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Satisfying our Community's
Water Needs*

**AGENDA
MESA WATER DISTRICT
BOARD OF DIRECTORS
Wednesday, October 14, 2026
1965 Placentia Avenue, Costa Mesa, CA 92627
4:30 p.m. Regular Board Meeting**

CALL TO ORDER

PLEDGE OF ALLEGIANCE

PUBLIC COMMENTS

Items Not on the Agenda: Members of the public are invited to address the Board regarding items which are not appearing on the posted agenda. Each speaker shall be limited to three minutes. The Board will set aside 30 minutes for public comments for items not appearing on the posted agenda.

Items on the Agenda: Members of the public shall be permitted to comment on agenda items before action is taken, or after the Board has discussed the item. Each speaker shall be limited to three minutes. The Board will set aside 60 minutes for public comments for items appearing on the posted agenda.

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

At the discretion of the Board, all items appearing on this agenda, whether or not expressly listed as an Action Item, may be deliberated and may be subject to action by the Board.

CONSENT CALENDAR ITEMS:

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

1. Approve the minutes of the regular Board meeting of September 9, 2026.
2. Approve the minutes of the regular Board meeting of September 23, 2026.
3. Approve attendance considerations (additions, changes, deletions).
4. Board Schedule:
 - Conferences, Seminars, and Meetings
 - Board Calendar
 - Upcoming Community Outreach Events
5. Authorize President Marice H. DePasquale as the voting representative to cast the vote on the proposed Amended and Restated Bylaws of the Association of California Water Agencies.

PRESENTATION AND DISCUSSION ITEMS:

6. WELL NOS. 12 AND 14 POWER QUALITY MITIGATION:

Recommendation: Receive the presentation.



7. FISCAL YEAR 2025 WATER LOSS AUDIT:

Recommendation: Receive the presentation.

ACTION ITEMS:

8. NEWPORT BEACH INTERAGENCY WATER TRANSFER PROJECT:

Recommendation: Approve the Agreement between Mesa Water District and the City of Newport Beach for the Purchase, Sale and Delivery of Surplus Potable Water, and authorize execution of the agreement.

9. AGENDA MANAGEMENT SOFTWARE SELECTION SUPPORT SERVICES:

Recommendation: Approve a contract with ClientFirst Consulting Group, LLC for \$24,875 and a 10% contingency of \$2,488 for a total authorized amount not to exceed \$27,363 to provide support services related to the selection of Agenda Management Software, and authorize execution of the contract.

REPORTS:

10. REPORT OF THE GENERAL MANAGER

11. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

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

13. RUNOFF AND STORM DRAIN CAPTURE UPDATE

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 call the District Secretary at (949) 631-1205. 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 using a translator to present their comments into English shall be provided reasonable time accommodations that are consistent with California law.

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

**ADJOURN TO AN ADJOURNED REGULAR BOARD MEETING SCHEDULED FOR
WEDNESDAY, OCTOBER 28, 2026 AT 1:00 P.M.**



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**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Wednesday, September 9, 2026
1965 Placentia Avenue, Costa Mesa, CA 92627
4:30 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order at 4:30 p.m. by President DePasquale.

PLEDGE OF ALLEGIANCE

Director Atkinson led the Pledge of Allegiance.

Directors Present

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

Directors Absent

None

Staff Present

Paul E. Shoenberger, P.E., General Manager
Calvin Hsu, CPA, Chief Financial Officer/District Treasurer
Jacob Hester, P.E., District Engineer
Kurt Lind, Business Manager
Juan Hernandez, Water Operations Manager
Peter DeMarco, Water Policy Manager
Isabel Stevens, Administrative Services Supervisor
Brandi Chapman, Board Secretary
Andie Jacobsen, Executive Assistant to the General Manager
Kaitlyn Norris, Public Affairs Supervisor

Others Present

Kathryn Anderson, Member of the Public

PUBLIC COMMENTS

President DePasquale asked for public comments on items not on the agenda.

Member of the Public Kathryn Anderson addressed the Board regarding consideration of an early leak detection system.

President DePasquale thanked Ms. Anderson for her comments and proceeded with the meeting.

Public Affairs Supervisor Norris explained how Mesa Water planned to commemorate the 9/11 anniversary by honoring the community's local first responders. A video tribute recognizing the events of 9/11 and honoring those affected was presented.

