meter Reading Group and submitted to the Plan Checker for integration into the approved plans.
7. Master Meter installations shall follow the requirements of Section 4.2.8.2 herein.

The District Engineer or General Manager reserves the right to evaluate and amend the meter, register, or endpoint type of the Table 1 requirements on a case-by-case basis.

#### 4.2.7.2 High-Use Customers

Existing high-use customers with average annual usage greater than the values shown in Table 2 may be equipped with real-time metering equipment at no additional cost to the customer. New development projects will be evaluated for high flow applications during the plan check process and high flow usage will be based on the proposed fixture count and criteria in Table 2. High-use customers shall receive metering



equipment with cellular endpoints that send automatic usage data to the meter reading system.

Table 2. Minimum Use to be Designated as High Use Customer

Meter Size	High Use (Units of Water per Month as 100 Cubic Feet)
1"	65
1.5"	100
2"	200
3"	450
4"	850
6"	1,400
8"	3,000

#### 4.2.7.3 Non-High Use Customers

Non-high use Customers are customers with usage equal to or lower than the average annual usage shown in Table 2. Non-high use customers shall have meters equipped with meter registers as identified in Section 4.2.7.1. Non-high use customers may request Mesa Water to install a real-time meter with a cellular endpoint and access for the cost of the equipment, installation labor, and monthly access fee. The Non-high use customer shall be billed for the total cost of the meter equipment, cellular endpoint, installation and set-up over a one-year period on the customers' regular bi-monthly bill or pay in a lump sum. New meter equipment shall be installed to obtain real-time metering service. The monthly access fee will be billed to the customer on the same billing cycle as their regular water bill and continue in perpetuity or until terminated by the customer.

Termination of the real-time metering program will be granted with a minimum of 30 days written notice to Mesa Water and complete repayment of all equipment and labor installation costs.

#### 4.2.8 Single Meter Policy

Mesa Water's standard metering Policy is that individually owned units shall be individually metered unless otherwise set forth in these Rules and Regulations.

All meters shall be placed in public right of way unless approved easements are accepted by the District Engineer and approved by the Board of Directors per Section 4.2.15.

##### 4.2.8.1 Multi-Family Buildings Policy

Multi-family buildings may apply for a master meter given the following conditions:

- Building has 10 or more and separate units
- Building is greater than three Levels

However, Mesa Water recognizes that there may be local and individual conditions that make individual metering not feasible. Therefore, the Board delegates to the General Manager the authority to waive the single meter per unit Policy on a case-by-case basis according to the following standards:

- Mesa Water's Policy of appropriate distribution of costs to all consumers still applies. For example, regardless of whether a party occupies the traditional single-family residence or occupies a condominium unit, the same Basic Charge, plus the cost of the Water would apply.
- A development shall be billed on the greater of the following: the cost of Water used, plus the Basic Charge based upon actual meter size, or the cost of Water used, plus the number of individual units multiplied by the Basic Charge for the size of meter that would have been installed at each unit, if the variance had not been granted.
- In addition, Mesa Water shall require a letter signed by the appropriate officer or Customer Agent stating that the appropriate entity accepts full responsibility for payment of all Water bills, and that in the event of transfer of ownership, the new Owner(s), or Owners association, accepts full responsibility for payment.

The District Engineer shall review each case and make recommendations to the General Manager. The General Manager shall report to the Board about each variance granted, the location, Owner and conditions.

#### 4.2.8.2 Master Meter Policy

Mesa Water recognizes that there may be local and individual conditions that make individual metering not feasible as follows:

- Residential meter installations of 30 or more meters located on a manifold within the public right-of-way
- Conflicts with existing infrastructure that would result in non-traditional meter installations
- Commercial complexes with continuously changing tenants

In such cases, the Board delegates to the General Manager the authority to waive the single meter per unit Policy on a case-by-case basis according to the following standards:

- Mesa Water's Policy of appropriate distribution of costs to all consumers still applies. For example, regardless of whether a party occupies the traditional single-family residence or occupies a condominium unit, the same Basic Charge, plus the cost of the Water would apply.
- A development shall be billed on the greater of the following: the cost of Water used, plus the Basic Charge based upon actual meter size, or the cost of Water used, plus the number of individual units multiplied by the Basic Charge for the

size of meter that would have been installed at each unit, if the variance had not been granted.

- A development shall be billed on the greater of the following: the Capacity Charge based upon actual meter size, or number of individual units multiplied by the Capacity Charge for the size of meter that would have been installed at each unit, if the variance had not been granted.
- In addition, Mesa Water shall require a letter signed by the appropriate officer or Customer Agent stating that the appropriate entity accepts full responsibility or payment of all Water bills, and that in the event of transfer of ownership, the new Owner(s), or Owners association, accepts full responsibility for payment.

The District Engineer shall review each case and make recommendations to the General Manager. The Board of Directors will be notified through the Developer's Status Report when a master meter has been installed. Documentation for waiving the single meter unit Policy will be kept in the project file.

#### 4.2.8.3 Landscape Irrigation Meters

Landscape Water meters are defined as a dedicated Water Service meter that provides Water for outdoor uses including but not limited to landscape irrigation, pools, and spas.

- All new irrigated landscapes of 1,000 square feet or more shall require a separate landscape Water meter, except those for single-family residential developments.
- All new single-family residential irrigated landscapes of 5,000 square feet or more shall require a separate landscape Water meter.
- The meter size for an irrigation system shall be a 5/8 inch or larger.
  - In most cases, the irrigation meter shall be sized based on the peak flow through a single valve of the irrigation system (i.e., highest producing valve). However, Mesa Water reserves the right to further evaluate the system and to select a meter size that best meets the needs of the system. The meter size may be based on multiple valves, branches of the system, square footage, or as deemed most appropriate by Mesa Water.

#### 4.2.9 Submetering and Prohibited Practices

##### 4.2.9.1 Application

This rule pertains to all Customers located within Mesa Water's service area to which Mesa Water provides Water Service. For purposes of this rule, multi-family residential units shall mean two or more residential units served from one Water meter.

##### 4.2.9.2 Prohibited Practices

In the case of multi-family residential units, mobile home parks and commercial

locations that install or use submeters or a submetering system in order to allocate the costs of Water to tenants, subtenants, lessees or similar persons or parties, the following practices shall be prohibited (unless authorized in advance in writing by the Board, or by the General Manager at the direction of the Board):

- 1) No Customer, or contractee with a Customer, shall represent to any submetered tenant, subtenant, lessee or similar person or party that such Customer (or such contractee) is a provider of Water Service or Water Services; and
- 2) No Customer, or contractee with a Customer, shall terminate, or threaten to terminate, Water Service to any submetered tenant, subtenant, lessee or similar person or party by reason of non-payment of any allocated costs for Water.

A Violation of this rule occurs whenever Mesa Water becomes aware of a Violation of Rule 4.2.9.2 (1) or 4.2.9.2 (2), as set forth above. Upon Mesa Water becoming aware that such a Violation has occurred, Mesa Water shall provide written notice to the Customer of Record to cure such Violation, and the notice shall include; (i) a statement of the nature of the Violation, (ii) the date upon which Mesa Water became aware of the Violation, and (iii) a date by which the Customer of Record shall cure such Violation. If such Violation is not cured by the date stated in the notice, the provisions of Rule 2.7 of these Rules and Regulations shall apply. Any such Violation shall be reported by the General Manager to the Board of Directors, in writing, together with a description of the action(s) taken to compel enforcement of these Rules and Regulations as soon thereafter as shall be practical.

Customers of Record that have submeter systems attached to the District's Water System shall comply with all applicable laws, statutes and regulations of the State of California and the city in which they are located, or the County of Orange, as applicable.

Mesa Water encourages efforts, including submetering, that support and promote the efficient use of Water within its service area; however, it does not encourage, favor, or support any submetering system or process that is used to generate revenue(s) over and above the fair and reasonable cost of installation of such system, fairly allocated costs of Water, and reasonable administrative costs.

#### 4.2.10 Automatic Fire Sprinkler Service Connections

When an automatic fire sprinkler Service Connection (AFSSC) is installed, the control valve will be left closed and sealed until a written order to turn on the Water is received by Mesa Water from the Customer of Record.

After an AFSSC is activated, Mesa Water shall not be liable for damages of any kind whatsoever that may occur on or to the premises served, due to the installation, maintenance, or use of such AFSSC, or due to pressure fluctuations or interruption of Water supply.

Should the Customer request an AFSSC be shut off, Mesa Water must receive, in

advance of the shut off, a written order from the Customer of Record and written approval from the appropriate fire department or authority.

Water is not to be used through an AFSSC for any purpose other than the extinguishing of fires, or a purpose related thereto. Mesa Water shall have the right to shut off the entire supply of Water to the premises through the AFSSC when improper use occurs or for non-payment of bills. Mesa Water will notify the appropriate fire department or authority prior to any such termination.

Should Water be used through an AFSSC for an unauthorized purpose, the Customer of Record shall be charged for the unauthorized taking of Water in accordance with the Water Rate and Charge Schedule. A fireline meter indicating flow will result in a letter being sent to the Customer of Record. It is the Customer of Record's duty to determine if there is an illegal connection or leak and make the necessary repairs.

#### 4.2.10.1 Down-Stream Residential Fire Sprinkler Systems

Certain residential dwelling units located within Mesa Water's service area may have installed, or may in the future install, fire sprinkler systems that are connected downstream of Mesa Water's service meter (Point of Ownership) (for purposes of this Section, a "System"). Mesa Water hereby provides notice that it is not responsible, and assumes no liability of any kind, for the installation, ownership, operation or use of any such System. The provisions of Sections 2.4 and 2.5 of these Rules and Regulations shall apply to any such System. Mesa Water expressly declines to provide, or guarantee, any particular Water Service, or pressure, to a Customer, or Customer account, that has such a System, and no contractual obligation therefore shall arise, whether through a Water Service Agreement or otherwise, without the express prior written agreement of the Board. Mesa Water assumes no liability whatsoever for any injuries or damages, of whatever nature, that arise or occur based on the installation, ownership or use of any such System. The provisions of this Section shall be in addition to, and not in derogation of, Mesa Water's statutory protections applicable to such matters.

#### 4.2.11 Fire Hydrant Installation

The appropriate fire department or authority having jurisdiction shall designate the size and location of all fire hydrants to be installed. Fire hydrants shall be installed in the parking or sidewalk area adjacent to the curb within the public right of way. Residential and commercial developments requiring fire hydrants shall be considered private fire hydrants. Mesa Water shall not be responsible for maintaining or relocating private fire hydrants. Upon request and approval by the appropriate fire agency Mesa Water will change the location of fire hydrants owned and operated by the District when necessary. At the sole cost of the property Owner, Mesa Water may relocate a public fire hydrant with approval from the appropriate fire protection authority.

#### 4.2.12 Water Main Extensions

Mesa Water will extend its Water distribution Mains to individual developers at the expense of the property Owner. If Mesa Water deems it necessary to install larger Mains for future use, the District will bear the costs of such over sizing.

#### 4.2.13 Benefited Property Agreement

In the event that a Mainline extension or a new Mainline will benefit adjacent properties, at its discretion, Mesa Water may enter into a benefited property agreement with developer(s) of the adjacent properties. All terms and conditions of such a benefited property agreement will be subject to approval by the Board of Directors.

#### 4.2.14 Regulation of Booster Pumps

When it becomes necessary, due to low Water pressure or special operating conditions, to install a booster pump on the service to any premise, such pump shall be equipped with a low-pressure cut-off switch designed to shutoff the pump when a Water pressure on the inlet side is 25 pounds per square inch gauge (PSIG) or less. It shall be the duty of the Customer of Record to maintain the cut-off device in proper working order and certify to Mesa Water, at least once a year that the device is operable. A person deemed competent by Mesa Water shall execute low-pressure cut-off device certification.

#### 4.2.15 Acceptance of Easements

Subject to the provisions of this Section 4.2.15, Mesa Water requires that all facilities to convey potable and Recycled Water to Customers be installed in the public right-of-way. Mesa Water shall not accept facilities constructed on private property. However, the District Engineer and General Manager will consider the acceptance of an easement and Water facilities under the following conditions:

- Closed or Dead End Layout: Developments that contain a closed or dead-end layout that could result in substandard Water quality as determined by the District Engineer; or
- Multiple Unit Developments: Developments with 30 or more individually owned units requiring large Mainline construction as determined by the District Engineer.

The above conditions shall be at the discretion of the District Engineer and General Manager and subsequent approval of the Board of Directors. Acceptance of an easement by Mesa Water shall include, but not be limited to, the following criterion:

- Points of Connection: Customer shall establish a minimum of two points of connection Mesa Water's Mainline system as determined by the District Engineer.
- Easement Preparation and Costs: Easements shall be designed by the Customer



at their costs and be certified by a California Registered Professional Land Surveyor. Easement documents shall be submitted to and approved by Mesa Water prior to meters being approved for installation.

- Easement Requirements: A 15 feet easement (7.5 feet each side of Main) shall be granted to Mesa Water for Mainlines and five feet for Water Services (2.5 feet each side of the service). Easements shall include within the boundaries Mainlines, service laterals, fire hydrants and Water meters.
- Water System Repair and Maintenance Responsibilities: Mesa Water shall not be responsible for replacing decorative concrete, pavers, block walls, fences, grass, rock, irrigation systems or other appurtenances within the boundaries of a granted easement as a result of standard maintenance or emergency repair work. Mesa Water shall use asphalt paving to repair maintenance work performed within the easement and only over the location of repair. Mesa Water shall not be responsible for any cost over the cost of replacing the asphalt pavement. This requirement shall be written into the easement document.
- Water System Design Requirements: Mesa Water reserves the right to determine the location of Mains, services, meters and other appurtenances within the private development.
- City of Costa Mesa Private Gate Waiver: Customers shall not apply to the City or construct a privately gated community. This condition must be written into the easement document and a letter from the City received designating their agreement.
- Hold Harmless Agreement: The Customer shall execute Mesa Water's hold harmless agreement indemnifying the District with any existing or future damage caused by its facilities.

## SECTION 5 – TEMPORARY WATER SERVICES

### 5.1 TEMPORARY CONNECTIONS

On a case-by-case basis, Mesa Water will allow the use of temporary connections to the District's Water System when Water Service is needed only for construction or other purposes as approved by Mesa Water. Mesa Water reserves the right to require the Applicant to use an existing Service Connection whenever feasible.

Mesa Water reserves the right at any time to set a meter on any temporary Service Connection and collect the required Deposits, and thereafter charge the regular metered Rate for the kind of service to be rendered.

All meters set on temporary Service Connections will be read by Mesa Water on a regular basis, and all temporary service accounts will be billed monthly or bi-monthly.

### 5.2 HYDRANT METERS

Water may be procured from fire hydrants for construction or other purposes only in the manner prescribed in these Rules and Regulations for Water Service. When Water is to be procured from a fire hydrant, the Applicant shall sign a Rules for Hydrant Meters For Construction Water Service form (Refer to Appendix 5) and also an Application Temporary Water Service (Refer to Appendix 4), wherein the Applicant shall specify the location of the fire hydrant to be used, the anticipated length of use and shall agree to make the required Deposit to Mesa Water. Copies of both forms shall be issued to the Applicant and shall constitute authority to procure and make such limited use from the fire hydrant therein designated, through a Mesa Water supplied hydrant meter.

Only Mesa Water employees are allowed to install or remove fire hydrant meters, which shall be subject to the approval of the Customer Services Manager. Private hydrants are not available for use with Mesa Water hydrant meters prior to installation of such meter; the permit holder must pay an Installation Fee in accordance with the Water Rate and Charge Schedule and Mesa Water's Policy DS-009 Hydrant Meters. The permit holder is required to give Mesa Water at least one Business Day (24 hours) notice when requesting the installation (set up) or removal of a fire hydrant meter.

Only Mesa Water employees may relocate a fire hydrant meter. The permit holder must give the District at least one Business Day (24 hours) notice when requesting fire hydrant meter relocation. Relocation will only be performed by Mesa Water employees during ~~normal~~ business hours and a Fee for moving the hydrant meter will be assessed in accordance with the rates listed in the Water Rate and Charge Schedule.

The permit holder is responsible for paying the costs of repairing any damages to the fire hydrant meters or hydrants. These costs will be the actual cost of repairs plus Mesa Water's full labor overhead Rate.



## **SECTION 6 – CROSS CONNECTION AND BACKFLOW PREVENTION**

### **6.1 INTRODUCTION**

Mesa Water recognizes that it has a responsibility to take all reasonable precautions to protect the public Water supply. Thus, in the exercise of this responsibility, Mesa Water must take all reasonable precautions to protect the District's Water System from the hazards originating on the premises of its Customers that may degrade the Water in the Water System.

To affect such precautions, Mesa Water, has adopted these Rules and Regulations pursuant to the State of California Administrative Code, Title 17 - Public Health entitled "Regulations Relating to Cross Connections."

In addition to these Rules and Regulations for Water Service, the Customer must comply with Public Law 99-339 - the Safe Drinking Water Act and its amendments, all State and local regulations including but not limited to Title 17 - Regulations Relating to Cross Connections, and the latest edition of the Manual of Cross Connection Control from the Foundation for Cross Connection Control and Hydraulic Research, University of Southern California.

These Rules and Regulations were written to assist Mesa Water in safeguarding its Potable Water supply. Mesa Water cannot, and will not, be held liable for actions by others that are beyond its control, including, but not limited to, willful sabotage, deceptive or fraudulent activities and acts of nature. These Rules and Regulations do not provide regulatory measures for protection of Water users from the hazards of Cross Connection within the Water users own premises.

### **6.2 GENERAL PROVISIONS**

#### **6.2.1 Protection**

Protection shall be accomplished by isolating within the premises, any and all used, degraded, contaminated or polluted Water or other liquids, mixtures or substances. Mesa Water recognizes that there are varying degrees of potential and actual hazards; consequently, the degree of protection shall be commensurate with the degree of hazard.

#### **6.2.2 Backflow Prevention Assemblies**

Backflow Prevention Assemblies shall be provided and maintained by the Applicant, Owner or Customer of Record at his/her expense. Such assemblies shall be located on the premises of the property served and shall not be installed on Mesa Water's portion of the Water System. All such assemblies shall be readily accessible for testing and maintenance and no assembly shall be submerged at any time or exposed to Recycled Water, Direct Overspray or Runoff at any time.

From time to time, representatives of any health agency having jurisdiction or Mesa Water may conduct surveys of any premises where Recycled Water Service is provided by the District. The purpose of such surveys is to determine if any actual or potential cross-connections exist. The Applicant, Owner or Customer shall provide reasonable cooperation in facilitating such surveys.

The type of Backflow protection required is related to the degree of hazard that exists on the premises served. The type of Backflow Prevention Assembly that may be required (listed in increasing level of protection) includes Double Check Valve Assembly (DCV), Reduced Pressure Principle Assembly (RPP), and an Air Gap Separation (AG). The Applicant may choose to install an assembly with a higher level of protection than required by Mesa Water. The minimum types required, relative to various situations shall be as required by California Administrative Regulations, Title 17, or to the extent not covered thereby, as determined by Mesa Water or applicable regulatory agency.

It shall be the responsibility of the Applicant on any premises on which Backflow Prevention Assembly(ies) are installed to have competent inspections made at least once a year, or more often in those instances where successive inspections indicate repeated failure.

#### 6.2.3 Unprotected Cross Connections

Unprotected Cross Connections to the public Water supply are prohibited.

#### 6.2.4 New Service Requests

Mesa Water shall review all requests for new service to determine if Backflow protection is needed. Plans and specifications must be submitted to Mesa Water for review of possible Cross Connection hazards as a condition of service for new Service Connections.

#### 6.2.5 Protection Required Before Granting Service

Whenever Backflow protection is found necessary, Mesa Water will require the Customer of Record or Applicant to install an approved Backflow Prevention Assembly at the Customer's expense for continued services or before a new service is approved.

#### 6.2.6 Protect All Water Lines

Wherever Backflow protection is necessary on a Water supply line entering a Customer's premises, any and all Water Service lines from Mesa Water's Mains entering such premises, buildings or structures shall be protected by an approved Backflow Prevention Assembly. The type of assembly to be installed will be in accordance with the requirements of these Rules and Regulations.

## **6.3 WHERE PROTECTION IS REQUIRED**

### **6.3.1 Premises Having an Auxiliary Water Supply**

Premises that have an auxiliary Water supply shall be protected against Backflow of Water from the premises into the public Water System, unless the auxiliary Water supply is accepted as an additional source by Mesa Water and is approved by the public health agency having jurisdiction.

### **6.3.2 Premises Handling Processed Water**

Premises, on which any substance is handled in such fashion that it may allow its entry into the Water System; shall be protected against Backflow of the Water from the premises into the public Water System. Such substances include, but are not limited to, the handling of processed Waters and Waters originating from the District's Water System subjected to deterioration in sanitary quality.

## **6.4 PREMISES HAVING OR POSSIBLY HAVING CROSS CONNECTIONS**

Premises that have any one of the following shall be protected against Backflow of the Water from the premises into the public Water System:

- Internal Cross Connections;
- Intricate plumbing and piping arrangements susceptible to Cross Connection; or
- Where entry to all portions of the premises is not readily accessible for inspection purposes, making it impracticable or impossible to ascertain whether or not Cross Connections exist.

## **6.5 TYPE OF PROTECTION**

### **6.5.1 Type of Backflow Assembly**

The type of approved Backflow Prevention Assembly shall depend upon the degree of hazard. The decision as to when, where and which assembly to be used shall be made at the discretion of Mesa Water and shall depend upon the facts of each particular situation.

In determining, the degree of hazard and the type of approved Backflow Assembly required, the following principles shall apply:

- Health or System Hazard – An approved Air-Gap Separation or an approved Reduced Pressure Principle Backflow Prevention Assembly (RPP) shall be used where there is an existing or potential contaminant (health or system hazard).
- Pollution Hazard – A Double Check Valve Assembly (DCV) is to be used where there is an existing or potential pollution (non-health hazard).

## 6.6 APPLICATION

### 6.6.1 Structures of More Than Two Stories in Height

At the Service Connection to any premises, where there are more than two stories in height above the Service Connection, an approved Backflow Prevention Assembly shall protect the District's Water supply.

### 6.6.2 Residential Buildings with Fire Sprinklers

New residential buildings requiring fire sprinkler protection systems shall utilize a 13D flow through the sprinkler system or install a testable Backflow Prevention Assembly.

Remodeled residential buildings installing fire sprinkler protection systems shall utilize a 13D flow through the sprinkler system or install a testable Backflow Prevention Assembly.

### 6.6.3 Recirculating Water

At the Service Connection to any premises containing recirculating Water systems (hot or cold); the District's Water supply shall be protected by an approved Backflow Prevention Assembly.

### 6.6.4 Five or More Units

At the Service Connection to any premises where there are multiple units or dwellings that have five or more individual units being serviced through one metering system, the District's Water supply shall be protected by an approved Backflow Prevention Assembly.

### 6.6.5 Health or System Hazard from Auxiliary Water Supply

At the Service Connection to any premises, where there is an auxiliary Water supply that may constitute a health or system hazard, an approved Air-Gap Separation or an approved reduced pressure principle Backflow Assembly, or both, shall be installed.

### 6.6.6 Sewage and Storm Drain Facilities

At the Service Connection to any wastewater treatment plant, wastewater pumping station or storm Water pumping station, the District's Water supply shall be protected by an approved Air-Gap Separation. All piping between the meter and the receiving vessel shall be entirely visible. If, in the opinion of Mesa Water, an Air-Gap Separation provides insufficient protection, the District may require installation of an additional approved Backflow Prevention Assembly(ies).

#### 6.6.7 Hospitals, Mortuaries, Etc.

At the Service Connection to hospitals, medical and dental buildings, mortuaries and other premises where special hazards exist, the District's Water supply shall be protected by an approved Reduced Pressure Principle Backflow Prevention Assembly.

#### 6.6.8 Commercial or Industrial Buildings

At the Service Connection to any premises containing commercial or industrial buildings subject to varying and unknown use, the District's Water supply shall be protected by an approved Backflow Prevention Assembly.

#### 6.6.9 Fireline Services

Approved Double Check Detector Assembly (DCDA) shall be installed on all fireline services, except where, in the opinion of Mesa Water, the DCDA does not provide sufficient Backflow protection. In this case, Mesa Water will require the installation of an approved Reduced Pressure Principle Detector Assembly (RPDA).

#### 6.6.10 Irrigation Services

Meters serving only irrigation systems shall be protected by an approved Reduced Pressure Principle Backflow Prevention Assembly.

#### 6.6.11 Multiple Use Services

In the case of meters serving domestic and fire services (sprinklers), the District's Water supply shall be protected by an approved Backflow Prevention Assembly that will meet the minimum requirement for the existing or potential hazard.

### **6.7 INSTALLATION**

#### 6.7.1 Only Mesa Water Approved Assemblies

Only Backflow Prevention Assemblies that have been approved by Mesa Water and the DDW shall be acceptable for installation on a Service Connection. Upon request, Mesa Water will provide a list of approved Backflow Prevention Assemblies.

#### 6.7.2 Installation Specifications

Backflow Prevention Assemblies shall be installed in a manner prescribed in Section 7603, Title 17 of the California Administrative Code and they shall be installed on the Customer's side of, and as close to the Service Connection as is practical. The assembly shall be installed a minimum of 12 inches and a maximum of 36 inches above final grade measured from the concrete pad to the bottom of the assembly and with a minimum of 12 inches clearance on either side. The assembly shall be installed so that

it is readily accessible for maintenance and testing. Mesa Water shall have the final authority in determining the required location of a Backflow Prevention Assembly.

#### 6.7.3 Replacement of Obsolete Assemblies

The Customer of Record must replace obsolete Backflow Prevention Assemblies when notified by Mesa Water that the assembly is no longer appropriate or acceptable. An obsolete assembly may be upgraded provided that a factory manufactured upgrading kit is available. The upgraded Backflow Prevention Assembly must be approved by Mesa Water and the California Department of Health Services Office of Drinking Water.

#### 6.7.4 Testing New Assemblies

As soon as the installation of the Backflow Prevention Assembly has been completed, the Customer of Record shall have the assembly tested by a certified tester, and submit the test results to Mesa Water within ten days of the test date. An Orange County Health Department approved list of local certified testers may be obtained at the Mesa Water Office or on the website at [www.MesaWater.org](http://www.MesaWater.org).

#### 6.7.5 Right to Reject

Mesa Water reserves the right to reject any installation or assemblies.

#### 6.7.6 Potable Water Plumbing

In September 2006, the State Legislature passed Assembly Bill 1953 prohibiting the use of any pipe, pipe or plumbing fitting or fixture, solder or flux that is not lead free in the installation or repair of any fixture intended to convey or dispense Water for human consumption. The prohibition has been in effect since January 1, 2010. All Potable Water facilities shall be provided with materials that meet the lead free requirements as defined in AB 1953, and certified by an independent American National Standards Institute (ANSI) accredited third party, including but not limited to, NSF International, as being in compliance with Section 116875 (g) of the Health and Safety Code as amended by AB 1953. Each shipment shall contain a copy of the certification that the item is lead free as defined by AB 1953.

### **6.8 INSPECTION AND TESTING**

#### 6.8.1 Original Test

All Backflow Prevention Assemblies shall be inspected, tested and certified as operational when the assembly is originally installed, replaced, relocated or repaired. All tests shall be conducted by a certified tester who shall prepare a report certifying that the assembly has been tested and is operating satisfactorily.



## 6.8.2 Annual Test by Certified Tester

At the expense of the Customer of Record, all Backflow Prevention Assemblies shall be inspected, tested and certified as operational at least once a year. All tests shall be conducted by a certified tester who shall complete a Mesa Water Backflow test form report for each assembly certifying that the assembly has been tested and is operating satisfactorily.

### 6.8.2.1 First Notification

Mesa Water will notify the Applicant, Owner, or Customer(s) when their annual testing is required and supply them with the necessary test form(s) that must be filled out each time a Backflow Prevention Assembly is tested or repaired. Such notice will include the date by which the test must be completed, (generally 30 days after the date of the notice). Copies of the completed forms shall also be sent to the local regulatory agency (OCHCA). The Applicant, Owner, or Customer shall notify Mesa Water any time an assembly is repaired, replaced or relocated. A Backflow Prevention Assembly shall be repaired or replaced by, and at the expense of the Applicant, whenever it is found to be defective. Records of all such tests and repairs shall be submitted to Mesa Water with ten days and maintained by the Applicant.

### 6.8.2.2 Shutoff Notification

A shutoff notice shall be sent to each Customer of Record who does not have the Backflow Prevention Assembly tested within the 30-day period as prescribed in the first notice. The shutoff notice will give the Customer of Record a two-week period to have the applicable Backflow Prevention Assembly tested. If no action is taken within such two-week period, Mesa Water may terminate Water Service to the Customer's premises until the subject assembly is scheduled for testing and testing company calls in to restore Water Service.

### 6.8.2.3 Customer of Record's Responsibility

The Customer of Record shall cause annual tests to be made of the Backflow Prevention Assembly at the expense of the Customer of Record. Defective assemblies shall be repaired, overhauled or replaced immediately at the expense of the Customer of Record. As a courtesy Mesa Water provides a notice of annual testing, but failure to receive such notice shall not relieve the Customer of Record of requirements under this section.

### 6.8.2.4 Reports

Reports of inspections, tests, repairs, overhauling of the assembly and corrections made shall be submitted to Mesa Water within ten days of the test date by the certified tester. Such reports shall be submitted to Mesa Water on forms supplied by the District.

### 6.8.3 Random Tests and Inspections of Assemblies

Mesa Water will maintain a program of random or spot testing of various Backflow Prevention Assemblies at no cost to the Customer of Record. This testing may be done at the time of installation and periodically thereafter. This testing will in no way relieve the Customer of Record from responsibility for maintaining functional assemblies, but will serve to help assure that the program is serving its intended purpose.

### 6.8.4 On-Premise Inspection by Mesa Water

At its discretion, Mesa Water may require an on-premises inspection for Cross Connection hazards on any property to which it serves Water. Mesa Water will transmit a written notice requesting an inspection appointment to each Customer of Record. Any Customer or Customer of Record who cannot or will not allow an on premise inspection of the piping system shall be required to install any Backflow Prevention Assembly that Mesa Water considers necessary.

### 6.8.5 More Frequent Inspection

Where successive annual reports indicate defective operation of a Backflow Prevention Assembly, Mesa Water may require more frequent inspections or require replacement of the assembly.

### 6.8.6 Duty of Tester

The certified tester shall be responsible for the competency of inspections, corrective actions and the accuracy of reports required under this Section and Mesa Water's code of conduct for Backflow assembly testers.

### 6.8.7 Testing Methods

Test results of Backflow Prevention Assemblies will only be accepted if performed in accordance with the methods used by the Foundation for Cross Connection Control and Hydraulic Research at the University of Southern California and County of Orange/Health Care Agency/Environmental Health.

## **6.9 ENFORCEMENT**

### 6.9.1 New Service Connections

No new Service Connections shall be completed, nor meters installed, until all provisions of these Rules and Regulations for Water Service have been satisfied.



## 6.9.2 Existing Service Connections

Existing Service Connections shall comply with all provisions of these Rules and Regulations for Water Service. If it is found that the service is out of compliance, the service will be brought into compliance with all provisions of these Rules and Regulations for Water Service when the Customer of Record is notified by Mesa Water. Failure to comply shall result in termination of Water service.

## 6.9.3 Termination of Water Service

Mesa Water may immediately ~~discontinue-terminate~~ service to any premises where an actual or potential Cross Connection or other hazard to the District's Water supply is found to exist. Any Customer who violates any of the provisions of these Rules and Regulations or alters, bypasses or renders inoperative, or removes any installed Backflow Prevention Assembly, or fails to test the assembly as required, shall be subject to immediate termination of Water service.

## 6.9.4 Civil and Criminal Actions

Violation of these Rules and Regulations may constitute a public nuisance within the meaning of Health and Safety Code Section 117035 and Penal Code Sections 372 and 373a. Violators may be subject to civil actions for abatement and damages (Civil Code Section 3479, et seq.) and Criminal Penalties of up to six months in county jail or \$1,000 or both (Penal Code Section 19). Customers may also be assessed a fine of \$500 per day by Mesa Water for Violation of these Rules and Regulations for Water Service.

## 6.9.5 Onsite Irrigation Systems

For onsite irrigation systems, Mesa Water will focus its review on the identification requirements and any other specific items that are specified by these Rules and Regulations. The character and quality of the materials used for the irrigation system will be the responsibility of the design engineer or Applicant of the property.

The Contractor shall furnish Mesa Water with such information, as it may desire, regarding the character and quality of materials used. When requested by Mesa Water, the Contractor shall submit a certification that the product meets the requirements of these Rules and Regulations.

The onsite irrigation system shall be tested as required by the design engineer or landscape architect for the Applicant of the property and as is required by the local governing codes, rules, and regulations.

## **6.10 GENERAL TESTING**

### **6.10.1 Offsite Facilities**

Prior to final acceptance by Mesa Water, all offsite water and Recycled Water Facilities that will be ultimately be owned by the District shall pass all testing requirements specified within the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. All testing shall be conducted in accordance with the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. The tests shall be conducted by the Contractor in the presence of the Mesa Water Inspector. The scheduling of these tests shall be the responsibility of the Contractor. The Contractor shall provide adequate resources.

Upon the successful completion of the required testing, Mesa Water shall perform the final inspection in accordance with the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. All identification requirements will be reviewed and field inspected. Mesa Water will note all required corrections in the form of a punch list issued to the Contractor. Final acceptance of the Offsite Facilities will not be authorized until all corrections are made to the satisfaction of the District.

### **6.10.2 Onsite Facilities**

Prior to final acceptance by Mesa Water, all Onsite Recycled Water and Potable Water Systems shall pass an operational test within 30 days of the completed irrigation system installation. The test shall be conducted by the Contractor in the presence of Mesa Water Inspector. The scheduling of these tests shall be the responsibility of the Contractor. The Contractor shall provide adequate resources.

Mesa Water shall note all required corrections in the form of a punch list issued to the Contractor. Regular service startup shall not be authorized until all corrections are made to the satisfaction of Mesa Water. Punch list is valid for 30 days only.

## **6.11 TERMINATION**

### **6.11.1 Basis for Termination of Water Service**

In the event of contamination or pollution of its Potable Water System due to a cross-connection on premises to which the District's Water System is connected, the local health officer and Mesa Water shall be promptly advised by the person responsible for the premise Water System so that appropriate measures may be promptly taken to mitigate the contamination or pollution. When the District determines that Water uses or conditions encountered by Mesa Water employees represent a clear and immediate hazard to the District's Water supply that cannot be immediately abated, it shall institute the procedure for discontinuing Water use as set forth below. Conditions or Water uses that create a basis for Water Service termination shall include, but are not limited to, the

following:

- a. Refusal to install a required Backflow Prevention Assembly
- b. Refusal to test a Backflow Prevention Assembly
- c. Refusal to repair a faulty Backflow Prevention Assembly
- d. Refusal to replace a faulty Backflow Prevention Assembly
- e. Direct or indirect connection between the District's Water System and a sewer line
- f. Unprotected direct or indirect connection between the District's Water System and a system or equipment containing contaminants
- g. Unprotected direct or indirect connection between the District's Water system and an auxiliary Water System
- h. A situation that presents an immediate health hazard to the District's Water System
- i. Failure to comply with other provisions of these Rules and Regulations for Water Service

#### 6.11.2 Termination Procedures

For conditions, ~~4-a~~ through ~~4-d~~ stated in Section 6.11.1 Mesa Water will terminate service to a Customer's premises after two written notices have been sent specifying the corrective action(s) needed and the time period in which it must be taken. If no action is taken within the allowed time period, Water Service may be immediately terminated without further notice.

For conditions, ~~5-e~~ through ~~9-i~~ stated in Section 6.11.1 Mesa Water will make a reasonable effort to advise the Customer of the intent to terminate Water Service before termination.

#### 6.11.3 Restoration of Water Service

Water Service shall not be restored until all identified hazards are eliminated and/or all Violations have been corrected to the satisfaction of Mesa Water. Nor shall Water Service be restored until Mesa Water has received reimbursement for any costs incurred in terminating the Water Service and advance payment for the cost of service restoration. All costs will be in accordance with the Fees specified in the Water Rate and Charge Schedule.

## **SECTION 7 – WATER USE EFFICIENCY AND WATER WASTE PROHIBITION**

### **7.1 INTRODUCTION**

Mesa Water is dedicated to promoting and implementing the efficient use of water.

Water using appliances, devices, and irrigation systems shall be designed, installed, and used in such a way as to use Water efficiently, and to meet or exceed Water efficiency requirements of any applicable local or State standards or law.

### **7.2 WATER USE EFFICIENCY PROGRAMS AND SERVICES**

The District's Water Conservation Coordinator administers various programs and services to assist Customers in using Water efficiently in their homes, businesses, and landscapes.

Descriptions of these programs and services may be found on Mesa Water's website at [www.MesaWater.org](http://www.MesaWater.org)

### **7.3 WATER CONSERVATION AND WATER SUPPLY EMERGENCY PROGRAM**

Mesa Water has adopted a Permanent and Emergency Water Conservation Program that includes permanent Water-waste prohibitions, escalating water requirements to be implemented over Water supply shortage conditions, penalties and Violations, and other general provisions. The permanent Water-waste restrictions include primarily behavioral measures such as limiting irrigation times, prohibiting the washing of paved surfaces, and controlling excessive Runoff.

The Permanent and Emergency Water Conservation Program can be found on Mesa Water's website at [www.MesaWater.org](http://www.MesaWater.org) or upon request by calling 949.631.1200.

## SECTION 8 – RECYCLED WATER SERVICE

### 8.1 INTRODUCTION

It is Mesa Water's desire to promote conservation of Water resources. Whenever possible, Recycled Water Service by Mesa Water, on behalf of Orange County Water District, may be made available to Customers.

When Recycled Water Service is available at a reasonable cost, as a condition to receiving Water Service, Mesa Water shall require, pursuant to California Water Code Sections 13550 and 13551, the Applicant, Owner or Customer to accept and use Recycled Water in lieu of Potable Water for legally permissible uses, as determined by the District. Mesa Water additionally may require an Applicant, Owner or Customer to install or pay for the installation of Recycled Water Service lines, Service Connections, meters, Backflow Prevention Assemblies and any and all other appurtenances to a service in compliance with these Rules and Regulations for Water Service.

In most instances where service is desired for the purposes of landscape irrigation, industrial Water use or other non-potable use, it is the general intent of Mesa Water to provide Recycled Water in lieu of Potable Water. However, the General Manager, on a case-by-case basis, must approve each use. Mesa Water may determine, at its discretion, whether it is necessary or desirable to furnish Potable Water at the Potable Water Rate, either on a permanent basis or on an interim basis.

Determinations on the specific, allowable uses of Recycled Water shall be in accordance with the standards of treatment and Water quality requirements set forth in Title 22, California Code of Regulations, Chapter 3, Water Recycling Criteria, and with the intent to protect the public health. In addition, each use shall be subject to the availability of facilities and the feasibility of making such facilities available.

### 8.2 GENERAL PROVISIONS

#### 8.2.1 Specific Authority

The Recycled Water User shall comply with these Rules and Regulations as well as, but not limited to, all applicable State, federal and local governing codes, rules and regulations, regardless if the above mentioned section(s) specifically refer to Recycled Water or Recycled Water Service. Mesa Water reserves the right, at its discretion, to determine the applicability of a specific rule, regulation or other provision.

#### 8.2.2 Enforcement

Mesa Water shall enforce these Rules and Regulations in all matters concerning the use of any Recycled Water or Recycled Water Service within its service area. Each and every condition and requirement with respect to the use, connection, disconnection, reconnection or discontinuance of Recycled Water or Recycled Water Service provided

by and set forth in these Rules and Regulations shall apply with equal force and effect to any person, persons or firm, public or private. There shall be no deviation from these Rules and Regulations except upon authorization by the General Manager, who will act at all times within any and all appropriate regulatory agency constraints.

### 8.2.3 Amendments

These Rules and Regulations affecting Recycled Water Service (Sections) may be amended by Board action at any regular or special meeting for cause determined by the General Manager and without the approval of any user or Owner. Moreover, any amendments so made shall be incorporated immediately by these regulations and will be administered accordingly. Insofar as these regulations are based upon portions of the California Code of Regulations, Title 17 and Title 22, to the extent such State regulations are amended, these Rules and Regulations shall be deemed to have been amended in a corresponding manner or form.

### 8.2.4 Federal, State and Local Authority

All Onsite Facilities shall be designed to meet the standards of all applicable federal, State and local governing codes, rules and regulations.

### 8.2.5 Precedence

These Rules and Regulations shall take precedence when requirements contained herein are more stringent than those specified in federal, State or local governing codes, rules and regulations.

### 8.2.6 Service Area

The regulations set forth in this Section 8 pertain to Recycled Water Service to lands or improvements within the legal boundaries of Mesa Water's service area unless otherwise stated. Legal boundaries include, but are not limited to, most of the City of Costa Mesa Water, parts of the City of Newport Beach and some unincorporated county area, including the John Wayne Airport area. Mesa Water's service area may be subject to future changes.

### 8.2.7 System Responsibility

All Offsite Facilities within Mesa Water's service area are the responsibility of the District and shall be under the management and control of Mesa Water. Only Mesa Water and those authorized by the District shall have any right to operate the Offsite Facilities and related property in any manner. Mesa Water shall be responsible for the operation of the Offsite Facilities and distribution system within its service area and for the surveillance of all Recycled Water Users within its service area. Mesa Water shall not be responsible for the quality assessment of Recycled Water as it relates to compliance with requirements of the Appropriate Regulatory Agencies.



### 8.2.8 Protection of Public Health

Mesa Water reserves the right to take any action(s) with respect to the operation of the Recycled Water System and to take such action(s) at such time as it deems proper to safeguard public health.

The Appropriate Regulatory Agencies have independent authority and responsibility to protect public health and may take action at such time as deemed proper to safeguard public health.

### 8.2.9 Authorized Uses

This Section 8 of these Rules and Regulations address the application of Recycled Water for irrigation and Construction Use. Other proposed uses will be reviewed on a case-by-case basis by Mesa Water and the Appropriate Regulatory Agencies. In all cases, Mesa Water's approval of any proposed use will be contingent upon the proposed use being acceptable to the Appropriate Regulatory Agencies. Only those uses specified in the User Agreement or Water Service Agreement are uses authorized by these Rules and Regulations.