President DePasquale thanked Ms. Norris for the tribute.

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

General Manager Shoenberger reported that there were no items to be added, removed, or reordered on the agenda.

CONSENT CALENDAR ITEMS:

1. Approve the minutes of the regular Board meeting of August 12, 2026.
2. Approve the minutes of the regular Board meeting of August 26, 2026.
3. Approve attendance considerations (additions, changes, deletions).
4. Board Schedule:
 - Conferences, Seminars, and Meetings
 - Board Calendar
 - Upcoming Community Outreach Events
5. Approve a four-year contract with Venture Strategic for an amount not to exceed \$240,000 to provide Orange County Advocacy Consulting Services for Mesa Water District, and authorize execution of the contract.

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

MOTION

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

PRESENTATION AND DISCUSSION ITEMS:

NONE.

ACTION ITEMS:

6. CUSTOMER SERVICES OPERATION GUIDES:

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

MOTION

Motion by Vice President Dewane, second by President DePasquale, to approve a contract with The Northridge Group, Inc. for an amount not to exceed \$29,500 to develop standardized End-to-End Operations Guides for a defined set of high-volume, high-impact customer service and field processes through December 31, 2026, and authorize execution of the contract. Motion passed 5 – 0.

7. GENERAL LEGAL COUNSEL SERVICES:

General Manager Shoenberger provided an overview of the topic and the process that was followed by staff to recommend a firm to the Board.

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

Motion by Director Bockmiller, second by Director Atkinson, to approve a five-year contract with Atkinson, Andelson, Loya, Ruud & Romo to provide General Legal Counsel Services to Mesa Water District, designate Jeffrey Hoskinson as Primary Counsel, and authorize execution of the contract.

Discussion ensued amongst the Board.

The motion was withdrawn.

President DePasquale asked for comments from the public.

Member of the Public Kathryn Anderson commented on the benefits of using OpenAI for researching legal counsel services.

President DePasquale thanked Ms. Anderson for her comments.

MOTION

Motion by Vice President Dewane, second by President DePasquale, to approve a one-year extension of the contract, with the option of one additional year, with Atkinson, Andelson, Loya, Ruud & Romo to provide General Legal Counsel Services with a new Primary Counsel, and authorize execution of the contract. Motion passed 5 – 0.

REPORTS:

8. REPORT OF THE GENERAL MANAGER
9. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

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

RECESS

President DePasquale declared a recess at 5:48 p.m.

The Board meeting reconvened at 5:55 p.m.

President DePasquale announced the Board was going into Closed Session at 5:55 p.m.

CLOSED SESSIONS:

11. CONFERENCE WITH LABOR NEGOTIATOR:
Pursuant to California Government Code Section 54957.6(a)
District Negotiator: General Manager
Employee Organization: Represented and Non-Represented Employees

The Board returned to Open Session at 6:00 p.m.

General Manager Shoenberger announced that the Board conducted one Closed Session with the General Manager, Administrative Services Supervisor, and Board Secretary pursuant to California Government Code Section 54957.6(a). The Board received information and there was no further announcement.

ACTION ITEMS:

12. FISCAL YEAR 2027 STAFFING PLAN:

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

MOTION

Motion by Director Bockmiller, second by President DePasquale, to approve the following modifications to the Fiscal Year 2027 Staffing Plan, effective October 1, 2027:

1. Adjust the compensation for the Business Manager position to Range 55, approximately 15 percent above the Information Technology Coordinator;
2. Add one Full-Time Equivalent position - Business Administrator - and affirm the position's compensation at Range 53, approximately 10 percent above the Information Technology Coordinator; and
3. Affirm the compensation for the Information Technology Coordinator position at Range 49.

Motion passed 5 – 0.

President DePasquale adjourned the meeting, in honor of the victims of 9/11, at 6:07 p.m. to a Regular Board Meeting scheduled for Wednesday, September 23, 2026 at 4:30 p.m.

Approved:

Marice H. DePasquale, President

Andie Jacobsen, Assistant District Secretary

Recording Secretary: Sharon D. Brimer



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**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Wednesday, September 23, 2026
1965 Placentia Avenue, Costa Mesa, CA 92627
4:30 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order at 4:30 p.m. by President DePasquale.

PLEDGE OF ALLEGIANCE

Director Fisler led the Pledge of Allegiance.