### 8.2.10 Approved Use Areas

These Rules and Regulations for Recycled Water pertain to Recycled Water Service to land or improvements, or both, lying within the boundaries of Mesa Water's service area and within the areas where Recycled Water Facilities are available. If Mesa Water has determined that Recycled Water shall be provided in accordance to the requirements contained in this Section; such service shall be provided only if a permit for such Recycled Water Service is obtained in the manner hereinafter provided.

The acceptable uses of Recycled Water for irrigations purposes include any of the following:

- Parks, greenbelts, and playgrounds
- School yards
- Athletic fields
- Golf courses
- Cemeteries
- Residential landscaping, common areas (individual owned residences are not eligible under the Orange County Water District Discharge Permit)
- Commercial landscaping, except eating areas
- Industrial landscaping, except eating areas
- Freeway, highway and street landscaping
- Agricultural irrigation
- Firefighting (only with special approval)
- Construction Use (soil compaction, dust control, etc.)

- Groundwater recharge (case-by-case basis)

Each such use must be considered for approval by Mesa Water on a case-by-case basis, and the District may determine, in its sole discretion, whether it is feasible to furnish Recycled Water for the specific use involved. Prior to approving such uses, Mesa Water may, in its sole discretion, set forth specific requirements as conditions to providing such services or require specific prior approval from the Appropriate Regulatory Agencies. Only those use areas specified in the User Agreement or Water Service Agreement are authorized areas for use of Recycled Water.

#### 8.2.11 Design Approval

Prior to the construction of Onsite Facilities, in or on an Approved Use Area, that will use or receive Recycled Water; the design of such Onsite Facilities must be approved by Mesa Water. Approval shall be obtained only through the procedure contained in these Rules and Regulations. Approval shall be contingent upon evidence that all applicable design requirements, including those contained within these Rules and Regulations, are satisfied.

#### 8.2.12 Construction Inspection

Mesa Water or its authorized District Agents may inspect the construction of Onsite Facilities that will use or receive Recycled Water to verify that such facilities are constructed in conformance with the approved Drawings and these Rules and Regulations.

#### 8.2.13 Service Approval

Before Mesa Water approves commencement of service for any facilities using Recycled Water, the Record Drawings of the facilities as constructed must be approved by the District. In addition, the system must have passed tests for Cross Connections and proper operation under design conditions, in accordance with these Rules and Regulations and the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities, to the satisfaction of the District.

#### 8.2.14 Service Conditions

Mesa Water reserves the right to control and schedule the use of Recycled Water if in the opinion of the General Manager, control and scheduling are necessary to maintain acceptable working conditions in the Offsite System. These and other service conditions contained in Section 8 of these Rules and Regulations will be administered by Mesa Water at its discretion.

#### 8.2.15 Rates, Fees and Deposit Schedule

All rates, Fees and Deposits regarding Recycled Water Service and respective



administrative provisions, shall be fixed and established by the Board. All costs will be in accordance with the Fees specified in the Water Rate and Charge Schedule.

#### 8.2.16 Mesa Water Limits of Responsibility and Liability

Mesa Water assumes no responsibility for the maintenance and operation of any Onsite Recycled Water System. Pursuant to the terms, which shall be set forth in all User Agreements or Water Service Agreements, the Owner shall assume all liability and responsibility and Mesa Water shall be kept whole and blameless at all times in any claim resulting from matters involving quantities, quality, time or occasion of delivery, or any other phase of the maintenance, operation and service of the Owner's Onsite Facilities.

Mesa Water will not turn on Recycled Water at any property unless the designated User Supervisor is onsite and available at the time.

Mesa Water does not, and will not, assume any liability for damages to private property or for personal injury as a result of interruptions in Recycled Water Service provided pursuant to these Rules and Regulations for reasons Mesa Water deems an emergency or a matter of public health and safety. In addition, Mesa Water does not, and will not, assume any liability for damages to private property or for personal injury as a result of interruptions in Recycled Water Service provided pursuant to these Rules and Regulations for reasons that are beyond its control.

#### 8.2.17 Surveillance

It is the responsibility of the user to provide surveillance and supervision of the Onsite Facilities in a manner that assures compliance at all times with these Rules and Regulations. A User Supervisor shall be designated by the user and shall be approved by the District. Mesa Water shall provide surveillance and supervision of the Offsite Facilities for compliance with these Rules and Regulations. Moreover, Mesa Water shall, and reserves the right to, inspect on a regular basis the Onsite System and operations for conformance with these Rules and Regulations.

#### 8.2.18 Contingency Reservations

If real or potential hazards are evidenced at any time during the construction or operation of any portion of the Recycled Water System or Onsite Facilities, Mesa Water reserves the right, and shall have the authority to, terminate Recycled Water Service without notice to the user in the interest of protecting public health.

#### 8.2.19 Specific Prohibitions

The following conditions are specifically prohibited. Should any such conditions occur at or on a location, Recycled Water Service may be terminated by Mesa Water in accordance with Section 2.4.

#### 8.2.19.1 Runoff Conditions

Conditions that directly or indirectly cause Recycled Water Runoff outside of/or within the Approved Use Area, whether by design, construction practice, or system operation, shall be minimized. The use of Recycled Water on Water-saturated or frozen ground or during periods of precipitation such that Runoff is induced, is prohibited.

#### 8.2.19.2 Ponding Conditions

Conditions that directly or indirectly cause a Ponding condition outside of or within the Approved Use Area, whether by design, construction practice, or system operation, shall be minimized. Temporary Ponding in a vegetated area caused by draining of system or meter testing is allowed in specified areas with prior Mesa Water approval.

#### 8.2.19.3 Direct Overspray Conditions

Any discharge of Recycled Water directly onto areas other than that within the Approved Use Area is strictly prohibited.

#### 8.2.19.4 Windblown Overspray Conditions

Conditions that directly or indirectly permit windblown Recycled Water spray to pass outside of the Approved Use Area, whether by design, construction practice, or system operation, shall be minimized.

#### 8.2.19.5 Unapproved Uses

Use of Recycled Water for any purposes other than those explicitly approved in the currently effective User Agreement or Water Service Agreement without the prior knowledge and written approval of Mesa Water is strictly prohibited.

#### 8.2.19.6 Disposal in Unapproved Areas

Disposal of Recycled Water for any purposes, including Approved Uses, in areas other than those explicitly approved in the User Agreement or Water Service Agreement issued by Mesa Water and without the prior knowledge and approval of the District, and is strictly prohibited. The discharge of Recycled Water from flushing or draining of the recycled system shall be done either at the Approved Use site and in a manner, that does not create Ponding or Runoff conditions, (See Section 8.2.19.2. "Ponding Conditions" for special considerations) or to a sanitary sewer manhole with the approval of the agency responsible for operation of such sanitary sewer. In no case shall the discharge of Recycled Water to a sanitary sewer cause the sewer to overflow or otherwise create a public health hazard or nuisance. Air gap protocol shall be applied.

The direct or indirect discharge from Approved Use Areas of Recycled Water to surface

waters, either perennial or ephemeral, including wetlands, vernal pools, etc. is prohibited, unless otherwise authorized by an NPDES Permit.

#### 8.2.19.7 Cross Connections

Cross connections between the Recycled Water System and the Potable Water System, whether by design, construction practices, or system operation is strictly prohibited.

#### 8.2.19.8 Unprotected Drinking Fountains

Any and all drinking fountains located within the Approved Use Area, as designated in the currently effective User Agreement or Water Service Agreement, shall be protected from contact with Recycled Water, whether by Windblown Spray or by direct application through irrigation or other Approved Use. The lack of such protection, whether by design, construction practice, or system operation, is strictly prohibited.

#### 8.2.19.9 Unprotected Public Facilities

Facilities that may be used by the General Public, or onsite staff, including, but not limited, to eating areas, eating surfaces/benches, pools, spas, hardscape, and playground equipment/play areas, and located within the Approved Use Area designated by the User Agreement or Water Service Agreement, shall be protected by siting or a structure from contact with mist, Runoff or direct contact with Recycled Water. Lack of such protection is prohibited until review and concurrence by Mesa Water and regulatory agencies on a case-by-case basis

#### 8.2.19.10 Hose Bibs

Installation of Hose Bibs on any Onsite System that presently operates or is designed to operate with Recycled Water, regardless of the Hose Bib construction or identification, is strictly prohibited unless the Customer is a cemetery or an industrial facility with minimal public access or exposure.

#### 8.2.19.11 Fire Hydrants

The use or installation of fire hydrants on any Onsite System that presently operates or is designed to operate with Recycled Water, regardless of the fire hydrant construction or identification, is strictly prohibited.

#### 8.2.19.12 Domestic Wells

The application of Recycled Water within 50 feet of a domestic well, and impoundment of Recycled Water within 100 feet of a domestic well, unless approved by Mesa Water and DDW, is prohibited.

#### 8.2.19.13 Hours of Operation

Irrigation with Recycled Water is restricted to particular hours that vary for the following Approved Use Areas:

- Turf areas and center street medians – between 10:00 p.m. and 6:00 a.m.
- Slopes and groundcover/shrub areas – any hour (if no potential for public contact)
- Golf courses – between 9:00 p.m. and 5:00 a.m.
- Golf courses – fill impoundments - between 5:00 a.m. and 6:00 p.m.

Potential public contact with Recycled Water shall take precedence over recycled watering schedules. Irrigation system runtimes shall be adjusted to minimize public contact with Recycled Water, on an individual lateral system basis. Mesa Water shall require specific run times and durations where there is a history of public contact. Consideration shall also be given to allow maximum drying time prior to subsequent public use.

#### 8.2.19.14 Water/Garden Hoses and Hose Appurtenances

Water/garden hoses and hose appurtenances using Recycled Water shall be purple in color with heavy-duty brass fittings. Hoses shall be continuously imprinted with “Caution; Recycled/reclaimed Water – Do Not Drink” and rated at 150 psi working pressure. Hoses shall only be used for Recycled Water use. Use of such hoses for Potable Water use is strictly prohibited.

#### 8.2.19.15 Recycled Water Impoundments

All Recycled Water impoundments shall be adequately protected from erosion, washout and flooding such that no discharge occurs unless the discharge is a result of a 25-year, 24-hour storm event or greater.

Any storage facility or impoundment containing Recycled Water for reuse applications shall be managed in a manner to control odors, nuisance conditions or vectors such as mosquitoes. Should such problems develop, a management plan shall be devised and implemented to monitor, correct and control future occurrences.

### 8.3 REQUIREMENTS FOR DESIGN AND OPERATION

#### 8.3.1 Design Requirements

Design of Onsite Systems shall be performed by the Owner and such design plans shall be in conformance with the applicable portions of the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities and AWWA Guidelines except as herein modified.

#### 8.3.1.1 Design Responsibility

The design of an Onsite System that will use Recycled Water, including the preparation of plans and construction specifications, shall be under the responsibility of the Customer of Record. Onsite Facilities, in addition to conforming to these Rules and Regulations, shall conform to all applicable local governing codes, rules and regulations. Mesa Water shall have authority over materials, equipment, design, and construction methods used for Onsite Facilities.

#### 8.3.1.2 Point of Connection for Service

Mesa Water will establish the Point of Connection for each Recycled Water Service. The user shall be responsible for extending the Onsite service line to the established Point of Connection and the user will be responsible for all costs associated with extending the Offsite Facilities to the users Recycled Water site.

#### 8.3.1.3 Piping

All Onsite System piping used in conveying Recycled Water shall be of adequate size and structural integrity to ensure that leaks or ruptures will not occur. Lines crossing roadways or other areas receiving regular vehicular traffic must be buried to a depth of at least 24 inches and sleeved. Rigid pipe, able to withstand the planned vehicle loads, shall be used for such installations.

#### 8.3.1.4 Irrigation System Layout

Each Recycled Water irrigation system shall be designed based on peak-application rate requirements to prevent discharge onto areas outside of the Approved Use Areas. Adjustable arc, adjustable radius sprinklers with anti-drain/check valves shall be used adjacent to roadways, boundary lines, and hardscape to confine the discharge from the irrigation system to the Approved Use Area(s). A drainage device under control of the Owner shall be installed at the toe of slope draining to single-family residential lots. Drainage devices must stand-alone; slope drainage devices and shall not be tied into any other drainage systems, e.g., private systems for single-family lots.

The Onsite irrigation system shall be required to automatically shut off in the event of a line break. Use all available equipment to prevent unauthorized discharge of Recycled Water.

The irrigation system design shall avoid spray patterns that include obstructions that tend to concentrate Recycled Water to produce Ponding or Runoff, such as direct or indirect spraying against structures or objects.

No common trenching with other utilities of any kind is permitted.

Mesa Water reserves the right to limit the area of land under one ownership or

homeowner's association to be supplied by one Recycled Water Service Connection and corresponding meter. A Recycled Water Service Connection and its corresponding meter shall not be used to supply adjoining property of a different Owner, without the prior approval in writing from Mesa Water stating conditions and restrictions, such as easements or Memorandum of Understanding.

Irrigation systems where the landscaping around the homes and in common areas is served with one meter and owned by the same Customer, (e.g., a homeowner's association), may be allowed to cross roads, streets, or other public right-of-ways within the Customer's property.

When a property provided with a Recycled Water connection and corresponding meter is subdivided, such connection and meter shall be considered as serving the lot or parcel of land on which the meter is located. Additional Recycled Water Mains or Recycled Water Service lines shall be required for all subdivided areas in accordance with these Rules and Regulations.

For properties of the same Customer, irrigation systems shall be allowed to cross roads, streets, or other public rights-of-way to serve medians and slopes along streets. Recycled Water meters shall be located in the public right of way.

All Recycled Water used on any property must pass through the corresponding water meter. Customers shall be held responsible and charged for all Recycled Water passing through the Water meter(s).

#### 8.3.1.5 Storage Facilities

Onsite storage tanks used in storing Recycled Water shall be of adequate design and structural integrity to ensure that leaks or ruptures will not occur in the course of normal use. All storage tanks that are less than eight feet in elevation above ground Level shall be contained within a fence or other enclosure that will restrict access by the General Public to these facilities at all times. Outlet control with positive shut-off shall be provided at each storage facility. All storage facilities shall comply with posting and identification regulations contained in Section 8.4.7.

#### 8.3.1.6 Distribution Vehicles

Vehicles used for distributing Recycled Water for soil compaction and dust control purposes shall be provided with an adequate tank and plumbing systems to ensure that leaks and ruptures will not occur in the course of normal use. Control valves shall be provided such that Recycled Water can be applied in a controlled fashion on the Approved Use Area and completely retained during transit to all other areas. Spray heads or nozzles shall be provided and configured in such a way that the Recycled Water is uniformly applied and Runoff, Ponding or Windblown Spray conditions prevented. Each tank shall be equipped with an approved Air-Gap Separation. All vehicles used for distributing Recycled Water shall comply with posting and



identification Regulations contained in Section 8.4.7.

### 8.3.1.7 Temporary Connections to Potable Water System

In those areas where Recycled Water is not immediately available for use and an approved Onsite Recycled Water System has been constructed, a temporary connection to Mesa Water's Potable Water System may be allowed with written approval by the General Manager. Mesa Water shall be solely responsible for making any connections to the Potable Water System. All temporary connections to Mesa Water's Potable Water System shall conform to all requirements specified within its Cross Connection and Backflow Prevention Rules and Regulations.

At the time when Mesa Water determines that Recycled Water is available, the District shall notify any user with a temporary Potable Water connection of the availability of Recycled Water and schedule a mutually acceptable time for making the conversion to Recycled Water. Mesa Water will establish Point of Connection to the Offsite Facilities.

### 8.3.2 Operational Requirements

#### 8.3.2.1 Supervision

The operation and surveillance of Onsite Systems shall be under the management of the User Supervisor designated by the user and approved by Mesa Water. This User Supervisor, or their representative, shall be available during ~~normal working business~~ hours at an address listed with Mesa Water for the purpose of hosting an inspection tour or for discussing operational aspects of the Onsite System. The User Supervisor, or representative, shall be available via telephone (at a number listed with Mesa Water) for emergency off-hours contact. It is a requirement of Mesa Water that the User Supervisor and their representative can adequately communicate with employees in the English language.

#### 8.3.2.2 Employee Training

It shall be the responsibility of the user to ensure that all Operations staff are trained in and familiarized with the use of Recycled Water, and are familiar with these Rules and Regulations and the requirements of the Appropriate Regulatory Agencies concerning the use of Recycled Water. The user shall attest, by way of the User Agreement or Water Service Agreement that such training shall be provided to all existing employees as well as to all new employees. In addition, the user shall provide Mesa Water with written conformation stating what training is provided to the Operations staff, who received the training and on what date the training was provided. A copy of these Rules and Regulations shall be maintained at the user's site at all times.

### 8.3.2.3 Onsite Information

The user shall be responsible for furnishing the Water Operations staff with comprehensive system operating instructions, maintenance instructions, and Record Drawings to ensure proper operation in accordance with the system design and these Rules and Regulations. At least one complete set of this information shall be kept onsite or in the nearest field office or maintenance building established by the user. The user shall have the responsibility of properly disseminating this information to all appropriate Water Operations staff. The user shall provide Mesa Water with written confirmation stating what information was provided to the Water Operations staff, to whom the information was given and on what date the information was provided.

### 8.3.2.4 Onsite Inspection

Inspection of the Onsite System may occur at any time without prior notice by Mesa Water, a District Agent, and various Appropriate Regulatory Agencies. The user and Water Operations staff shall cooperate with Inspectors and assist in the performance of operational tests as requested.

### 8.3.2.5 Confinement of Irrigation

Any onsite irrigation system shall be operated to prevent discharge onto areas that are not approved for use. Overspray resulting from attempts to reach remote portions of the Approved Use Area shall not be practiced. This situation shall be rectified by appropriate design corrections to the system layout.

### 8.3.2.6 Construction Use

Recycled Water used for the purpose of soil compaction and dust control shall not be stored or applied in a manner that causes Runoff, Ponding, windblown overspray conditions, or discharge in any way onto unapproved areas. If such conditions occur, the method of application shall be altered to correct them and prevent any further Ponding, Runoff, or Windblown Spray onto unapproved areas. Control valves on the Water distribution vehicles and other controlling devices shall be properly employed to prevent the application of Recycled Water outside the Approved Use Area onto surfaces including, but not limited to, street pavements, sidewalks, and drainage courses.

### 8.3.2.7 Maintenance

A written preventative maintenance program and schedule designed to ensure the continued operation of all Onsite System elements within the requirements of these Rules and Regulations shall be evidenced by the user and shall be open to inspection by Mesa Water at all times.



### 8.3.2.8 Reuse of Recycled Water Equipment

Any equipment, such as tanks, Water trucks, temporary piping or valves and portable pumps that have been used for Recycled Water purposes shall be drained, cleaned and disinfected before removal from the Approved Use area to another job site. This disinfection and cleaning shall ensure the protection of the public health in the event of any reuse of such equipment with higher quality Water.

Methods of disinfection shall be approved by the District or the appropriate regulatory agency, and the disinfection process shall be performed in Mesa Water employee's presence. When storage tanks or distribution vehicle tanks are provided with an inlet air gap whose configuration is approved by the DDW and OCHCA, such Onsite disinfection shall not be required.

### 8.3.3 Submittals and Records

Facility layout Drawings shall be submitted as specified within these Rules and Regulations by the Customer and approved by Mesa Water prior to commencing any installation of Recycled Water Facilities. The Drawings shall be signed by the Design Consultant and shall include the construction of the use area, and the onsite irrigation system, as a minimum. A materials list shall also be submitted to Mesa Water and it shall include the following:

- Offsite or Onsite Distribution Facilities – The manufacturer, diameter, approximate length, and construction material of all offsite or onsite distribution Recycled Water Mains (pressurized).
- Onsite Storage Facilities – The estimated number and locations of fixed storage tanks or ponds and the approximate volume of each.
- Recycled Water Volume – The maximum and average amounts in gpm that will be drawn from Mesa Water Recycled Water distribution system, and the hours of operation.

Applicants that propose to use Recycled Water for industrial applications or for other special uses may be required to supply additional information, on a case-by-case basis.

#### 8.3.3.1 Preliminary Investigation

The Applicant shall meet with the District at the earliest possible date to determine whether the Design Area is within Mesa Water's service area. At this time, the availability of Recycled Water and the proximity of the site to the Offsite Facilities will be reviewed. Feasibility acceptance by Mesa Water must be obtained before an Application for Recycled Water Service will be accepted.

#### 8.3.3.2 Comprehensive Investigation (Retrofitting Only)

Upon accepting an Application for Recycled Water Service that involves retrofitting,

Mesa Water may conduct a comprehensive investigation of the existing facilities. The Applicant shall cooperate with Mesa Water in its efforts to: (i) obtain required information; (ii) review existing documents; and (iii) inspect the existing facilities.

### 8.3.3.3 System Design Documents

The following information briefly outlines what shall be submitted to, and approved by, Mesa Water prior to the commencing of any construction. Refer to the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities for a complete list of requirements for design document submittals:

#### Drawing and Specifications –

Drawing and specifications for the construction of an Onsite System with Offsite Facilities are located in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. Drawings and Specifications shall be submitted to Mesa Water for review and approval with associated Deposits and Fees outlined in the Water Rate and Charge Schedule. As part of such submittal, a construction cost estimate for the subject facilities shall be provided.

#### Meter Criteria –

The following information shall be provided, both on the Drawings and as a separate cost submittal:

- Existing meter sizes (inches)
- Proposed Recycled Water meter size (inches)
- Gross area to be served through the Recycled Water meter (square feet or acres)
- Peak flow through the Recycled Water meter (gpm) along with supporting calculations
- Estimate of the yearly Water requirements through the Recycled Water meter (acre-feet)
- Time of day when Recycled Water would normally be taken

Dimensioning – All dimensions shall be taken from two permanent points of reference.

Call-Outs – Backflow Prevention Assemblies, all Potable Water lines, exterior drinking fountains and other public facilities in the Design Area shall be shown and called out on the Drawings. If no Backflow Prevention Assemblies, Potable Water lines, exterior drinking fountains or other public facilities are present in the Design Area, it shall be specifically stated on Drawings that none exists.

#### Standard Water Construction Notes for Recycled Water

The standard notes for Recycled Water listed in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities shall be listed on all

## Drawings.

It shall be the responsibility of the Applicant to submit the Drawings and specifications as approved by Mesa Water to any agency having jurisdiction over such projects for their review, and to obtain all required permits prior to construction. Any costs associated with such submittals shall be borne by the Applicant.

### 8.3.3.4 Record Drawings

Record Drawings shall be submitted by the Applicant and approved by Mesa Water prior to the installation of Water meter(s) or the commencement of Recycled Water Service.

All changes in the work constituting departures from the original design Drawings, including changes in both pressure and gravity lines shall be accurately recorded on one reproducible set of design Drawings, which shall become the Record Drawings. The changes and dimensions shall be recorded in a legible manner to the satisfaction of Mesa Water. One complete set shall be maintained onsite at all times.

Specific Call-Outs – The locations and depths of the following items shall be shown:

- Points of connection
- Points of line severing
- Routing of sprinkler pressure lines
- Gate valves
- Sprinkler control valves
- Quick coupling valves
- Routing of control wires
- Control stations
- Backflow Prevention Assemblies, including type of such assembly(ies)

### 8.3.4 Cross Connection Control Requirements

The following requirements apply to all user sites where Recycled Water is stored, conveyed or applied in any manner.

#### 8.3.4.1 Protection at Potable Water Service Connection

An approved Air–Gap Separation shall be required on the user's Potable Water line at a location that is as close as practical to the Service Connection with Mesa Water's Potable Water System. An approved Reduced Pressure Principle Backflow Prevention Assembly may be provided in lieu of an Air–Gap Separation if approved by Mesa Water and the Appropriate Regulatory Agencies.

#### 8.3.4.2 Protection Within Onsite Potable Water System

Approved Backflow Prevention Assemblies, as required by the Appropriate Regulatory Agencies, shall be installed by the user at specified locations in the user's Onsite Potable Water System.

#### 8.3.4.3 Inspection of Onsite Facilities

Mesa Water or Appropriate Regulatory Agencies may, at their discretion, require an inspection of the user's Onsite Facilities for Cross Connection hazards. The Customer of Record shall cooperate with Mesa Water or Appropriate Regulatory Agencies in requests for information.

#### 8.3.4.4 Mesa Water's Cross Connection and Backflow Prevention Regulations for Recycled Water

In addition to the requirements contained in Sections 8.3.4.1 through 8.3.4.3, all requirements specified in Section 6 of these Rules and Regulations shall be adhered to by the user at the user's expense.

### 8.4 CONSTRUCTION REQUIREMENTS

#### 8.4.1 General Requirements

Construction of Onsite Recycled Water Systems shall be in conformance with the applicable portions of the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities except as herein modified.

#### 8.4.2 Areas of Responsibility

All Recycled Water meters and Customer Control Valves shall be provided and installed by Mesa Water at the expense of the Applicant. The cost of installing the meters must be paid by the Applicant before any meters will be installed. The responsibility for providing a Backflow Prevention Assembly at the Potable Water Service Connection shall be determined by Mesa Water at the time an application for Recycled Water is filed. The Applicant shall be responsible for constructing and maintaining all Onsite Recycled Water Facilities downstream of the established Point of Connection, and for testing and maintaining all Backflow Prevention Assemblies.

The Contractor shall keep fully informed of all laws, ordinances and regulations that in any manner affect those engaged or employed in the work or the materials used in the work, or that in any way affect the conduct of the work, and of all such orders and decrees of bodies or tribunals having any jurisdiction or authority over the same. If any discrepancy or inconsistency is discovered in the plans, Drawings, specifications, or other documents in relation to any such law, ordinance, regulations, order, or decree, the Contractor shall forthwith report the same to the Design Consultant and Mesa Water

in writing.

The Contractor shall observe and comply with and shall cause all of the Contractor's employees to observe and comply with all such existing and future laws, ordinances, resolutions, regulations, orders and decrees, and shall protect and indemnify Mesa Water, Orange County Water District, SARWQCB, DDW, OCHCA, and all their officers and Agents against any claim or liability arising from or based on the Violation of any such law, ordinance, regulation, order or decree, whether by the Contractor or Contractor's employees.

The Contractor shall also indemnify and save Mesa Water, its officers, its employees or authorized District Agents harmless from all costs, losses, expenses, damages, attorneys' Fees, and other costs of defense that the District may incur with respect to or on account of the work, and with respect to the failure, neglect or refusal of Contractor to faithfully perform the work and all of Contractor's obligations under the contract. Such costs, expenses, and damages shall include all costs incurred by Mesa Water to defend against any claims, stop notices or lawsuits based thereon in which it is made a party.

The Contractor shall observe the rules and regulations of the State Department of Industrial Relations, Division of Industrial Safety, and, in particular, rules and regulations relating to shoring of trenches and excavations. All work shall be done in accordance with all directives, provisions and requirements pertaining to the method and manner of performing the work, in accordance with CAL-OSHA latest amendment or revision.

The Contractor shall provide a job foreman present during ~~working-business~~ hours that can communicate with Mesa Water employees both orally and in writing.

#### 8.4.3 Specific Requirements

##### 8.4.3.1 Connections to Existing Mesa Water Facilities

The Applicant shall not make a connection to existing Mesa Water facilities or interrupt Recycled Water Service in any portion of Mesa Water's service area unless it has been approved by the District. If it becomes necessary to interrupt service to an existing system, this interruption shall be done at a time determined by Mesa Water, under its direction and inspection.

##### 8.4.3.2 Inspection Authority

Mesa Water, those authorized by the District, and various Appropriate Regulatory Agencies shall at all times have access to all the onsite work during construction, and shall be provided with such information as it may desire regarding location of facilities, the progress, workmanship and character of materials used in the work.

Mesa Water shall have the authority to notify the Customer of an apparent failure on the part of the Contractor to carry out orders given or to perform any provisions of the

approved plans or specifications. Upon its confirmation of the apparent failure, the Customer shall be obligated to require the Contractor to suspend the work wholly or in part. The Contractor shall immediately comply with the written order of Mesa Water to suspend the work wholly or in part. Dependent on the nature of the non-compliance, it may require immediate action by the Contractor via verbal order with a written order following. The work shall be resumed when methods or defective work are corrected as ordered and approved in writing by Mesa Water. Failure to comply with requests of Mesa Water will prevent further work, may result in termination of all Potable Water and Recycled Water, and may prevent or delay the final release of the entire project.

#### 8.4.4 Material of Construction

The following information briefly outlines the materials of construction that will be approved by, Mesa Water and other appropriate Regulating Agencies prior to the commencing of any construction. Refer to the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities for a complete list of requirements for Materials of Construction.

##### 8.4.4.1 Valves

Quick coupling valves may be required to be removed if they are used in a manner contrary to these Rules and Regulations or are located in an area that encourages unauthorized use. The manner of removal shall be subject to approval by Mesa Water. Quick coupling valves shall conform to the following:

- Rating – Quick coupling valves for Recycled Water shall be ¾ inch or one-inch nominal size with brass construction, acme thread body and key, and a normal working pressure of 125 psi. All quick coupling valves for Recycled Water shall be of a design that prevents the quick coupler key (spike) from being used in Potable Water or Non-Potable Water quick couplers.
- Key – All quick coupling valves shall be operated with a special coupler key with an Acme thread for opening and closing the valve. This provision may be modified by Mesa Water in those cases where an existing Onsite Potable Water System is currently equipped with quick coupling valves that are operated with an Acme threaded key.
- Identification – All quick coupling valves shall be tagged to for identification. All tagging shall be to the satisfaction of Mesa Water and Appropriate Regulatory Agencies.
- Cover – The cover shall be permanently attached to the quick coupling valve. It shall be purple in color and made of rubber or vinyl with the following information stamped or molded on the cover: “Recycled Water” in English and Spanish; “Do Not Drink” in English and Spanish; or the international “Do Not Drink” symbol (a glass of Water in a circle with a slash through it), and a locking cover.

All Recycled Water valves shall be in serviceable condition and free from leaks and structural faults. All underground gate valves three inches and smaller may be furnished



with either operating nuts or handwheels.

#### 8.4.4.2 Valve Boxes

All new valve boxes (gate valves, manual control valves or electrical control valves) on the recycled Water irrigation system shall be purple (Pantone 512) and have the words "Recycled Water" in white letters on top.

#### 8.4.4.3 Piping

All new buried onsite constant pressure Recycled Water irrigation piping shall be marked as follows: PVC Pipe must be purple-colored PVC pipe with continuous wording "Caution – Recycled Water – Do Not Drink" printed on opposite sides of the pipe. The use of continuous lettering on 3-inch minimum width of purple tape with 1 inch black or white contrasting lettering bearing the continuous wording "Caution – Recycled Water – Do Not Drink" permanently affixed at 5 foot intervals atop all horizontal piping, laterals and Mains is an acceptable alternative to purple pipe.

All new Recycled Water piping above ground or in vaults, including adapters and fittings, shall be painted purple in color (Color Code Pantone 512). Black or white stenciling shall appear on both sides of the pipe with the marking "Caution – Recycled Water" in 5/8 inch letters repeated every 3 feet.

#### 8.4.4.4 Storage Tanks

All storage tanks used for Recycled Water, whether fixed or mounted on distribution vehicles; shall be structurally sound and free from leaks.

#### 8.4.5 Construction Notification

The Applicant shall give Mesa Water at least two Business ~~Days (48 hours) notice~~ **Days' notice** before starting the Onsite Recycled Water System construction work.

#### 8.4.6 Final Inspection and Testing

##### 8.4.6.1 Final Inspection

Following completion of all construction work, and upon receiving Mesa Water approval of Record Drawings, the Applicant shall request final inspection of the work. This request shall include the scheduling of a Cross Connection control test and an operational test. The tests shall be scheduled in coordination with and in the presence of Mesa Water and representatives of the various Appropriate Regulatory Agencies in order to verify such testing.

#### 8.4.6.1.1 Cross Connection Control Testing

A Cross Connection control test shall be conducted on both the Onsite Potable Water and the Onsite Recycled Water Systems. The test shall be conducted in the following manner:

- The activated and pressurized Recycled Water System shall be shut down at or near the Point of Connection. After shutting the Recycled Water System down, all outlets of the Recycled Water System shall be opened. Flow from any Recycled Water System outlet shall be deemed to indicate a Cross Connection condition. (Note: Initial flows that result from the system's depressurization can be ignored for purposes of this test.) After conducting this test of the Recycled Water System, the Potable Water System shall be tested by opening all Potable Water outlets. A no-flow result from any Potable Water outlet shall be deemed to indicate a Cross Connection condition.
- Recharge Recycled Water System, then the activated and pressurized Potable Water System, shall be shut down at the Backflow Prevention Assembly. After shutting the Potable Water System down, all outlets of the Potable Water System shall be opened. Flow from any Potable Water outlet shall be deemed to indicate a Cross Connection condition. (Note: Initial flows that result from the system's depressurization can be ignored for purposes of this test.) After conducting this test of the Potable Water System, the Recycled Water System shall be tested by opening all Recycled Water outlets. A no-flow result from any Recycled Water outlet shall be deemed to indicate a Cross Connection condition.

#### 8.4.6.1.2 Operational Testing

Prior to final acceptance by Mesa Water, all Onsite Recycled Water Systems shall be required to successfully pass an operational test. Any required corrections shall be noted and submitted to the Applicant by Mesa Water. Regular service start-up shall not be authorized until all corrections are made to the satisfaction of the District.

#### 8.4.7 Posting and Identification

Posting and Identification requirements for the design and construction of an Onsite System with Onsite and Offsite facilities are located in the Standard Specifications and Standard Drawings for the Construction of Mesa Water Facilities. Proposed posting and identification shall be submitted within the design and specifications to Mesa Water for review and approval with associated Deposits and Fees outlined in the Water Rate and Charge Schedule

##### 8.4.7.1 Posting of Approved Use Areas

Recycled Water identification signs shall be made of 1/16-inch-thick, minimum, aluminum and its size shall be 18 inches wide by 12 inches high, minimum. The signage size and wording shall be approved by the City and the site Owner. At a minimum, the



wording shall include “Recycled Water – Do Not Drink” and display the international symbol shown on Figure 30610-A in Title 22 of the California Code of Regulations. Submit the final verbiage including colors to the City for review and approval prior to ordering the identification signs. The location of the sign placement shall be determined in the field by the City and the site Owner. An example of an approved sign is Christy’s Part Number ID-Sign REC1218. Other wordings may be used with approval of Mesa Water and the Appropriate Regulatory Agencies.

#### 8.4.7.2 Recycled Water Pipe Identification

##### 8.4.7.2.1 Buried Recycled Water Pipe

The following pipe identification requirements and options shall be applied to all new Recycled Water Systems that are to be constructed, and applied to retrofitted Recycled Water Systems whenever buried pipe is replaced.

- Purple Pipe – For all buried offsite Recycled Water pipelines (PVC, ductile iron pipe or copper) and any onsite Recycled Water pipelines that cross public streets, the pipelines shall have Purple Colored warning tape, minimum of 12 inches wide, placed in the trench 12 inches above the pipe with the wording, “CAUTION: RECYCLED WATER LINE BURIED BELOW”. This requirement is to provide additional warning for any excavation activities within the public streets to reduce the potential for damaging the Recycled Water pipeline.
- Warning Tape – The plastic identification (warning) tape shall be virgin low-density polyethylene specifically formulated for prolonged underground use. The minimum thickness shall be 4 mils and the overall width of the tape shall be 12 inches for 8 inch or larger diameter pipe and 6 inches for 6 inch and smaller diameter pipe.
- Identification /Warning Tags – Identification /warning tags shall be inert plastic film or polyurethane specifically formulated for prolonged exposure. The identification /warning tag shall incorporate an integral attachment neck and reinforced attachment hole. The size of the tag shall be 3 inch by 4 inch with a minimum thickness of 10 mils. Identification /warning tags shall be attached with heavy-duty nylon fasteners. The size, type of label and location will be dictated by each individual application and subject to acceptance by the City’s representative. The minimum size shall be ½-inch letters. Tags shall be as manufactured by T. Christy Enterprise (ID-Max-P2-RC009 for Recycled Water (purple) or ID-Max-B2-PW015 for Potable Water (blue) or ID-Max-Y2-NP012 for Non-Potable Water (yellow)) or approved equal. T. Christy Enterprises, Inc. is located at 655 E. Ball Road, Anaheim, CA 92805 (phone: (714)507-3300).
- Warning Labels – Warning labels shall be a minimum of 3.5 mil flexible vinyl base with a permanent acrylic adhesive backing on a 90# stayflat liner. Both the background and legend shall be printed with a UV cured vinyl ink. The entire decal shall be clear flood over-printed for superior weathering and UV protection. The size shall be 3.5 inch by 4.4 inch for controllers, 2.5 inch by 8.25 inch for pumping equipment, and 1.25 inch by 5.75 inch for Potable Water decals. The

controller warning label shall be as manufactured by T. Christy Enterprise (Christy's Part No. 4100) or approved equal. The pumping equipment warning label shall be as manufactured by T. Christy Enterprise (Christy's Part No. 4200) or approved equal. The Potable Water decals shall be as manufactured by T. Christy Enterprise (Christy's Part No. 4300) or approved equal.

#### 8.4.7.2.2 Above Ground Recycled Water Pipe

The following identification requirements shall be applied to all Recycled Water Systems.

- Purple Pipe – All such piping, including adapters and fittings, shall be purple in color. Black or white stenciling shall appear on both sides of the pipe with the marking "CAUTION - RECYCLED WATER" in 5/8 inch letters repeated every 3 feet. Mesa Water must review and approve any proposal that calls for above ground Recycled Water pipe to be painted as a means for complying with the color requirement. Other proposed methods for identifying above ground pipe must be reviewed and approved by Mesa Water on a case-by-case basis.
- Sprinkler Labeling/Tags – For sprinkler risers located on slopes or in the vicinity of adjacent properties, the risers shall be installed with either sprinkler warning labels/warning tags or riser markers as is appropriate for each situation. The riser markers shall be Christy's Model #5100 for Recycled Water applications, and Christy's Model #5200 for Non-Potable Water applications, or approved equal.

#### 8.4.7.3 Valve Identification

All remote control valves, gate valves, quick coupling, drip valve assemblies, flush valve assemblies, manual drain valves, and pressure relief valves shall be installed in suitable valve boxes, complete with locking and hinged cover, or other approved secure enclosure. Recycled Water valve boxes and covers must be colored purple and have Recycled Water identification imprinted. All valve box covers shall be bolted down with stainless steel bolts and washers

#### 8.4.7.4 Storage Tank Identification

Each and every storage tank shall be identified by a painted label as containing Recycled Water. The label shall contain the words "DO NO DRINK - RECYCLED WATER" with white letters at least two inches high on a purple background. In addition, at least one sign shall be posted on the fence surrounding each storage tank. The label and sign shall be so placed that they can be readily seen by all Water Operations staff using the facilities.

#### 8.4.7.5 Vehicle Identification

Each and every vehicle used to distribute Recycled Water shall be identified by painted labels or signs as using Recycled Water. The label shall contain the words "DO NOT

DRINK - RECYCLED WATER" with white letters on a purple background. The label shall be placed on the driver's side of the vehicle on the tank at a spot close to the cab. The labels or signs shall be so placed that they can be readily seen by all Operations staff using the vehicles.

## **8.5 PROCEDURES FOR ADMINISTRATION**

### **8.5.1 Obtaining Service**

The following interactions between Mesa Water and the Applicant are required for the administration of a Recycled Water Service.

#### **8.5.1.1 Application Submittal**

An application form for Recycled Water Service, in the form supplied by Mesa Water, shall be completed and signed by the Applicant, who may be the Owner or authorized representative. The Application shall request information concerning the Applicant's relationship to the subject property as legal Owner, tenants, or lessee; the type of Recycled Water use being proposed; the address and telephone number; and a legal description of the property to be served; purpose for which the property is to be used; and total area to be served. The Application may also list any special conditions for service pursuant to these Rules and Regulations. Certain technical information, derived from the design and peculiar to the type of Recycled Water use, may also be requested.

The Application form shall be accompanied by a service exhibit. This exhibit shall be a drawing delineating the subject Design Area, identifying the location and size of all Service Connections, delineating areas in which Recycled Water Service is to be applied or excluded, and showing the nearest major street(s).

#### **8.5.1.2 Mesa Water Evaluation**

Upon receipt of a completed Application, the General Manager shall review such Application and make such investigation relating thereto, as deemed necessary. The General Manager may prescribe specific requirements applicable to such Application, which may include, but shall not be limited to the design of the facilities, the manner of construction, the method of operation, and the conditions of service. An evaluation shall be performed by Mesa Water that will establish that all information obtained on the form is consistent with these Rules and Regulations and the requirements of the Appropriate Regulatory Agencies.

#### **8.5.1.3 Issuing of User Agreement**

A User Agreement or Water Service Agreement issued by Mesa Water and signed by the Applicant shall constitute a legally binding service agreement. A User Agreement or Water Service Agreement shall incorporate expressly, or by reference, these Rules and Regulations and shall also include any additional requirements prescribed by Mesa

Water to ensure contained operation of the Recycled Water System and to protect the public's health.

#### 8.5.1.4 Service Activation

Following final inspection, testing and approval of the project by Mesa Water the Applicant shall request in writing Recycled Water Service activation. Following a service termination, regardless of the reason, service may be re-established by telephone request. For all service activation requests, Mesa Water shall require two Business Days' notice ~~(48 hours)~~. In addition to two Business Days' notice, the designated User Supervisor must be onsite and available at the time.

#### 8.5.2 Conditions of Service

Mesa Water reserves the right to revoke a User Agreement or Water Service Agreement if all or any of the service conditions contained herein is not complied with at all times.

##### 8.5.2.1 Regulatory Conditions

Service to a user may be terminated at any time if the quality of the Recycled Water does not comply with the requirements of Appropriate Regulatory Agencies or at any time the user's operations do not conform to these Rules and Regulations.

##### 8.5.2.2 Financial Conditions

Conditions relating to Fees, Deposits, and billings shall be the same as established for the Potable Water System, as specified in Section 3 – Water Billing and Customer Service. Rates, Fees, and Charges for Recycled Water Service shall be as established by the Board.