Directors Present

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

Directors Absent

None

Staff Present

Paul E. Shoenberger, P.E., General Manager
Kurt Lind, Business Manager/Acting District Treasurer
Jacob Hester, P.E., District Engineer
Juan Hernandez, Water Operations Manager
Peter DeMarco, Water Policy Manager
Isabel Stevens, Administrative Services Supervisor
Brandi Chapman, Board Secretary
Nadia Boutros, P.E., Civil Engineer
Anthony Phou, Controller
Karyn Igar, Principal Engineer
Kaitlyn Norris, Public Affairs Supervisor
Jeffrey Hoskinson, General Legal Counsel

Others Present

Rose Bloomfield, Learning & Development Consultant, Gallup
Sage Lopez, P.E., Founder & Chief Operating Officer, EVlogic
(teleconference)

PUBLIC COMMENTS

President DePasquale asked for public comments on items not on the agenda.

There was no public present and President DePasquale proceeded with the meeting.

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

General Manager Shoenberger reported that there were no items to be added, removed, or reordered on the agenda.

CONSENT CALENDAR ITEMS:

1. Receive and file the Developer Project Status Report.
2. Receive and file the Mesa Water and Other Agency Projects Status Report.
3. Receive and file the Water Quality Call Report.
4. Receive and file the Accounts Paid Listing.
5. Receive and file the Monthly Financial Reports.
6. Receive and file the Outreach Update.

MOTION

Motion by Director Bockmiller, second by Director Atkinson, to approve Items 1 – 6 of the Consent Calendar. Motion passed 5 – 0.

PRESENTATION AND DISCUSSION ITEMS:

7. 2026 EMPLOYEE ENGAGEMENT SURVEY:

Administrative Services Supervisor Stevens introduced Gallup Learning & Development Consultant Rose Bloomfield who proceeded with a presentation that highlighted the following:

- The Mesa Water Engagement Journey
- Key Highlights
- Mesa Water District – 2026 Employee Engagement Metrics
- Eight of 13 Items Meaningfully Improved – Led by Recognition

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

8. MESA WATER RELIABILITY FACILITY ELECTRIC VEHICLE CHARGING STATION FEASIBILITY STUDY:

Civil Engineer Boutros introduced EVlogic Founder & Chief Operating Officer Sage Lopez who proceeded with a presentation that highlighted the following:

- EV Charging Revenue Opportunity
- Primary Models for DCFC Deployment
- Deployment Starts with Portfolio Intelligence
- Competitive Landscape
- Real-World User Experience Evaluation
- Proposed Site Layout
- Site Challenges
- Recommendation to Not Move Forward

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

Motion by Director Bockmiller, second by Director Atkinson, to discontinue further evaluation of an electric vehicle charging station at the Mesa Water Reliability Facility. Discussion ensued amongst the Board.

The Board consulted with legal counsel regarding whether a formal motion was necessary to provide staff direction. Attorney Hoskinson advised that a formal motion was not required to provide direction to staff.

The motion was withdrawn based on legal counsel's opinion.

The Board gave direction to staff to discontinue further evaluation of an electric vehicle charging station at the Mesa Water Reliability Facility.

ACTION ITEMS:

NONE.

REPORTS:

9. REPORT OF THE GENERAL MANAGER:
 - August Key Indicators Report
10. DIRECTORS' REPORTS AND COMMENTS

INFORMATION ITEMS:

11. FEDERAL ADVOCACY UPDATE
12. STATE ADVOCACY UPDATE
13. ORANGE COUNTY ADVOCACY UPDATE

RECESS

President DePasquale declared a recess at 6:09 p.m.

The Board meeting reconvened at 6:14 p.m.

President DePasquale announced the Board was going into Closed Session at 6:14 p.m.

CLOSED SESSIONS:

14. CONFERENCE WITH GENERAL LEGAL COUNSEL – EXISTING LITIGATION:
Pursuant to California Government Code Section 54956.9(d)(1)
Number of Cases: 1
Ferreira Construction Co. Inc. v. Mesa Water District, et al
(Orange County Superior Ct. Case No. 30-2024-01401000-CU-PN-CJC)

The Board returned to Open Session at 6:18 p.m.

Attorney Hoskinson announced the Board conducted one Closed Session with the General Manager, District Engineer, Administrative Services Supervisor, Board Secretary, Principal Engineer and General Legal Counsel pursuant to California Government Code Section 54956.9(d)(1). The Board received information and there was no further announcement.