A Fee may be imposed upon a user to re-establish Recycled Water Service if service was terminated at the request of the user or for reason of failure on the user's part to comply with Mesa Water requirements or these Rules and Regulations for Water Service. Fees shall be in accordance with those listed in the Water Rate and Charge Schedule.

##### 8.5.2.3 Operational Conditions

###### 8.5.2.3.1 Liability

Mesa Water shall not be liable for any damage caused by any Onsite Facilities.

###### 8.5.2.3.2 Service Scheduling

In order to maintain acceptable working conditions throughout the Recycled Water

distribution system, Mesa Water may schedule the use of Recycled Water. Such scheduling may involve programming deliveries to different users or to various portions of a single user's Onsite System. Scheduling shall take into account the constraints of Appropriate Regulatory Agencies, the requirements of these Rules and Regulations, and the operating constraints of affected users.

#### 8.5.2.3.3 Relations of Property to Service

A Service Connection shall not be used to supply adjoining property of a different Owner nor an area outside the Owner's defined area.

#### 8.5.2.3.4 Metering

All Recycled Water used on any premises where a Mesa Water meter is installed shall pass through that meter. Users shall be held responsible and charged for all Water passing through a Mesa Water meter.

#### 8.5.2.3.5 Other Conditions

Conditions relating to meter reading and testing and service terminations shall be the same as established for the Potable Water System.

### 8.5.3 Reporting

The following types of reporting shall be transmitted in writing.

#### 8.5.3.1 Mesa Water to User

The following items shall be reported by Mesa Water to the user:

- The quantity of Recycled Water delivered to the user during the applicable billing period, to be submitted as part of Mesa Water's billing for Recycled Water Service and shall be based on readings taken from its meter.
- The quality of Recycled Water delivered to the user, to be submitted only at the specific written request of the user.

#### 8.5.3.2 User to Mesa Water

The user shall report the following items within 24 hours of an occurrence to Engineering or Water Operations staff:

- Any failure of Onsite potable or Recycled Water pipelines, storage tanks or related facilities.
- Any Violation of Mesa Water's Rules and Regulations for Water Service.
- Change in Owner, User Supervisor.
- Alterations to any Onsite Facilities or topography.

## 8.5.4 Violations

### 8.5.4.1 Determination

Mesa Water reserves the right to determine whether a Violation of these Rules and Regulations has resulted from any action or occurrence that is the responsibility of the user.

### 8.5.4.2 Specific Violations

Specific Violations shall include those that directly caused non-compliance with any one of the specific prohibitions as listed in Section 8.2.19 of these Rules and Regulations: Runoff conditions, Ponding conditions, unapproved uses, disposal in unapproved areas, Cross Connections, unprotected drinking fountains, Hose Bibs and fire hydrants. However, by definition, non-compliance with any condition or conditions of these Rules and Regulations, whether willfully or by accident, shall constitute a Violation.

### 8.5.4.3 Corrective Action

If the General Manager's investigation results in the determination that a Violation has occurred, Mesa Water shall immediately notify the user. It shall be the responsibility of the user to promptly initiate action that will correct the conditions having caused the Violation. If, in the opinion of the General Manager, the Violation constitutes an immediate danger to the public health, then service may be terminated immediately by shutting off the meter and locking it. Service shall be resumed only after such Violation has been corrected to the satisfaction of the General Manager. If the Violation is determined to be of a lesser degree of danger to public health, then a timetable for completing the corrections shall be negotiated between the General Manager and the user, with Mesa Water having final approval. Corrections not being made in accordance with the timetable may also result in the termination of service.

The Appropriate Regulatory Agencies may order a service termination if they find a Violation that constitutes an immediate danger to public health. Service shall be resumed only after the Violation has been corrected to the satisfaction of both the Appropriate Regulatory Agencies and Mesa Water.

### 8.5.4.4 Appeal

A user may appeal Mesa Water's determination on a matter in accordance with Section 2.7-2.9 of these Rules and Regulations.

**Appendix 1: Application for New Service**

DRAFT





1965 Placentia Avenue, Costa Mesa, CA 92627 949-631-1291

MESA WATER FILE NO.

THIS APPLICATION BECOMES A PERMIT WHEN APPROVED AND VALIDATED

APPLICATION FOR NEW SERVICE

Legal Description of Property

Assessors Parcel No.

Address of Property

APPLICANT (Property Owner Only) Type or Print

(Property Owner)

(Mailing Address)

(City/State/Zip)

Phone

DL#/SS#

I attest under penalty of law to the truth and correctness of all facts, exhibits, maps and attachments presented with and made a part of this application.

I hereby authorize to act as my representative and to bind me in all matters concerning this application.

Signature - Applicant (Property Owner only)

day of , 20

Signature (Notary)

(SEAL)

FOR MESA WATER USE ONLY - Do Not Write Below This Line

PERMIT

THE TERMS AND CONDITIONS OF THIS PERMIT ARE PRINTED ON BOTH SIDES OF THIS FORM. APPLICANT HEREBY ACKNOWLEDGES THAT HE OR SHE HAS READ AND UNDERSTANDS SAID TERMS AND CONDITIONS AND AGREES TO ABIDE BY THEM.

WATER BILLING SERVICE CUSTOMER

Applicant Contractor Other (Below)

Name

Address

Zip

Phone

DL#/SS#

CONTRACTOR Type or Print (if applicable)

Name

Address

Bus. Phone

Job Site Phone

License No.

License Type

Business Tax ID#

Date Entered on Computer

Customer No.

Account Nos.

Signature of Applicant (Property Owner only)

PERMIT APPROVED FOR MESA WATER

By

Date

Permit Expires

VALIDATION





### For Work Done By Mesa Water District® (Mesa)

AGREEMENT: I agree to have my installation fee credited to charges for installation costs and I understand the installation fee is on a fixed cost basis. I further understand that the installation shall at all times remain under the exclusive control of Mesa, and that the water will not be turned on until any required backflow devices have been installed, tested and certified. I further understand that the water service will be billed to the applicant whose name appears on this form, or if specified to the billing customer, until Mesa has been instructed to bill otherwise. This Agreement is subject to the current Mesa Rules and Regulations and Standard Specifications on file at Mesa's office.

### For Work Done Under Permit

A construction performance bond shall be posted in accordance with the current Mesa Rules and Regulations. The bond and Permit Fee must be received by Mesa prior to Mesa's final approval of plans and/or issuance of Permit. All work done under this Permit shall in accordance with the current Mesa Rules and Regulations and Standard Specifications.

I understand that the installation shall at all times remain under the exclusive control of Mesa, and that the water will not be turned on until any required backflow devices have been installed, tested and certified. I further understand that the water service will be billed to the applicant whose name appears on this form, or if specified to the billing customer, until Mesa has been instructed to bill otherwise.

### Capacity Charges

Capacity Charges will be collected by Mesa on all projects requiring new or additional water service in accordance with the current Mesa Rules and Regulations. I understand that if Mesa determines after installation that water use exceeds the expected amount for the sized capacity of a meter, a larger meter with a larger flow capacity will be installed and I will be required to pay the additional net increase in the Capacity Charges.

**Appendix 2: Customer Service Meter Request Form**

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# Customer Service Meter Test Request Form

Customer Information			
Name on Water Bill		Phone	
Account Number	----- -- -----		
Property Address		City	
Mailing Address (if different)		City	
Email Address			

Customer's Reason for Meter Test Request:

---

The terms and conditions as listed in the Rules and Regulations for Water Service shall apply to the Customer of Record requesting testing of a water meter.

The Customer of Record shall submit to Mesa Water a meter test deposit of \$50.00, or as listed in the current Water Rate and Charge Schedule.

A receipt for payment of the meter test deposit will be provided to the customer of record, and a copy will be kept with this request form.

*I agree to the terms and conditions as listed in the Rules and Regulations for Water Service, and that the meter test deposit may be forfeited if the meter is found to be accurate within the limits as specified therein.*

---

Customer Name

---

Customer Signature

**Appendix 3: Payment Voucher**

DRAFT



1965 Placentia Avenue, Costa Mesa, CA 92627 949-631-1291

## PAYMENT VOUCHER

DATE: \_\_\_\_\_ JOB LOCATION: \_\_\_\_\_

MC FILE NO.: \_\_\_\_\_

APPLICANT: \_\_\_\_\_

PAID BY: \_\_\_\_\_ CHECK: \_\_\_\_\_ CASH: \_\_\_\_\_

AFFILIATION: \_\_\_\_\_ PHONE: \_\_\_\_\_

ADDRESS: \_\_\_\_\_ ZIP CODE: \_\_\_\_\_

DESCRIPTION	QUANTITY	PRICE EACH (1)	DEPOSIT AMOUNT (1)
METER INSTALLATION	SIZE: 5/8"	\$	\$ _____
	SIZE: 3/4"	\$	\$ _____
	SIZE: 1"	\$	\$ _____
	SIZE: 1 1/2"	\$	\$ _____
	SIZE: 2"	\$	\$ _____
MANIFOLD	SIZE:	\$	\$ _____
PLAN CHECK -			
FIRST SERVICE (RESIDENTIAL / COMMERCIAL)		\$	\$ _____
ADDITIONAL SERVICES		\$	\$ _____
METER CHANGES ONLY		\$	\$ _____
ADDITIONAL PLAN REVIEWS (4 <sup>TH</sup> OR MORE)		\$	\$ _____
CONSTRUCTION PERFORMANCE BOND			\$ _____
CAPACITY CHARGES			\$ _____
OTHER (PLEASE SPECIFY)			\$ _____
<b>CONSTRUCTION INSPECTION</b>	<b>DEPOSIT</b>	<b>QUANTITY</b>	
Backflow Devices	\$		\$ _____
Meters	\$		\$ _____
Service Connection	\$		\$ _____
Manifolds	\$		\$ _____
Pressure Test	\$		\$ _____
Firelines	\$		\$ _____
Valves	\$		\$ _____
Chlorination/Flushing & Health Sample	\$		\$ _____
Weld Connections	\$		\$ _____
Shutdown	\$		\$ _____
<b>AFTER HOURS INSPECTION-</b>	<b>\$ PER HOUR</b>		<b>\$ _____</b>
<b>CONSTRUCTION INSPECTION TOTAL</b>			<b>\$ _____</b>

(1) Refer to the Mesa Water District website ([www.mesawater.org](http://www.mesawater.org)) under Water Rate and Charge Schedules for costs.

TOTAL DEPOSIT \$ \_\_\_\_\_

Prepared by: \_\_\_\_\_

Date: \_\_\_\_\_

Checked by: \_\_\_\_\_

Date: \_\_\_\_\_

Approved by: \_\_\_\_\_

Date: \_\_\_\_\_

**Appendix 4: Application for Temporary Water Service**

DRAFT



# APPLICATION FOR TEMPORARY WATER SERVICE

Mesa Water District  
1965 Placentia Avenue, Costa Mesa, CA 92627  
949.631.1200

Date

## Customer Billing Information

<input type="checkbox"/>	Company	<input type="checkbox"/>	Individual		
Name			Phone		
Federal Tax ID					
CA Contractor's License #					
Billing/Mailing Address					
City		State		Zip	

## Job Site Information

Site Contact Name		Contact Phone	
Address / Cross Streets			
Estimated Length of time at location			

## Deposit

Deposit Amount	\$	Payment Method	Check / Credit / Cash
----------------	----	----------------	-----------------------

*I have read and agree to the Rules for Hydrant Meters for Construction Water Service.*

Contact Name (Print) \_\_\_\_\_ Contact Signature \_\_\_\_\_

*Mesa Water District use only*

Account Number \_\_\_\_\_ - \_\_\_\_\_

Location: Atlas Sheet \_\_\_\_\_ Hydrant # \_\_\_\_\_

**Appendix 5: Rules for Hydrant Meters  
for Construction Water Service**

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# RULES FOR HYDRANT METERS FOR CONSTRUCTION WATER SERVICE

Mesa Water District Policy DS-009, Attachment B

Revised January 01, 2018

## REQUIREMENTS:

1. Mesa Water District (Mesa Water®) requires a minimum of one business day notice to set up or pick up hydrant meters.
2. An applicant or acting agent for the applicant must confirm the beginning meter read of the hydrant meter and complete the Rules for Hydrant Meters for Construction Water Service in order to activate water service.
3. Hydrant meters are locked to the selected hydrant. Selected hydrants must be a Mesa Water hydrant; Private hydrants may not be used with Mesa Water hydrant meters.
4. Mesa Water requires a minimum of one business day notice for moving a hydrant meter to an alternate location, during normal business hours. Only Mesa Water employees are authorized to move hydrant meters.
5. The hydrant meter permit holder assumes all liability arising from the use of said Mesa Water facilities and equipment, and will pay all costs for repair or replacement regardless of circumstances.
6. Mesa Water reserves the right to determine the degree of hazard associated with the temporary connection and may elect to require backflow protection. Mesa Water will install and certify the appropriate backflow device when required.

## FEES & CHARGES:

1. A deposit of **\$1,030.00** for each hydrant meter must be paid once the hydrant meter has been set and water service has started.
2. A one-time **\$149.00** hydrant meter Installation Fee to set up each hydrant meter will be charged to the customer's account.
3. The water usage charge is **\$4.27** per unit (1 unit = 748 gallons) of water used.
4. Daily rental rate for hydrant meters is **\$10.00**
5. A charge of **\$75.00** for moving the hydrant meter will be assessed when Mesa Water is not given sufficient advance notice to relocate hydrant meter. There is no charge for moving a hydrant meter with a minimum of one business day notice.
6. Backflow device set-up and certification fee is **\$45.00**.
7. Repair to or replacement of damaged hydrant meter parts is the actual cost of the part, plus labor. Labor costs are currently **\$150.00** per incident.
8. Replacement of stolen, lost meters is the actual cost of a replacement meter, which is currently **\$1,030.00**.

## PAYMENT:

1. Regular Bi-monthly Bills and Closing bills are due and payable upon receipt.
2. Delinquent Bills: Accounts not paid by the due date on the bill will be sent a delinquent bill and charged a late fee. Past due accounts will be sent to a collection agency and are subject to a penalty.

**By accepting water service, you are subject to Mesa Water's Rules and Regulations for Water Service, and are responsible for all charges until you notify Mesa Water to stop your water service/pick up hydrant meter. Please call 949.631.1200 to schedule pick-up when your job is completed.**

*I have read and agree to the Rules for Hydrant Meters for Construction Water Service.*

Contact Name (Print) \_\_\_\_\_ Contact Signature \_\_\_\_\_

**Appendix 6: Water Service Agreement**

DRAFT

FILE NO. \_\_\_\_\_

**WATER SERVICE AGREEMENT WITH THE  
MESA WATER DISTRICT  
FOR WATER SERVICE**

Date: \_\_\_\_\_  
File No.: \_\_\_\_\_  
Location: \_\_\_\_\_  
Atlas Sheet No.: \_\_\_\_\_

The undersigned, (hereinafter referred to as "Applicant"), hereby requests water service by the **MESA WATER DISTRICT**, (hereinafter referred to as "Mesa Water"), in accordance with all of the terms and conditions of this Water Service Agreement and Mesa Water's Rules and Regulations For Water Service", (hereinafter referred to as "Rules and Regulations"), which are incorporated herein by this reference and made a part hereof as though fully set forth.

Applicant hereby applies for that service as applicable, which can be provided by the facilities described below, to that certain real property located within Mesa Water, in the County of Orange, State of California, described as follows (metes and bounds description or as acceptable to Mesa Water):

AP-

Said property is to be used for the purpose(s) of:

Applicant hereby represents that Applicant is the owner of said real property. Applicant estimates that the total service to be required of Mesa Water upon development of said real property is \_\_\_\_\_ gallons per minute ("GPM") on the basis of the connected capacity demand ("CCD") as defined in the Rules and Regulations of Mesa Water.

Upon acceptance of this Application by Mesa Water, together with all costs, including the Capacity Charge as determined by the Mesa Water District Engineer or an authorized representative subject to appeal to the General Manager or the Board of Directors, plans and specifications, bonds, conveyance of necessary easements, and other items as may be required herein, Mesa Water agrees to provide the requested water service subject to the terms and conditions herein set forth and set forth in the Rules and Regulations of Mesa Water. Mesa Water shall deliver to the Applicant an executed copy of this Agreement.

1. Applicant shall adhere to the requirements prescribed by the Rules and Regulations, as amended from time to time, and to any additional requirements prescribed from time to time by the General Manager or Board of Directors of Mesa Water, or both, to insure compliance with such Rules and Regulations as to obtaining water.

2. Applicant hereby agrees to build or cause to be built the described water facilities, (hereinafter collectively referred to as "the Facilities"), and agrees to pay all costs of installation of same, including, but not limited to, cost of labor, materials, equipment, contractor's expense and profit,

environmental studies, design, engineering, surveying, inspection, testing, plan check, land and easement acquisition, condemnation, attorney's fees, insurance and bond premiums.

3. Applicant agrees that the Facilities shall be constructed in accordance with plans and specifications which shall comply with all applicable requirements of Mesa Water's "Standard Specifications for the Construction of Water Facilities", including, but not limited to, requirements as to information to be shown on the plans. Said document is on file at the office of Mesa Water and is by this reference incorporated herein. Such plans and specifications shall be approved by Mesa Water. Such approval of the plans and specifications by Mesa Water shall not constitute approval of the permit applied for herein. The Facilities shall be constructed by a contractor licensed by the State of California to install said Facilities.

4. Applicant guarantees the Facilities constructed under this Agreement against defects in workmanship and materials for a period of one (1) year after the date of acceptance of the Facilities by Mesa Water. It is further agreed that the Facilities shall be restored to full compliance with the requirements of the plans and specifications, including any test requirements, if during said one (1) year period the Facilities or any portion thereof are found not to be in conformance with any provisions of said plans and specifications. This guarantee is in addition to any and all other warranties, express or implied, with respect to the Facilities.

5. Applicant agrees to grant, or cause to be granted to Mesa Water, without cost to Mesa Water, all necessary easements for construction, installation, maintenance and access to the Facilities, across all privately-owned lands to be traversed by the Facilities, which easements shall be in a form and condition of title satisfactory to Mesa Water and shall be executed by all necessary parties having an interest in said lands.

6. Applicant, if applicable, agrees to provide to Mesa Water, prior to acceptance of the Facilities, a complete set of reproducible mylars of the approved plans and specifications for the Facilities.

7. Upon completion of the Facilities, Applicant, if applicable, agrees to execute and deliver to Mesa Water a report of the actual costs of the Facilities and to substantiate such report with invoices and receipts acceptable to Mesa Water. Applicant further agrees that such Facilities will become the property of Mesa Water when it is accepted by its duly authorized employee, evidencing acceptance of the Facilities. However, Applicant hereby disclaims in favor of Mesa Water all right, title and interest in and to said systems, appurtenances and easements; and Applicant hereby covenants and agrees to execute and deliver to Mesa Water any documents required to complete the transfer of the Facilities concurrently with the acceptance thereof by Mesa Water; and Applicant hereby agrees that Applicant is holding any title to said Facilities, pending acceptance thereof by Mesa Water, as trustee, acknowledging Applicant's obligation to complete said Facilities and transfer the same debt free to Mesa Water.

8. It is agreed that the above provisions shall not preclude the use of the Facilities by property owners within the developed area or outside of said development prior to such delivery of actual costs to Mesa Water, as long as the quality of said water is acceptable to Mesa Water under its Rules and Regulations and written permission has been obtained from Mesa Water by such property owners to connect to the Facilities or to existing facilities. Applicant agrees that the use of the Facilities by the Applicant, transferee or assignee of the Applicant, or others within Mesa Water, will not constitute acceptance of the Facilities by Mesa Water.

9. Applicant agrees to hold Mesa Water harmless from any expense or liability resulting from the construction of the Facilities, and further agrees that Applicant will indemnify and hold Mesa Water, its agents, employees, officers and representatives, free and harmless from and against any and all liabilities for death, injury, loss, damage or expense, (including reasonable attorney's fees), to person or property which may arise or is claimed to have arisen as a result of any work or action performed by Applicant or on behalf of Applicant with respect to the construction and in the installation or repair of the Facilities.

10. Applicant shall submit, concurrently with this Application, if applicable, Payment and Performance Bonds, in connection with the Facilities to be constructed, and for an amount to be determined by Mesa Water.

11. Applicant hereby agrees to pay all administration and engineering costs, (including inspection and plan check costs), calculated as a percentage of the total cost as estimated by Mesa Water, as well as Capacity Charges, meter costs, interim water service line costs, (if applicable), and any other costs incurred by Mesa Water. The amount of such costs shall be based on the applicable schedules of the Rules and Regulations in effect on the date when Applicant has submitted to Mesa Water its completed Application, payment of all deposits, plans and specifications, bonds, conveyance of necessary easements and other items which may be required herein prior to issuance of the permit and the plans of the Applicant have been approved by Mesa Water. Such deposits shall be set forth on Exhibit "A" hereto by Mesa Water, which Exhibit is by this reference incorporated herein, and is subject to revision pursuant to any changes in the applicable schedules prior to the date and application and all accompanying materials and payment are completed, submitted to and approved by Mesa Water.

Applicant hereby agrees that the meter costs set forth in Exhibit "A" includes the provisions by Mesa Water of a water meter and customer control valve. Applicant agrees that the customer control valve is to be obtained from Mesa Water and installed by the Applicant's contractor as the work progresses, and that the water meter is to be installed by Mesa Water prior to the provision of permanent water service by Mesa Water.

Applicant acknowledges and agrees that the payment of such costs is being required prior to final inspection or issuance of certificates of occupancy for the development proposed by Applicant, and that such requirement for prior payment is in accordance with all applicable legal requirements pursuant to Section 53077 et seq. of the Government Code.

12. Applicant agrees to accept such conditions of pressure and service as are provided for by District's water system at the location of all proposed connections thereto and to hold Mesa Water harmless from and against any and all damages, liability and expense arising out of high or low pressure conditions with respect thereto or from interruptions of service.

13. Applicant agrees, if said Mesa Water employs an attorney to enforce this Agreement, to pay said Mesa Water for all attorney's fees to be incurred.

14. Applicant agrees that the General Manager of Mesa Water or his authorized representative may enter upon the hereinabove described property during reasonable hours for the purpose of ascertaining whether the provisions of this Agreement are being performed. Applicant shall not be responsible in any way for the failure of its successors or assigns to comply with any of the provisions of this Agreement.

15. Applicant agrees that service shall be commenced only after the Facilities have been completed and transferred to Mesa Water and all required testing and inspection has been accomplished by Mesa Water.

Applicant is aware that the contracts may not have been let for all necessary water facilities of Mesa Water in order that Applicant can actually receive water service. Applicant further agrees that Mesa Water shall not be obligated to the Applicant or the successors of the Applicant for water service until such time as the actual completion of said necessary Mesa Water facilities.

16. Special conditions for service, if any:

**IN WITNESS WHEREOF**, the parties have duly caused their authorized signatures to be affixed hereto.

**APPLICANT**

**PROPERTY OWNER**

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Date: \_\_\_\_\_

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Print Name

**MESA WATER DISTRICT**

By: \_\_\_\_\_  
Mesa Water District Engineer

Date: \_\_\_\_\_





**NOTICE** – The Mesa Water District imposes a Capacity Charge pursuant to provisions of Government Code §66000 and following the Rules and Regulations of Mesa Water District adopted pursuant to Water Code §31024. These fees are used to finance necessary water facilities. The Capacity Charges and the basis for their collection are further described in the documents providing for their imposition and collection.

**NOTICE IS FURTHER GIVEN**, pursuant to Government Code §66020(d) that you have a 90-day period from the date of approval of the relevant project, or payment of the Capacity Charges, whichever first occurs, to provide a protest to Mesa Water District of the basis or the amount for such Capacity Charges.

I have received and read the above notice for Capacity Charges.

Signed \_\_\_\_\_

as an agent for \_\_\_\_\_

Date \_\_\_\_\_

**Applicant Acknowledgment of Responsibility for Meters**

I acknowledge that I have read and understand the following concerning the meter(s) to be installed on this project.

- 1) Meter(s) installation, operation and billing will be done in compliance with Mesa Water's Rules and Regulations for Water Service and Standard Specifications.
- 2) All meters smaller than 3" will only be installed by Mesa Water. Meter(s) 3" or larger will be installed only in the presence of authorized Mesa Water personnel regardless of the presence of any other agency(ies)' representatives.
- 3) The meter(s) must be clearly marked and protected from damage at all times. The applicant will be responsible for all damaged meters.
- 4) The meter(s) must remain accessible for reading at all times. If it is not, applicant will pay for costs incurred in rereading the meter.
- 5) Once the meter(s) is installed the applicant will be responsible for the meter. If it is damaged in any manner it will be repaired or replaced only by Mesa Water and the applicant will be required to pay Mesa Water for repairs and/or replacement.
- 6) Charges for the Basic Charge and any Usage Charges will commence as soon as the meter(s) is installed by Mesa Water or received by the applicant from Mesa Water.
- 7) If applicant wishes the meter(s) shut off and locked by Mesa Water they will not be responsible for the Basic Charge. Please call Customer Service, 949-631-1200, to arrange for termination of service. When the meter is turned on again any Usage registered on the meter will be billed to the applicant. If it is not possible to shut off and lock the meter(s) (which is the case with meters 3" or larger) applicant will be billed for both the Basic Charge and any Usage recorded by the meter.
- 8) Any costs to Mesa Water for failure to comply with these requirements will be payable by the applicant.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Applicant (please print)

Witnessed by: \_\_\_\_\_  
(Mesa Water Engineering staff)

MC Number: \_\_\_\_\_

Location: \_\_\_\_\_



*Dedicated to  
Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Finance Committee  
FROM: Marwan Khalifa, CPA, MBA, Chief Financial Officer  
DATE: November 25, 2019  
SUBJECT: Fees and Charges for Miscellaneous Services

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### RECOMMENDATION

Recommend that the Board of Directors adopt Resolution No. XXXX Adopting a Policy for Establishing Fees and Charges for Miscellaneous Services and Establishing Service Related Fees and Charges Superseding Resolution No. 1423.

### 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 #6: Provide outstanding customer service.

### PRIOR BOARD ACTION/DISCUSSION

At its October 23, 2012 meeting, the Board of Directors (Board) adopted Resolution No. 1423 Miscellaneous Fees and Charges rescinding Resolution No. 1412.

### BACKGROUND

Mesa Water District (Mesa Water®) periodically updates its Miscellaneous Fees and Charges to reflect changes in industry practices, enhance business practices with its customers, and modify requirements based on newly enacted laws. Mesa Water's Miscellaneous Fees and Charges provides an explanation and outline of the various fees that the District can charge for miscellaneous services provided.

### DISCUSSION

The following are proposed amendments to Mesa Water's existing Miscellaneous Fees and Charges:

**Update Fees Related to Payments** – These fees have been updated to more accurately reflect the cost of staff time related to services provided for delinquent payments and potential shut-offs.

**Update Limits Used in the Billing and Accounts Receivable Processes** – These fees have been updated to more accurately reflect the current charges to customers for monthly basic meter charges.

**Remove Surcharge for Service Provided Outside Mesa Water's Boundaries** – This fee is being removed due to the fact staff does not provide services outside of the service area.

**Update Backflow Devices and Pressure/Fire Flow Test** – These fees have been updated to more accurately reflect the current costs associated with backflow devices and the testing costs of



pressure/fire flow tests. The fee for a pressure/fire flow test outside of normal business hours has been removed because staff does not conduct testing outside of normal business hours.

### **Update Plan Check -**

**Background:** Plan check fees are collected to capture the cost for staff time expended on reviewing, coordinating, and approving new development projects. These activities involve review and coordination across Mesa Water's various departments and coordination with the development applicant.

On average Mesa Water receives approximately 37 plan checks each year. Projects are generally classified into residential, commercial/industrial, and other agency projects (e.g., City of Costa Mesa, John Wayne Airport, etc.). Approximately 78% of the plan checks are residential, 20% are commercial/industrial, and 2% are other agency projects. Since the last fee revision, Mesa Water has experienced a significant growth in the types of projects it has received with a noticeable increase in high-density single family developments, apartment complexes, and repurposing of large commercial/industrial spaces.

**Existing Fees:** Mesa Water's fees were last updated in 2012. Plan check fees are collected in two main categories relative to the types of construction typically experienced in Mesa Water's service area as follows:

- Residential: \$900
- Commercial/Industrial: \$1,225
- Other Agency: \$0

An additional \$95 per dwelling unit is collected for high density developments. Mesa Water has collected approximately \$39,829 annually during Fiscal Years 2012-2019.

**Proposed Fees:** Mesa Water expends approximately \$177,000 per year on plan check related activities. To ensure that Mesa Water's existing customers are not subsidizing new development work and to ensure that plan check fees are more proportionately assigned to the relative time associated with handling each project type (e.g., single family residential vs. high-density family vs. commercial/industrial) the following plan check fee structure is proposed:



Development Type	Plan Check Fee
<b>Commercial/Industrial</b>	
<50,000 Square Feet <sup>1</sup>	\$3,324
>50,000 Square Feet <sup>1</sup>	\$11,080
<b>Residential</b>	
Meter Upgrade	\$1,108
Single Family	\$2,216
Multi-Family (5-8 units) <sup>2</sup>	\$5,540
Multi-Family (9-30 units) <sup>2</sup>	\$6,648
Multi-Family (30-50 units) <sup>2</sup>	\$16,620
Multi-Family (>50 units) <sup>2</sup>	\$16,620 + \$332/additional unit
Multi-Family (Apartments) <sup>3</sup>	\$22,160
<b>Other Agencies</b>	
Cities of Costa Mesa/Newport Beach	\$0
Orange County Flood Control	\$0
Orange County Fire Authority	\$0
John Wayne Airport	\$0

Notes:

1. Proposed building square feet
2. Single-family, condominium, or townhome residences
3. Additional costs for hydraulic model assessments to assess surrounding infrastructure impacts will apply

Mesa Water does not charge plan check fees for other agency projects due to the reciprocity established that Mesa Water will not be charged fees for encroachment permits associated with work performed by Mesa Water within these jurisdictions. Implementation of the above fee structure will result in a cost neutral impact to Mesa Water and its rate payers for proposed development work.

### Update Construction Inspection -

**Background:** Construction inspection fees are collected to capture the cost for staff time expended on inspections of construction of water related facilities and witness/inspect performance tests of those facilities. These activities involve coordination across Mesa Water's various departments and coordination with the development applicant.

**Existing Fees:** Mesa Water's fees were last updated in 2012. Construction inspection fees are collected by facility type and by amount of pipe being inspected. Initially, a deposit is collected and, when the work is completed, actual costs are charged to the deposit and any additional funds held are refunded. If there has been an underpayment, the contractor is invoiced for the difference. The existing deposit amounts are as follows:

- Service Connection - \$270.00 per service plus \$10.00 per foot for 2" in diameter or less and \$355.00 per service plus \$20.00 per foot for greater than 2"
- Meters - 1st meter - \$180.00
  - Each additional meter - \$90.00, at the same location
- Backflow Devices - 1st device - \$180.00
  - Each additional device - \$90.00, at the same location
- Manifolds - \$180.00 each for 2" in diameter or less and \$205.00 each for greater than 2"



- Firelines - \$270.00 per connection plus \$10.00 per foot for 2" in diameter or less and \$355.00 per connection plus \$20.00 per foot for greater than 2"
- Valves - \$270.00 each
- Chlorination/Flushing & Health Sample - \$180.00 each
- 1" or 2" Weld Connections - \$180.00 each
- Larger than 2" Weld Connections - \$270.00 each
- Shutdown - \$270.00 each
- After Hours Inspection - \$130.00 per hour

**Proposed Fees:** To ensure that Mesa Water’s existing customers are not subsidizing new development work and to ensure that inspection fees are more proportionately assigned to the relative time associated with handling each project type the following inspection fee structure is proposed:

- Actual costs for inspection work will be charged to the applicant.
- Projects estimated to be less than \$10,000 will have a minimum deposit of 40 percent of estimated installation and construction costs or \$950 whichever is greater.
- Projects estimated to be greater than \$10,000 will have a minimum deposit of 25 percent of estimated installation and construction costs or \$4,000 whichever is greater.

The proposed fees were used in calculating several current or past projects to identify the difference in deposit and to ensure enough money is collected for the deposit to cover the actual costs of the project. Whether the project was less than \$10,000 in estimated costs or more than \$10,000 in estimated costs, enough funds were collected to cover the eventual actual costs.

**Update Meter Installations (Potable and Recycled) –**

**Background:** Meter installations fees are collected to capture the cost for staff time expended on installation of meters. The deposit for the installation of meters and manifolds shall be based on the estimated cost for the meter plus a deposit for the actual installation costs.

**Existing Fees:** Mesa Water’s fees were last updated in 2012. Initially, a deposit is collected and, when the work is completed, actual costs are charged to the deposit and any additional funds held are refunded. If there has been an underpayment, the contractor is invoiced for the difference. The existing deposit amounts are as follows:

Meter Size	Potable	Recycled
5/8"	\$477.00	\$477.00
3/4"	\$492.00	\$492.00
1"	\$530.00	\$530.00
1-1/2"	\$853.00	\$853.00
2" regular	\$1,005.00	\$1,005.00
2" turbo	\$1,619.00	\$1,619.00

Meter size that is larger than 2" - Mesa Water’s fully burdened hourly rate plus actual cost of materials and equipment, determined at time of request.

Manifolds deposit amount for any size - Mesa Water’s fully burdened hourly rate plus actual cost



of materials and equipment, determined at time of request.

**Proposed Fees:** To ensure that Mesa Water's existing customers are not subsidizing new development work and to ensure that inspection fees are more proportionately assigned to the relative time associated with handling each project type, the following inspection fee structure is proposed:

- Actual costs incurred for installation work will be charged to the applicant.
- Projects estimated to be less than \$10,000 will have a minimum deposit of 25 percent of estimated installation and construction costs or \$500 whichever is greater.
- Projects estimated to be greater than \$10,000 will have a minimum deposit of 20 percent of estimated installation and construction costs or \$3,000 whichever is greater.

The proposed fees were used in calculating several current or past projects to identify the difference in deposit and to ensure enough money was collected for the deposit to cover the actual costs of the project. Whether the project was less than \$10,000 in estimated costs or more than \$10,000 in estimated costs, enough funds were collected to cover the eventual actual costs.

**Update Construction Performance Bonds** – The minimum bond deposit amount was increased from \$500 to \$1,000 to correspond with increased costs of projects.

**Update Unauthorized Service and Violations of the Rules and Regulations for Water Service** – This section was updated for language as well as fees to correspond with increased staff costs when addressing violations.

**Update Records Request** – Several fees have been removed due to the fact they are not applicable to the current processes used by Mesa Water.

**Minor Grammatical and Pronoun Amendments** – Various references to Mesa Water or the District have been made more consistent. Additional minor grammatical were made throughout the resolution.

Staff recommends that the Board consider approving the aforementioned amendments to Mesa Water's Fees and Charges for Miscellaneous Services.

#### FINANCIAL IMPACT

None.

#### ATTACHMENTS

Attachment A: Draft Resolution No. XXXX  
Attachment B: Resolution No. 1423, Redline

## RESOLUTION NO. XXXX

### RESOLUTION OF THE MESA WATER DISTRICT BOARD OF DIRECTORS ADOPTING A POLICY FOR ESTABLISHING FEES AND CHARGES FOR MISCELLANEOUS SERVICES AND ESTABLISHING SERVICE RELATED FEES AND CHARGES EFFECTIVE DECEMBER 12, 2019 SUPERSEDING RESOLUTION NO. 1423

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

WHEREAS, the Board of Directors (Board) of the District is authorized to fix and collect fees and charges designed to recover the costs of miscellaneous services, which are not property-related fees or charges and are not subject to the provisions or requirements of Proposition 218 (Article XIII C and D of the California Constitution); and

WHEREAS, said Board has duly considered the costs of providing review of development plans for conformance to Mesa Water's plans and specifications, inspecting water facilities constructed by developers and performing other miscellaneous services determined to be necessary by this Board.

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

**Section 1.** Effective on and after December 12, 2019, the definitions for miscellaneous services of the Mesa Water District shall be established in accordance with the policies set forth in Appendix A.

**Section 2.** Effective on and after December 12, 2019, the fees and charges for miscellaneous services shall be as set forth in Exhibit 1, Schedule of Rates, Fees and Charges.

**Section 3.** The fees and charges for miscellaneous services shall be reviewed at least annually by the Board and revised as necessary to reflect implementation of the policies adopted by this Resolution.

**Section 4.** The amended rates, fees and charges shall be collected in accordance with the provisions of this Resolution and the Mesa Water Rules and Regulations for Water Service.



**Section 5.** The amended rates, fees and charges are not subject to the provisions and requirements of Proposition 218, as set out in Article XIII C and D of the California Constitution.

**Section 6.** This Resolution shall, upon adoption, supersede Resolution No. 1423 and all other related actions of the Board governing miscellaneous fees and charges.

ADOPTED, SIGNED, and APPROVED this 12th day of December 2019 by the following roll call vote.

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

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Shawn Dewane  
President, Board of Directors

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Denise Garcia  
District Secretary

**RESOLUTION NO. XXXX**

**APPENDIX A**

**RESOLUTION OF THE  
MESA WATER DISTRICT BOARD OF DIRECTORS  
ADOPTING A POLICY FOR ESTABLISHING FEES AND CHARGES FOR  
MISCELLANEOUS SERVICES AND ESTABLISHING SERVICE  
RELATED FEES AND CHARGES EFFECTIVE DECEMBER 12, 2019  
SUPERSEDING RESOLUTION NO. 1423**

**DEFINITIONS**

The amounts of all current fees and charges listed in this Appendix are set forth in Exhibit 1 of this Resolution.

DRAFT

**Deposits for Potable and Recycled Water Accounts**

Water Meter	1 ½ times the average water bill for the account (rounded to the nearest whole dollar)
Accounts Opened by a Customer Whose Previous Account is Part of a Bankruptcy Case	1 ½ times the average water bill for the account (rounded to the nearest whole dollar)
Meter Tests Requested by Customers	Cost of test, to be refunded if the test results indicate the meter was registering inaccurately as defined in the Rules and Regulations for Water Service

**Fees Related to Payments**

Cost to perform collection activity.

**New Service Establishment Fee**

Cost associated with opening a new service account with Mesa Water District.

**Limits Used in the Billing and Accounts Receivable Process**

Minimum Regular Bill	The monthly Basic Charge for the meter size
Minimum Delinquent Bill	The bi-monthly Basic Charge for the 5/8” meter
Minimum Amount Shut-Off (or Receiving a Shut-Off Notice or Shut-Off for Non-Payment)	The minimum delinquent bill amount plus \$1.00
Minimum Amount Sent to the Collection Agency	The minimum delinquent bill amount plus \$1.00

## **Backflow Devices**

A shut-off notice will be delivered if test results are not received by the due date.

If test results are not received by the due date of the shut-off notice, the service may be terminated at Mesa Water's sole discretion. A restoration fee will be charged and the service will be turned on once the completed test notification is received. All fees for delinquent backflow device notification will be the same as the accounts receivable amounts.

## **Pressure/Fire Flow Test**

A test may be requested by a customer to determine pressure that will be used in the design of fire sprinkler, domestic, or irrigation systems. The costs will be the average amount of time it takes for the two-person crew to perform the test and record the result.

## **Construction Water Service**

Hydrant or construction meters are temporary meters issued for use as a source of water during construction.

Deposit	Based on the cost to replace the meter
Installation Fee	Based on 1 hour clerical time to process application and 0.75 of an hour for a Crew Leader to attach the meter
Moving Fee	Based on 0.75 of an hour for a Crew Leader to move the meter
Penalty	Based on 0.75 of an hour for a Crew Leader to collect or reconnect the meter

## **New Development**

A deposit will be collected on all new development to cover the actual cost for time and materials, including Mesa Water's fully burdened labor rate, for Plan Check, Installation and Inspection work performed. After the work has been completed, the actual cost of the project will be determined and any excess funds from the deposit will be refunded or the Applicant shall be required to pay the costs in excess of the deposit.

### **Plan Check**

The plan review and check requirements for residential and commercial development are significantly different, different plan check deposits will be charged for review of residential plans and commercial plans.

Plans will normally require up to three reviews: one to note changes required conforming to Mesa Water's specifications for construction and the second to confirm the plans were properly revised. Additional reviews may be required.

The minimum plan check deposit for residential development will be the average cost of three reviews of residential plans where one service line will be installed.

The minimum plan check deposit for commercial development will be the average cost of three reviews of commercial plans where one service line will be installed.

When plans include more than one service, an additional deposit will be charged based on the costs of reviewing the additional service.

A service is defined as a service connection, fire hydrant or backflow device.

When only a meter change is requested, a deposit will be charged that recovers Mesa Water's costs of reviewing plans and determining appropriate meter size.

### **Construction Work Performed by Mesa Water for Customers**

Mesa Water shall construct facilities at its cost for the fully burdened hourly rate for labor, material and equipment costs upon approval of the General Manager.

### **Construction Inspection**

Construction inspection deposit schedule shall be established for each of the following types of facilities and shall be based on the average cost for Mesa Water to inspect construction of water related facilities and witness/inspect performance tests of those facilities:

- Service connections
- Firelines
- Meters

Manifolds  
Backflow devices  
Valves  
Chlorination, flushing and water quality testing (health sample)  
Weld connections  
Shutdowns  
After hours inspection  
Pressure test

**Meter Installations (Potable and Recycled)**

The deposit for the installation of meters and manifolds shall be based on the estimated cost for the meter plus a deposit for the actual installation costs.

**Construction Performance Bonds**

Ten percent of the estimated installation and construction costs as determined by Mesa Water's Engineering Department staff.

The minimum bond amount will be \$1,000.00.

## Miscellaneous Fees and Charges

### Unauthorized Service and Violations of the Rules and Regulations for Water Service

Unauthorized Restoration of Service (Meter Tampering)	1 <sup>st</sup> offense: 10 times the meter basic charge 2 <sup>nd</sup> offense: 100 times the meter basic charge 3 <sup>rd</sup> and subsequent offenses: \$5,000 In addition, the cost of two trips to the location by a Mesa Water Field Customer Service Representative, and the cost of repairing or replacing damaged Mesa Water facilities (based on meter size tampered with and not to exceed \$5,000 per occurrence).
Unauthorized Taking of Water From Fire Hydrants, Firelines or Other Mesa Water Facilities	\$5,000 per day plus triple the current commodity rate, per Mesa Water's water rate schedule, for water taken
Fine for Violating Mesa Water's Rules and Regulations for Water Service	\$5,000 per violation
Violation of Water Conservation Program Ordinance	Cost to install and remove water flow restrictor

### Quitclaim Deeds

Mesa Water's costs of processing quitclaim deeds, including the cost of preparing materials for approval by the Board of Directors and recording the deed with the County of Orange Recorder's Office.

### Plans and Specifications

Standard Specifications and Drawings for the Construction of Water Facilities and Bidders Documents	Mesa Water's actual vendor cost and staff's fully burdened hourly rate to prepare the document
-----------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------

**Records Requests**

Photocopies, Black and White, or color copies	Mesa Water's cost of equipment and supplies
Photocopies, Outsourced (e.g. Oversized)	Actual costs
Scanned Copies (PDF/JPEG/TIFF formats)	Mesa Water's cost of equipment
Records Currently in Electronic Format	No charge
California Fair Political Practices Commission Filings and Documents	Costs specified under Government Code §81008
Media	Actual cost to purchase media

DRAFT



**RESOLUTION NO. XXXX**

**EXHIBIT 1**

**RESOLUTION OF THE  
MESA WATER DISTRICT BOARD OF DIRECTORS  
ADOPTING A POLICY FOR ESTABLISHING FEES AND CHARGES FOR  
MISCELLANEOUS SERVICES AND ESTABLISHING SERVICE  
RELATED FEES AND CHARGES EFFECTIVE DECEMBER 12, 2019  
SUPERSEDING RESOLUTION NO. 1423**

**SCHEDULE OF FEES AND CHARGES FOR MISCELLANEOUS SERVICES**

DRAFT

### **Deposits for Potable and Recycled Water Accounts**

Water Meter	1 ½ times the average water bill for the account (rounded to the nearest whole dollar)
Accounts Opened by a Customer Whose Previous Account is Part of a Bankruptcy Case	1 ½ times the average water bill for the account (rounded to the nearest whole dollar)
Meter Tests Requested by Customers	Cost of test, to be refunded if the test results indicate the meter was registering inaccurately as defined in the Rules and Regulations for Water Service

### **Fees Related to Payments**

Non-Payment of Bill/Invoice by the Due Date	5% of unpaid account balance, minimum of \$32.00 applies to open and closed accounts
Final Notice of Intent to Terminate Service	
First Dwelling Unit	\$19.00
Second or More Dwelling Units	\$19.00 per dwelling unit
Non-Payment of Final Notice	\$21.00
Field Activity on Shut-Off Day	\$88.00
Service Restoration (business hours)	\$84.00
Service Restoration (after hours)	\$129.00
Amounts Past Due Sent to Collection Agency	54% of the total unpaid account balance
Returned Items	\$25.00
Payment Extensions	
First	No charge
Second or More	\$19.00 per extension



**Construction Water Service**  
(Hydrant Meters)

Deposit	\$1,295.00
Installation Fee	\$175.00
Moving Fee	\$75.00
Penalty (i.e. if meter is not in its assigned location)	\$75.00
Daily Rental Rate	\$1.00/day

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## New Development

A deposit will be collected on all new development to cover the actual cost for time and materials, including Mesa Water’s fully burdened labor rate, for Plan Check, Installation and Inspection work performed. After the work has been completed, the actual cost of the project will be determined and any excess funds from the deposit will be refunded or the Applicant shall be required to pay the costs in excess of the deposit.

The following costs will be used in determining the deposit:

### Plan Check

Development Type	Plan Check Fee
<b>Commercial/Industrial</b>	
<50,000 Square Feet <sup>1</sup>	\$3,324
>50,000 Square Feet <sup>1</sup>	\$11,080
<b>Residential</b>	
Meter Upgrade	\$1,108
Single Family	\$2,216
Multi-Family (5-8 units) <sup>2</sup>	\$5,540
Multi-Family (9-30 units) <sup>2</sup>	\$6,648
Multi-Family (30-50 units) <sup>2</sup>	\$16,620
Multi-Family (>50 units) <sup>2</sup>	\$16,620 + \$332/additional unit
Multi-Family (Apartments) <sup>3</sup>	\$22,160
<b>Other Agencies</b>	
Cities of Costa Mesa/Newport Beach	\$0
Orange County Flood Control	\$0
Orange County Fire Authority	\$0
John Wayne Airport	\$0

Notes:

1. Proposed building square feet
2. Single-family, condominium, or townhome residences
3. Additional costs for hydraulic model assessments to assess surrounding infrastructure impacts will apply.

### Construction Work Performed by Mesa Water for Customers

The Applicant is encouraged to perform construction with the assistance of a Contractor; however, the Applicant may request Mesa Water to perform the work. Mesa Water may construct facilities upon approval of the General Manager.

It will be the responsibility of the Contractor to furnish all materials, which shall meet the specifications contained in the then current edition of Mesa Water’s Standard Specifications and Standard Drawings for the Construction of Mesa Water’s Facilities. It also will be the responsibility of the Contractor to provide all labor and equipment necessary to construct or install the water facilities in conformance with the approved plans and the specifications contained in the latest edition of the Standard Specifications

and Standard Drawings for the Construction of Mesa Water's Facilities.

### **Construction Inspection**

Actual costs incurred for inspection work will be charged to the applicant.

Projects estimated to be less than \$10,000 will have a minimum deposit of 40 percent of estimated installation and construction costs or \$950 whichever is greater.

Projects estimated to be greater than \$10,000 will have a minimum deposit of 25 percent of estimated installation and construction costs or \$4,000 whichever is greater.

### **Meter Installations (Potable and Recycled)**

Actual costs incurred for installation work will be charged to the applicant.

For all projects, estimated costs for meters will be charged in addition to the following deposit:

- Projects estimated to be less than \$10,000 will have a minimum deposit of 25 percent of estimated installation and construction costs or \$500 whichever is greater.
- Projects estimated to be greater than \$10,000 will have a minimum deposit of 20 percent of estimated installation and construction costs or \$3,000 whichever is greater.

### **Construction Performance Bonds**

Ten percent of the estimated installation and construction costs as determined by Mesa Water's Engineering Department staff.

The minimum bond amount will be \$1,000.00.

## Miscellaneous Fees and Charges

### Unauthorized Service and Violations of the Rules and Regulations for Water Service

Unauthorized Restoration of Service  
(Meter Tampering)

<i>Meter Size</i>	<i>1<sup>st</sup> offense</i>	<i>2<sup>nd</sup> offense</i>	<i>3<sup>rd</sup> &amp; subsequent</i>
<b>5/8"</b>	\$ 190	\$1,900	\$5,000
<b>3/4"</b>	\$ 285	\$2,850	\$5,000
<b>1"</b>	\$ 475	\$4,750	\$5,000
<b>1-1/2"</b>	\$ 950	\$5,000	\$5,000
<b>2"</b>	\$1,520	\$5,000	\$5,000
<b>3"</b>	\$3,325	\$5,000	\$5,000
<b>4"</b>	\$5,000	\$5,000	\$5,000
<b>6"</b>	\$5,000	\$5,000	\$5,000
<b>8"</b>	\$5,000	\$5,000	\$5,000
<b>10"</b>	\$5,000	\$5,000	\$5,000

In addition, the cost of two trips to the location by a Mesa Water Field Customer Service Representative, and the cost of repairing or replacing damaged Mesa Water facilities (based on meter size tampered with and not to exceed \$5,000 per occurrence).

Unauthorized Taking of Water From Fire Hydrants, Firelines or Other Mesa Water Facilities

\$5,000.00 per day plus triple the current commodity rate, per Mesa Water's water rate schedule, for water taken

Fine for Violating Mesa Water's Rules and Regulations for Water Service

\$5,000.00 per violation

Violation of Water Conservation Program Ordinance

\$100.00 per violation  
\$200.00 per violation after third violation

### Quitclaim Deeds

Mesa Water's costs of preparation and recording with the proper legal authority.

### Plans and Specifications

Standard Specifications and Drawings    Actual cost  
for the Construction of Water  
Facilities and Bidders Documents

**Records Requests**

**Paper Copies**

Photocopies, Black and White	\$0.08 per page
Photocopies, Color	\$0.14 per page
Photocopies, Outsourced (e.g. Oversized)	Actual cost

**Electronic Copies**

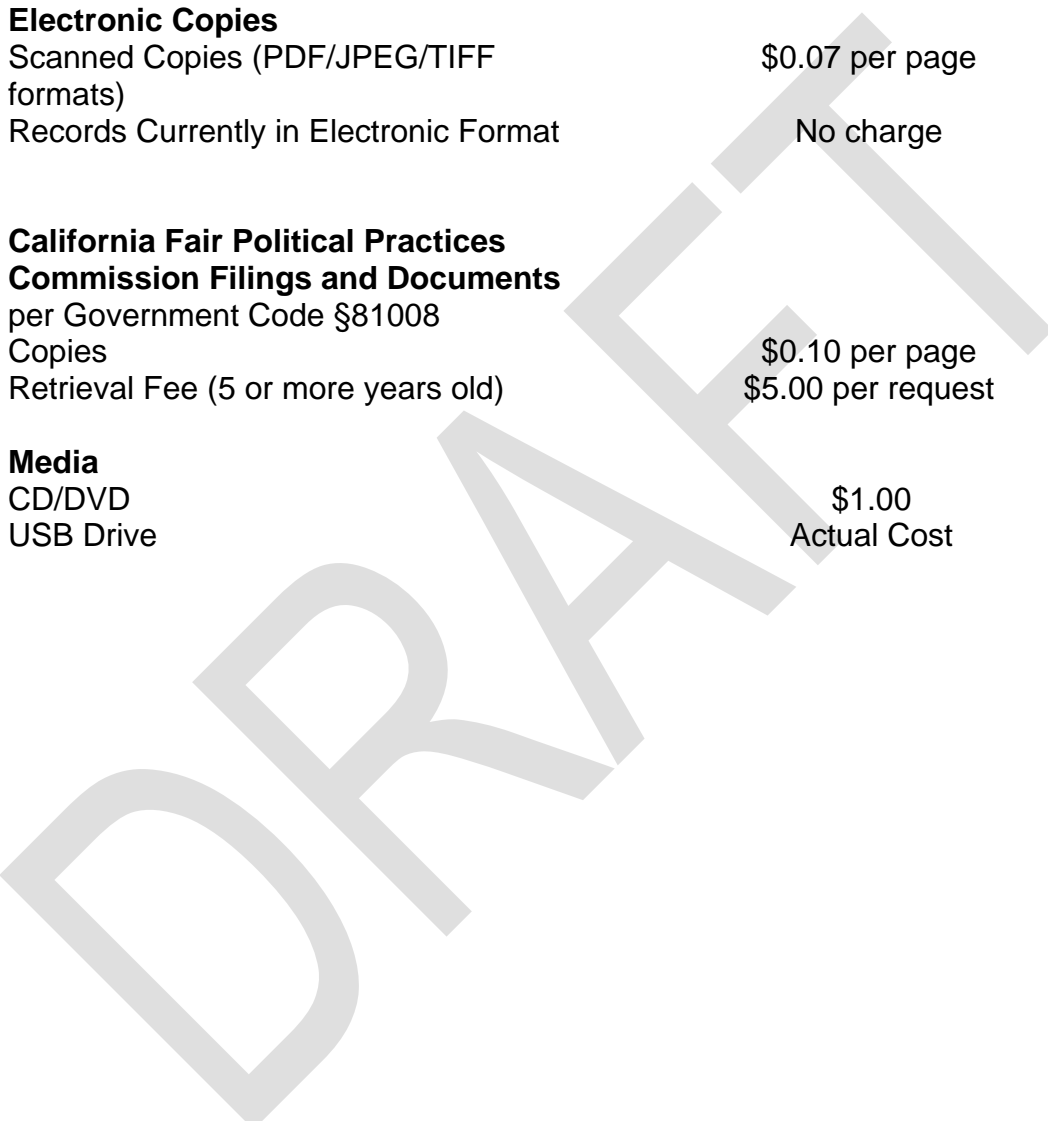
Scanned Copies (PDF/JPEG/TIFF formats)	\$0.07 per page
Records Currently in Electronic Format	No charge

**California Fair Political Practices Commission Filings and Documents**

per Government Code §81008 Copies	\$0.10 per page
Retrieval Fee (5 or more years old)	\$5.00 per request

**Media**

CD/DVD	\$1.00
USB Drive	Actual Cost





RESOLUTION NO. ~~1423XXXX~~

RESOLUTION OF THE  
MESA ~~CONSOLIDATED~~ WATER DISTRICT BOARD OF DIRECTORS  
ADOPTING A POLICY FOR ESTABLISHING FEES AND CHARGES FOR  
MISCELLANEOUS SERVICES AND ESTABLISHING SERVICE  
RELATED FEES AND CHARGES EFFECTIVE ~~OCTOBER 24,~~  
~~2012~~ DECEMBER 12, 2019  
SUPERSEDING RESOLUTION NO. ~~14121423~~

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

WHEREAS, the Board of Directors (Board) of ~~said the~~ District is authorized to fix and collect fees and charges designed to recover the costs of miscellaneous services, ~~which are not property-related fees or charges and are not subject to the provisions or requirements of Proposition 218 (Article XIII C and D of the California Constitution); and~~

WHEREAS, said Board has duly considered the costs of providing review of development plans for conformance to Mesa Water's plans and specifications, inspecting water facilities constructed by developers and performing other miscellaneous services determined to be necessary by this Board.

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

**Section 1.** Effective on and after ~~October 24, 2012~~ December 12, 2019, the definitions for miscellaneous services of the Mesa ~~Consolidated~~ Water District shall be established in accordance with the policies set forth in Appendix A.

**Section 2.** Effective on and after ~~October 24, 2012~~ December 12, 2019, the fees and charges for miscellaneous services shall be as set forth in Exhibit 1, Schedule of Rates, Fees and Charges.

**Section 3.** The fees and charges for miscellaneous services shall be reviewed at least annually by the Board and revised as necessary to reflect implementation of the policies adopted by this Resolution.

**Section 4.** The amended rates, fees and charges shall be collected in accordance with the provisions of this Resolution and the ~~Mesa Water~~ Rules and Regulations for Water Service.

**Section 5.** The amended rates, fees and charges are not subject to the provisions and requirements of Proposition 218, as set out in Article XIII C and D of the California Constitution.

**Section 6.** This Resolution shall, upon adoption, ~~S~~ supersede Resolution No. 442 1423 and all other related actions of the Board governing miscellaneous fees and charges.

DRAFT

ADOPTED, SIGNED, and APPROVED this ~~23rd~~12th day of ~~October 2012~~December 2019 by the following roll call vote.

AYES: DIRECTORS: ~~Ohlig-Hall, Atkinson, Dewane, Fislcr, Bockmiller~~  
NOES: DIRECTORS:  
ABSENT: DIRECTORS:

Dewane

~~Fred R. Bockmiller, Jr., P.E.~~ Shawn

President, Board of Directors

~~Coleen L. Monteleone~~ Denise Garcia  
District Secretary

DRAFT

**RESOLUTION NO. ~~1423XXXX~~**

**APPENDIX A**

**RESOLUTION OF THE  
MESA ~~CONSOLIDATED~~ WATER DISTRICT BOARD OF DIRECTORS  
ADOPTING A POLICY FOR ESTABLISHING FEES AND CHARGES FOR  
MISCELLANEOUS SERVICES AND ESTABLISHING SERVICE  
RELATED FEES AND CHARGES EFFECTIVE ~~OCTOBER 24,~~  
~~2012~~ **DECEMBER 12, 2019**  
SUPERSEDING RESOLUTION NO. ~~14121423~~**

**DEFINITIONS**

The amounts of all current fees and charges listed in this Appendix are set forth in Exhibit 1 of this Resolution.

**Deposits for Potable and Recycled Water Accounts**

Water Meter	1 ½ times the average water bill for the account (rounded to the nearest whole dollar)
Accounts Opened by a Customer Whose Previous Account is Part of a Bankruptcy Case	1 ½ times the average water bill for the account (rounded to the nearest whole dollar)
Meter Tests Requested by Customers	Cost of test, to be refunded if the test results indicate the meter was registering inaccurately as defined in the Rules and Regulations for Water Service

**Fees Related to Payments**

Cost to perform collection activity.

**New Service Establishment Fee**

Cost associated with opening a new ~~utility~~ service account with Mesa ~~Consolidated~~ Water District.

**Limits Used in the Billing and Accounts Receivable Process**

Minimum Regular Bill	The monthly Basic Charge for the meter size
Minimum Delinquent Bill	The bi-monthly Basic Charge for the 5/8” meter
Minimum Amount Shut-Off (or Receiving a Shut-Off Notice or Shut-Off for Non-Payment)	The minimum delinquent bill amount plus \$1.00
Minimum Amount Sent to the Collection Agency	The minimum delinquent bill amount plus \$1.00

**~~Surcharge for Service Provided Outside Mesa Water’s Boundaries~~**

~~Surcharge shall be 10% of the total amount billed.~~

## **Backflow Devices**

A shut-off notice will be delivered if test results are not received by the due date.

If test results are not received by the due date of the shut-off notice, the service may be terminated at Mesa Water's sole discretion. A restoration fee will be charged and the service will be turned on once the completed test notification is received. All fees for delinquent backflow device notification will be the same as the accounts receivable amounts.

## **Pressure/Fire Flow Test**

A test may be requested by a customer to determine pressure that will be used in the design of fire sprinkler, domestic, or irrigation systems. The costs will be the average amount of time it takes for the two-person crew to perform the test and record the result.

## **Construction Water Service**

Hydrant or construction meters are temporary meters issued for use as a source of water during construction.

Deposit	Based on the cost to replace the meter
Installation Fee	Based on 1 hour clerical time to process application and 0.75 of an hour for a Crew Leader to attach the meter
Moving Fee	Based on 0.75 of an hour for a Crew Leader to move the meter
Penalty	Based on 0.75 of an hour for a Crew Leader to collect or reconnect the meter

## **New Development**

A deposit will be collected on all new development to cover the actual cost for time and materials, including Mesa Water's fully burdened labor rate, for Plan Check, Installation and Inspection work performed. After the work has been completed, the actual cost of the project will be determined and any excess funds from the deposit will be refunded or the Applicant shall be required to pay the costs in excess of the deposit.

### **Plan Check**

The plan review and check requirements for residential and commercial development are significantly different, different plan check deposits will be charged for review of residential plans and commercial plans.

Plans will normally require up to three reviews: one to note changes required conforming to Mesa Water's specifications for construction and the second to confirm the plans were properly revised. Additional reviews may be required.

The minimum plan check deposit for residential development will be the average cost of three reviews of residential plans where one service line will be installed.

The minimum plan check deposit for commercial development will be the average cost of three reviews of commercial plans where one service line will be installed.

When plans include more than one service, an additional deposit will be charged based on the costs of reviewing the additional service.

A service is defined as a service connection, fire hydrant or backflow device.

When only a meter change is requested, a deposit will be charged that recovers Mesa Water's costs of reviewing plans and determining appropriate meter size.

### **Construction Work Performed by Mesa Water for Customers**

Mesa Water shall construct facilities at its cost for the fully burdened hourly rate for labor, material and equipment costs upon approval of the General Manager.

## **Construction Inspection**

Construction inspection deposit schedule shall be established for each of the following types of facilities and shall be based on the average cost for Mesa Water to inspect construction of water related facilities and witness/inspect performance tests of those facilities:

- Service connections
- Firelines
- Meters
- Manifolds
- Backflow devices
- Valves
- Chlorination, flushing and water quality testing (health sample)
- Weld connections
- Shutdowns
- After hours inspection
- Pressure test

## **Meter Installations (Potable and Recycled)**

The deposit for the installation of meters and manifolds shall be based on the estimated cost for the meter plus a deposit for the actual installation costs.

## **Construction Performance Bonds**

Ten ~~10%~~ percent of the estimated installation and construction costs as determined by Mesa Water's Engineering Department staff.

The minimum bond amount will be ~~\$500~~1,000.00.



## Miscellaneous Fees and Charges

### Unauthorized Service and Violations of the Rules and Regulations for Water Service

Unauthorized Restoration of Service (Meter Tampering)	1 <sup>st</sup> offense: 10 times the meter basic charge 2 <sup>nd</sup> offense: 100 times the meter basic charge 3 <sup>rd</sup> and subsequent offenses: \$5,000 <del>Plus</del> In addition, the cost of two trips to the location by a Mesa Water Field Customer Service Representative, <del>plus</del> and the costs of repairing or replacing damaged Mesa Water facilities. <del>Based</del> (based on meter size tampered with and not to exceed \$5,000 per occurrence).
Unauthorized Taking of Water From Fire Hydrants, Firelines or Other Mesa Water Facilities	\$5,000 per day plus triple the current commodity rate, per Mesa Water's water rate schedule, for water taken
Fine for Violating Mesa Water's Rules and Regulations for Water Service	\$5,000 per violation
Violation of Water Conservation Program Ordinance	Cost to install and remove water flow restrictor

### Quitclaim Deeds

Mesa Water's costs of processing quitclaim deeds, including the cost of preparing materials for approval by the Board of Directors and recording the deed with the County of Orange Recorder's Office.

### Plans and Specifications

Standard Specifications and Drawings for the Construction of Water Facilities and Bidders Documents	Mesa Water's actual vendor cost and staff's fully burdened hourly rate to prepare the document
-----------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------

## Records Requests

Photocopies, Black and White, <del>or color,</del> <del>or engineering copies</del> color copies	Mesa Water's cost of equipment and supplies
Photocopies, Outsourced <del>Includes (e.g. Oversized) and finance documents</del>	Actual costs
Scanned Copies (PDF/JPEG/TIFF formats)	Mesa Water's cost of equipment
Records Currently in Electronic Format	No charge
<del>FPPG-California Fair Political Practices Commission Filings and Documents</del>	Costs specified under Government Code §81008
<del>Labor Fees Electronic Format</del>	<del>Mesa Water's fully burdened hourly rate for the assigned employee to compile the information and produce the record in electronic format plus the cost of the media.</del>
<del>Computer Data</del>	<del>Mesa Water's fully burdened hourly rate for the assigned employee to perform data compilation extraction, or programming required in producing records in electronic format.</del>
Media	Actual cost to purchase media

**RESOLUTION NO. 1423XXXX**

**EXHIBIT 1**

**RESOLUTION OF THE  
MESA ~~CONSOLIDATED~~ WATER DISTRICT BOARD OF DIRECTORS  
ADOPTING A POLICY FOR ESTABLISHING FEES AND CHARGES FOR  
MISCELLANEOUS SERVICES AND ESTABLISHING SERVICE  
RELATED FEES AND CHARGES EFFECTIVE ~~OCTOBER 24,~~  
~~2012~~ **DECEMBER 12, 2019**  
SUPERSEDING RESOLUTION NO. ~~14121423~~**

**SCHEDULE OF FEES AND CHARGES FOR MISCELLANEOUS SERVICES**

DRAFT

**Deposits for Potable and Recycled Water Accounts**

Water Meter	1 ½ times the average water bill for the account (rounded to the nearest whole dollar)
Accounts Opened by a Customer Whose Previous Account is Part of a Bankruptcy Case	1 ½ times the average water bill for the account (rounded to the nearest whole dollar)
Meter Tests Requested by Customers	Cost of test, to be refunded if the test results indicate the meter was registering inaccurately as defined in the Rules and Regulations for Water Service

DRAFT

**Fees Related to Payments**

Non-Payment of Bill/Invoice by the Due Date	5% of unpaid account balance, minimum of <del>\$1.00</del> 32.00 applies to open and closed accounts
Final Notice of Intent to Terminate Service	
First Dwelling Unit	<del>\$17</del> 19.00
Second or More Dwelling Units	<del>\$19.00</del> per dwelling unit
Non-Payment of Final Notice	<del>\$72</del> 1.00
Field Activity on Shut-Off Day	<del>\$418</del> 8.00
Service Restoration (business hours)	<del>\$418</del> 4.00
Service Restoration (after hours)	<del>\$831</del> 29.00
Amounts Past Due Sent to Collection Agency	54% of the total unpaid account balance
Returned Items	\$25.00
Payment Extensions	
First	No charge
Second or More	<del>\$19.00</del> per extension

**New Service Establishment Fee**

New Service Establishment Fee	<del>\$204</del> 7.00 per account
-------------------------------	-----------------------------------

**Limits Used in the Billing and Accounts Receivable Process**

Minimum Regular Bill

<b>Meter Size</b>	<b>Minimum</b>
5/8"	<del>\$9.50</del> 13.62
3/4"	<del>\$20.57</del> 14.25
1"	<del>\$23.75</del> 34.18
1-1/2"	<del>\$47.50</del> 68.64
2"	<del>\$76.00</del> 109.77

3"	\$ <del>166.25</del> 240.08
4"	\$ <del>299.25</del> 432.36
6"	\$ <del>665.00</del> 961.43
8"	\$ <del>1,140.00</del> 1,644.8
	4
10"	\$ <del>1,805.00</del> 2,606.2
	6

Minimum Delinquent Bill \$~~19.00~~13.62

Minimum Amount Shut-Off  
(or receiving a Shut-Off Notice or Shut-Off for Non-Payment) \$~~20.00~~14.62

Minimum Amount Sent to the Collection Agency \$~~20.00~~14.62

**Surcharge for Service Provided Outside Mesa Water's Boundaries**

10% of the total amount billed

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**Backflow Devices**

Final Notice of Intent to Terminate Service	\$ <del>17.00</del> 19.00
Field Activity Shut--Off Day	\$ <del>4188.00</del>
Service Restoration (business hours)	\$ <del>4184.00</del>
Service Restoration (after hours)	\$ <del>83129.00</del>

**Pressure/Fire Flow Test**

Pressure/Fire Flow Test	\$ <del>190195.00</del>
-------------------------	-------------------------

DRAFT

~~Pressure/Fire Flow Test (outside normal business hours) \$222.00~~

**Construction Water Service**  
(Hydrant Meters)

Deposit	\$1,0301,295.0 0
Installation Fee	\$149175.00
Moving Fee	\$75.00
Penalty (i.e. if meter is not in its assigned location)	\$75.00
Daily Rental Rate	\$10.00/day

DRAFT



## New Development

A deposit will be collected on all new development to cover the actual cost for time and materials, including Mesa Water’s fully burdened labor rate, for Plan Check, Installation and Inspection work performed. After the work has been completed, the actual cost of the project will be determined and any excess funds from the deposit will be refunded or the Applicant shall be required to pay the costs in excess of the deposit.

The following costs will be used in determining the deposit:-

### Plan Check

Development Type	Plan Check Fee
<b>Commercial/Industrial</b>	
<50,000 Square Feet <sup>1</sup>	\$3,324
>50,000 Square Feet <sup>1</sup>	\$11,080
<b>Residential</b>	
Meter Upgrade	\$1,108
Single Family	\$2,216
Multi-Family (5-8 units) <sup>2</sup>	\$5,540
Multi-Family (9-30 units) <sup>2</sup>	\$6,648
Multi-Family (30-50 units) <sup>2</sup>	\$16,620
Multi-Family (>50 units) <sup>2</sup>	\$16,620 + \$332/additional unit
Multi-Family (Apartments) <sup>3</sup>	\$22,160
<b>Other Agencies</b>	
Cities of Costa Mesa/Newport Beach	\$0
Orange County Flood Control	\$0
Orange County Fire Authority	\$0
John Wayne Airport	\$0

Notes:

1. Proposed building square feet

2. Single-family, condominium, or townhome residences

3. Additional costs for hydraulic model assessments to assess surrounding infrastructure impacts will apply.

For the first service line constructed \_\_\_\_\_ \$900.00 residential  
 \_\_\_\_\_ \$1,225.00 commercial

For each additional service \_\_\_\_\_ \$85.00 per service

For meter changes only \_\_\_\_\_ \$335.00 per meter

Fourth or more review of plans \_\_\_\_\_ \$55.00 per additional review

~~A service is defined as a service connection, fire hydrant or backflow device.~~

### Construction Work Performed by Mesa Water for Customers

The Applicant is encouraged to perform construction with the assistance of a Contractor; however, the Applicant may request Mesa Water to perform the work. Mesa Water may construct facilities upon approval of the General Manager.

It will be the responsibility of the Contractor to furnish all materials, which shall meet the specifications contained in the then current edition of Mesa Water's Standard Specifications and Standard Drawings for the Construction of Mesa Water's Facilities. It also will be the responsibility of the Contractor to provide all labor and equipment necessary to construct or install the water facilities in conformance with the approved plans and the specifications contained in the latest edition of the Standard Specifications and Standard Drawings for the Construction of Mesa Water's Facilities.

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## Construction Inspection

<u>Facility</u>	<u>Deposit Amount</u>
Service Connection	<del>\$270.00 per service plus \$10.00 per foot for 2" in diameter or less and \$355.00 per service plus \$20.00 per foot for greater than 2"</del>
Meters	<del>1st meter - \$180.00 Each additional meter - \$90.00, at the same location</del>
Backflow Devices	<del>1st device - \$180.00 Each additional device - \$90.00, at the same location</del>
Manifolds	<del>\$180.00 each for 2" in diameter or less and \$205.00 each for greater than 2"</del>
Firelines	<del>\$270.00 per connection plus \$10.00 per foot for 2" in diameter or less and \$355.00 per connection plus \$20.00 per foot for greater than 2"</del>
Valves	<del>\$270.00 each</del>
Chlorination/Flushing & Health Sample	<del>\$180.00 each</del>
1" or 2" Weld Connections	<del>\$180.00 each</del>
Larger than 2" Weld Connections	<del>\$270.00 each</del>
Shutdown	<del>\$270.00 each</del>
After Hours Inspection	<del>\$130.00 per hour</del>

Actual costs incurred for inspection work will be charged to the applicant.

Projects estimated to be less than \$10,000 will have a minimum deposit of 40 percent of estimated installation and construction costs or \$950 whichever is greater.

Projects estimated to be greater than \$10,000 will have a minimum deposit of 25 percent of estimated installation and construction costs or \$4,000 whichever is greater.

**Meter Installations (Potable and Recycled)**

<b>Meter Size</b>	<b>Installation Deposit</b>	
	<b>Potable</b>	<b>Recycled</b>
5/8"	\$477.00	\$477.00
3/4"	\$492.00	\$492.00
1"	\$530.00	\$530.00
1-1/2"	\$853.00	\$853.00
2" regular	\$1,005.00	\$1,005.00
		0
2" turbo	\$1,619.00	\$1,619.00
		0
Larger than 2"	Mesa Water's fully burdened hourly rate plus actual cost of materials and equipment, determined at time of request	
<b>Manifolds</b>	<b>Deposit Amount</b>	
Any size	Mesa Water's fully burdened hourly rate plus actual cost of materials and equipment, determined at time of request	

Actual costs incurred for installation work will be charged to the applicant.

For all projects, estimated costs for meters will be charged in addition to the following deposit:

- Projects estimated to be less than \$10,000 will have a minimum deposit of 25 percent of estimated installation and construction costs or \$500 whichever is greater.
- Projects estimated to be greater than \$10,000 will have a minimum deposit of 20 percent of estimated installation and construction costs or \$3,000 whichever is greater.

**Construction Performance Bonds**

~~Ten~~10% percent of the estimated installation and construction costs as determined by Mesa Water's Engineering Department staff.

The minimum bond amount will be ~~\$500~~1,000.00.

## Miscellaneous Fees and Charges

### Unauthorized Service and Violations of the Rules and Regulations for Water Service

Unauthorized Restoration of Service  
(Meter Tampering)

<i>Meter Size</i>	<i>1<sup>st</sup> offense</i>	<i>2<sup>nd</sup> offense</i>	<i>3<sup>rd</sup> &amp; subsequent</i>
5/8"	\$ 190	\$1,900	\$5,000
3/4"	\$ 285	\$2,850	\$5,000
1"	\$ 475	\$4,750	\$5,000
1-1/2"	\$ 950	\$5,000	\$5,000
2"	\$1,520	\$5,000	\$5,000
3"	\$3,325	\$5,000	\$5,000
4"	\$5,000	\$5,000	\$5,000
6"	\$5,000	\$5,000	\$5,000
8"	\$5,000	\$5,000	\$5,000
10"	\$5,000	\$5,000	\$5,000

~~plus~~ In addition, the costs of two trips to the location by a Mesa Water Field Customer Service Representative, ~~plus~~ and the cost of repairing or replacing damaged Mesa Water facilities (based on meter size tampered with and not to exceed \$5,000 per occurrence).

Unauthorized Taking of Water From Fire Hydrants, Firelines or Other Mesa Water Facilities

\$5,000.00 per day plus triple the current commodity rate, per Mesa Water's water rate schedule, for water taken

Fine for Violating Mesa Water's Rules and Regulations for Water Service

\$5,000.00 per violation

Violation of Water Conservation Program Ordinance

~~\$75~~100.00 per violation  
\$200.00 per violation after third violation

### Quitclaim Deeds

Mesa Water's costs of preparation and recording with the proper legal authority.

### Plans and Specifications

Standard Specifications and Drawings Actual cost  
for the Construction of Water  
Facilities and Bidders Documents

## Records Requests

### **Paper Copies**

Photocopies, Black and White	\$0.08 per page
Photocopies, Color	\$0.14 per page
Photocopies, Outsourced (e.g. Oversized)	Actual cost

### **Electronic Copies**

Scanned Copies (PDF/JPEG/TIFF formats)	\$0.07 per page
Records Currently in Electronic Format	No charge

### **California Fair Political Practices Commission Filings and FPPC Documents**

per Government Code §81008

Copies	\$0.10 per page
Retrieval Fee (5 or more years old)	\$5.00 per request

### **Engineering Copies**

<del>Black &amp; white line drawing 24" x 36"</del>	<del>\$0.34 per copy</del>
<del>Black &amp; white line drawing 18" x 24"</del>	<del>\$0.18 per copy</del>
<del>Color line drawing 24" x 36"</del>	<del>\$1.83 per copy</del>
<del>Color map with aerial photo 36" x 36"</del>	<del>\$9.00 per copy</del>
<del>Color map with aerial photo 24" x 36"</del>	<del>\$6.00 per copy</del>
<del>Electronic record drawings - CD</del>	<del>\$1.78 each</del>

### **Finance Documents**

<del>Budget and CAFR (outsourced)</del>	<del>Actual cost</del>
<del>Electronic copy</del>	<del>No charge</del>

### **Labor Fees**

~~Electronic Format~~

~~Mesa Water's fully burdened hourly rate for the assigned employee to compile the information and produce the record in electronic format plus the cost of the CD.~~

~~Computer Data~~

~~Mesa Water's fully burdened hourly rate for the assigned employee to perform data compilation-extraction, or programming required in producing records in electronic format.~~

### **Media**

CD/DVD  
USB Drive

\$1.00  
Actual Cost

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Water Needs*

## MEMORANDUM

TO: Finance Committee  
FROM: Kurt Lind, Business Administrator  
DATE: November 25, 2019  
SUBJECT: Fiscal Year 2019 Environmental, Health and Safety Program Audit

---

### RECOMMENDATION

Receive the presentation.

### STRATEGIC PLAN

Goal #1: Provide a safe, abundant, and reliable water supply.  
Goal #3: Be financially responsible and transparent.

### PRIOR BOARD ACTION/DISCUSSION

None.

### DISCUSSION

In 2012, Mesa Water District (Mesa Water®) contracted with Environmental & Occupational Risk Management, Inc. (EORM), now BSI Group (BSI), to review Mesa Water's existing Environmental, Health and Safety Program (EHS Program) and to provide a gap analysis report. Based on that report, a scope of work was developed to enhance Mesa Water's EHS policies and programs. BSI then provided EHS services to ensure the implementation of program improvements, assist in establishing an annual audit process, and provide EHS program support.

In March 2018, Mesa Water - through a competitive selection process - contracted with Citadel Environmental as a third party auditor to conduct the Annual EHS Program Audit. This service ensures Mesa Water's EHS Program remains strong through an independent performance review.

EHS Program Audits were completed in 2014, 2015, 2016, 2017, and 2018 to measure the strength and progress of Mesa Water's EHS Program. The intent is to establish a continuous improvement process and to perform an annual review to allow for long-term monitoring of success and identification of challenges related to Mesa Water's EHS Program.

Mesa Water's overall EHS Program score for Fiscal Year 2019 is 97% - up six percentage points from last year and up fifty-eight percentage points from the 2012 baseline. This marks the third year in a row where Mesa Water has achieved gold status. This high-level consistency is the key result that Mesa Water desired when creating, implementing, supporting, and auditing the EHS Program. Mesa Water is establishing a true "safety culture" that ensures that safety is on the mind of every employee every time they do work. Safety awareness is Goal #1 since awareness is the number one factor that significantly reduces safety-related risk.

Mesa Water's EHS Program was audited in September of 2019 and consisted of documentation review, interviews with employees, and field observations.





## FINANCIAL IMPACT

In Fiscal Year 2020, \$15,920 is budgeted for the EHS Program Audit; \$9,480 has been spent to date.

## ATTACHMENTS

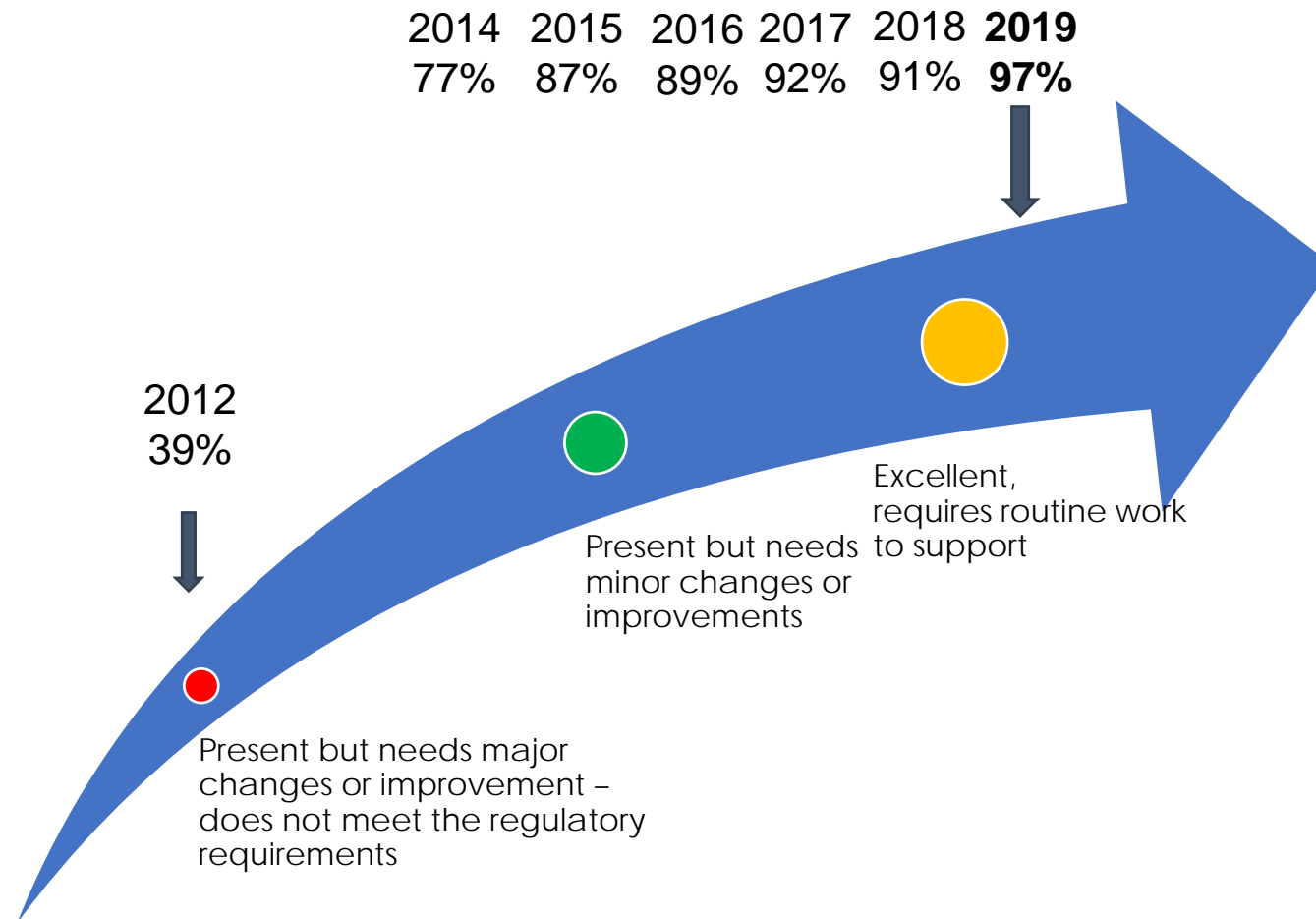
Attachment A: Fiscal Year 2019 Environmental, Health and Safety Scorecard - Summary  
Attachment B: Safety Program Progress Chart, "The Road to Excellence"

Key Element	Annual Scores						
	2012	2014	2015	2016	2017	2018	2019
Injury and Illness Prevention Program	50%	83%	100%	100%	100%	83%	83%
Confined Space Program	50%	83%	83%	100%	100%	100%	100%
Hazard Communication Program	0%	83%	100%	83%	83%	100%	100%
Emergency Action Plan	25%	92%	92%	100%	100%	100%	100%
Control of Hazardous Energy Procedure	0%	67%	75%	83%	100%	100%	67%
Arc Flash and Electrical Safety Program	0%	67%	100%	92%	92%	75%	100%
Accident Investigation	58%	83%	100%	100%	100%	100%	100%
Hazardous Waste and DOT Program	0%	67%	75%	58%	58%	67%	100%
Heat Illness Prevention Program	0%	83%	100%	100%	83%	100%	100%
Fall Protection Program	0%	8%	42%	100%	100%	83%	83%
Fire Prevention Plan	75%	83%	67%	83%	100%	83%	100%
Forklift Operations	83%	83%	100%	83%	83%	100%	100%
Overhead Crane Operations	67%	67%	100%	100%	83%	83%	100%

## Environmental, Health and Safety Program Scorecard - Summary

Key Element	Annual Scores						
	2012	2014	2015	2016	2017	2018	2019
Slings and Hoisting Equipment	58%	67%	100%	100%	100%	83%	100%
Bloodborne Pathogens Procedure	0%	100%	75%	100%	100%	100%	100%
Alcohol and Controlled Substances Program	100%	100%	100%	100%	100%	100%	100%
Asbestos Containing Materials Program	75%	83%	83%	100%	100%	100%	100%
Excavation and Trench Safety Program	67%	75%	100%	92%	58%	83%	100%
Personal Protective Equipment Program	42%	83%	75%	83%	100%	83%	100%
Physical Inspections of Facilities and Grounds Program	75%	83%	83%	100%	100%	83%	83%
Respiratory Protection Program	50%	100%	100%	83%	100%	100%	100%
Hearing Conservation Program	50%	83%	92%	83%	100%	83%	100%
HMBP	42%	83%	100%	83%	100%	100%	100%
SPCC	0%	50%	67%	83%	100%	100%	100%
<b>Overall Score</b>	<b>39%</b>	<b>77%</b>	<b>87%</b>	<b>89%</b>	<b>92%</b>	<b>91%</b>	<b>97%</b>

# THE ROAD TO EXCELLENCE





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Satisfying our Community's  
Water Needs*

## MEMORANDUM

TO: Finance Committee  
FROM: Marwan Khalifa, CPA, MBA, Chief Financial Officer  
DATE: November 25, 2019  
SUBJECT: Fiscal Year 2019 Audit Results and Comprehensive Annual Financial Report

---

### RECOMMENDATION

Receive the presentation.

### STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

### PRIOR BOARD ACTION/DISCUSSION

None.

### DISCUSSION

The Fiscal Year (FY) 2019 audit for Mesa Water District (Mesa Water®) has been completed and the draft Comprehensive Annual Financial Report (CAFR) is attached and will be presented at the Finance Committee meeting. The CAFR was prepared in accordance with guidelines established by the Governmental Accounting Standards Board (GASB). White Nelson Diehl Evans LLP (WNDE) conducted an independent audit of Mesa Water's financial records in accordance with generally accepted auditing standards and has expressed an unmodified opinion on the District's financial statements for the fiscal year ended June 30, 2019.

The Fiscal Year 2019 Audit is the first to be completed in the past five years without any auditors' comments and recommendations.

Representatives from WNDE will attend the Finance Committee meeting to present the results of the audit and a summary of the financial results for the fiscal year ended June 30, 2019.

FY 2019 financial results (as of June 30, 2019) are summarized below:

- Mesa Water has met or exceeded its Fiscal Year Target goals for Days Cash Ratio and Cash on Hand:
  - Days Cash Ratio was 454 days (Target 393 Days)
  - Cash on Hand was \$31.9 million (Target \$28.5M)

### **Statement of Net Position (Balance Sheet)**

Highlights include:

- Current assets, including cash, investments and receivables, decreased \$2.3 million, primarily due to additional building and HVAC upgrades.
- Non-current assets increased \$1.3 million, primarily due to continued construction on capital assets.
- Current liabilities decreased \$.6 million, primarily due to a decrease in customer advances and deposits.



- Non-current liabilities decreased by \$3.5 million, primarily due to the paying down of the 2017 Certificates of Participation (COPs).

### **Statement of Revenues, Expenses and Changes in Net Position (Income Statement)**

For the fiscal year ending June 30, 2019, the Change in Net Position was an increase (income) of \$4.3 million.

Highlights include:

- Operating revenues increased from \$35.7 million to \$36.2 million, due to the increase in monthly meter service charges.
- Operating expenses decreased by \$.8 million, mainly due to reduced spending in transmission and distribution as a result of a decrease in potable water consumption.
- Capital contributions decreased \$1.3 million, as a result of reduced new development in the City of Costa Mesa.

### **FINANCIAL IMPACT**

In Fiscal Year 2020, \$32,286 is budgeted for Auditing Services; \$27,200 has been spent to date.

### **ATTACHMENTS**

Attachment A: FY 2019 Draft Comprehensive Annual Financial Report



**MesaWater**  
DISTRICT®

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**FOR THE  
FISCAL YEAR ENDED  
JUNE 30, 2019**

**Mesa Water District | Costa Mesa, California**

**MesaWater.org**

*Dedicated to Satisfying our Community's Water Needs*

MESA WATER DISTRICT  
 Comprehensive Annual Financial Report  
 Years Ended June 30, 2019 and 2018

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MESA WATER DISTRICT  
Comprehensive Annual Financial Report  
Years Ended June 30, 2019 and 2018

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## **Introductory Section**

*Preliminary Draft*

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Preliminary Draft



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Water Needs*

---

## BOARD OF DIRECTORS

**Shawn Dewane**  
*President  
Division V*

**Marice H. DePasquale**  
*Vice President  
Division III*

**James Atkinson**  
*Director  
Division IV*

**Fred R. Bockmiller, P.E.**  
*Director  
Division I*

**James R. Fisler**  
*Director  
Division II*

**Paul E. Shoenberger, P.E.**  
*General Manager*

**Denise Garcia**  
*District Secretary*

**Marwan Khalifa, CPA, MBA**  
*District Treasurer*

**Atkinson, Andelson,  
Loya, Ruud & Romo**  
*Legal Counsel*

---

December XX, 2019

Board of Directors  
Mesa Water District

## Introduction

It is our pleasure to submit the Comprehensive Annual Financial Report (CAFR) for the Mesa Water District (Mesa Water®) for the fiscal year ended June 30, 2019 (with comparative data for 2018), following guidelines set forth by the Governmental Accounting Standards Board (GASB). Mesa Water is ultimately responsible for both the accuracy of the data and the completeness and fairness of presentation, including all disclosures in this financial report. Mesa Water staff prepared this financial report and believes that the data presented is accurate in all material respects. This report is designed in a manner that we believe beneficial to enhance the reader's understanding of Mesa Water's financial position and activities.

Generally Accepted Accounting Principles (GAAP) require that management provide a narrative introduction, overview and analysis to accompany the financial statements in the form of the Management's Discussion and Analysis (MD&A) Section. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately after the Independent Auditor's Report.

## Mesa Water Structure and Leadership

Mesa Water is a county water district organized pursuant to Water Code Section 33200 and operates pursuant to Water Code Section 30000. Mesa Water has been providing water service to its customers since 1960. Mesa Water is governed by a five-member Board of Directors (Board), elected at-large by division within Mesa Water's service area. The General Manager administers the day-to-day operations of Mesa Water in accordance with policies and procedures established by the Board. Mesa Water employs approximately 52 employees, some of whom are part-time or temporary. Mesa Water's Board meets on the second Thursday of each month. Meetings are publicly noticed and citizens are encouraged to attend. Mesa Water provides water service to approximately 110,000 residents in the City of Costa Mesa, parts of the City of Newport Beach, and some unincorporated areas of Orange County through approximately 25,000 service connections.

## Mesa Water's Services

Residential customers comprise approximately 82% of Mesa Water's customer base and purchase approximately 66% of the water produced annually by Mesa Water. In Fiscal Year 2019, Mesa Water's potable supply was comprised of 100% groundwater and related groundwater exchange programs.



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---

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MBA**  
*District Treasurer*

**Atkinson, Andelson,  
Loya, Ruud & Romo**  
*Legal Counsel*

---

#### **Economic Condition, Outlook and Major Initiatives**

Mesa Water carries out its mission with a highly-motivated and competent staff empowered to conduct Mesa Water's business by placing customer needs and welfare first. Each day Mesa Water's employees strive to carry out their work mindful of Mesa Water's mission, "Dedicated to Satisfying our Community's Water Needs."

Mesa Water's service area includes various major regional facilities: John Wayne Airport, Orange Coast College, Whittier Law School, Vanguard University, Orange County Fairgrounds, Orange County Performing Arts Center, South Coast Repertory Theater, and the shopping complex at South Coast Plaza. The local economy is primarily based upon retail, commercial business, and light manufacturing.

In April 2015, Governor Brown implemented mandatory water conservation throughout California and Mesa Water was required to conserve 20% during the mandated conservation period from June 1, 2015 through February 29, 2016. The Board's extensive outreach efforts to the community greatly contributed to our ratepayer's water use efficiency efforts resulting in the successful attainment of this goal. Water usage in Fiscal 2019 remained lower than in pre-drought periods.

In Mesa Water's service area, consumers are now experiencing the benefits of decades-long investments in water use efficiency and water infrastructure projects to help lower our regional dependence on imported water.

Two decades ago, Mesa Water's Board of Directors set a goal to reduce reliance on imported water from Northern California and the Colorado River by increasing the District's production capacity of groundwater and recycled water. Mesa Water is fortunate to be able to pump safe, high-quality groundwater from Orange County's clear-water aquifer and from the deeper, amber-colored aquifer located directly under our service area.

The Mesa Water Reliability Facility (MWRF) was the final step in eliminating the District's dependence on imported water as Mesa Water is now able to meet 100% of its community's water needs with locally-sourced supplies. In fiscal year 2019 Mesa Water was able to make further progress in the design phase of the two new wells sites. Once the wells sites are completed, they will enhance Mesa Water's capability to rely solely upon locally-sourced groundwater. Furthermore, producing local water uses less electricity than is needed to import water from hundreds of miles away.

Mesa Water has undertaken a major initiative to encourage water use efficiency within its service area. In conjunction with Metropolitan Water District (MWD) and the Municipal Water District of Orange County (MWDOC), Mesa Water distributes and provides financial incentives for high efficiency water use devices, and has developed education and technical assistance programs designed for residents, homeowners associations, businesses, and other public agencies. Mesa Water also works with the City of Costa Mesa to promote the wise use of water



*Dedicated to  
Satisfying our Community's  
Water Needs*

---

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MBA**  
*District Treasurer*

**Atkinson, Andelson,  
Loya, Ruud & Romo**  
*Legal Counsel*

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through the City's development plan check process. These active programmatic efforts have resulted in a cumulative water savings of approximately 16,165 acre feet of water to date.

As of July 1, 2019, Mesa Water charges a uniform commodity rate of \$4.06 per unit and a bi-monthly fixed charge of \$25.93 for a 5/8 inch meter. One unit of water equals 748 gallons which means that the cost per gallon is 0.54 cents. At \$850 per year, the cost of water service for a typical single family home using 127,900 gallons of water annually remains a good value for Mesa Water's customers.

## **Water Supply**

Mesa Water has finished implementation of a long standing goal of reducing reliance on MWD imported water by increasing production of local groundwater and developing additional water sources. The completion of the MWRF in January 2013 has achieved Mesa Water's goal to provide 100% local and reliable water to its customers.

Mesa Water currently has seven groundwater wells that produce high quality water at a lower cost than imported water, with two of the wells associated with the MWRF. The MWRF treats amber groundwater from a previously unusable aquifer, providing Mesa Water with an additional potable water source. Amber groundwater from this lower aquifer is more expensive to produce than clear groundwater produced from the upper aquifer. However, the treatment cost of amber groundwater is substantially less expensive than purchasing imported water.

To encourage the use of water production through the MWRF, MWD has assisted Mesa Water by reimbursing a portion of the costs of treating amber groundwater. The program used by MWD to reimburse Mesa Water is the Local Resource Program (LRP) and expands the use of amber groundwater and thereby reduces the demand on MWD supplies.

Mesa Water has been treating and delivering amber groundwater to customers since 1985 using a variety of treatment methods. The expansion and upgrade of the MWRF includes nano-filtration membrane technology which expanded capacity to treat amber groundwater by approximately 50% while reducing energy costs by nearly 67%.

In fiscal year 2019, Mesa Water produced approximately 77% of its potable water supply from clear groundwater and related groundwater exchange programs, approximately 23% from amber groundwater and 0% from imported water.

Mesa Water also sells recycled water for irrigation purposes. The water is purchased from OCWD and replaces potable water that would otherwise have been used for irrigation. Approximately 5% of total water supplied to consumers is recycled.

## **Internal Control Structure**

Mesa Water's management is responsible for the establishment and maintenance of the internal control structure that ensures the assets of Mesa Water are protected from loss, theft or misuse. The internal control structure ensures that adequate accounting data is compiled to allow for



*Dedicated to  
Satisfying our Community's  
Water Needs*

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## **BOARD OF DIRECTORS**

**Shawn Dewane**  
*President  
Division V*

**Marcie H. DePasquale**  
*Vice President  
Division III*

**James Atkinson**  
*Director  
Division IV*

**Fred R. Bockmiller, P.E.**  
*Director  
Division I*

**James R. Fisler**  
*Director  
Division II*

**Paul E. Shoenberger, P.E.**  
*General Manager*

**Denise Garcia**  
*District Secretary*

**Marwan Khalifa, CPA,  
MBA**  
*District Treasurer*

**Atkinson, Andelson,  
Loya, Ruud & Romo**  
*Legal Counsel*

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the preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP). Mesa Water's internal control structure is designed to provide reasonable assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the valuation of costs and benefits requires estimates and judgments by management.

### **Budgetary Control**

Mesa Water's Board annually adopts a budget prior to the new fiscal year. The budget authorizes and provides the basis for reporting and control of financial operations, accountability for Mesa Water's enterprise operations, and capital projects. The budget is presented on the accrual basis of accounting and is consistent with the presentation of Mesa Water's Comprehensive Annual Financial Report.

### **Investment Policy**

The Board has adopted an investment policy that conforms to state law, Mesa Water's ordinances and resolutions, prudent money management, and the "prudent person" standards. The objectives of the Statement of Investment Policy are safety, liquidity and then yield. Currently, funds are invested in various securities as authorized by Mesa Water's Investment Policy.

### **Water Rates and Revenues**

Revenue from user charges generated from Mesa Water's customers support operations. Accordingly, water rates are reviewed every five (5) years when a Water Rate Schedule is prepared to achieve the Board's financial goals. Water rates are user charges imposed on customers for services and are the primary component of Mesa Water's revenue. Water rates are composed of a commodity (usage) charge and a fixed bi-monthly service charge. Mesa Water raised rates by an average of 5% in fiscal year 2019.

### **Audit and Financial Reporting**

State Law and bond covenants require Mesa Water to obtain an annual audit of its financial statements by an independent Certified Public Accountant. The accounting firm of White Nelson Diehl Evans LLP conducted the audit of Mesa Water's financial statements. Their unmodified Independent Auditor's Report appears in the Financial Section.

### **Risk Management**

Mesa Water participates in the Association of California Water Agencies Joint Powers Insurance Authority (ACWA/JPIA) for the purchase of workers' compensation, liability, property, automobile, and fidelity insurance. The typical liability limits are \$1 million per incident/occurrence.

### **Awards and Acknowledgements**

This is the 26th year that Mesa Water is submitting its Comprehensive Annual Financial Report (CAFR) for the Government Finance Officers Association of the United States and Canada's (GFOA) Certificate of Achievement for Excellence in Financial Reporting. To be awarded a





*Dedicated to  
Satisfying our Community's  
Water Needs*

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Loya, Ruud & Romo**  
*Legal Counsel*

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Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized CAFR. The report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year. We believe that this CAFR meets the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for 2019.

Preparation of this report was accomplished through the combined efforts of Mesa Water's staff. We appreciate the dedicated efforts and professionalism that these staff members contribute to Mesa Water. We would also like to thank the members of the Board of Directors for their continued support in planning and implementing Mesa Water District's fiscal policies.

Respectfully submitted,

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Paul E. Shoenberger, P.E.  
Mesa Water General Manager

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Marwan Khalifa, C.P.A.  
Mesa Water Chief Financial Officer





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

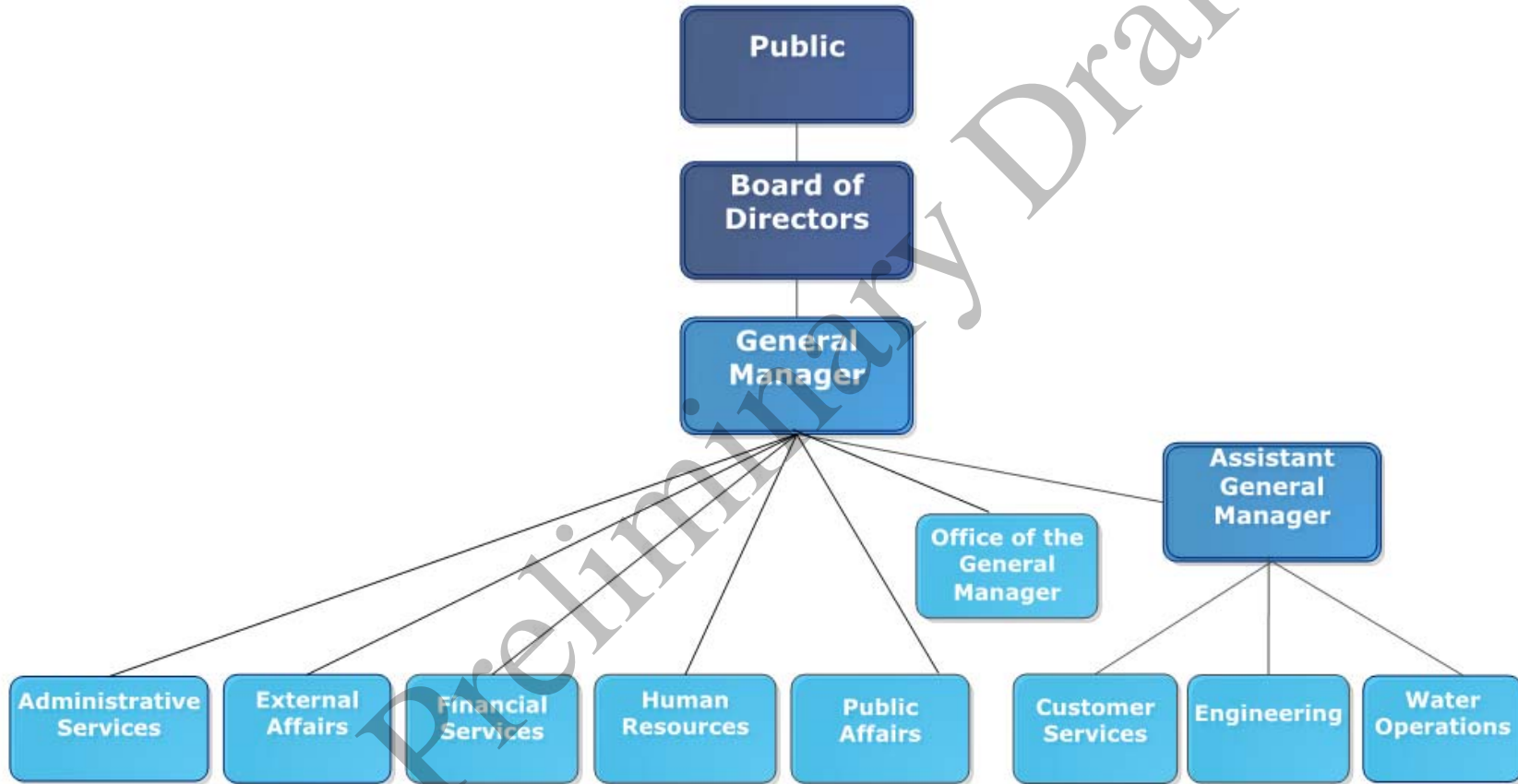
**Mesa Water District  
California**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**June 30, 2018**

*Christopher P. Morill*

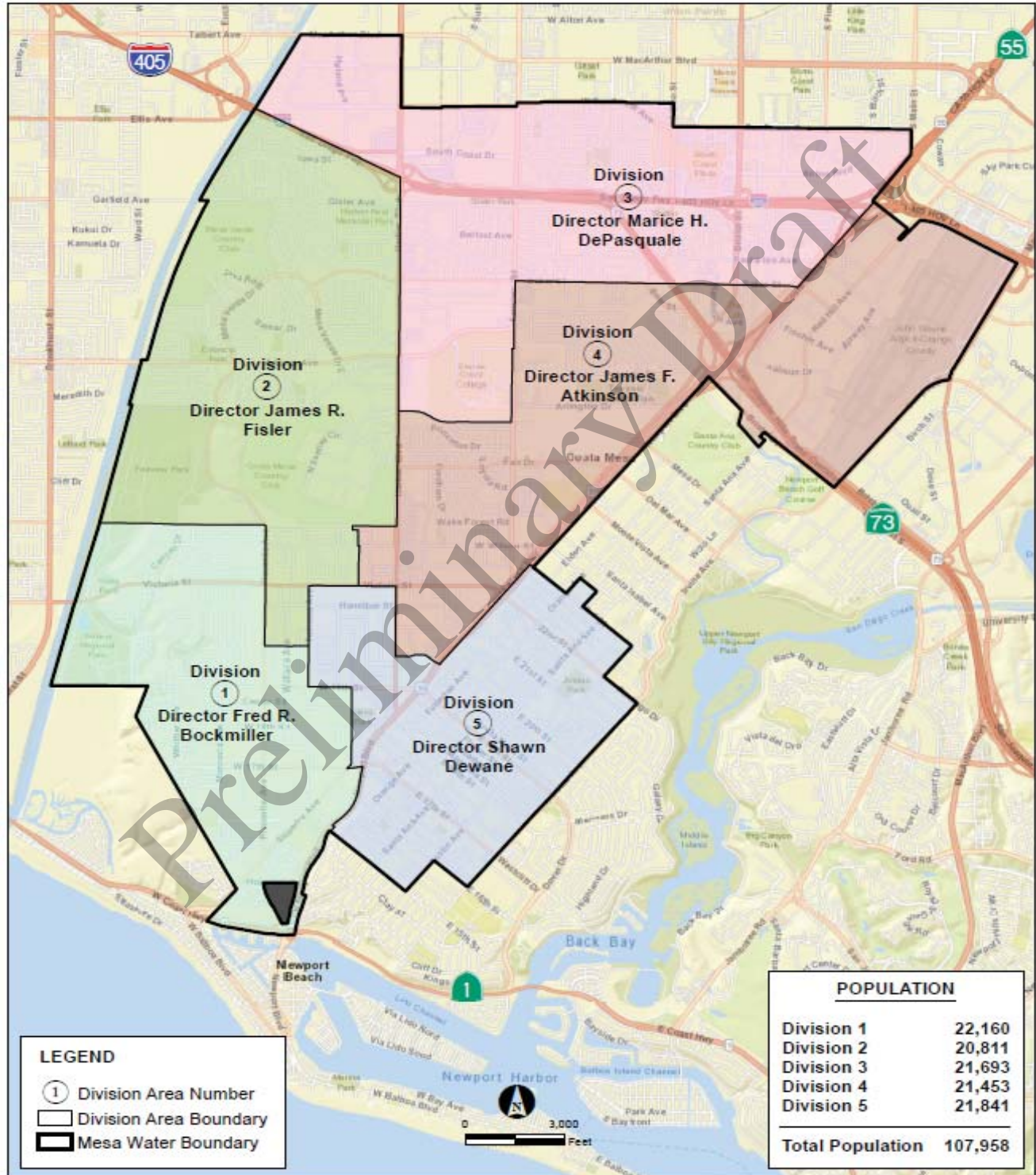
Executive Director/CEO





# Mesa Water District

## District Service Area Map



## **Financial Section**

*Preliminary Draft*

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Preliminary Draft

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Mesa Water District  
Costa Mesa, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the business-type activities and the aggregate remaining fund information of Mesa Water District (the District), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities and the aggregate remaining fund information of the District as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Other Matters**

### *Prior-Year Comparative Information*

The financial statements include partial prior-year comparative information. Such information does not include all of the information required for a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2018, from which such partial information was derived.

### *Report on Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of plan contributions - pension, the annual money-weighted rate of return on investments - OPEB, schedule of changes in the net OPEB liability and related ratios, and the schedule of plan contributions - OPEB, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during the audit of the basic financial statements. We do not express an opinion or provide any assurance on the RSI because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, supplementary information consisting of the certificates of participation - revenue coverage and reconciliation of total revenues and total expenses, and the statistical information section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

## Other Matters (Continued)

### *Other Information (Continued)*

The supplementary information, as listed in the table of contents, is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The introductory section and statistical information section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion or provide any assurance on them.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated **DATE**, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*White Nelson Reed Evans LLP*

Irvine, California

**DATE**



**Mesa Water District**  
*Management's Discussion and Analysis*  
**For the Year Ended June 30, 2019**

The following discussion and analysis of the financial performance of the Mesa Water District (District/Mesa Water) provides an overview of the District's financial activities for the year ended June 30, 2019. This section should be read in conjunction with the basic financial statements and notes to the financial statements, which follows this analysis.

**Financial Highlights**

- Net position equaled \$137.3 million, an increase of \$8.7 million or 6.8% from the prior year. \$103.1 million of Net Position was for net investment in capital assets and the remaining \$34.2 million was unrestricted.
- Total revenues increased \$1.8 million or 5.1%, primarily due to investment earnings and water rate increases.
- Total expenses decreased by \$1.0 million or 3.2%. This decrease is primarily due to decreased cost for transmission and distribution expenses.
- Total Capital Assets increased by \$6.0 million due to \$11.2 million in net additions and deletions, offset by depreciation expense of \$5.2 million.
- Total debt decreased by \$3.2 million due to principal repayments.

This annual report consists of a series of financial statements: (1) The Statement of Net Position, (2) Statement of Revenues, Expenses and Changes in Net Position, and (3) Statement of Cash Flows, all of which together provide information about the activities and performance of the District using accounting methods similar to those used by private sector companies. The report also contains notes to the financial statements and other supplementary information.

**Statement of Net Position** includes all of the District's investments in resources (assets) and the obligations to creditors (liabilities) and deferred outflows and inflows of resources. It also provides the basis for computing a rate of return, evaluating the capital structure, and assessing the liquidity and financial flexibility of the District.

**Statement of Revenues, Expenses and Changes in Net Position** measures the success of the District's operations over the past year and can be used to determine if the District has successfully recovered all of its costs through its rates and other charges. The statement can be used to evaluate profitability and credit worthiness.

**Statement of Cash Flows** provides information about the District's cash receipts, cash payments and changes in cash resulting from operations, investments, and financing activities.

**Notes to the Financial Statements** provide additional information essential to a full understanding of the data provided in the financial statements.

**Other Information** includes required supplementary information.

**Mesa Water District**  
***Management's Discussion and Analysis***  
**For the Year Ended June 30, 2019**

**Financial Analysis of the District**

The following condensed schedules contain summary financial information extracted from the basic financial statements to assist general readers in evaluating the District's overall financial position and results of operations as described in this Management's Discussion and Analysis (MD&A). Increases or decreases in these schedules can be used as performance indicators to assess whether the District's overall financial position has improved or deteriorated. Other external factors such as changes in economic conditions, customer growth, weather conditions and legislative mandates as well as changes in Federal and State water quality standards should also be considered as part of this assessment.

Preliminary Draft

**Mesa Water District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

**Statement of Net Position**

The Statement of Net Position reflects the District's financial position as of June 30. The statement includes assets, deferred outflow of resources, liabilities, and deferred inflows of resources. The Net Position represents the District's net worth including, but not limited to, capital contributions and investments in capital assets. A condensed summary of the District's total Net Position as of June 30 is set forth below:

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
<b>Assets and Deferred Outflows:</b>				
Current assets	\$ 39,071,466	41,401,111	(2,329,645)	-5.6%
Non-current assets	13,539,195	12,288,626	1,250,569	10.2%
Capital and intangible assets, net	132,676,394	126,674,967	6,001,427	4.7%
<b>Total Assets</b>	<u>185,287,055</u>	<u>180,364,704</u>	<u>4,922,351</u>	2.7%
Deferred charges on debt refundings	744,011	873,404	(129,393)	-14.8%
Deferred amounts from OPEB & pension plans	2,725,430	3,202,799	(477,369)	-14.9%
<b>Total Deferred Outflows</b>	<u>3,469,441</u>	<u>4,076,203</u>	<u>(606,762)</u>	-14.9%
<b>Total Assets and Deferred Outflows</b>	<u>\$ 188,756,496</u>	<u>184,440,907</u>	<u>4,315,589</u>	2.3%
<b>Liabilities:</b>				
Current liabilities	\$ 11,754,326	12,350,175	(595,849)	-4.8%
Non-current liabilities	38,736,245	42,251,030	(3,514,785)	-8.3%
<b>Total Liabilities</b>	<u>50,490,571</u>	<u>54,601,205</u>	<u>(4,110,634)</u>	-7.5%
Deferred Inflow of Resources - Actuarial	940,772	1,211,165	(270,393)	-22.3%
<b>Total Liabilities and Deferred Inflows</b>	<u>51,431,343</u>	<u>55,812,370</u>	<u>(4,381,027)</u>	-7.8%
<b>Net position:</b>				
Net Investment in capital assets	103,143,365	94,096,310	9,047,055	9.6%
Unrestricted	34,181,788	34,532,227	(350,439)	-1.0%
<b>Total Net Position</b>	<u>137,325,153</u>	<u>128,628,537</u>	<u>8,696,616</u>	6.8%
<b>Total Liabilities, Deferred Inflows, and Net position</b>	<u>\$ 188,756,496</u>	<u>184,440,907</u>	<u>4,315,589</u>	2.3%

The District's total Assets and Deferred Outflows exceeded total liabilities and Deferred Inflows by \$137.3 million and \$128.6 million as of June 30, 2019 and 2018, respectively.

The largest single component of the District's Net Position (75% and 73% for June 30, 2019 and 2018, respectively) reflect the District's net investment in capital assets. The District uses these capital assets to provide services to customers within the District's service area. Consequently, these assets are not available for future spending.

As of June 30, 2019 and 2018, the District showed a positive balance in its Unrestricted Net position of \$34.2 million and \$34.5 million, respectively.

Of the \$38.7 million of non-current liabilities, \$10.5 million relates to net pension liability. This amount does not include a CalPERS defined benefit pension plan trust with PARS (Pension Trust) in the amount of \$13.5 million for fiscal year ended June 30, 2018. The PARS trust is legally restricted to providing benefits for members of the defined benefit pension plan. However, in accordance with GASB 68, the asset balance is not included in calculation of the net pension liability above.

**Mesa Water District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

**Statement of Revenues, Expenses and Changes in Net Position**

The statement of Revenues, Expenses, and Changes in Net Position summarizes the District's operations during the fiscal year. A summary of the District's changes in Net Position for the fiscal years ended June 30 is presented below:

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
<b>Revenues</b>				
Operating revenues	\$ 36,167,875	35,705,309	462,566	1.3%
Non-operating revenues	1,963,165	591,677	1,371,488	231.8%
<b>Total Revenues</b>	<u>38,131,040</u>	<u>36,296,986</u>	<u>1,834,054</u>	5.1%
<b>Expenses:</b>				
Operating expenses (not including deprec.)	25,247,473	26,224,082	(976,609)	-3.7%
Depreciation and amortization	5,155,612	5,010,013	145,599	2.9%
Non-operating expenses	948,417	1,140,774	(192,357)	-16.9%
<b>Total Expenses</b>	<u>31,351,502</u>	<u>32,374,869</u>	<u>(1,023,367)</u>	-3.2%
<b>Net income before contributions</b>	6,779,538	3,922,117	2,857,421	72.9%
<b>Capital Contributions</b>	<u>1,917,078</u>	<u>3,283,326</u>	<u>(1,366,248)</u>	-41.6%
<b>Change in Net Position</b>	8,696,616	7,205,443	1,491,173	20.7%
<b>Net Position, beginning of year</b>	<u>128,628,537</u>	<u>121,423,094</u>	<u>7,205,443</u>	5.9%
<b>Net Position, end of year</b>	<u>\$ 137,325,153</u>	<u>128,628,537</u>	<u>8,696,616</u>	6.8%

The District's Net Position increased by \$8.7 million for the year ended June 30, 2019, while for the year ended June 30, 2018, Net Position increased by \$6.3 million.

**Mesa Water District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

**Total District Revenues**

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
Water sales	\$ 25,910,454	26,272,951	(362,497)	-1.4%
Meter service charges	7,511,575	6,838,600	672,975	9.8%
Recycled water sales	1,119,273	1,137,748	(18,475)	-1.6%
Concessions from governmental agencies	1,226,127	933,937	292,190	31.3%
Other charges and services	400,446	522,073	(121,627)	-23.3%
<b>Total Operating Revenues</b>	<u>36,167,875</u>	<u>35,705,309</u>	<u>462,566</u>	<u>1.3%</u>
Investment earnings	1,872,020	535,930	1,336,090	249.3%
Gain on sale/disposition of capital assets, net	-	17,397	(17,397)	-100.0%
Other nonoperating revenue, net	91,145	38,350	52,795	137.7%
<b>Total Non-operating revenues</b>	<u>1,963,165</u>	<u>591,677</u>	<u>1,371,488</u>	<u>231.8%</u>
<b>Total Revenues</b>	<u>\$ 38,131,040</u>	<u>36,296,986</u>	<u>1,834,054</u>	<u>5.1%</u>

The District's operating revenues totaled \$36.2 million in fiscal year 2019. This represents an increase of \$0.5 million or 1.3% from the prior year. The increase in total operating revenue was a result of \$0.7 million increase in meter service charges and \$0.3 million increase in concessions from governmental agencies due to the Coastal Pumping Transfer Program (CPTP). These increases were offset by decreases in water sales, due to decreased potable water usage, and other charges and services.

The vast majority of the increase in non-operating revenues reflects higher investment earnings.

**Mesa Water District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

**Total District Expenses**

	<u>2019</u>	<u>2018</u>	<u>Change</u>	<u>% Change</u>
Import source of supply	\$ 368,722	388,408	(19,686)	-5.1%
Basin managed water	2,628,097	5,185,384	(2,557,287)	-49.3%
Clear well production	5,453,136	2,776,268	2,676,868	96.4%
Amber well production	2,967,369	3,134,554	(167,185)	-5.3%
Recycled water	758,122	629,455	128,667	20.4%
<b>Total Water Supply</b>	<u>12,175,446</u>	<u>12,114,069</u>	<u>61,377</u>	<u>0.5%</u>
Transmission and distribution	5,482,303	6,132,007	(649,704)	-10.6%
General and administrative	7,589,724	7,978,006	(388,282)	-4.9%
Depreciation and amortization	5,155,612	5,010,013	145,599	2.9%
<b>Total Operating Expense</b>	<u>30,403,085</u>	<u>31,234,095</u>	<u>(831,010)</u>	<u>-2.7%</u>
Interest expense - long-term debt	945,513	1,140,774	(195,261)	-17.1%
Loss on sale/disposition of capital assets, net	2,904	-	2,904	100.0%
Other nonoperating expense, net	-	-	-	0.0%
<b>Total Nonoperating Expenses</b>	<u>948,417</u>	<u>1,140,774</u>	<u>(192,357)</u>	<u>-16.9%</u>
<b>Total Expenses</b>	<u>\$ 31,351,502</u>	<u>32,374,869</u>	<u>(1,023,367)</u>	<u>-3.2%</u>

The District's total expenses decreased by \$1.0 million or 3.2%. This decrease is primarily due to reduced spending in transmission and distribution as a result of a decrease in potable water consumption, and a decrease in general and administrative expenses. Although there was a decrease in potable water consumption, total water cost still slightly increased, compared to last fiscal year, due to increased water cost per unit.

For non-operating expenses, decreases in interest on long-term debt were slightly offset by loss on sale/disposition of capital assets.

**Mesa Water District**  
**Management's Discussion and Analysis**  
**For the Year Ended June 30, 2019**

**Capital Assets**

	<b>Balance 2018</b>	<b>Additions</b>	<b>Transfers/ Deletions</b>	<b>Balance 2019</b>
Capital assets:				
Non-depreciable assets	26,800,073	11,163,523	(18,905,425)	19,058,171
Depreciable assets	180,596,352	18,905,425	(192,050)	199,309,727
Accumulated Depreciation	(80,721,458)	(5,155,612)	185,566	(85,691,504)
	<u>126,674,967</u>	<u>24,913,336</u>	<u>(18,911,909)</u>	<u>132,676,394</u>

As of June 30, 2019 and 2018, the District's investment in capital assets amounted to \$132.7 million and \$126.7 million, respectively, net of accumulated depreciation, resulting in a net increase of \$6.0 million. Capital additions to depreciable assets were \$18.9 million in fiscal year 2019. Depreciation was up slightly by \$0.1 million in comparison to the prior year. Please refer to Note 3, Capital Assets, in the accompanying Notes to the Financial Statements.

**Debt Administration**

	<b>Balance 2018</b>	<b>Additions</b>	<b>Payments/ Deletions</b>	<b>Balance 2019</b>
2017 Series COPS	33,452,164	-	(3,174,390)	30,277,774
Total long-term debt	<u>\$ 33,452,164</u>	<u>-</u>	<u>(3,174,390)</u>	<u>30,277,774</u>

As of June 30, 2018, the District had total outstanding debt of \$30.3 million, which was a decrease of \$3.2 million from the prior fiscal year. The decrease was due to principal repayments. Please refer to Note 6, Long-Term Debt in the accompanying Notes to the Financial Statements.

**Mesa Water District**  
*Management's Discussion and Analysis*  
**For the Year Ended June 30, 2019**

**Requests for Information**

This financial report is designed to provide the District's funding sources, ratepayers, stakeholders, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the District at 1965 Placentia Avenue, Costa Mesa, California 92627-3420 or call (949) 574-1022.

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## **Basic Financial Statements**

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**MESA WATER DISTRICT**  
**Statement of Net Position**  
**June 30, 2019**  
**(with prior-year comparative totals)**

	2019	2018
<b>ASSETS:</b>		
Current Assets:		
Cash and investments (note 2)	\$ 31,909,778	\$ 34,647,709
Accrued interest receivable	127,282	102,487
Accounts receivable, net	6,630,184	6,182,949
Materials and supplies inventory	199,110	212,246
Deposits and prepaid items	205,112	255,720
Total current assets	39,071,466	41,401,111
Noncurrent Assets:		
Restricted - cash and investments held by fiscal agent (note 2)	734	103
Restricted - cash and investments held by pension trust (note 2)	13,528,061	12,278,123
Other noncurrent assets	10,400	10,400
Capital assets, not being depreciated (note 3)	19,058,171	26,800,073
Depreciable capital assets, net (note 3)	113,618,223	99,874,894
Total noncurrent assets	146,215,589	138,963,593
<b>TOTAL ASSETS</b>	<b>185,287,055</b>	<b>180,364,704</b>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>		
Unamortized loss on bond defeasance	744,011	873,404
Deferred amounts from OPEB plan (note 5)	103,882	98,000
Deferred amounts from pension plans (note 10)	2,621,548	3,104,799
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,469,441</b>	<b>4,076,203</b>
<b>LIABILITIES:</b>		
Current Liabilities:		
Accounts payable and accrued expenses	5,290,008	5,942,670
Accrued wages and related payables	126,277	106,268
Customer advances and deposits	2,813,977	2,939,971
Accrued interest payable	377,198	415,187
Long-term liabilities - due within one year:		
Current portion of compensated absences (note 4)	361,866	341,079
Current portion of certificates of participation payable (note 6)	2,785,000	2,605,000
Total current liabilities	11,754,326	12,350,175
Noncurrent Liabilities:		
Long-term liabilities - due in more than one year:		
Compensated absences (note 4)	90,467	85,270
Net OPEB liability (note 5)	686,259	684,634
Net pension liability (note 10)	10,466,745	10,633,962
Certificates of participation payable (note 6)	27,492,774	30,847,164
Total noncurrent liabilities	38,736,245	42,251,030
<b>TOTAL LIABILITIES</b>	<b>50,490,571</b>	<b>54,601,205</b>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Deferred amounts from OPEB plan (note 5)	72,570	61,432
Deferred amounts from pension plans (note 10)	868,202	1,149,733
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>940,772</b>	<b>1,211,165</b>
<b>NET POSITION:</b>		
Net investment in capital assets (note 7)	103,143,365	94,096,310
Unrestricted	34,181,788	34,532,227
<b>TOTAL NET POSITION</b>	<b>\$ 137,325,153</b>	<b>\$ 128,628,537</b>

See accompanying notes to basic financial statements.

**MESA WATER DISTRICT**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Year Ended June 30, 2019**  
**(with prior-year comparative totals)**

	2019	2018
<b>OPERATING REVENUES:</b>		
Water consumption sales	\$ 25,910,454	\$ 26,272,951
Monthly meter service charge	7,511,575	6,838,600
Recycled water sales	1,119,273	1,137,748
Concessions from governmental agencies	1,226,127	933,937
Other charges and services	400,446	522,073
<b>TOTAL OPERATING REVENUES</b>	<b>36,167,875</b>	<b>35,705,309</b>
<b>OPERATING EXPENSES:</b>		
Imported sources of supply	368,722	388,408
Basin managed water	2,628,097	5,185,384
Clear water	5,453,136	2,776,268
Amber water	2,967,369	3,134,554
Recycled water	758,122	629,455
Transmission and distribution	5,482,303	6,132,007
Depreciation and amortization	5,155,612	5,010,013
General and administrative	7,589,724	7,978,006
<b>TOTAL OPERATING EXPENSES</b>	<b>30,403,085</b>	<b>31,234,095</b>
<b>OPERATING INCOME</b>	<b>5,764,790</b>	<b>4,471,214</b>
<b>NONOPERATING REVENUES (EXPENSES):</b>		
Investment earnings	1,872,020	535,930
Interest expense - long-term debt	(945,513)	(1,140,774)
Gain (loss) on sale/disposition of capital assets, net	(2,904)	17,397
Other nonoperating, net	91,145	38,350
<b>TOTAL NONOPERATING REVENUES (EXPENSES)</b>	<b>1,014,748</b>	<b>(549,097)</b>
<b>INCOME BEFORE CAPITAL CONTRIBUTIONS</b>	<b>6,779,538</b>	<b>3,922,117</b>
<b>CAPITAL CONTRIBUTIONS:</b>		
Capacity and installation charges	860,855	1,912,740
Capital grant	554,095	641,666
Developers and others	502,128	728,920
<b>TOTAL CAPITAL CONTRIBUTIONS</b>	<b>1,917,078</b>	<b>3,283,326</b>
<b>CHANGE IN NET POSITION</b>	<b>8,696,616</b>	<b>7,205,443</b>
<b>TOTAL NET POSITION - beginning of year</b>	<b>128,628,537</b>	<b>121,423,094</b>
<b>TOTAL NET POSITION - end of year</b>	<b>\$ 137,325,153</b>	<b>\$ 128,628,537</b>

See accompanying notes to basic financial statements.