President DePasquale adjourned the meeting at 6:19 p.m. to a Regular Board Meeting scheduled for Wednesday, October 14, 2026 at 4:30 p.m.

Approved:

Marice H. DePasquale, President

Andie Jacobsen, Assistant District Secretary

Recording Secretary: Sharon D. Brimer



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MEMORANDUM

TO: Board of Directors
FROM: Isabel Stevens, Administrative Services Supervisor
DATE: October 14, 2026
SUBJECT: Attendance at Conferences, Seminars, Meetings, and Events

RECOMMENDATION

Approve attendance considerations (additions, changes, deletions).

STRATEGIC PLAN

Goal #1: Provide an abundant, local, reliable and safe water supply.
Goal #2: Perpetually renew and improve our infrastructure.
Goal #3: Be financially responsible and transparent.
Goal #4: Increase public awareness of Mesa Water.
Goal #5: Attract, develop and retain skilled employees.
Goal #6: Provide excellent customer service.
Goal #7: Actively participate in regional and statewide water issues.
Goal #8: Practice continual business improvement.

PRIOR BOARD ACTION/DISCUSSION

At its October 23, 2024 meeting, the Board of Directors (Board) adopted Ordinance No. 36 Director Compensation and Expense Reimbursement, which authorizes attendance at conferences, seminars, meetings, and events.

At its July 8, 2026 meeting, the Board approved the Fiscal Year 2027 attendance at conferences, seminars, meetings, and events, with modifications.

DISCUSSION

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

FINANCIAL IMPACT

None.

ATTACHMENTS

None.

2026 CONFERENCES, SEMINARS AND MEETINGS:

October 14 , 2026	
ACWA Region 10 Event	<i>DePasquale</i>
Carlsbad, CA	
October 21, 2026	
CALAFCO Annual Conference	
Sacramento, CA	
November 18 - 19, 2026	
SWMOA Annual Symposium	
Pico Rivera, CA	
November 30 - December 1, 2026	
ACWA JPIA Fall Membership Summit	<i>Bockmiller</i>
Anaheim, CA	
December 1 - 3, 2026	
ACWA Fall Conference & Expo 2026	<i>Bockmiller, DePasquale, Dewane, Fisler</i>
Anaheim, CA	
December 9 - 11, 2026	
Colorado River Water Users Association Conference	<i>DePasquale, Dewane</i>
Las Vegas, NV	

2027 CONFERENCES, SEMINARS AND MEETINGS:

February 1, 2027	
CMUA Annual Capitol Day	
Sacramento, CA	
February 10, 2027	
ACWA Legislative Symposium	
Sacramento, CA	
February 16 - 17, 2027	
Annual AGWT - AGWA CA Groundwater Conference	
Ontario, CA	
February 16 - 17, 2027	
CalDesal Annual Conference	
Sacramento, CA	
February 23 - 25, 2027	
ACWA Washington D.C. Conference	
Washington, D.C.	
February 24 - 26, 2027	
Urban Water Institute Spring Conference	<i>Atkinson, DePasquale</i>
Indian Wells, CA	
February 24 - 26, 2027	
California-United Water Conference (with UWI)	
Indian Wells, CA	

October 2026

October 2026							November 2026						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
							1	2	3	4	5	6	7
4	5	6	7	8	9	10	8	9	10	11	12	13	14
11	12	13	14	15	16	17	15	16	17	18	19	20	21
18	19	20	21	22	23	24	22	23	24	25	26	27	28
25	26	27	28	29	30	31	29	30					