MESA WATER DISTRICT  
Statement of Cash Flows  
Year Ended June 30, 2019  
(with prior-year comparative totals)

	2019	2018
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Cash receipts from customers for water sales and services	\$ 35,681,795	\$ 34,336,592
Cash paid to employees for salaries and wages	(8,106,587)	(7,585,382)
Cash paid to vendors and suppliers for materials and services	(17,551,282)	(17,612,914)
Net cash provided by operating activities	10,023,926	9,138,296
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>		
Acquisition and construction of capital assets	(10,661,395)	(11,501,796)
Proceeds from capacity and installation charges	773,706	412,247
Proceeds from capital grants	554,095	641,666
Principal paid on long-term debt	(2,605,000)	(2,705,000)
Interest paid on long-term debt	(1,423,500)	(1,166,994)
Proceeds from sale of capital assets	3,580	17,676
Net cash used for capital and related financing activities	(13,358,514)	(14,302,201)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payment to PARS Pension Trust	(1,000,000)	(12,000,000)
Earnings on PARS Pension Trust used to purchase investments, net of \$64,636 and \$30,617 of administrative fees as of June 30, 2019 and 2018, respectively	(780,980)	(278,123)
Investment earnings	410,802	509,055
Proceeds from sale of investments	2,991,687	16,356,383
Purchase of investments	(3,996,182)	-
Net cash provided by (used for) investing activities	(2,374,673)	4,587,315
NET DECREASE IN CASH AND CASH EQUIVALENTS	(5,709,261)	(576,590)
CASH AND CASH EQUIVALENTS - beginning of year	15,532,095	16,108,685
CASH AND CASH EQUIVALENTS - end of year	\$ 9,822,834	\$ 15,532,095

(Continued)

**MESA WATER DISTRICT**  
**Statement of Cash Flows (Continued)**  
**Year Ended June 30, 2019**  
**(with prior-year comparative totals)**

	2019	2018
<b>RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:</b>		
Operating income	\$ 5,764,790	\$ 4,471,214
Adjustments to reconcile operating income to net cash provided by operating activities:		
Depreciation and amortization	5,155,612	5,010,013
Other nonoperating revenue	178,294	1,538,843
Changes in assets, deferred outflows of resources, liabilities, and deferred inflows of resources:		
(Increase) decrease in accounts receivable	(447,235)	(1,379,179)
(Increase) decrease in materials and supplies inventory	13,136	38,811
(Increase) decrease in deposits and prepaid expenses	50,608	(24,414)
(Increase) decrease in other noncurrent assets	-	(520)
(Increase) decrease in deferred outflows for OPEB plan	(5,882)	241,724
(Increase) decrease in deferred outflows for pension plans	483,251	(1,095,034)
Increase (decrease) in accounts payable and accrued expenses	(652,662)	471,476
Increase (decrease) in customer advances and deposits	(125,994)	(1,490,031)
Increase (decrease) in compensated absences	25,984	(3,343)
Increase (decrease) in accrued wages and related payables	20,009	42,060
Increase (decrease) in net OPEB liability	1,625	(276,227)
Increase (decrease) in net pension liability	(167,217)	1,584,304
Increase (decrease) in deferred inflows for OPEB plan	11,138	61,432
Increase (decrease) in deferred inflows for pension plans	(281,531)	(52,833)
<b>NET CASH PROVIDED BY OPERATING ACTIVITIES</b>	<b>\$ 10,023,926</b>	<b>\$ 9,138,296</b>
 <b>SUPPLEMENTAL DISCLOSURES OF NONCASH CAPITAL AND RELATED FINANCING AND INVESTING ACTIVITIES:</b>		
Amortization of loss on bond defeasance	\$ 129,393	\$ 272,857
Amortization of long-term debt premiums	\$ 569,390	\$ 648,484
Developer constructed facilities	\$ 502,128	\$ 728,920
Change in fair value of investments	\$ 597,849	\$ (286,240)
 <b>RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:</b>		
Cash and investments	\$ 31,909,778	\$ 34,647,709
Restricted cash and investments	13,528,795	12,278,226
Less: noncash equivalents	(35,615,739)	(31,393,840)
Cash and cash equivalents	<b>\$ 9,822,834</b>	<b>\$ 15,532,095</b>

See accompanying notes to basic financial statements.

MESA WATER DISTRICT  
Statement of Fiduciary Net Position  
Other Post-Employment Benefits (OPEB) Plan

June 30, 2019  
(with prior-year comparative totals)

	2019	2018
ASSETS:		
Restricted cash and investments held by trust	\$ 1,312,312	\$ 1,237,589
TOTAL ASSETS	1,312,312	1,237,589
NET POSITION:		
Net position restricted for OPEB benefits	1,312,312	1,237,589
TOTAL NET POSITION	\$ 1,312,312	\$ 1,237,589

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MESA WATER DISTRICT

Statement of Changes in Fiduciary Net Position  
Other Post-Employment Benefits (OPEB) Plan

Year ended June 30, 2019  
(with prior-year comparative totals)

	<u>2019</u>	<u>2018</u>
ADDITIONS:		
Employer contributions	\$ 97,603	\$ 94,147
Investment income	<u>81,002</u>	<u>113,337</u>
 TOTAL ADDITIONS	 <u>178,605</u>	 <u>207,484</u>
DEDUCTIONS:		
Benefits	97,603	94,147
Administrative expense	<u>6,279</u>	<u>6,992</u>
 TOTAL DEDUCTIONS	 <u>103,882</u>	 <u>101,139</u>
 CHANGES IN NET POSITION	 74,723	 106,345
NET POSITION - beginning of year	<u>1,237,589</u>	<u>1,131,244</u>
NET POSITION - end of year	<u>\$ 1,312,312</u>	<u>\$ 1,237,589</u>

See accompanying notes to basic financial statements.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(1) Summary of Significant Accounting Policies

Organization and Description of the District

Mesa Water District (District) is an independent special district formed on January 1, 1960, pursuant to Section 33200 et. seq., of the California Water Code, which was designated the Costa Mesa District Merger Law. The general provisions of this law called for the consolidation of four predecessor agencies.

The District is located in Orange County, California and provides water to the City of Costa Mesa, parts of the City of Newport Beach, and unincorporated parts of Orange County, including the John Wayne Airport. Mesa Water previously sold water at a “pass-through” cost to the City of Huntington Beach through a jointly owned pipeline.

The District’s potable water is produced from groundwater wells or purchased from the Municipal Water District of Orange County (MWDOC), a member agency of the Metropolitan Water District of Southern California (MWD). Non-potable (recycled) water is purchased from the Orange County Water District (OCWD).

The District’s revenue results solely from its activities as a water utility and it does not receive tax revenues of any kind.

The District is governed by a five-member Board of Directors (Board) who serve overlapping four-year terms. Each member of the Board represents one of five geographic divisions of approximately equal population. The Board periodically elects one of its members to serve as President and another as Vice-President. The Board appoints the General Manager who is responsible for the day-to-day operations and the administration of the District in accordance with its policies. The Board also appoints the District Secretary, Assistant District Secretary, District Treasurer, and Assistant District Treasurer.

The District is the primary governmental unit based on the foundation of a separately elected governing board that is elected by the citizens in a general popular election. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable.

Mesa Water District Improvement Corporation (Corporation) was incorporated in March 1988. The Corporation is a California non-profit public benefit corporation formed to assist in the financing of certain improvements to the District’s water system and as such has no employees or other operations. The Corporation meets the definition of a component unit, and is presented on a blended basis, since it is part of the primary government. Although the Corporation is a legally separate entity, the governing board is comprised of the same membership as the District’s Board. The District may impose its will on the Corporation and there is a financial benefit/burden relationship between the District and the Corporation. The Corporation does not issue separate financial statements.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting - Proprietary Fund

The District is accounted for as an enterprise fund (proprietary fund type). A fund is an accounting entity with a self-balancing set of accounts established to record the net position and results of operations of a specific governmental activity. The activities of enterprise funds closely resemble those of ongoing business in which the purpose is to conserve and add to basic resources while meeting operating expenses from current revenues. Enterprise funds account for operations that provide services on a continuous basis and are substantially financed by revenues derived from user charges.

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The accompanying financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the *economic measurement focus*, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with these activities are included on the statement of net position. The statement of revenues, expenses and changes in net position present increases (revenues) and decreases (expenses) in total net position. Under the *accrual basis of accounting*, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows.

The District distinguishes operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with water operations. The principal operating revenues of the District are charges to customers for sales and services. Operating expenses include cost of sales and services, general and administrative expenses, and depreciation of capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Capital contributions are reported as a separate line item in the statement of revenues, expenses and changes in net position and consist of contributed capital assets, grants, and other charges that are legally restricted for capital expenditures by state law or by Board action that established those charges.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(1) Summary of Significant Accounting Policies (Continued)

Measurement Focus and Basis of Accounting - Fiduciary Fund

The fiduciary fund financial statements include the statement of fiduciary net position and the statement of changes in fiduciary net position. The District's fiduciary other post-employment benefits (OPEB) trust fund is accounted for using the *economic resources measurement focus* and *accrual basis of accounting*. The OPEB trust fund accounts for the activities of the District's plan for post-retirement medical benefits.

New Pronouncements

*Current Year Standards*

GASB 83 - *Certain Asset Retirement Obligations*, effective for periods beginning after June 15, 2018, and did not impact the District.

GASB 88 - *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*, effective for periods beginning after June 15, 2018, and did not significantly impact the District.

*Pending Accounting Standards*

GASB has issued the following statements, which may impact the District's financial reporting requirements in the future:

- GASB 84 - *Fiduciary Activities*, effective for periods beginning after December 15, 2018.
- GASB 87 - *Leases*, effective for periods beginning after December 15, 2019.
- GASB 89 - *Accounting for Interest Cost Incurred before the End of a Construction Period*, effective for periods beginning after December 15, 2019.
- GASB 90 - *Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*, effective for periods beginning after December 15, 2018.
- GASB 91- *Conduit Debt Obligations*, effective for periods beginning after December 15, 2020.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(1) Summary of Significant Accounting Policies (Continued)

Net Position

In the statement of net position, net position is classified into the following categories:

*Net investment in capital assets* - This amount consists of capital assets, net of accumulated depreciation, and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

*Unrestricted net position* - This amount is all net position that do not meet the definition of “net investment in capital assets”.

Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted net position to have been depleted before unrestricted net position is applied.

Budgetary Policies

The District adopts an annual non-appropriated budget for planning, control, and evaluation purposes. Budgetary control and evaluation are affected by comparison of actual revenue and expense with planned revenue and expense for the period. Encumbrance accounting is not used to account for commitments related to unperformed contracts for construction and services.

Cash and Cash Equivalents

The District considers all highly liquid investments that were purchased with a maturity of three months or less to be cash equivalents, except for the cash held with fiscal agent.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(1) Summary of Significant Accounting Policies (Continued)

Investments and Investment Policy

Investments are reported in the accompanying financial statements at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District has adopted an investment policy directing the District's Treasurer to deposit funds in financial institutions. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Accounts Receivable

The District extends credit to customers in the normal course of operations. When management deems customer accounts uncollectible, the District uses the allowance method for the reservation and write-off of those accounts.

Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as capital projects, debt service, pension, or other post-employment benefits. These assets are for the benefit of a specified purpose and, as such, are legally or contractually restricted by an external third-party agreement.

Prepaid Expenses

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as deposits and prepaid items in the basic financial statements utilizing the consumption method.

Material and Supplies Inventory

Materials and supplies inventory consists primarily of pipe fittings, meters, and hydrants used for construction and repairs to the water system, which are valued at cost. The first-in first-out (FIFO) perpetual cost flow assumption is used when inventory is expensed or capitalized the time of use.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(1) Summary of Significant Accounting Policies (Continued)

Capital and Intangible Assets

Capital assets acquired and/or constructed are capitalized at historical cost. District policy has set the capitalization threshold for capitalizing purchases at \$5,000 for both infrastructure and non-infrastructure assets. Donated assets are recorded at acquisition value at the date of donation. Upon retirement or other disposition of capital assets, the cost and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

	<u>Useful Life</u>
Land improvements	15 - 50 years
Buildings and improvements	10 - 50 years
Machinery and equipment	4 - 10 years
Transmission and distribution system	10 - 99 years
Metering stations	10 - 99 years
Wells and pumping plant	5 - 50 years
Reservoirs	50 -75 years
Control systems	4 - 20 years

Compensated Absences

The District's personnel policies provide for accumulation of vacation. Liabilities for vacation are recorded when benefits are earned. Cash payment of unused vacation is available to those qualified employees when retiring or separating from the District.

Customer Advances and Deposits

Customer advances include deposits received in aid of construction, which are partially refundable if the applicable construction does not take place. Construction advances are transferred to contributed capital when the applicable construction project is completed.

Customer advances also include fees received for installation and inspection services for which the District has yet to provide the service. Revenue is recognized when the service is provided and any deposit remaining at the conclusion of the service is refunded to the customer.

Customer deposits may be collected at the time water service is initiated. Deposits may be applied to customer accounts or refunded at the time an account is closed.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(1) Summary of Significant Accounting Policies (Continued)

Water Sales

The majority of water sales are billed on a bi-monthly cyclical basis. Large meter customers and high consumption users are billed on a monthly basis. Estimated unbilled water sales and service charges through June 30<sup>th</sup> have been accrued as of year-end.

Capital Contributions

Capital contributions represent cash and capital asset additions contributed to the District by property owners, granting agencies or real estate developers desiring services that require capital expenditures or capacity commitment.

Capacity Charges

The District recognizes revenue from capacity charges at the time the deposits become non-refundable, which is when the relevant system actually connects to the District's potable water system.

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and will not be recognized as an outflow of resources (expense) until then. The District has the following items that qualify for reporting in this category:

- An unamortized loss on bond defeasance results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflow related to pensions and OPEB equal to employer contributions made after the measurement date of the net pension and OPEB liabilities.
- Deferred outflows related to pensions from differences between actual and expected experience and changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plan.
- Deferred outflow related to pensions resulting from the net differences between projected and actual earnings on investments of the pension plan's fiduciary net position. These amounts are amortized over five years.



MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(1) Summary of Significant Accounting Policies (Continued)

Deferred Inflows/Outflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as inflow of resources (revenue) until that time. The District has the following items that qualify for reporting in this category:

- Deferred inflows related to pensions from differences between actual and expected experience, changes in assumptions, and changes in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions. These amounts are amortized over a closed period equal to the average of the expected remaining service lives of all employees that are provided with pensions through the plan.
- Deferred inflow related to OPEB resulting from the net differences between projected and actual earnings on investments of the OPEB plan's fiduciary net position. These amounts are amortized over five years.

Pensions

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

	2019	2018
Valuation Date (VD)	June 30, 2017	June 30, 2016
Measurement Date (MD)	June 30, 2018	June 30, 2017
Measurement Period (MP)	June 30, 2017 to June 30, 2018	June 30, 2016 to June 30, 2017

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(1) Summary of Significant Accounting Policies (Continued)

OPEB Plan

For purposes of measuring the net OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's OPEB plan and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by the OPEB plan. For this purpose, the District's OPEB plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Use of Estimates

The preparation of the basic financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, and expenses and disclosure of contingent assets and liabilities at the date of the financial statements. Actual results could differ from those estimates.

(2) Cash and Investments

Cash and investments as of June 30, 2019 and 2018, are classified in the financial statements as follows:

	2019	2018
Statements of Net Position:		
Cash and investments	\$ 31,909,778	\$ 34,647,709
Restricted cash and investments	13,528,795	12,278,226
Fiduciary Statements of Net Position:		
Restricted cash and investments	1,312,312	1,237,589
Total for proprietary and fiduciary funds	\$ 46,750,885	\$ 48,163,524

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(2) Cash and Investments (Continued)

Cash and investments as of June 30, 2019 and 2018, consist of the following:

	<u>2019</u>	<u>2018</u>
Petty cash	\$ 4,500	\$ 4,500
Deposits with financial institutions	<u>6,120,675</u>	<u>11,894,785</u>
Total cash	<u>6,125,175</u>	<u>11,899,285</u>
Investments	25,784,603	22,748,424
Restricted:		
Investments held by fiscal agent	734	103
Investments held by Pension Trust	13,528,061	12,278,123
Investments held by OPEB Trust	<u>1,312,312</u>	<u>1,237,589</u>
Total investments	<u>40,625,710</u>	<u>36,264,239</u>
Total cash and investments	<u>\$ 46,750,885</u>	<u>\$ 48,163,524</u>

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(2) Cash and Investments (Continued)

Investments Authorized by the California Government Code and the District's Investment Policy

The following table identifies the investment types that are authorized by the District in accordance with the California Government Code (or the District's Investment Policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's Investment Policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District or the investments of funds within the pension or OPEB Trust that are governed by the agreement between the District and the trustee, rather than the general provisions of the California Government Code or the District's Investment Policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
State of California Obligations	5 years	None	None
Other State Obligations	5 years	None	None
California Local Agency Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Bankers' Acceptances	180 days	40%	30%
Prime Commercial paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	*
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20%	**
Medium-term notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money market mutual funds	N/A	20%	10%
Trust Indenture or Other Contract	Per Contract	Per Contract	Per Contract
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	10%	None
Shares of beneficial interest in JPA's	N/A	None	None
Certificates of Deposits	5 years	30%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50 million
County Pooled Investment Funds	N/A	None	None
Time Deposits	5 years	None	*

\* Subject to FDIC limits

\*\* Of Base

The District's investment policy mirrors the California Government Code except for mortgage pass-through securities. The District's policy is more restrictive than the California Government Code as investments in mortgage pass-through securities shall not exceed 10% of the portfolio.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(2) Cash and Investments (Continued)

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's Investment Policy.

Pension and OPEB Trusts

*Investment Policy*

The District established a trust account with Public Agency Retirement Services (PARS) to hold assets that are legally restricted for use in administering the District's pension and OPEB plans. The pension and OPEB trust Funds' specific cash and investments are managed by a third-party portfolio manager under guidelines approved by the District.

Those guidelines are as follows:

Risk Tolerance: Capital Appreciation

Risk Management: The portfolio is constructed to control risk through four layers of diversification - asset classes (cash, fixed income, equity), investment styles (large cap, small cap, international, value, growth), managers and securities. Disciplined mutual fund selection and monitoring process help to drive return potential while reducing portfolio risk.

Investment Objective: The primary goal of the capital appreciation objective is growth of principal. The major portion of the assets are invested in equity securities and market fluctuations are expected.

Strategic Ranges: 0% - 20% Cash  
10% - 30% Fixed Income  
65% - 85% Equity

*Rate of Return*

For the year ended June 30, 2019 and 2018, the annual money-weighted rate of return on investments, net of investment expense, was 6.56% and 10.11%, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(2) Cash and Investments (Continued)

Investment in State Investment Pool and County Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The District is also a voluntary participant in the Orange County Investment Pool (OCIP) that is regulated by California Government Code and the Orange County Board of Supervisors under the oversight of the Orange County Treasurer-Tax Collector. The fair value of the District's investments in these pools is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF and OCIP for each respective portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF and OCIP, which are recorded on an amortized cost basis.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a governmental entity will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a governmental entity will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF and OCIP).

The California Government Code and the District's Investment Policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit), and, the District's investment policy that requires no more than two-thirds of the District's deposits in a depository shall be collateralized by mortgage-backed securities, with the remainder to be secured by non-mortgage-backed securities.

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Bank balances, up to \$250,000 at June 30, 2019 and 2018 are either federally insured or collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(2) Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. In accordance with its Investment Policy, the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing over time as necessary to provide the cash flows and liquidity needed for operations. Information about the sensitivity of the fair values of the District's investments (including investments held by bond trustee) to market interest rate fluctuations is provided in the following tables that shows the distribution of the District's investments by maturity as of June 30, 2019 and 2018.

*June 30, 2019:*

Investment Type	Total	12 Months Or Less	13 to 24 Months	25-60 Months
Local agency investment pool	\$ 1,049	\$ 1,049	\$ -	\$ -
Orange County investment pool	3,696,610	3,696,610	-	-
Federal agency securities:				
Federal Farm Credit Bank (FFCB)	3,679,598	-	3,679,598	-
Federal National Mortgage Association (FNMA)	6,130,019	1,145,539	-	4,984,480
Federal Home Loan Bank (FHLB)	2,241,007	448,697	-	1,792,310
Federal Home Loan Mortgage Corporation (FHLMC)	2,959,287	998,610	-	1,960,677
Federal Agricultural Mortgage Corporation (FAMC)	521,405	-	-	521,405
Negotiable certificates of deposit	6,555,628	492,226	1,178,938	4,884,464
Held by fiscal agent:				
Money market mutual funds	734	734	-	-
Held by Pension Trust:				
Money market mutual funds	232,194	232,194	-	-
Mutual Funds	13,295,867	13,295,867	-	-
Held by OPEB Trust:				
Money market mutual funds	19,574	19,574	-	-
Mutual Funds	1,292,738	1,292,738	-	-
Total	<u>\$ 40,625,710</u>	<u>\$ 21,623,838</u>	<u>\$ 4,858,536</u>	<u>\$ 14,143,336</u>

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(2) Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

*June 30, 2018:*

Investment Type	Total	12 Months Or Less	13 to 24 Months	25-60 Months
Local agency investment pool	\$ 1,026	\$ 1,026	\$ -	\$ -
Orange County investment pool	3,631,784	3,631,784	-	-
Federal agency securities:				
Federal Farm Credit Bank (FFCB)	3,762,558	174,444	-	3,588,114
Federal National Mortgage Association (FNMA)	5,109,447	149,981	146,806	4,812,660
Federal Home Loan Bank (FHLB)	1,661,994	-	442,994	1,219,000
Federal Home Loan Mortgage Corporation (FHLMC)	3,043,132	174,380	985,610	1,883,142
Negotiable certificates of deposit	5,538,483	617,049	727,679	4,193,755
Held by fiscal agent:				
Money market mutual funds	103	103	-	-
Held by Pension Trust:				
Money market mutual funds	199,076	199,076	-	-
Mutual Funds	12,079,047	12,079,047	-	-
Held by OPEB Trust:				
Money market mutual funds	18,170	18,170	-	-
Mutual Funds	1,219,419	1,219,419	-	-
Total	<u>\$ 36,264,239</u>	<u>\$ 18,264,479</u>	<u>\$ 2,303,089</u>	<u>\$ 15,696,671</u>

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's Investment Policy, or debt agreements, and the actual ratings by Standard & Poor's as of year-end for each investment type for the fiscal years ended June 30, 2019 and 2018.



MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(2) Cash and Investments (Continued)

Disclosures Relating to Credit Risk (Continued)

*June 30, 2019:*

Investment Type	AAA	AA+	Not Rated	Total
Local agency investment pool	\$ -	\$ -	\$ 1,049	\$ 1,049
Orange County investment pool	-	-	3,696,610	3,696,610
Federal agency securities:				
Federal Farm Credit Bank (FFCB)	-	3,679,598	-	3,679,598
Federal National Mortgage Association (FNMA)	-	6,130,019	-	6,130,019
Federal Home Loan Bank (FHLB)	-	2,241,007	-	2,241,007
Federal Home Loan Mortgage Corporation (FHLMC)	-	2,959,287	-	2,959,287
Federal Agricultural Mortgage Corporation (FAMC)	-	521,405	-	521,405
Negotiable certificates of deposit	-	-	6,555,628	6,555,628
Held by fiscal agent:				
Money market mutual funds	734	-	-	734
Held by Pension Trust:				
Money market mutual funds	232,194	-	-	232,194
Mutual Funds	-	-	13,295,867	13,295,867
Held by OPEB Trust:				
Money market mutual funds	19,574	-	-	19,574
Mutual Funds	-	-	1,292,738	1,292,738
	<u>\$ 252,502</u>	<u>\$ 15,531,316</u>	<u>\$ 24,841,892</u>	<u>\$ 40,625,710</u>

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(2) Cash and Investments (Continued)

Disclosures Relating to Credit Risk (Continued)

*June 30, 2018:*

Investment Type	AAA	AA+	Not Rated	Total
Local agency investment pool	\$ -	\$ -	\$ 1,026	\$ 1,026
Orange County investment pool	-	-	3,631,784	3,631,784
Federal agency securities:				
Federal Farm Credit Bank (FFCB)	-	3,762,558	-	3,762,558
Federal National Mortgage Association (FNMA)	-	5,109,447	-	5,109,447
Federal Home Loan Bank (FHLB)	-	1,661,994	-	1,661,994
Federal Home Loan Mortgage Corporation (FHLMC)	-	3,043,132	-	3,043,132
Negotiable certificates of deposit	-	-	5,538,483	5,538,483
Held by fiscal agent:				
Money market mutual funds	103	-	-	103
Held by Pension Trust:				
Money market mutual funds	199,076	-	-	199,076
Mutual Funds	-	-	12,079,047	12,079,047
Held by OPEB Trust:				
Money market mutual funds	18,170	-	-	18,170
Mutual Funds	-	-	1,219,419	1,219,419
	<u>\$ 217,349</u>	<u>\$ 13,577,131</u>	<u>\$ 22,469,759</u>	<u>\$ 36,264,239</u>

Investments in any one issuer (other than external investment pools, such as LAIF, OCIP, and the pension and OPEB trusts) that represent 5% or more of total District investments are as follows for the fiscal years ended June 30, 2019 and 2018:

*June 30, 2019:*

Issuer	Investment Type	Amount
FFCB	Federal Agency Securities	\$ 3,679,598
FNMA	Federal Agency Securities	6,130,019
FHLB	Federal Agency Securities	2,241,007
FHLMC	Federal Agency Securities	<u>2,959,287</u>
		<u>\$ 15,009,911</u>

*June 30, 2018:*

Issuer	Investment Type	Amount
FFCB	Federal Agency Securities	\$ 3,762,558
FNMA	Federal Agency Securities	5,109,447
FHLMC	Federal Agency Securities	<u>3,043,132</u>
		<u>\$ 11,915,137</u>

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(2) Cash and Investments (Continued)

Fair Value Measurements

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the assets. Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are quoted prices for similar assets in active markets (significant other observable inputs), and Level 3 inputs are significant unobservable inputs.

The District had the following recurring fair value measurements as of June 30, 2019:

Investment Type	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Federal agency securities:				
Federal Farm Credit Bank (FFCB) \$	-	\$ 3,679,598	\$ -	\$ 3,679,598
Federal National Mortgage Association (FNMA)	-	6,130,019	-	6,130,019
Federal Home Loan Bank (FHLB)	-	2,241,007	-	2,241,007
Federal Home Loan Mortgage Corporation (FHLMC)	-	2,959,287	-	2,959,287
Federal Agricultural Mortgage Corporation (FAMC)	-	521,405	-	521,405
Negotiable certificates of deposit	-	6,555,628	-	6,555,628
Held by Pension Trust:				
Mutual Funds	-	13,295,867	-	13,295,867
Held by OPEB Trust:				
Mutual Funds	-	1,292,738	-	1,292,738
	\$ -	\$ 36,675,549	\$ -	36,675,549
Local agency investment pool*				
Orange County investment pool*				1,049
Held by fiscal agent:				
Money market mutual funds				734
Held by Pension Trust:				
Money market mutual funds*				232,194
Held by OPEB Trust:				
Money market mutual funds*				19,574
Total investment portfolio				\$ 40,625,710

\* Not subject to fair value measurement hierarchy.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(2) Cash and Investments (Continued)

Fair Value Measurements (Continued)

The District had the following recurring fair value measurements as of June 30, 2018:

Investment Type	Quoted Prices Level 1	Observable Inputs Level 2	Unobservable Inputs Level 3	Total
Federal agency securities:				
Federal Farm Credit Bank (FFCB) \$	-	\$ 3,762,558	\$ -	\$ 3,762,558
Federal National Mortgage Association (FNMA)	-	5,109,447	-	5,109,447
Federal Home Loan Bank (FHLB)	-	1,661,994	-	1,661,994
Federal Home Loan Mortgage Corporation (FHLMC)	-	3,043,132	-	3,043,132
Negotiable certificates of deposit	-	5,538,483	-	5,538,483
Held by Pension Trust:				
Mutual Funds		12,079,047	-	12,079,047
Held by OPEB Trust:				
Mutual Funds	-	1,219,419	-	1,219,419
	\$ -	\$ 32,414,080	\$ -	32,414,080
Local agency investment pool*				
Orange County investment pool*				1,026
Held by fiscal agent:				
Money market mutual funds				3,631,784
Held by Pension Trust:				
Money market mutual funds*				103
Held by OPEB Trust:				
Money market mutual funds*				199,076
Money market mutual funds*				18,170
Total investment portfolio				\$ 36,264,239

\* Not subject to fair value measurement hierarchy.

**MESA WATER DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2019**

(3) Capital Assets

Changes in capital assets during the fiscal year ended June 30, 2019, were as follows:

	<u>Balance</u> <u>June 30, 2018</u>	<u>Additions/</u> <u>Transfers</u>	<u>Deletions/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2019</u>
<b>Non-depreciable assets:</b>				
Land	\$ 11,225,090	\$ -	\$ -	\$ 11,225,090
Construction-in-progress	<u>15,574,983</u>	<u>11,163,523</u>	<u>(18,905,425)</u>	<u>7,833,081</u>
Total non-depreciable assets	<u>26,800,073</u>	<u>11,163,523</u>	<u>(18,905,425)</u>	<u>19,058,171</u>
<b>Depreciable assets:</b>				
Land improvements	881,461	102,951	-	984,412
Buildings and improvements	4,734,646	387,052	-	5,121,698
Machinery and equipment	4,267,198	736,457	(192,050)	4,811,605
Transmission and distribution system	95,151,191	2,485,394	-	97,636,585
Reservoirs	28,922,516	77,430	-	28,999,946
Wells and pumping plant	6,905,041	15,116,141	-	22,021,182
Metering stations	1,225,758	-	-	1,225,758
Intangible assets	2,388,615	-	-	2,388,615
Control systems	5,074,242	-	-	5,074,242
Mesa water reliability facility	<u>31,045,684</u>	<u>-</u>	<u>-</u>	<u>31,045,684</u>
Total depreciable assets	<u>180,596,352</u>	<u>18,905,425</u>	<u>(192,050)</u>	<u>199,309,727</u>
<b>Accumulated depreciation:</b>				
Land improvements	(693,766)	(25,328)	-	(719,094)
Buildings and improvements	(2,247,554)	(126,379)	-	(2,373,933)
Machinery and equipment	(2,842,153)	(355,794)	185,566	(3,012,381)
Transmission and distribution system	(42,661,638)	(1,630,324)	-	(44,291,962)
Reservoirs	(11,105,364)	(485,778)	-	(11,591,142)
Wells and pumping plant	(3,387,183)	(189,317)	-	(3,576,500)
Metering stations	(331,455)	(24,515)	-	(355,970)
Intangible assets	(2,090,667)	(94,012)	-	(2,184,679)
Control systems	(2,439,129)	(366,426)	-	(2,805,555)
Mesa water reliability facility	<u>(12,922,549)</u>	<u>(1,857,739)</u>	<u>-</u>	<u>(14,780,288)</u>
Total accumulated depreciation	<u>(80,721,458)</u>	<u>(5,155,612)</u>	<u>185,566</u>	<u>(85,691,504)</u>
Total depreciable assets, net	<u>99,874,894</u>	<u>13,749,813</u>	<u>(6,484)</u>	<u>113,618,223</u>
Total capital assets, net	<u>\$ 126,674,967</u>	<u>\$ 24,913,336</u>	<u>\$ (18,911,909)</u>	<u>\$ 132,676,394</u>

Depreciation and amortization expense during the fiscal year ended June 30, 2019 is as follows:

Capital assets - depreciation expense	\$ 5,061,600
Intangible assets - amortization expense	<u>94,012</u>
	<u>\$ 5,155,612</u>

**MESA WATER DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2019**

(3) Capital Assets (Continued)

Changes in capital assets during the fiscal year ended June 30, 2018, were as follows:

	<u>Balance</u> <u>June 30, 2017</u>	<u>Additions/</u> <u>Transfers</u>	<u>Deletions/</u> <u>Transfers</u>	<u>Balance</u> <u>June 30, 2018</u>
<b>Non-depreciable assets:</b>				
Land	\$ 8,965,705	\$ 2,259,385	\$ -	\$ 11,225,090
Construction-in-progress	<u>11,631,553</u>	<u>12,230,716</u>	<u>(8,287,286)</u>	<u>15,574,983</u>
Total non-depreciable assets	<u>20,597,258</u>	<u>14,490,101</u>	<u>(8,287,286)</u>	<u>26,800,073</u>
<b>Depreciable assets:</b>				
Land improvements	881,461	-	-	881,461
Buildings and improvements	4,742,660	-	(8,014)	4,734,646
Machinery and equipment	4,253,363	78,972	(65,137)	4,267,198
Transmission and distribution system	92,841,433	2,340,969	(31,211)	95,151,191
Reservoirs	28,922,516	-	-	28,922,516
Wells and pumping plant	5,679,952	1,225,089	-	6,905,041
Metering stations	645,905	579,853	-	1,225,758
Intangible assets	2,394,009	-	(5,394)	2,388,615
Control systems	5,074,242	-	-	5,074,242
Mesa water reliability facility	<u>29,242,666</u>	<u>1,803,018</u>	<u>-</u>	<u>31,045,684</u>
Total depreciable assets	<u>174,678,207</u>	<u>6,027,901</u>	<u>(109,756)</u>	<u>180,596,352</u>
<b>Accumulated depreciation:</b>				
Land improvements	(664,904)	(28,862)	-	(693,766)
Buildings and improvements	(2,129,834)	(125,734)	8,014	(2,247,554)
Machinery and equipment	(2,549,631)	(357,659)	65,137	(2,842,153)
Transmission and distribution system	(41,117,273)	(1,575,297)	30,932	(42,661,638)
Reservoirs	(10,615,447)	(489,917)	-	(11,105,364)
Wells and pumping plant	(3,245,521)	(141,662)	-	(3,387,183)
Metering stations	(317,570)	(13,885)	-	(331,455)
Intangible assets	(1,993,172)	(102,889)	5,394	(2,090,667)
Control systems	(2,072,703)	(366,426)	-	(2,439,129)
Mesa water reliability facility	<u>(11,114,867)</u>	<u>(1,807,682)</u>	<u>-</u>	<u>(12,922,549)</u>
Total accumulated depreciation	<u>(75,820,922)</u>	<u>(5,010,013)</u>	<u>109,477</u>	<u>(80,721,458)</u>
Total depreciable assets, net	<u>98,857,285</u>	<u>1,017,888</u>	<u>(279)</u>	<u>99,874,894</u>
Total capital assets, net	<u>\$ 119,454,543</u>	<u>\$ 15,507,989</u>	<u>\$ (8,287,565)</u>	<u>\$ 126,674,967</u>

Depreciation and amortization expense during the fiscal year ended June 30, 2018 is as follows:

Capital assets - depreciation expense	\$ 4,907,124
Intangible assets - amortization expense	<u>102,889</u>
	<u>\$ 5,010,013</u>

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(4) Compensated Absences

Compensated absences comprise of unpaid vacation which is accrued as earned. The changes in compensated absences balances during the fiscal years ended June 30, 2019 and 2018, were as follows:

<u>Balance</u> <u>June 30, 2018</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>June 30, 2019</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 426,349	\$ 348,885	\$ (322,901)	\$ 452,333	\$ 361,866	\$ 90,467

<u>Balance</u> <u>June 30, 2017</u>	<u>Earned</u>	<u>Taken</u>	<u>Balance</u> <u>June 30, 2018</u>	<u>Current</u> <u>Portion</u>	<u>Long-term</u> <u>Portion</u>
\$ 429,692	\$ 341,193	\$ (344,536)	\$ 426,349	\$ 341,079	\$ 85,270

(5) Other Post-Employment Benefits (OPEB) Plan

Plan Description

The District has an agent multiple-employer defined benefit plan that provides post-employment health care benefits, including medical, dental, and vision benefits, to eligible employees and their dependents at retirement through the California Public Employees Medical and Hospital Care Act (PEMHCA).

The District elected to join PARS (OPEB Trust) as a means to fund the Annual Determined Contribution (ADC). The OPEB Trust issues a publicly available financial report for the fiduciary net position that is available upon request. The OPEB Trust is reported as a fiduciary fund. The plan itself does not issue a separate financial report.

The District is required to pay the PEMCHA minimum (\$133/month in 2018 and \$136/month in 2019) for each CalPERS retiree who is enrolled in CalPERS medical insurance for whom the District was their employer.

The following requirements must be satisfied in order to be eligible for post-employment medical, dental, and vision benefits: (1) attainment of age 55, and (2) 11 years of full-time service, and (3) retirement from the District (the District must be the last employer prior to retirement). For qualifying participants enrolled in a CalPERS medical plan, their District benefit includes the PEMHCA minimum.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(5) Other Post-Employment Benefits (OPEB) Plan (Continued)

Plan Description (Continued)

Spouses at the time of the employee's retirement and surviving spouses are also eligible to receive benefits. Retirees may enroll in any plan available through the District's medical and dental programs. The ability to participate in the vision program is linked to participation in the medical program.

Employees Covered

As of the measurement date June 30, 2018, the following current and former employees were covered by the benefit terms under the plan:

Inactive employees or beneficiaries currently receiving benefits	34
Inactive employees or beneficiaries entitled to but not yet receiving benefits	1
Active employees	45
	<u>80</u>

Contributions

Benefit provisions and contribution requirements are established and may be amended by the Board of Directors through agreements and memorandums of understanding between the District and its employees. The plan does not require employee contributions. Administrative costs of the OPEB plan are financed through investment earnings.

The annual contribution is based on a pay-as-you-go basis (i.e. as medical insurance premiums become due) for the fiscal years ended June 30, 2019 and 2018. The District paid \$65,147 for current premiums, no payments to the OPEB trust, \$6,089 for administrative expenses, and the estimated implied subsidy was \$29,000, resulting in total payments of \$100,236 for the measurement period ended June 30, 2018. The payments for current premiums of \$65,147 and administrative expenses of \$6,089 were paid directly by the District and were not reimbursed by the OPEB trust.

Accounting for the Plan

The OPEB trust with PARS is prepared using the accrual basis of accounting. Employer contributions to the plan are recognized when due and the employer has made a formal commitment to provide the contributions. Benefits are recognized when due and payable in accordance with the terms of each plan.



MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(5) Other Post-Employment Benefits (OPEB) Plan (Continued)

Method Used to Value Investments

Investments with PARS are reported at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Securities for which market quotations are not readily available are valued at their fair value as determined by the custodian with the assistance of a valuation service.

Total OPEB Liability

The District's total OPEB liability was measured as of June 30, 2018 and was determined by an actuarial valuation as of June 30, 2017. A summary of the principal assumptions and methods used to determine the total OPEB liability are shown below.

*Actuarial Assumptions*

The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry age normal, level percentage of payroll
Asset Valuation Method	Market value
Actuarial Assumptions:	
Discount Rate	6.75%
Long-Term Expected Rate of Return on Investments	6.75%
General Inflation	2.75%
Medical Trend	Non-Medicare: 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years Medicare: 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years
Mortality	CalPERS 1997-2015 experience study
Mortality Improvement	Mortality projected fully generational with Scale MP-17

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(5) Other Post-Employment Benefits (OPEB) Plan (Continued)

Total OPEB Liability (Continued)

*Actuarial Assumptions (Continued)*

The long-term expected rates of return are Bartel Associates estimates and are presented as geometric means developed over a 20-year period. The long-term expected real rates of return for each major asset class included in the OPEB plan's target asset allocation as follows:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
PARS OPEB Trust:		
Global Equity	73.00%	4.82%
Fixed Income	20.00%	1.47%
Real Estate Investment Trusts	2.00%	3.76%
Cash	5.00%	0.06%
Total	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed District contributions would result in sufficient plan assets to pay all benefits from the trust. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on the OPEB trust was applied to all periods of the projected benefits payments to determine the total OPEB liability.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(5) Other Post-Employment Benefits (OPEB) Plan (Continued)

Changes in the Total OPEB Liability

The changes in the total OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
<b>Balance at June 30, 2017</b> <b>(Measurement Date)</b>	\$ 1,815,878	\$ 1,131,244	\$ 684,634
<b>Changes in the Year:</b>			
Service cost	77,491	-	77,491
Interest on the total OPEB liability	124,626	-	124,626
Contributions - employer	-	100,236	(100,236)
Net investment income	-	109,377	(109,377)
Benefit payments	(94,147)	(94,147)	-
Administrative expenses	-	(9,121)	9,121
<b>Net Changes</b>	<u>107,970</u>	<u>106,345</u>	<u>1,625</u>
<b>Balance at June 30, 2018</b> <b>(Measurement Date)</b>	<u>\$ 1,923,848</u>	<u>\$ 1,237,589</u>	<u>\$ 686,259</u>

*Change of Assumptions*

There were no changes of assumptions.

*Change of Benefit Terms*

There were no changes of benefit terms.