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Sep 27	28	29	30	Oct 1 Pay Period Ends 12:00pm R/S to 10/8 - OCWD Communications/Legislative Committee (IN PERSON & VIRTUAL)	2 7:30am WACO Meeting (Virtual; https://mwdoc.zoom.us/j/82792553545)	3
4	5 8:30am MWD OC Planning and Operations Committee Meeting (IN PERSON & VIRTUAL; https://zoom.us/j/8828665300)	6 7:30am ISDOC Executive Committee Meeting 8:00am OCBC Infrastructure Committee Meeting (350) 6:00pm Costa Mesa City Council Meeting (In	7 Payday 8:30am Jt. MWD OC/MWD Workshop (IN PERSON & 12:00pm Executive Committee Meeting 5:30pm OCWD Board	8 12:00pm R/S from 10/1 - OCWD Communications/Legislative Committee (IN PERSON	9	10
11	12 5:00pm IRWD Board Meeting (In Person and Virtual) 5:00pm OCWD GWRS Steering Committee Meeting	13 11:30am Safety Recognition Lunch (Truckport) - Brandi Chapman 4:00pm Newport Beach City Council Meeting (100 Civic Center Drive,	14 8:00am ACWA Region 10: Navigating Uncertainty: 8:15am LAFCO Meeting 8:30am MWD OC Admin and 12:00pm OCWD Water 4:30pm Board Meeting	15 Pay Period Ends 12:00pm R/S from 10/8 - OCWD Admin & Finance Committee	16 8:30am City/Districts Liaison Committee Meeting (City of Costa Mesa)	17
18	19	20 7:30am WACO Planning Committee Meeting 1:00pm Board Email and Shared Calendar Setup 6:00pm Costa Mesa City Council Meeting (In	21 CALAFCO Annual Conference (Sacramento, Payday 8:30am MWD OC Board 11:30am Board Email and 5:30pm OCWD Board	22 8:30am MWD OC Executive Committee (IN PERSON & VIRTUAL)	23	24 10:00am MWECC Open House (Mesa Water Education and Career Center, 1350 Gisler Avenue, Costa Mesa)
25	26 5:00pm IRWD Board Meeting (In Person and Virtual)	27 4:00pm Newport Beach City Council Meeting (100 Civic Center Drive, Newport Beach, CA 92660)	28 7:00am Newport-Mesa Unified School District 8:30am Jt. MWD OC/OCWD Planning Meeting (In 1:00pm Board Workshop Meeting (Boardroom)	29 Pay Period Ends 11:30am ISDOC Quarterly Meeting (MWD OC/OCWD Boardroom) - Colleen Grace	30	31

November 2026

November 2026							December 2026						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
1	2	3	4	5	6	7			1	2	3	4	5
8	9	10	11	12	13	14	6	7	8	9	10	11	12
15	16	17	18	19	20	21	13	14	15	16	17	18	19
22	23	24	25	26	27	28	20	21	22	23	24	25	26
29	30						27	28	29	30	31		

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Nov 1	2 8:30am MWDOC Planning and Operations Committee Meeting (IN PERSON & VIRTUAL)	3 7:30am ISDOC Executive Committee Meeting 7:30am ISDOC Executive Committee Meeting 6:00pm Costa Mesa City Council Meeting (In	4 Payday 8:30am Jt. MWDOC/MWD Workshop (IN PERSON & 12:00pm Executive Committee Meeting 5:30pm OCWD Board	5 12:00pm OCWD Communications/Legislative Committee (IN PERSON & VIRTUAL)	6 7:30am WACO Meeting (Virtual)	7
8	9 5:00pm IRWD Board Meeting (In Person and Virtual)	10 4:00pm Newport Beach City Council Meeting (100 Civic Center Drive, Newport Beach, CA 4:30pm Board Meeting (Boardroom)	11 District Holiday 8:30am R/S to 11/12 - MWDOC Admin and Finance Committee (IN 12:00pm OCWD Water Issues (IN PERSON &	12 Pay Period Ends 8:30am R/S from 11/11 - MWDOC Admin and Finance Committee (IN 12:00pm OCWD Admin & Finance Committee (IN	13	14
15	16	17 7:30am WACO Planning Committee Meeting 4:00pm R/S from 11/24 - Newport Beach City 6:00pm Costa Mesa City Council Meeting (In	18 Payday 8:15am LAFCO Meeting (400 W. Civic Center Drive 8:30am MWDOC Board Meeting (IN PERSON & 5:30pm OCWD Board	19 8:30am MWDOC Executive Committee (IN PERSON & VIRTUAL)	20	21
22	23 5:00pm IRWD Board Meeting (In Person and Virtual)	24 4:00pm R/S to 11/17 - Newport Beach City Council Meeting (100 Civic Center Drive, Newport Beach, CA 92660)	25	26 District Holiday Pay Period Ends	27 District Holiday	28
29	30 JPIA Conference (Anaheim)	Dec 1	2	3	4	5

December 2026

December 2026							January 2027						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
6	7	1	2	3	4	5	3	4	5	6	7	1	2
13	14	15	16	17	18	19	10	11	12	13	14	15	16
20	21	22	23	24	25	26	17	18	19	20	21	22	23
27	28	29	30	31			24	25	26	27	28	29	30
							31						