*Subsequent Events*

There were no subsequent events that would materially affect the results presented in this disclosure.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(5) Other Post-Employment Benefits (OPEB) Plan (Continued)

Changes in the Total OPEB Liability (Continued)

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate*

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

	1% Decrease (5.75%)	Discount Rate (6.75%)	1% Increase (7.75%)
Net OPEB Liability	\$ 918,692	\$ 686,259	\$ 492,791

*Sensitivity of the Total OPEB Liability to Changes in Medical Trend Rates*

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using medical trend rates that are 1-percentage point lower:

	6.5% (Non- Medicare) and 5.5% (Medicare) Decreasing to 3.0% in 2076	7.5% (Non- Medicare) and 6.5% (Medicare) Decreasing to 4.0% in 2076	8.5% (Non- Medicare) and 7.5% (Medicare) Decreasing to 5.0% in 2076
Net OPEB Liability	\$ 496,275	\$ 686,259	\$ 920,588

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended June 30, 2019, the District recognized OPEB expense of \$112,999. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB contributions subsequent to measurement date	\$ 103,882	\$ -
Differences between projected and actual earnings on plan investments	-	72,570
Total	\$ 103,882	\$ 72,570

The differences between projected and actual earnings on plan investments is amortized over five years.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(5) Other Post-Employment Benefits (OPEB) Plan (Continued)

OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB  
(Continued)

\$103,882 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the total OPEB liability in the year ending June 30, 2020. Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Year Ending June 30,	Amount
2020	\$ (21,982)
2021	(21,982)
2022	(21,982)
2023	(6,624)
2024	-
Thereafter	-

Payable to the OPEB Plan

At June 30, 2019, the District had no outstanding amount of contributions to the OPEB plan required for the year ended June 30, 2019.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(6) Long-Term Debt

The following amounts of debt were outstanding June 30, 2019 and 2018:

	Balance at June 30, 2018	Additions	Repayments	Balance at June 30, 2019	Amount Due in One Year
<b>Other debt:</b>					
2017 Series COPs	28,470,000	-	(2,605,000)	25,865,000	2,785,000
Plus: Unamortized premium	4,982,164	-	(569,390)	4,412,774	-
Total COPs	<u>\$ 33,452,164</u>	<u>\$ -</u>	<u>\$ (3,174,390)</u>	<u>\$ 30,277,774</u>	<u>\$ 2,785,000</u>
	Balance at June 30, 2017	Additions	Repayments	Balance at June 30, 2018	Amount Due in One Year
<b>Other debt:</b>					
2009 Series COPs	\$ 1,880,000	\$ -	\$ (1,880,000)	\$ -	\$ -
Plus: Unamortized premium	79,094	-	(79,094)	-	-
Total 2009 Series COPs	<u>1,959,094</u>	<u>-</u>	<u>(1,959,094)</u>	<u>-</u>	<u>-</u>
2017 Series COPs	29,295,000	-	(825,000)	28,470,000	2,605,000
Plus: Unamortized premium	5,551,554	-	(569,390)	4,982,164	-
Total 2017 Series COPs	<u>34,846,554</u>	<u>-</u>	<u>(1,394,390)</u>	<u>33,452,164</u>	<u>2,605,000</u>
Total COPs	<u>\$ 36,805,648</u>	<u>\$ -</u>	<u>\$ (3,353,484)</u>	<u>\$ 33,452,164</u>	<u>\$ 2,605,000</u>

2009 Certificates of Participation

On August 11, 2009 the Mesa Water District Improvement Corporation (Corporation) issued \$14,700,000 of 2009 Certificates of Participation. The proceeds of the sale of the Certificates of Participation were used to refinance the District's 1998 Refunding Certificates of Participation. As a result, the 1998 Refunding Certificates of Participation are considered defeased and the liability for those obligations has been removed from the financial statements.

The 2009 Certificates of Participation were issued at an original issue premium of \$953,791, which was amortized by \$9,305 per month over the life of the debt service. Principal and interest were payable semi-annually on March 15<sup>th</sup> and September 15<sup>th</sup> of each year with interest rates ranging from 2.0% to 5.0%. The certificates matured on March 15, 2018 and have been fully repaid as of June 30, 2019 and 2018.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(6) Long-Term Debt (Continued)

2017 Revenue Certificates of Participation

On June 19, 2017, the District issued \$29,295,000 of 2017 Revenue Certificates of Participation (COPs). The issuance proceeds were used to refund the 2010 COPs and to finance the purchase of two wells in order to increase the pumping capacity of the District. The COPs were issued at a premium of \$5,551,554 which will be amortized by \$42,263 per month over the life of the debt service, which is 10 years. Principal is payable on March 15th of each year and interest payments are payable on March 15th and September 15th each year, commencing September 15, 2017 with an interest rate of 5.0%. The COPs are scheduled to mature on March 15, 2027.

As a result of the refunding, the 2010 COPs are considered to be in substance defeased, and the related liabilities have been removed from the District's financial statements.

The above Certificates are secured by a pledge of net revenues from the operation of the enterprise. The District has covenanted that it will set charges which will be sufficient to provide net revenues equal to at least 115% of the aggregate amount of annual debt service of the District. For the year ended June 30, 2019, the District reported net revenues of \$14,107,549 and debt service of \$4,028,500, which is 350%.

Future annual debt service requirements on the 2017 COPs are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2020	\$ 2,785,000	\$ 1,293,250	\$ 4,078,250
2021	2,975,000	1,154,000	4,129,000
2022	3,175,000	1,005,250	4,180,250
2023	3,385,000	846,500	4,231,500
2024	3,605,000	677,250	4,282,250
2025-2027	9,940,000	905,000	10,845,000
Total Payments	\$ <u>25,865,000</u>	\$ <u>5,881,250</u>	\$ <u>31,746,250</u>

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(6) Long-Term Debt (Continued)

Other Defeased Certificates of Participation

In fiscal year 2016-2017, the District defeased the 2010 COPs by placing the proceeds of the new bonds with an escrow agent to provide for all future debt service payments on the old bonds. Accordingly, the escrow account assets and the liability for the defeased bonds are not included in the District's financial statements. At June 30, 2019 and 2018, \$16,865,000 and \$19,270,000 of bonds outstanding to be paid by the escrow agent are considered defeased.

(7) Net Position

Calculation of net investment in capital assets as of June 30, 2019 and 2018 is as follows:

	2019	2018
Capital assets, net	\$ 132,676,394	\$ 126,674,967
Certificates of participation payable, current	(2,785,000)	(2,605,000)
Certificates of participation payable, non-current	(27,492,774)	(30,847,164)
Deferred amount on refunding	744,011	873,404
Bond reserves	734	103
Net investment in capital assets	<u>\$ 103,143,365</u>	<u>\$ 94,096,310</u>



MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(8) Deferred Compensation Program

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program (Program). The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. The District is not required to make any contributions to this Program. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the Program assets held in trust at June 30, 2019 and 2018 was \$7,241,077 and \$7,283,830, respectively.

Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

(9) 401(a) Defined Contribution Plan and Terminated Retiree Health Savings Plan

For the benefit of its employees, the District participated in a Retiree Health Savings Plan (RHSP). The purpose of the RHSP was to provide supplementary health care benefits to the District's executive management. The District contributed \$15,000 per year for each member of the RHSP, which was automatically vested. No contributions were required of the participants. Members could withdraw funds at the normal retirement age of 55. Benefit terms, including contribution requirements, were established and could be amended by the District's Board of Directors.

The District is no longer making contributions to this plan since it was terminated on January 1, 2017 and replaced with a 401(a) plan as noted below. After the termination date, the only additions consist of investment earnings.

These assets are held in trust for the exclusive benefit of the participants. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the RHSP assets held in trust at June 30, 2019 and 2018 was \$581,348 and \$610,084, respectively.

Since the District has little administrative involvement and does not perform the investing function for the RHSP, the assets and related liabilities are not shown on the statement of net position.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(9) 401(a) Defined Contribution Plan and Terminated Retiree Health Savings Plan  
(Continued)

On January 1, 2017, the District terminated the RHSP plan noted above and replaced this plan with a 401(a) single employer defined contribution pension plan for employees within the Management Group. The District contributes 2.5% of each participant's base salary each year subject to limitations by the federal code, which is automatically vested. No contributions are required of the plan participants. Members can withdraw funds at the normal retirement age of 55. Benefit terms, including contribution requirements, are established and may be amended by the District's Board of Directors.

For the years ended June 30, 2019 and 2018, the District contributed \$26,717 and \$25,334, respectively to the 401(a) plan.

These assets are held in trust for the exclusive benefit of the participants. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the 401(a) assets held in trust at June 30, 2019 and 2018, was \$79,702 and \$49,486, respectively.

(10) Defined Benefit Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Miscellaneous (all other) Employee Pension Plans, cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 to 62 with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(10) Defined Benefit Pension Plan (Continued)

Benefits Provided (Continued)

The Plan's provisions and benefits in effect as of the measurement date ended June 30, 2018, are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.891%	6.308%
Required employer contribution rates:		
Normal cost rate	9.599%	6.908%
Payment of unfunded liability	\$ 403,401	\$ 187

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contributions requirements are classified as plan member contributions.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(10) Defined Benefit Pension Plan (Continued)

Actuarial Methods and Assumptions used to determine Total Pension Liability

The total pension liability for the June 30, 2018 measurement period was determined by an actuarial valuation as of June 30, 2017, with update procedures used to roll forward the total pension liability to June 30, 2018. The total pension liability was based on the following assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	(1)
Mortality Rate Table	(2)
Post Retirement Benefit Increase	(3)

- (1) Varies by entry age and service
- (2) The mortality table used was developed based on CalPERS-specific data. The table includes 15 years of mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.
- (3) Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter.

Long-term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(10) Defined Benefit Pension Plan (Continued)

Long-term Expected Rate of Return (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class (a)	New Strategic Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Assets	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Assets	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	<u>100.00%</u>		

(a) In the CalPERS CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(10) Defined Benefit Pension Plan (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2019 and 2018, the District reported a net pension liability for its proportionate share of the net pension liability as follows:

	2019	2018
Miscellaneous - Proportionate Share of the Net Pension Liability	\$ 10,466,745	\$ 10,633,962

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. For the fiscal year ended June 30, 2019, the net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. For the fiscal year ended June 30, 2018, the net pension liability of the Plan is measured as of June 30, 2017, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(10) Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The District's proportionate share of the net pension liability for the Plan as of the measurement dates ended June 30, 2016, 2017, and 2018 was as follows:

	<u>Miscellaneous</u>
Proportion - June 30, 2016	0.26051%
Proportion - June 30, 2017	0.26976%
Change - Increase (Decrease)	0.00925%

	<u>Miscellaneous</u>
Proportion - June 30, 2017	0.26976%
Proportion - June 30, 2018	0.27773%
Change - Increase (Decrease)	0.00797%

For the years ended June 30, 2019 and 2018, the District recognized a pension expense of \$1,009,473 and \$1,274,898, respectively for the Plan.

As of June 30, 2019 and 2018, which are the measurement periods ending June 30, 2018 and 2017, respectively, the District reports other amounts for the Plan as deferred outflow and deferred inflow of resources related to pensions as follows:

	<i>As of the fiscal year ended June 30, 2019</i>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 974,972	\$ -
Differences between actual and expected experience	401,591	(136,659)
Change in assumptions	1,193,240	(292,440)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(439,103)
Net differences between projected and actual earnings on plan investments	51,745	-
Total	<u>\$ 2,621,548</u>	<u>\$ (868,202)</u>

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(10) Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$974,972 is reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount	
2020	\$	813,354
2021		421,694
2022		(362,531)
2023		(94,143)
2024		-
Thereafter		-
<i>As of the fiscal year ended June 30, 2018</i>		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 838,463	\$ -
Differences between actual and expected experience	14,799	(212,028)
Change in assumptions	1,836,253	(140,016)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(797,689)
Net differences between projected and actual earnings on plan investments	415,284	-
Total	\$ 3,104,799	\$ (1,149,733)



MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(10) Defined Benefit Pension Plan (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

\$838,463 is reported as deferred outflows of resources related to contributions subsequent to the measurement date was recognized as a reduction of the net pension liability in the year ended June 30, 2019. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2019	\$ (89,466)
2020	919,824
2021	532,808
2022	(246,563)
2023	-
Thereafter	-

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<b>Discount Rate - 1%</b> <b>(6.15%)</b>	<b>Current Discount Rate</b> <b>(7.15%)</b>	<b>Discount Rate + 1%</b> <b>(8.15%)</b>
Plan's Net Pension Liability as of the fiscal year ended June 30, 2019	\$ 16,580,186	\$ 10,466,745	\$ 5,420,199
	<b>Discount Rate - 1%</b> <b>(6.15%)</b>	<b>Current Discount Rate</b> <b>(7.15%)</b>	<b>Discount Rate + 1%</b> <b>(8.15%)</b>
Plan's Net Pension Liability as of the fiscal year ended June 30, 2018	\$ 16,686,777	\$ 10,633,962	\$ 5,620,912

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(10) Defined Benefit Pension Plan (Continued)

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

Payable to the Pension Plan

At June 30, 2019 and 2018, the District had no outstanding amount of contributions to the pension plan required for the years ended June 30, 2019 and 2018.

Additional Funding of the Pension Plan

In June 2017, the District approved the creation of a CalPERS defined benefit pension plan trust with PARS (Pension Trust). The PARS trust is legally restricted to providing benefits for members of the defined benefit pension plan. However, in accordance with GASB 68, the asset balance is not included in calculation of the net pension liability above.

The District contributed \$1 million and \$12 million to the Pension Trust in the fiscal years ended June 30, 2019 and 2018, respectively. Investments earnings of \$845,616, administrative expenses of \$64,636, and distributions (benefit payments) of \$531,042 resulted in an asset balance of \$13,528,061 as of June 30, 2019. Investments earnings of \$308,740 and administrative expenses of \$30,617 resulted in an asset balance of \$12,278,123 as of June 30, 2018.

(11) Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District is a member of the Association of California Water Agencies/Joint Powers Insurance Authority (ACWA/JPIA), an intergovernmental risk sharing joint powers authority created to provide self-insurance programs for California water agencies. The purpose of the ACWA/JPIA is to arrange and administer programs of self-insured losses and to purchase excess insurance coverage. On June 30, 2019 and 2018 the District participated in the liability and property programs of the ACWA/JPIA as follows:

- General and auto liability, public officials and employees' errors and omissions: Total risk financing self-insurance limits of \$5 million. ACWA/JPIA purchases additional excess coverage layers: \$55 million for general, auto, and public official's liability which increases the limits on the insurance coverage noted above.

MESA WATER DISTRICT  
Notes to the Financial Statements  
June 30, 2019

(11) Risk Management (Continued)

- Public employee dishonesty coverage up to \$100,000 per loss with excess coverage layers of \$2.9 million and includes public employee dishonesty, forgery or alteration, computer fraud, and ERISA.
- Cyber liability coverage up to \$3,000,000 per occurrence and \$5,000,000 in aggregate.
- Property loss is paid at the replacement cost for property on file, if replaced within two years after the loss, otherwise paid on an actual cash value basis. ACWA/JPIA is self-insured for the first \$100,000, and purchases excess coverage up to \$500 million limited to insurable value of \$75,341,381.
- Boiler and machinery coverage for the replacement cost up to \$500 million per occurrence limited to insurable value, subject to various deductibles depending on the type of equipment.
- Workers' Compensation Insurance up to California statutory limits for all work related injuries/illnesses covered by California law. ACWA/JPIA is self-insured to \$2 million has purchased excess insurance to the statutory limit.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ended June 30, 2019 and 2018. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no claims payable as of June 30, 2019, 2018, and 2017.

(12) Commitments and Contingencies

In the ordinary course of operations, the District is subject to claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

(13) Subsequent Events

In preparing these financial statements, the District has evaluated other events and transactions for potential recognition or disclosure through **DATE**, the date the financial statements were available to be issued.

## **Required Supplementary Information**

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Preliminary Draft

MESA WATER DISTRICT

Schedule of Proportionate Share of the Net Pension Liability

Last Ten Fiscal Years\*

Fiscal year ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Measurement period	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.10862%	0.10723%	0.10458%	0.09720%	0.10151%
Plan's proportionate share of the net pension liability	\$ 10,466,745	\$ 10,633,962	\$ 9,049,658	\$ 6,671,898	\$ 6,316,538
Plan's covered payroll	\$ 4,788,239	\$ 4,880,332	\$ 4,641,846	\$ 4,124,923	\$ 5,360,103
Plan's proportionate share of the net pension liability as a percentage of its covered payroll	218.59%	217.89%	194.96%	161.75%	117.84%
Plan's proportionate share of fiduciary net position as a percentage of the Plan's total pension liability	75.26%	73.31%	74.06%	82.72%	83.03%
Plan's proportionate share of aggregate employer contributions	\$ 1,322,797	\$ 1,262,657	\$ 1,161,687	\$ 1,104,974	\$ 835,655

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

\* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

MESA WATER DISTRICT

Schedule of Plan Contributions - Pension

Last Ten Fiscal Years\*

Fiscal year ended	<u>June 30, 2019</u>	<u>June 30, 2018</u>	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>June 30, 2015</u>
Contractually required contribution (actuarially determined)	\$ 974,972	\$ 838,463	\$ 766,997	\$ 693,154	\$ 510,456
Contributions in relation to the actuarially determined contributions	<u>(974,972)</u>	<u>(838,463)</u>	<u>(766,997)</u>	<u>(693,154)</u>	<u>(510,456)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,731,286	\$ 4,788,239	\$ 4,880,332	\$ 4,641,846	\$ 4,124,923
Contributions as a percentage of covered payroll	20.61%	17.51%	15.72%	14.93%	12.37%

Notes to Schedule:

Valuation Date	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012
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**Methods and Assumptions Used to Determine Contribution Rates:**

Actuarial cost method	Entry age	Entry age	Entry age	Entry age	Entry age
Amortization method	(1)	(1)	(1)	(1)	(1)
Asset valuation method	Market Value	Market Value	Market Value	Market Value	15 Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%	2.75%
Salary increases	(2)	(2)	(2)	(2)	(2)
Investment rate of return	7.375% (3)	7.50% (3)	7.50% (3)	7.50% (3)	7.50% (3)
Retirement age	(4)	(4)	(4)	(4)	(4)
Mortality	(5)	(5)	(5)	(5)	(5)

- (1) Level percentage of payroll, closed
- (2) Depending on age, service, and type of employment
- (3) Net of pension plan investment expense, including inflation
- (4) 50 years (2% @55) and 52 years (2% @62)
- (5) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

\* - Fiscal year 2015 was the 1st year of implementation, therefore only five years are shown.

MESA WATER DISTRICT

OPEB Plan  
Annual Money-Weighted Rate of Return on Investments

Last Ten Fiscal Years\*

**Retiree Health Plan**

<u>Fiscal Year Ended</u>	<u>Annual Money-Weighted Rate of Return, Net of Investment Expense (1)</u>
6/30/17	15.77%
6/30/18	10.11%
6/30/19	6.56%

(1) Ten years of historical information is required by the Governmental Accounting Standards Board, Statement No. 74. Fiscal year ended June 30, 2017 was the first year of implementation; therefore, only three years are presented.

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MESA WATER DISTRICT

Schedule of Changes in the Net OPEB Liability and Related Ratios

Last Ten Fiscal Years\*

Fiscal year ended	June 30, 2019	June 30, 2018
Measurement period	June 30, 2018	June 30, 2017
Total OPEB Liability:		
Service cost	\$ 77,491	\$ 75,234
Interest on total OPEB liability	124,626	117,658
Benefit payments, including refunds and the implied subsidy benefit payments	(94,147)	(89,724)
Net Change in Total OPEB Liability	107,970	103,168
Total OPEB Liability - Beginning of Year	1,815,878	1,712,710
Total OPEB Liability - End of Year (a)	1,923,848	1,815,878
Plan Fiduciary Net Position:		
Contributions - employer	100,236	339,724
Net investment income	109,377	135,762
Administrative expenses	(9,121)	(6,367)
Benefit payments, including refunds and the implied subsidy benefit payments	(94,147)	(89,724)
Net Change in Plan Fiduciary Net Position	106,345	379,395
Plan Fiduciary Net Position - Beginning of Year	1,131,244	751,849
Plan Fiduciary Net Position - End of Year (b)	1,237,589	1,131,244
Net OPEB Liability - Ending (a)-(b)	\$ 686,259	\$ 684,634
Plan fiduciary net position as a percentage of the total OPEB liability	64.33%	62.30%
Covered employee payroll	\$ 4,798,000	\$ 4,798,000
Net OPEB liability as percentage of covered payroll	14.30%	14.27%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

There were no changes in assumptions.

\* Fiscal year 2018 was the first year of implementation; therefore, only two years are shown.

MESA WATER DISTRICT

Schedule of Plan Contributions - OPEB

Last Ten Fiscal Years\*

Fiscal year ended	June 30, 2019	June 30, 2018
Contractually required contribution (actuarially determined)	\$ 147,000	\$ 143,000
Contributions in relation to the actuarially determined contributions	(103,882)	(98,000)
Contribution deficiency (excess)	\$ 43,118	\$ 45,000
Covered employee payroll	\$ 4,788,239	\$ 4,798,000
Contributions as a percentage of covered employee payroll	2.17%	2.04%

Notes to Schedule:

Valuation Date	6/30/2017	6/30/2017
----------------	-----------	-----------

Methods and Assumptions Used to Determine Contribution Rates:

Actuarial cost method	Entry age normal, level percentage of payroll
Amortization method	Level percent of pay
Amortization period	17-year fixed period for 2017/18
Asset valuation method	Market value
Discount rate	6.75%
General Inflation	2.75%
Medical trend	Non-Medicare: 7.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years
Mortality	Medicare: 6.5% for 2020, decreasing to an ultimate rate of 4.0% in 2076 and later years
Mortality Improvement	CalPERS 1997-2015 experience study
	Mortality projected fully generational with Scale MP-17

\* - Fiscal year 2018 was the 1st year of implementation, therefore only two years are shown.

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Preliminary Draft

## **Supplementary Information**

*Preliminary Draft*

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MESA WATER DISTRICT

Certificates of Participation  
Revenue Coverage

Year Ended June 30, 2019

Total operating and nonoperating revenues and capacity installation charges	\$ 38,991,895
Total maintenance and operating expenses and nonoperating expenses	<u>25,266,118</u>
Net Revenues	<u>\$ 13,725,777</u>
Certificates of participation annual debt service and all other parity debt constituting obligations payable from net revenues	<u>\$ 4,028,500</u>
<b>Ratio of net revenues to annual debt service and all other parity debt payable from net revenues</b>	<b>3.41</b>

Preliminary Draft

MESA WATER DISTRICT

Certificates of Participation  
Reconciliation of Total Revenues and Total Expenses

Year Ended June 30, 2019

Revenues:	
Operating revenues	\$ 36,167,875
Nonoperating revenues - investment earnings	1,872,020
Nonoperating revenues - other nonoperating, net	91,145
Capacity and installation charges	<u>860,855</u>
Total revenues	<u>\$ 38,991,895</u>
Maintenance and operating expenses:	
Operating expenses before depreciation and amortization	\$ 25,247,473
Plus: Other post-employment benefits noncash activity	<u>18,645</u>
Total maintenance and operating expenses	<u>25,266,118</u>
Nonoperating expenses:	
Interest expense - long-term debt	945,513
Less: Certificates of participation interest paid and noncash amortization of bond defeasance and premiums	<u>(945,513)</u>
Total nonoperating expenses	<u>-</u>
Total expenses	<u>\$ 25,266,118</u>

## **Statistical Information Section**

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# MESA WATER DISTRICT

## Statistical Section

This part of the District's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information say about the government's overall financial health.

### Table of Contents

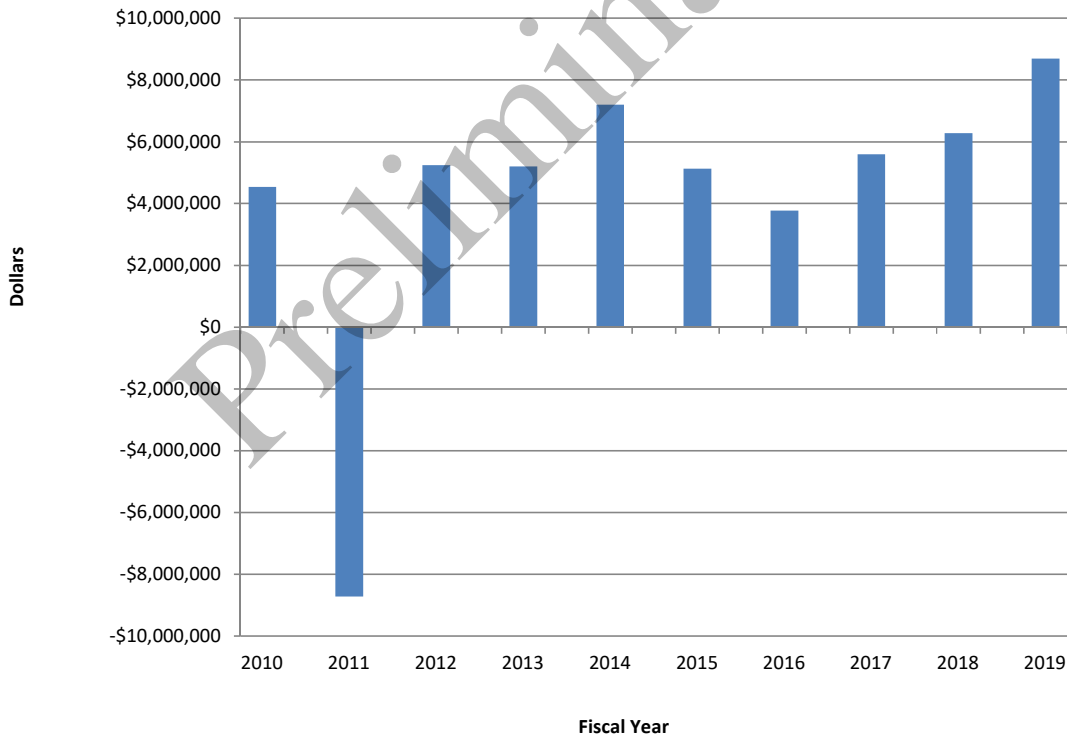
	<u>Page No.</u>
<u>Financial Trends</u>	76-79
<p>These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.</p>	
<u>Revenue Capacity</u>	80-86
<p>These schedules contain information to help the reader assess the District's most significant own-source revenue, water sales, and related expenses.</p>	
<u>Debt Capacity</u>	87-88
<p>These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.</p>	
<u>Demographic and Economic Information</u>	89-90
<p>This schedule offers demographic indicators to help the reader understand the environment within which the District's financial activities take place.</p>	
<u>Operating Information</u>	91-92
<p>These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the service the District provides.</p>	

**Mesa Water District**  
**Changes in Net Position and Net Position by Component**  
**Last Ten Fiscal Years**  
**Schedule 1**

	Fiscal Year			
	2010	2011	2012	2013
Changes in net position:				
Operating revenues (see schedule 2)	\$ 28,659,798	29,495,485	29,296,353	34,080,443
Operating expenses (see schedule 3)	<u>(25,477,025)</u>	<u>(25,848,828)</u>	<u>(23,953,040)</u>	<u>(29,095,185)</u>
<b>Operating income(loss)</b>	3,182,773	3,646,657	5,343,313	4,985,258
Net non-operating revenue(expense) (see schedule 4)	<u>(497,795)</u>	<u>(790,937)</u>	<u>(321,690)</u>	<u>(1,196,646)</u>
<b>Net income(loss) before capital contributions</b>	2,684,978	2,855,720	5,021,623	3,788,612
Capital contributions	1,858,947	1,779,584	228,413	1,409,655
Extraordinary Loss on Capital Assets Abandonment	-	(13,357,434)	-	-
Prior Period Adjustment	-	-	-	-
<b>Changes in net position</b>	<u>\$ 4,543,925</u>	<u>(8,722,130)</u>	<u>5,250,036</u>	<u>5,198,267</u>
Net position:				
Net Investment in capital assets	\$ 82,182,580	73,793,234	84,080,083	84,054,617
Restricted	2,395,355	-	-	-
Unrestricted	<u>14,412,050</u>	<u>16,474,621</u>	<u>19,452,573</u>	<u>24,676,306</u>
<b>Total net position</b>	<u>\$ 98,989,985</u>	<u>90,267,855</u>	<u>103,532,656</u>	<u>108,730,923</u>

\* as restated.

**Changes in Net Position**



Source: Mesa Water District Audited Financial Statements.

**Mesa Water District**  
**Changes in Net Position and Net Position by Component**  
**Last Ten Fiscal Years**  
**Schedule 1, Continued**

Fiscal Year					
2014	2015	2016	2017	2018	2019
37,675,090	32,913,142	28,997,983	31,124,804	35,705,309	36,167,875
(31,103,589)	(28,025,981)	(26,227,594)	(28,489,995)	(31,234,095)	(30,403,085)
6,571,501	4,887,161	2,770,389	2,634,809	4,471,214	5,764,790
(1,142,788)	(889,936)	(2,009,000)	(1,382,150)	(549,097)	1,014,748
5,428,713	3,997,225	761,389	1,252,659	3,922,117	6,779,538
1,771,171	2,552,466	3,016,356	4,340,361	3,283,326	1,917,078
-	-	-	-	-	-
-	(1,418,737)	-	-	(927,250)	-
<u>7,199,884</u>	<u>5,130,954</u>	<u>3,777,745</u>	<u>5,593,020</u>	<u>6,278,193</u>	<u>8,696,616</u>
85,117,787	84,181,875 *	86,535,551 *	90,777,661	94,096,310	103,143,365
-	-	-	-	-	-
<u>30,813,020</u>	<u>28,797,704</u>	<u>30,221,773</u>	<u>31,572,683</u>	<u>34,532,227</u>	<u>34,181,788</u>
<u>115,930,807</u>	<u>112,979,579</u>	<u>116,757,324</u>	<u>122,350,344</u>	<u>128,628,537</u>	<u>137,325,153</u>

**Net Position by Component**



Source: Mesa Water District Audited Financial Statements.

**Mesa Water District**  
**Historic Operating Results and Debt Service Coverage**  
**Last Ten Fiscal Years**  
**Schedule 1a**

	Fiscal Year			
	2010	2011	2012	2013
<b>Revenues</b>				
Water Sales	\$19,315,363	\$19,598,778	\$21,446,306	\$23,205,333
Meter Service Charges	3,998,580	4,329,199	4,597,512	4,865,284
Pass-through Water Sales				
Governmental Agencies	\$3,623,321	\$3,494,841	\$1,200,178	\$3,948,733
Concessions from Governmental Agencies	564,614	739,301	2,797	-
Recycled Water Sales	1,100,038	1,042,340	1,158,856	1,549,378
Other Charges and Services	622,496	291,027	893,501	511,715
Capacity and Installation Charges	1,693,593	637,994	134,616	434,763
Investment Earnings	103,864	94,758	313,494	43,234
<b>Total Revenues</b>	<b>\$31,021,869</b>	<b>\$30,228,238</b>	<b>\$29,747,260</b>	<b>\$34,558,440</b>
<b>Operation and Maintenance Costs</b>				
Imported & Basin Managed Source of Supply	\$1,897,896	\$3,629,226	\$5,449,257	\$3,073,519
Transmission and Distribution	4,511,055	4,692,121	4,838,681	5,005,698
General and Administrative	4,668,200	5,268,838	5,577,027	6,217,746
Pass-through Water Purchases to				
Governmental Agencies	3,623,321	3,494,841	1,200,178	3,948,733
Total Clear Water Pumping	3,975,004	3,343,162	3,767,638	4,134,259
Total Amber Water Pumping	2,924,926	1,943,963	38,178	2,472,987
Recycled Water	337,400	300,364	325,349	443,319
In-lieu Source of Supply	-	209,053	249,703	-
<b>Total Operating Expenses</b>	<b>\$21,937,802</b>	<b>\$22,881,568</b>	<b>\$21,446,011</b>	<b>\$25,296,261</b>
Net Revenues	\$9,084,067	\$7,346,670	\$8,301,249	\$9,262,179
Senior Obligations	2,175,993	1,977,850	1,971,850	1,977,750
Senior Obligations Coverage	4.17	3.71	4.21	4.68
Revenues Available for Parity Obligations	\$6,908,074	\$5,368,820	\$6,329,399	\$7,284,429
<b>Parity Obligations</b>				
2010 Installment Payments	-	-	-	837,119
1991 OCWD Well Loan	51,232	51,231	44,645	46,207
1998 OCWD Well II Loan	51,243	51,243	88,832	37,598
1998 Wells IB and 10 Loan	32,603	32,603	24,759	52,149
<b>Total Parity Obligations</b>	<b>135,078</b>	<b>135,077</b>	<b>158,236</b>	<b>973,073</b>
Parity Obligations Coverage	51.14	39.75	40.00	7.49
Revenues Available for Capital Projects and Other Coverage	6,772,996	5,233,743	6,171,163	6,311,356

**Source:** Mesa Water District Audited Financial Statements.

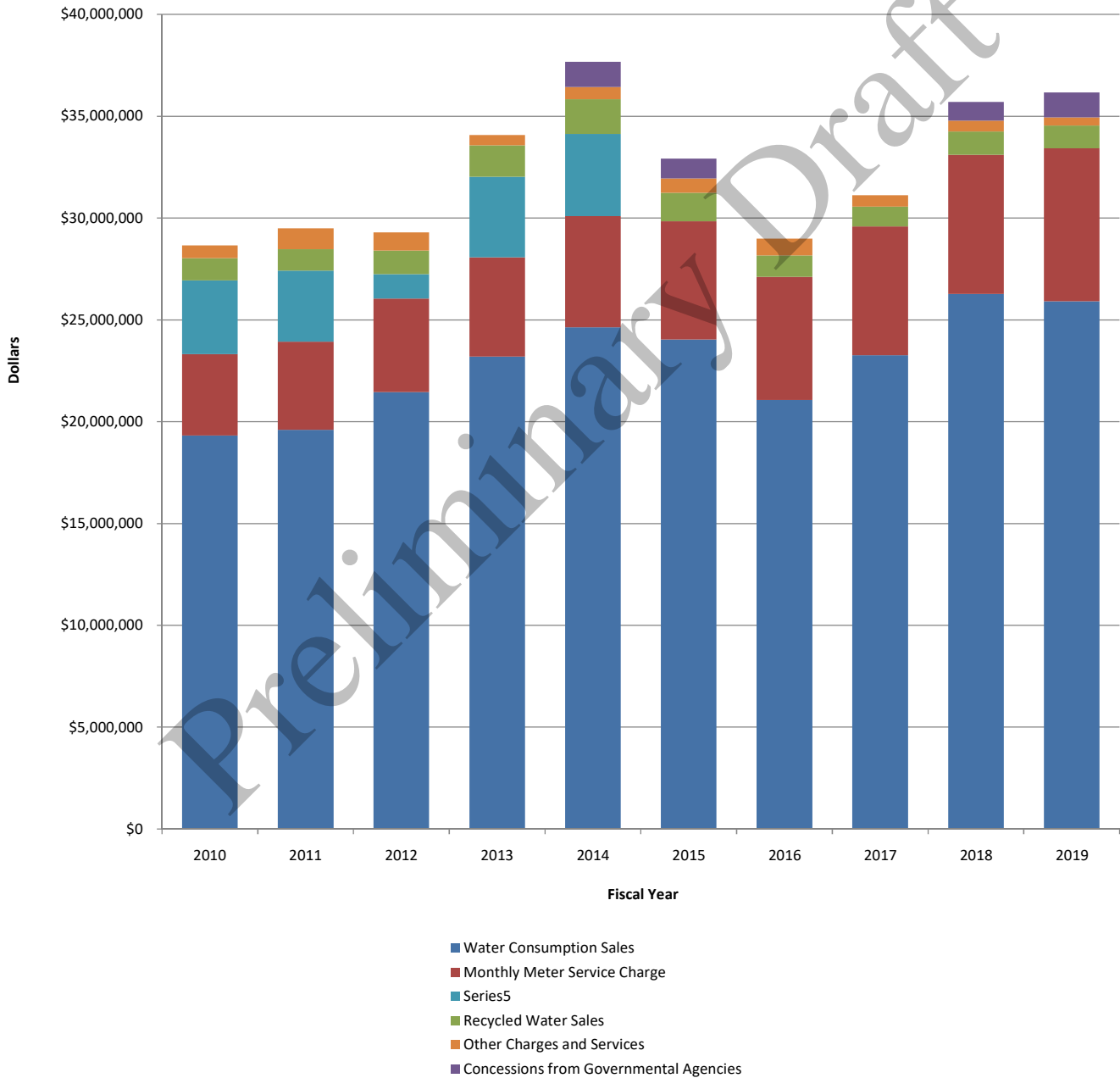
**Mesa Water District  
Historic Operating Results and Debt Service Coverage  
Last Ten Fiscal Years  
Schedule 1a, Continued**

Fiscal Year					
2014	2015	2016	2017	2018	2019
\$24,639,988	\$24,034,254	\$21,357,269	\$23,261,150	\$26,272,951	\$25,910,454
5,454,610	5,803,271	6,050,343	6,331,300	6,838,600	7,511,575
\$4,035,580	-	-	-	-	-
1,238,000	968,138	-	-	933,937	1,226,127
1,698,506	1,397,919	1,056,481	971,796	1,137,748	1,119,273
608,406	709,560	830,432	560,558	522,073	400,446
452,679	1,247,867	1,945,079	2,498,287	1,912,740	86,855
238,672	404,763	681,378	25,518	535,930	1,872,020
\$38,366,441	\$34,565,772	\$31,920,982	\$33,648,609	\$38,153,979	\$38,126,750
\$2,695,858	\$2,645,852	\$1,031,539	\$842,353	\$2,405,315	\$2,996,819
5,251,819	5,750,908	4,961,178	5,021,716	6,132,007	5,482,303
6,320,500	7,380,985	7,900,124	8,184,895	7,978,006	7,589,724
4,035,580	-	-	-	-	-
4,287,888	4,273,537	4,682,120	4,427,407	2,776,268	5,453,136
3,353,823	2,864,506	2,453,295	4,520,866	3,134,554	2,967,369
470,767	436,560	496,582	572,549	629,455	758,122
-	-	-	-	3,168,477.00	-
\$26,416,235	\$23,352,348	\$21,524,838	\$23,569,786	\$26,224,082	\$25,247,473
\$11,950,206	\$11,213,424	\$10,396,144	\$10,078,823	\$11,929,897	\$12,879,277
1,972,150	1,969,750	1,973,750	1,974,000	1,899,150	4,028,500
6.06	5.69	5.27	5.11	6.28	3.20
\$9,978,056	\$9,243,674	\$8,422,394	\$8,104,823	\$10,030,747	\$8,850,777
1,339,038	1,339,838	1,340,038	1,339,638	-	-
97,324	-	-	-	-	-
352,239	-	-	-	-	-
147,207	-	-	-	-	-
1,935,808	1,339,838	1,340,038	1,339,638	-	-
5.15	6.90	6.29	6.05	N/A	N/A
8,042,249	7,903,837	7,082,357	6,765,185	10,030,747	8,850,777

Source: Mesa Water District Audited Financial Statements.

**Mesa Water District  
Operating Revenues By Source  
Last Ten Fiscal Years  
Schedule 2**

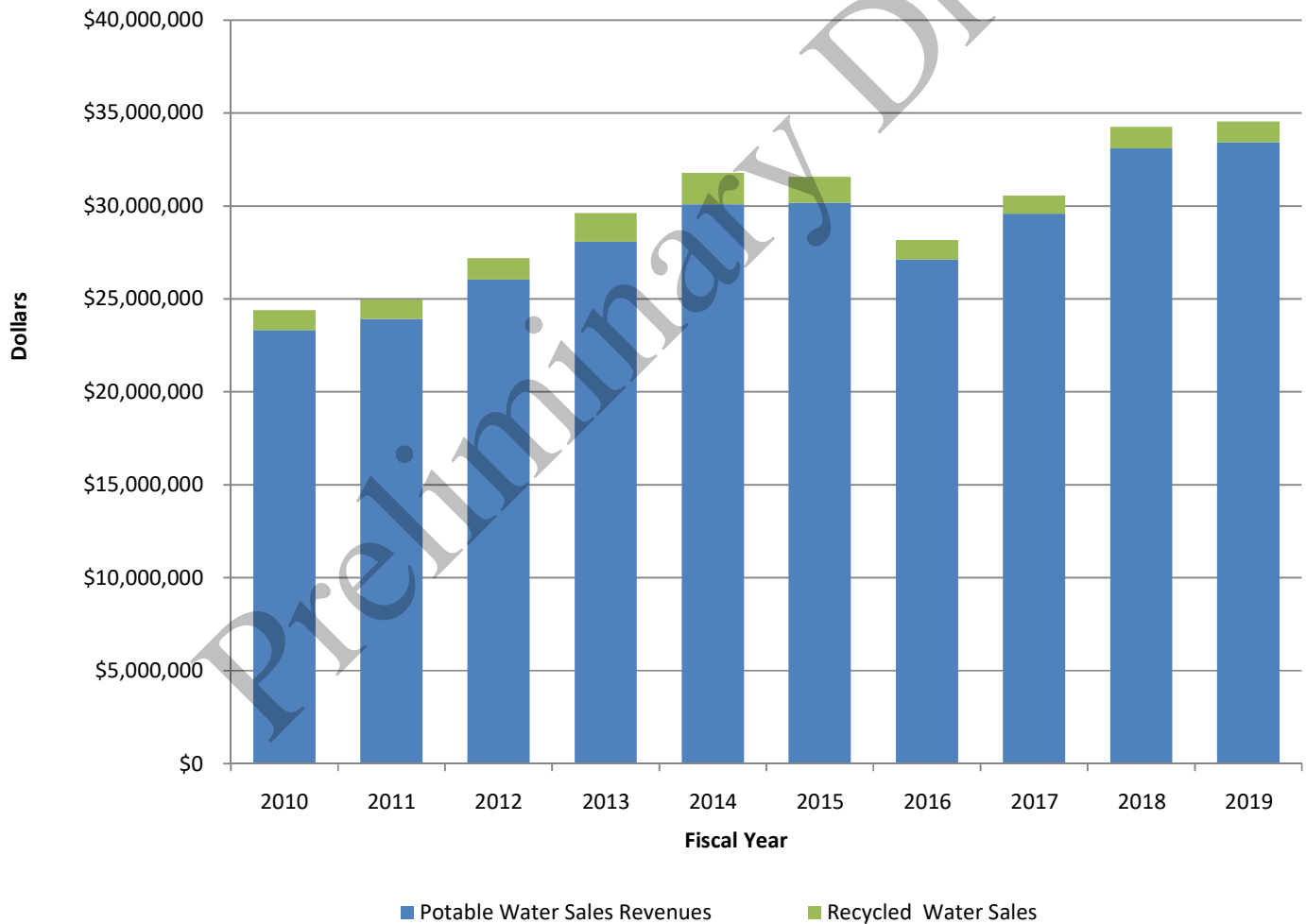
<b>Fiscal Year</b>	<b>Water Consumption Sales</b>	<b>Monthly Meter Service Charge</b>	<b>Pass-thru Water Sales to Governmental Agencies</b>	<b>Recycled Water Sales</b>	<b>Other Charges and Services</b>	<b>Concessions from Governmental Agencies</b>	<b>Total Operating Revenues</b>
2010	19,315,363	3,998,580	3,623,321	1,100,038	622,496	-	28,659,798
2011	19,598,777	4,329,199	3,494,841	1,042,340	1,030,328	-	29,495,485
2012	21,446,306	4,597,512	1,200,178	1,158,856	893,501	-	29,296,353
2013	23,205,333	4,865,284	3,948,733	1,549,378	511,715	-	34,080,443
2014	24,639,988	5,454,610	4,035,580	1,698,506	608,406	1,238,000	37,675,090
2015	24,034,254	5,803,271	-	1,397,919	709,560	968,138	32,913,142
2016	21,060,727	6,050,343	-	1,056,481	830,432	-	28,997,983
2017	23,261,150	6,331,300	-	971,796	560,558	-	31,124,804
2018	26,272,951	6,838,600	-	1,137,748	522,073	933,937	35,705,309
2019	25,910,454	7,511,575	-	1,119,273	400,446	1,226,127	36,167,875



Source: Mesa Water District Audited Financial Statements.

**Mesa Water District  
Historic Water Sales Revenues<sup>1</sup>  
Last Ten Fiscal Years  
Schedule 2a**

Fiscal Year	Potable Water Sales Revenues <sup>2</sup>	Recycled Water Sales	Total	Increase (Decrease)
2010	23,313,943	1,100,038	24,413,981	-2.4%
2011	23,927,976	1,042,340	24,970,316	2.3%
2012	26,043,818	1,158,856	27,202,674	8.9%
2013	28,070,617	1,549,378	29,619,995	8.9%
2014	30,094,598	1,698,506	31,793,104	7.3%
2015	30,174,271	1,397,919	31,572,190	-0.7%
2016	27,111,070	1,056,481	28,167,551	-10.8%
2017	29,592,450	971,796	30,564,246	8.5%
2018	33,111,551	1,137,748	34,249,299	12.1%
2019	33,422,029	1,119,273	34,541,302	0.9%



**Notes:**

<sup>(1)</sup> Excludes revenues from sales at cost to the City of Huntington Beach.

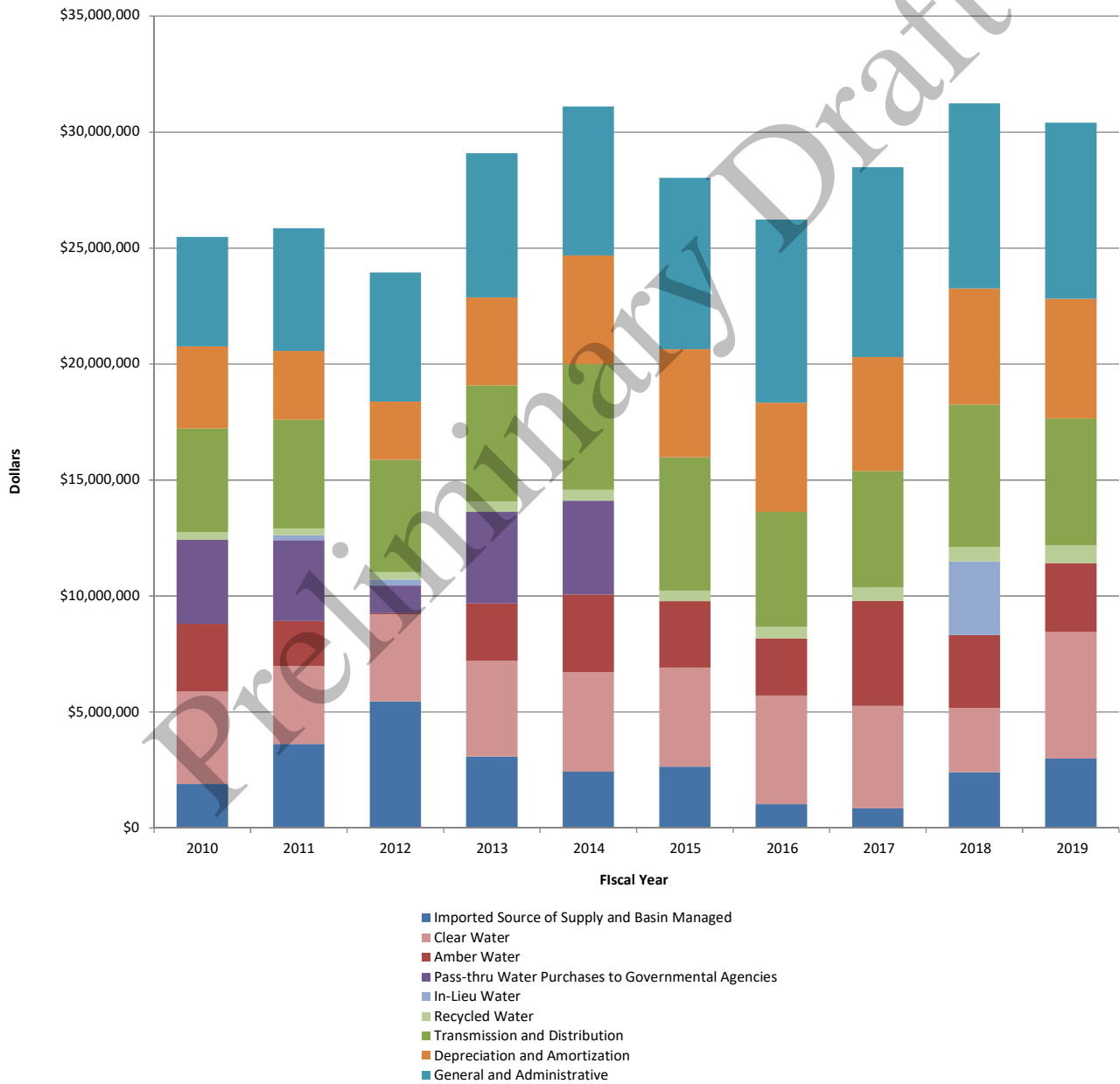
<sup>(2)</sup> Includes bimonthly meter charges.

**Source:** Mesa Water District Audited Financial Statements.



**Mesa Water District  
Operating Expenses by Activity  
Last Ten Fiscal Years  
Schedule 3**

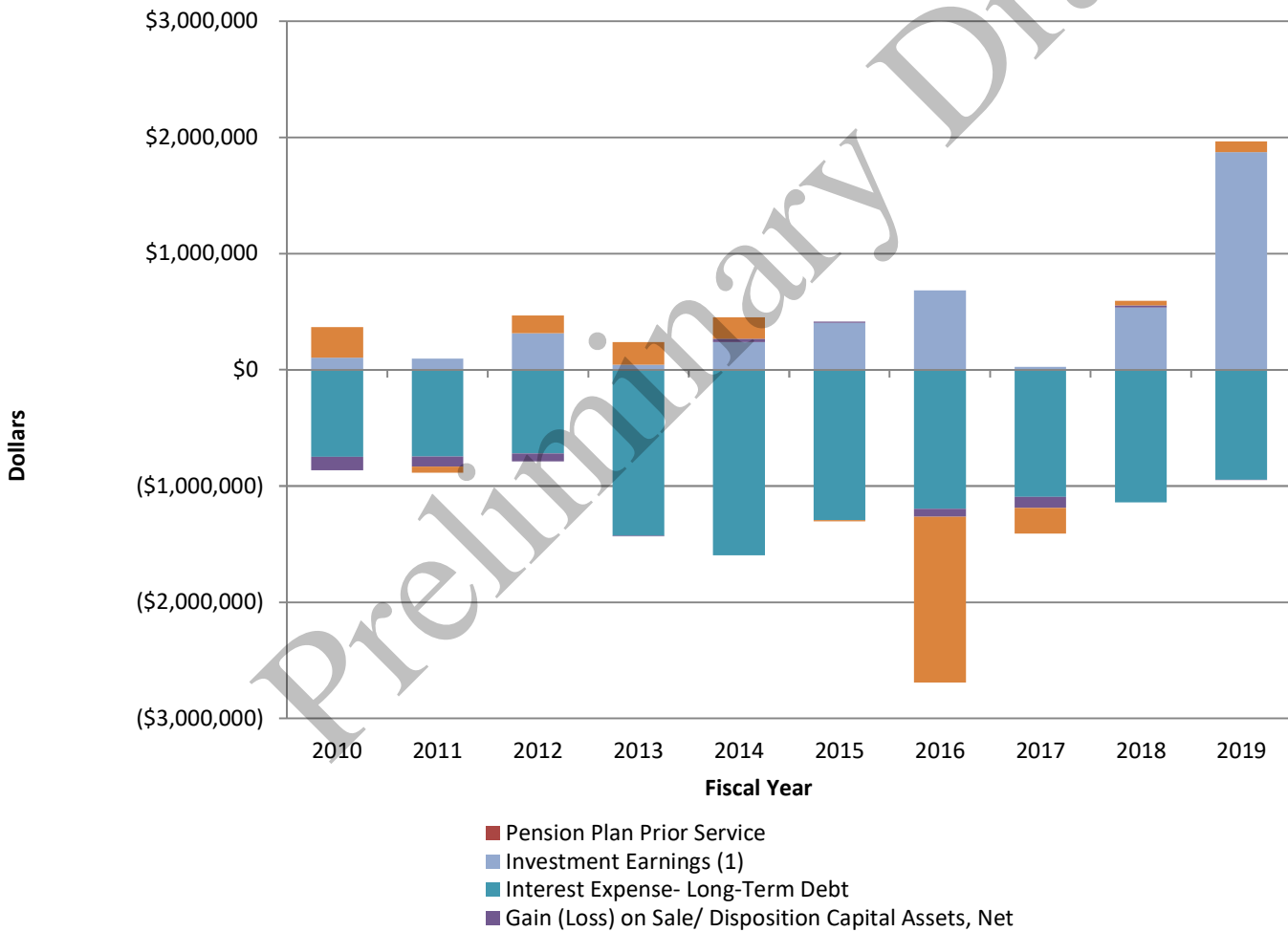
Fiscal Year	Imported Source of Supply and Basin Managed	Clear Water	Amber Water	Pass-thru Water Purchases to Governmental Agencies	In-Lieu Water	Recycled Water	Transmission and Distribution	Depreciation and Amortization	General and Administrative	Total Operating Expenses
2010	1,897,896	3,975,004	2,924,926	3,623,321	-	337,400	4,461,625	3,539,223	4,717,630	25,477,025
2011	3,629,226	3,343,162	1,943,963	3,494,841	209,053	300,364	4,680,458	2,967,260	5,280,501	25,848,828
2012	5,449,257	3,767,638	38,178	1,200,178	249,703	325,349	4,838,681	2,507,029	5,577,027	23,953,040
2013	3,073,519	4,134,259	2,472,987	3,948,733	-	443,319	5,005,698	3,798,924	6,217,746	29,095,185
2014	2,427,936	4,287,888	3,353,823	4,035,580	-	470,767	5,425,385	4,687,354	6,414,856	31,103,589
2015	2,645,852	4,273,537	2,864,506	-	-	436,560	5,750,908	4,673,633	7,380,985	28,025,981
2016	1,031,539	4,682,120	2,453,295	-	-	496,582	4,961,178	4,702,756	7,900,124	26,227,594
2017	842,353	4,427,407	4,520,866	-	-	572,549	5,021,716	4,920,209	8,184,895	28,489,995
2018	2,405,315	2,776,268	3,134,554	-	3,168,477	629,455	6,132,007	5,010,013	7,978,006	31,234,095
2019	2,996,819	5,453,136	2,967,369	-	-	758,122	5,482,303	5,155,612	7,589,724	30,403,085



Source: Mesa Water District Audited Financial Statements.

**Mesa Water District  
Non-operating Revenues and (Expenses)  
Last Ten Fiscal Years  
Schedule 4**

<u>Fiscal Year</u>	<u>Investment Earnings <sup>(1)</sup></u>	<u>Interest Expense- Long-Term Debt</u>	<u>Gain (Loss) on Sale/ Disposition Capital Assets, Net</u>	<u>Other Non-Operating, Net</u>	<u>Pension Plan Prior Service</u>	<u>Nonoperating Revenues/(Expenses)</u>
2010	103,864	(749,969)	(115,994)	264,304	-	(497,795)
2011	94,758	(748,517)	(82,164)	(55,014)	-	(790,937)
2012	313,494	(720,536)	(68,158)	153,510	-	(321,690)
2013	43,234	(1,429,154)	(6,288)	195,562	-	(1,196,646)
2014	238,672	(1,595,546)	28,155	185,931	-	(1,142,788)
2015	404,763	(1,293,727)	9,639	(10,611)	-	(889,936)
2016	681,378	(1,196,589)	(69,130)	(1,424,659)	-	(2,009,000)
2017	25,518	(1,094,610)	(94,086)	(218,972)	-	(1,382,150)
2018	535,930	(1,140,774)	17,397	38,350	-	(549,097)
2019	1,872,020	(945,513)	(2,904)	91,145	-	1,014,748



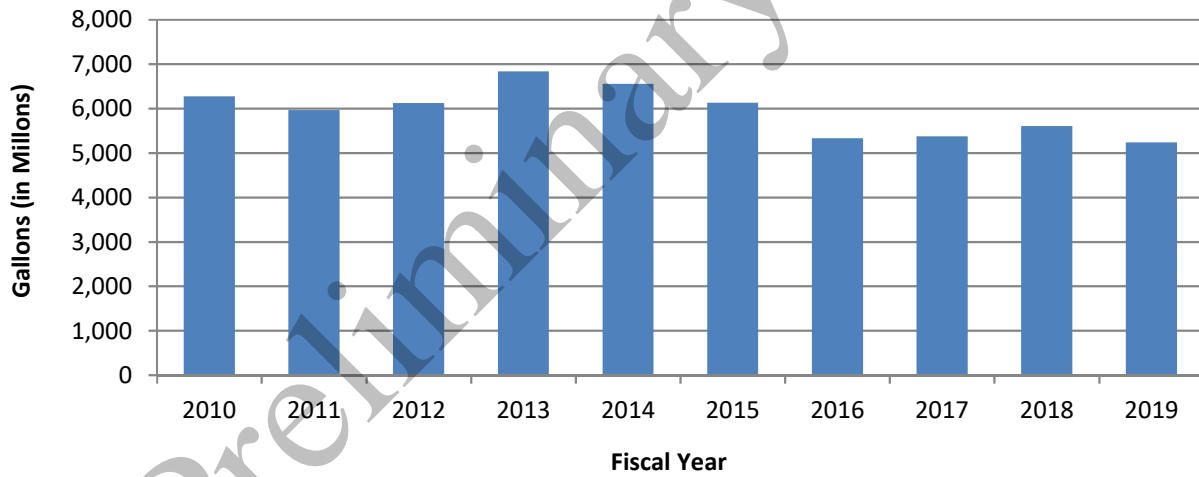
**Note:**

<sup>(1)</sup> Includes Interest Income Realized and Unrealized Gains and Losses On Investments.

**Source:** Mesa Water District Audited Financial Statements.

**Mesa Water District  
Operating Revenue Base  
Last Ten Fiscal Years  
Schedule 5**

<b>Fiscal Year</b>	<b>Production (Gallons)</b>	AF	Sales AF	Production AF
2010	6,276,476,792	18,234	18,234	19,262
2011	5,964,539,630	17,359	17,359	18,305
2012	6,119,286,269	17,874	17,874	18,779
2013	6,836,777,586	18,701	18,701	20,981
2014	6,551,560,206	19,011	19,011	20,106
2015	6,130,560,714	18,110	18,110	18,814
2016	5,330,922,360	15,057	15,057	16,360
2017	5,370,676,182	15,898	15,898	16,482
2018	5,605,288,902	17,059	17,059	17,202
2019	5,234,796,315	16,110	16,110	16,065

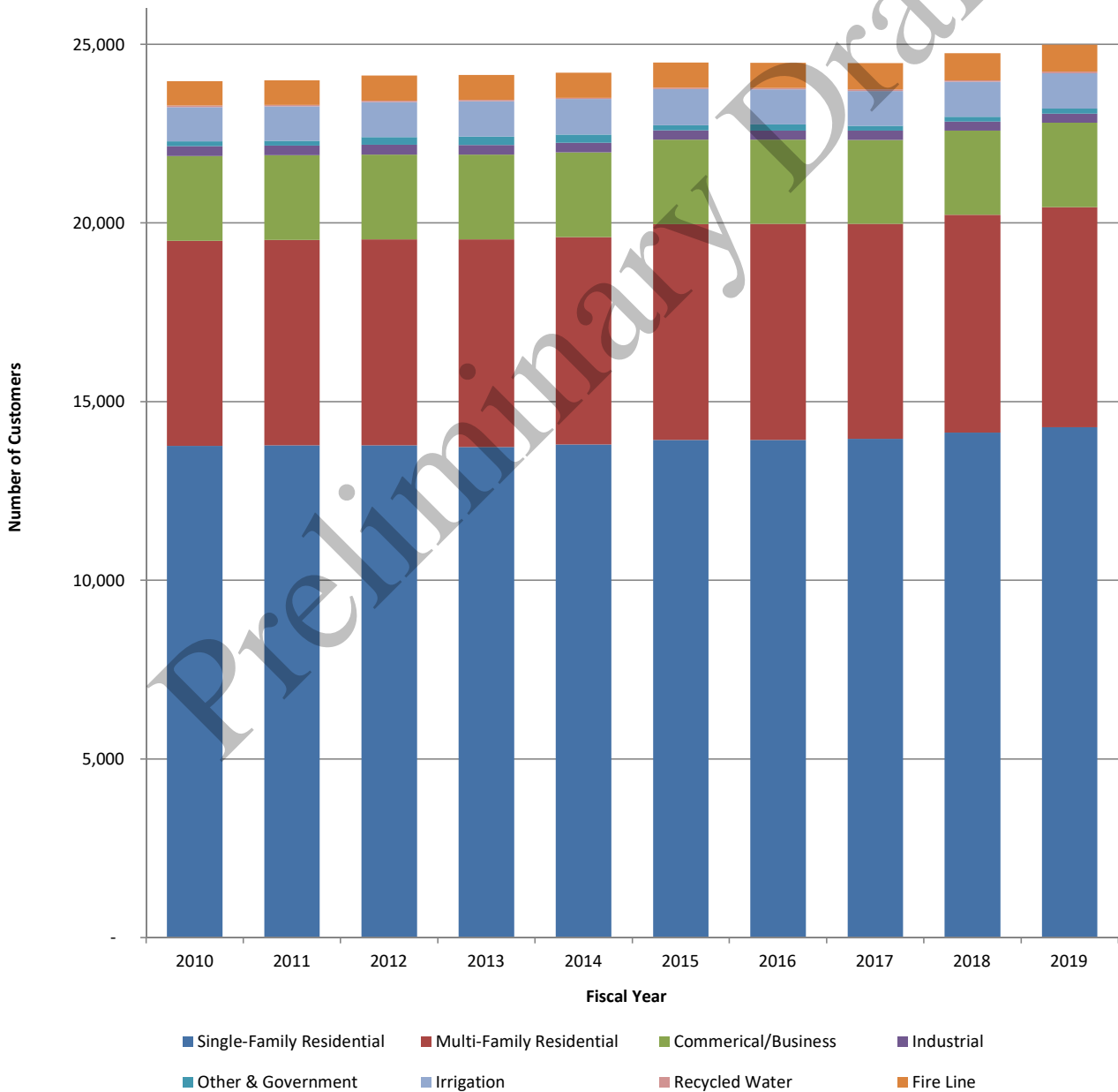


**Note:** For Information Regarding Water Sales See Schedule 2 'Operating Revenue by Source'.

**Source:** Mesa Water District Billing System.

**Mesa Water District  
Customer Connections  
Last Ten Fiscal Years  
Schedule 6**

Fiscal Year	Customer Type									Total Connections
	Single-Family Residential	Multi-Family Residential	Commerical/Business	Industrial	Other & Government	Irrigation	Recycled Water	Fire Line		
2010	13,761	5,740	2,372	277	134	959	42	683	23,968	
2011	13,783	5,742	2,369	277	129	966	42	687	23,995	
2012	13,778	5,763	2,370	274	223	977	42	698	24,125	
2013	13,732	5,808	2,371	269	240	984	42	699	24,145	
2014	13,798	5,806	2,374	267	228	996	32	704	24,205	
2015	13,931	6,041	2,359	264	142	1013	36	705	24,491	
2016	13,933	6,044	2,357	255	175	973	43	708	24,488	
2017	13,955	6,021	2,351	253	139	973	42	743	24,477	
2018	14,138	6,092	2,356	249	142	976	43	752	24,748	
2019	14,286	6,162	2,361	247	141	995	43	758	24,993	



Source: Mesa Water District Billing System.

**Mesa Water District  
Revenue Rates  
Last Ten Fiscal Years  
Schedule 7**

**Minimum Bimonthly Service Charge - Potable Water Service**

Meter Size	6/30/10	6/30/11	6/30/12	6/30/13	6/30/14	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19
5/8"	\$ 16.00	17.00	18.00	19.00	20.00	21.50	22.50	23.00	24.69	25.93
3/4"	24.00	25.50	27.00	28.50	30.00	32.50	33.50	34.50	37.31	39.18
1"	40.00	42.50	45.00	47.50	50.00	54.00	55.50	57.50	62.00	65.10
1 1/2"	80.00	85.00	90.00	95.00	100.00	108.00	111.50	115.00	124.51	130.74
2"	128.00	136.00	144.00	152.00	160.00	172.50	178.50	184.00	199.11	209.07
3"	280.00	297.50	315.00	332.50	350.00	378.00	390.00	402.00	435.51	457.29
4"	504.00	535.50	567.00	598.50	630.00	680.00	702.00	724.00	784.32	823.54
6"	1,120.00	1,190.00	1,260.00	1,330.00	1,400.00	1,510.00	1,560.00	1,610.00	1,744.08	1,831.29
8"	1,920.00	2,040.00	2,160.00	2,280.00	2,400.00	2,590.00	2,670.00	2,670.00	2,983.82	3,133.02
10"	3,040.00	3,230.00	3,420.00	3,610.00	3,800.00	4,100.00	4,230.00	4,370.00	4,727.89	4,964.29

**Minimum Bimonthly Service Charge - Fireline Water Service - Class I**

Meter Size	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19
2"	\$ 15.00	16.00	17.00	18.00	19.00	20.50	21.00	22.00	6.81	7.16
3"	22.50	24.00	25.50	27.00	28.50	31.00	32.00	33.00	19.79	20.79
4"	30.00	32.00	34.00	36.00	38.00	41.00	42.50	43.50	42.18	44.29
6"	45.00	48.00	51.00	54.00	57.00	61.50	63.50	65.50	122.53	128.66
8"	60.00	64.00	68.00	72.00	76.00	82.00	84.50	87.50	261.11	274.17
10"	90.00	96.00	102.00	108.00	114.00	123.00	127.00	131.00	469.56	493.04
12"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Minimum Bimonthly Service Charge - Fireline Water Service - Class II**

Meter Size	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19
2"	\$ 30.00	32.00	34.00	36.00	38.00	41.00	42.50	43.50	6.81	7.16
3"	45.00	48.00	51.00	54.00	57.00	61.50	63.50	65.50	19.79	20.79
4"	60.00	64.00	68.00	72.00	76.00	82.00	84.50	87.50	42.18	44.29
6"	90.00	96.00	102.00	108.00	114.00	123.00	127.00	131.00	122.53	128.66
8"	120.00	128.00	136.00	144.00	152.00	164.00	169.50	174.50	261.11	274.17
10"	180.00	192.00	204.00	216.00	228.00	246.00	254.00	262.00	469.56	493.04
12"	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Water Use Rate (per 100 cubic feet = 748 gallons)**

User Type	6/30/09	6/30/10	6/30/11	6/30/12	6/30/13	6/30/15	6/30/16	6/30/17	6/30/18	6/30/19
<u>Residential</u>										
Potable Commodity Rate	\$ 2.60	2.70	2.85	3.00	3.15	3.40	3.51	3.62	3.86	4.06
<u>Non-Residential</u>										
Construction Commodity Rate	\$ 3.90	4.05	4.28	4.50	4.73	5.10	5.26	5.43	4.27	4.49
Fireline Commodity Rate	\$ 5.20	5.40	5.70	6.00	6.30	6.80	7.02	7.24	4.27	4.49
Recycled Commodity Rate	\$ 2.34	2.43	2.57	2.70	2.84	2.51	2.32	1.82	2.52	2.65

Source: Mesa Water District Records.

**Mesa Water District  
Ten Largest Water Users by Revenue  
Current Fiscal Year and Five Years Ago  
Schedule 8**

<b>FY 2018/19</b>				<b>FY 2013/14</b>				
	<b>Consumption</b>	<b>Acre Feet</b>	<b>% of Total</b>		<b>Consumption</b>	<b>Acre Feet</b>	<b>% of Total</b>	
1	Mesa Verde Partners	188,585	433	2.5%	Mesa Verde	255,536	587	3.1%
2	City Of Costa Mesa	110,736	254	1.5%	City Of Costa Mesa	241,672	555	2.9%
3	Newport-Mesa School District	108,292	249	1.5%	Newport-Mesa Unified School District	203,180	466	2.5%
4	The Irvine Company, Llc	76,468	176	1.0%	County of Orange	121,736	279	1.5%
5	Casden Lakes, Lp	50,836	117	0.7%	CalTrans	115,382	265	1.4%
6	County Of Orange	49,542	114	0.7%	Fairview State Hospital	99,961	229	1.2%
7	Arnel Residential Properties	45,911	105	0.6%	The Irvine Company, L.L.C.	95,672	220	1.2%
8	South Coast Plaza	45,748	105	0.6%	South Coast Plaza	88,500	203	1.1%
9	Camden Property Trust	45,099	104	0.6%	Coast Community College	83,733	192	1.0%
10	Hilton Costa Mesa	42,241	97	0.6%	United Dominion Realty	73,978	170	0.9%
		<u>1,753</u>	<u>10.3%</u>			<u>3,166</u>	<u>16.7%</u>	

Sales in Acre Feet

Potable	16,110
Recycled	<u>916</u>
Total Sales Acre Feet	<u>17,026</u>

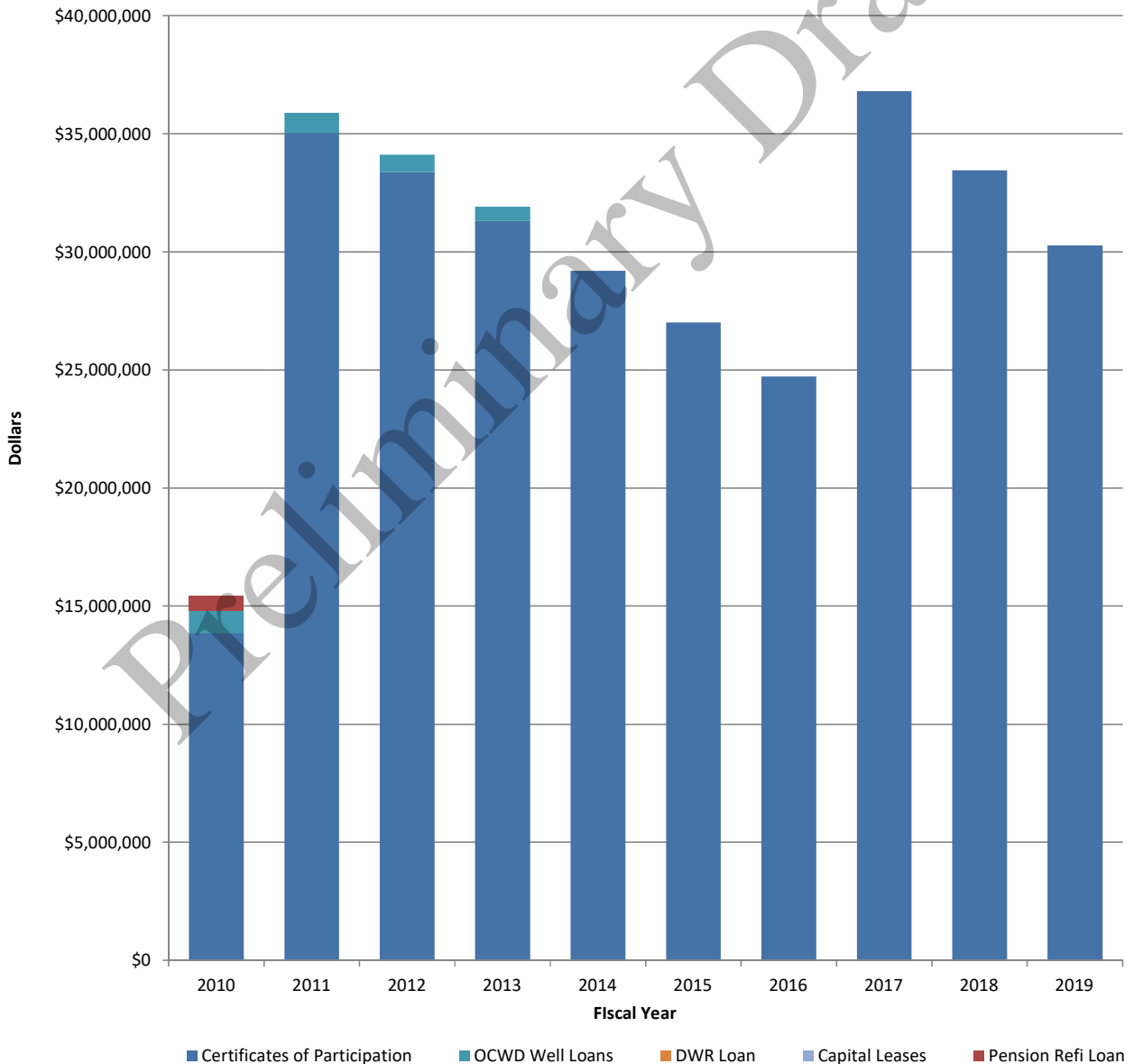
Sales in Acre Feet

Potable	17,709
Recycled	<u>1,302</u>
Total Sales Acre Feet	<u>19,011</u>

Preliminary Draft

**Mesa Water District  
Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years  
Schedule 9**

Fiscal Year	Certificates of Participation	OCWD Well Loans	DWR Loan	Capital Leases	Pension Refi Loan	Total		
						Debt	Per Capita	As a Share of Personal Income
2010	13,845,738	940,612	-	-	650,474	15,436,824	139.38	0.26%
2011	35,050,518	838,455	-	-	-	35,888,973	322.28	0.59%
2012	33,380,023	732,724	-	-	-	34,112,747	305.00	0.56%
2013	31,319,523	596,770	-	-	-	31,916,293	285.39	0.50%
2014	29,204,027	-	-	-	-	29,204,027	254.83	0.43%
2015	27,013,531	-	-	-	-	27,013,531	235.71	0.39%
2016	24,723,036	-	-	-	-	24,723,036	214.98	0.35%
2017	36,805,648	-	-	-	-	36,805,648	320.05	0.52%
2018	33,452,164	-	-	-	-	33,452,164	292.07	0.44%
2019	30,277,774	-	-	-	-	30,277,774	261.40	0.38%

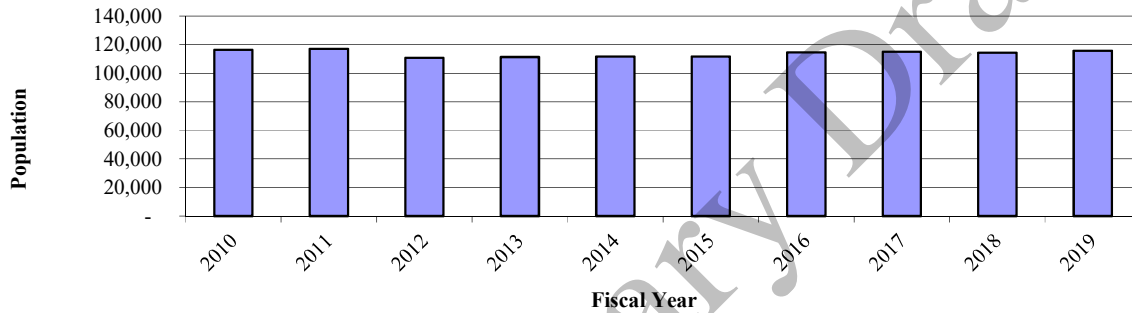


Source: Mesa Water District Audited Financial Statements.

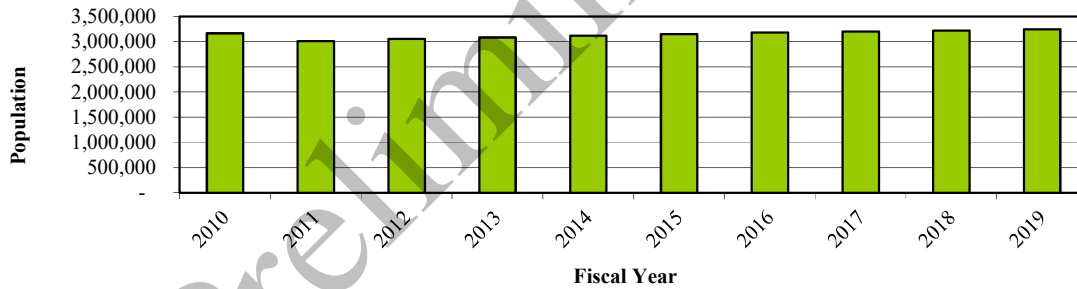
**Mesa Water District**  
**Schedule of Demographics and Economic Statistics**  
**Last Ten Calendar Years**  
**Schedule 10**

Fiscal Year	Costa Mesa		County of Orange		
	Population	Unemployment Rate	Population	Personal Income (Thousands of Dollars)	Personal Income per Capita
2010	116,341	8.5%	3,166,461	153,098,600	48,350
2011	117,178	7.8%	3,010,232	159,007,100	52,822
2012	110,757	7.1%	3,055,792	166,345,500	54,436
2013	111,358	5.0%	3,081,804	168,966,400	54,827
2014	111,846	4.6%	3,113,991	177,412,900	56,973
2015	111,835	4.1%	3,147,655	185,500,000	58,933
2016	114,603	3.6%	3,183,011	190,978,000	59,999
2017	115,012	3.3%	3,194,024	199,492,000	62,458
2018	114,536	2.9%	3,221,103	215,479,000	66,896
2019	115,830 <sup>1</sup>	2.6%	3,248,400 <sup>1</sup>	221,950,000 <sup>1</sup>	68,326 <sup>1</sup>

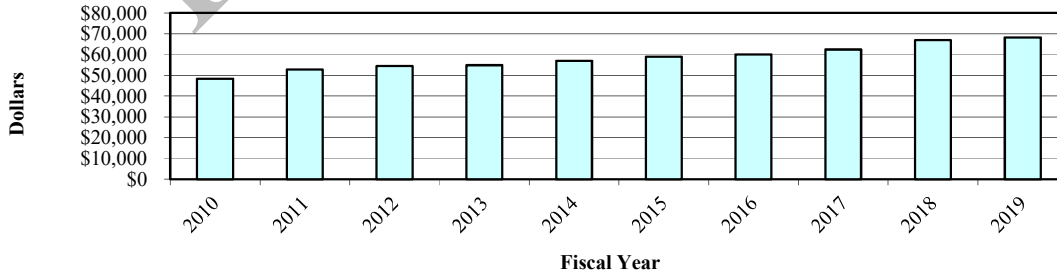
**Population - Costa Mesa**



**Population - Orange County**



**Personal Income per Capita - Orange County**



**Notes:** <sup>1</sup> Estimate - Data is not available

**Source:** California Department of Finance, Demographic Research Unit, <http://www.dof.ca.gov>  
 State of California, Employment Development Department, <http://www.edd.ca.gov>  
 County of Orange, Comprehensive Annual Financial Reports, <http://egov.ocgov.com/ocgov/Auditor-Controller>



**Mesa Water District**  
**City of Costa Mesa Principal Employers**  
**Current Year and Nine Years Ago**  
**Schedule 11**

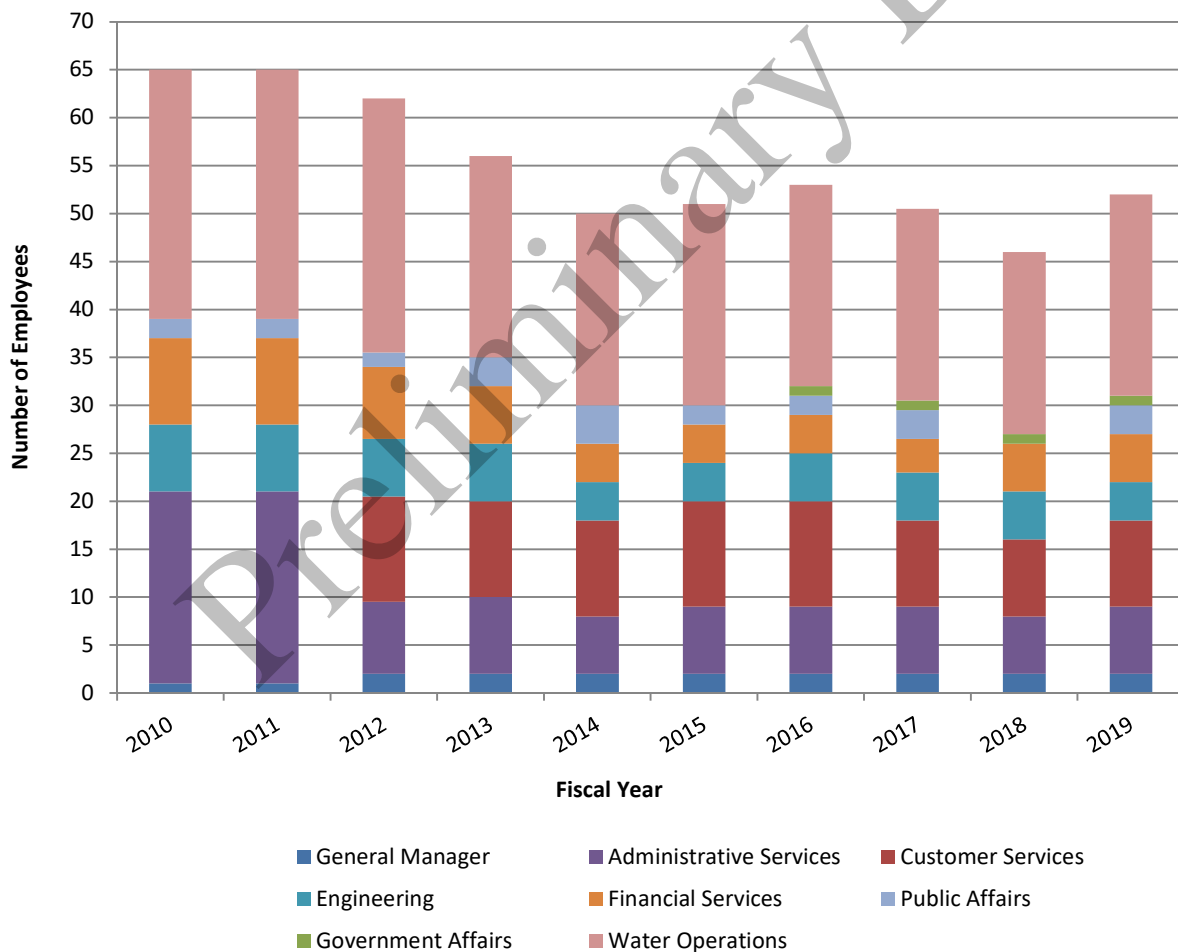
2017-2018 <sup>1</sup>			2008-2009		
Name of Company	Number of Employees	% of Total	Name of Company	Number of Employees	% of Total
Epl Intermediate, Inc.	3,852	5.87%	Experian Information Solution	3,700	5.61%
Experian Information Solution	3,700	5.64%	Coast Community College District Foundation	3,044	4.61%
Coast Community College District Foundation	2,900	4.42%	Orange Coast Community College	2,500	3.79%
Newport Mesa Unified School District	1,730	2.64%	Coast Community College	2,500	3.79%
Automobile Club of Southern California - AAA	1,200	1.83%	White Cap Construction Supply	2,200	3.33%
Westar Capital Associates II, LLC	1,184	1.80%	Fairview Developmental Center	1,500	2.27%
California State Hospital- Fairview Develop. Center	650	0.99%	Interinsurance Exchange	1,200	1.82%
Macy's	600	0.91%	First Team Real Estate Inc.	1,025	1.55%
TTM Technologies Inc.	450	0.69%	Los Angeles Times	1,000	1.52%
City of Costa Mesa	430	0.66%	Epl Intermediate, Inc.	1,000	1.52%

<sup>(1)</sup> Data is not available for fiscal year 2018-2019

Preliminary Draft

**Mesa Water District  
District Employees by Department  
Last Ten Fiscal Years  
Schedule 12**

Department	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Manager	1	1	2	2	2	2	2	2	2	2
Administrative Services	20	20	7.5	8	6	7	7	7	6	7
Customer Services	0	0	11	10	10	11	11	9	8	9
Engineering	7	7	6	6	4	4	5	5	5	4
Financial Services	9	9	7.5	6	4	4	4	3.5	5	5
Public Affairs	2	2	1.5	3	4	2	2	3	0	3
Government Affairs	0	0	0.0	0	0	0	1	1	1	1
Water Operations	26	26	26.5	21	20	21	21	20	19	21
	65	65	62	56	50	51	53	51	46	52



Source: Mesa Water District Records.

**Mesa Water District  
Historic Water Supply  
In Acre Feet Per Year  
Last Five Fiscal Years  
Schedule 13**

Fiscal Year	Supplemental Water				Total
	Groundwater	CPTP	Recycled Water	In-Lieu Water	
2015	15,658	1,997	1,159	-	18,814
2016	14,855	202	1,217	-	16,274
2017	16,185	298	1,197	-	17,680
2018	9,284	1,987	853	5,931	18,055
2019	13,573	2,492	916	-	16,981

Source: Mesa Water District Records.

**Mesa Water Deliveries  
Historic Water Deliveries  
In Acre Feet Per Year  
Last Five Fiscal Years  
Schedule 14**

Fiscal Year	Potable Water Deliveries	Recycled Water Deliveries	Total	% Increase (Decrease)
2015	16,951	1,159	18,110	-4.74%
2016	14,822	1,217	16,039	-11.44%
2017	15,898	1,197	17,095	6.58%
2018	17,059	853	17,912	4.78%
2019	16,110	916	17,026	-4.95%

Source: Mesa Water District Records.

**REPORTS:**

10. REPORT OF THE GENERAL MANAGER

**REPORTS:**

11. DIRECTORS' REPORTS AND COMMENTS