SUNDAY	MONDAY	TUESDAY	WEDNESDAY	THURSDAY	FRIDAY	SATURDAY
Nov 29	30	Dec 1	2	3	4	5
		ACWA Fall Conference (San Diego, CA)	Payday	12:00pm OCWD Communications/Legislative Committee (IN PERSON & VIRTUAL)	7:30am WACO Meeting (Virtual)	
		6:00pm Costa Mesa City Council Meeting (In Person & Virtual)	8:30am CANCELED - Jt. MWDOC/MWD			
			5:30pm OCWD Board Meeting (IN PERSON & VIRTUAL)			
6	7	8	9	10	11	12
	8:30am R/S to 12/14 (and combined w/Admin & Finance) MWDOC	Colorado River Water Users Association Conference (Las Vegas, NV)	8:15am LAFCO Meeting (400 W. Civic Center Drive)	Pay Period Ends		
	12:00pm Executive Committee Meeting (Panian Room)	7:30am ISDOC Executive Committee Meeting	8:30am R/S to 12/14 and 12:00pm OCWD Water	12:00pm OCWD Admin & Finance Committee (IN PERSON & VIRTUAL)		
		8:00am OCBC Infrastructure	4:30pm Board Meeting			
		4:00pm Newport Beach City				
13	14	15	16	17	18	19
	8:30am R/S from 12/7 - MWDOC Planning and	7:30am WACO Planning Committee Meeting (VIRTUAL)	Payday	8:30am MWDOC Executive Committee (IN PERSON & VIRTUAL)		
	8:30am R/S from 12/9 - MWDOC Administration	6:00pm Costa Mesa City Council Meeting (In Person & Virtual)	8:30am MWDOC Board Meeting (IN PERSON & VIRTUAL)			
	5:00pm IRWD Board Meeting (In Person and Virtual)		5:30pm OCWD Board Meeting (IN PERSON & VIRTUAL)			
20	21	22	23	24	25	26
		4:00pm Canceled - Newport Beach City Council Meeting (100 Civic Center Drive, Newport Beach, CA 92660)	8:30am Jt. MWDOC/OCWD Planning Meeting (In Person & Virtual)	District Holiday	District Holiday	
				Pay Period Ends		
27	28	29	30	31	Jan 1, 27	2
	5:00pm IRWD Board Meeting (In Person and Virtual)		Payday	District Holiday		



UPCOMING COMMUNITY OUTREACH EVENTS

Event	Date & Time	Location
Mesa Water Education and Career Center Saturday Public Tour	Saturday, October 24, 2026 10:00 a.m. – 12:00 p.m.	Mesa Water Education and Career Center 1350 Gisler Avenue Costa Mesa, CA 92626
Newport-Mesa Unified School District State of the Schools Breakfast	Wednesday, October 28, 2026 7:00 a.m.	Newport Harbor High School 600 Irvine Avenue Newport Beach, CA 92663



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MEMORANDUM

TO: Board of Directors
FROM: Isabel Stevens, Administrative Services Supervisor
DATE: October 14, 2026
SUBJECT: Association of California Water Agencies Bylaws

RECOMMENDATION

Authorize President Marice H. DePasquale as the voting representative to cast the vote on the proposed Amended and Restated Bylaws of the Association of California Water Agencies.

The Executive Committee reviewed this item at its October 7, 2026 meeting and recommends Board approval.

STRATEGIC PLAN

Goal #1: Provide an abundant, local, reliable and safe water supply.
Goal #2: Perpetually renew and improve our infrastructure.
Goal #3: Be financially responsible and transparent.
Goal #4: Increase public awareness of Mesa Water.
Goal #5: Attract, develop and retain skilled employees.
Goal #6: Provide excellent customer service.
Goal #7: Actively participate in regional and statewide water issues.
Goal #8: Practice continual business improvement.

PRIOR ACTION/DISCUSSION

None.

DISCUSSION

The Association of California Water Agencies (ACWA) is conducting a vote of its membership by electronic ballot on proposed Amended and Restated Bylaws, as recommended by the ACWA Board of Directors on September 25, 2026.

The electronic voting process is consistent with the process used by ACWA members to elect Board Officers and region boards. Conducting the vote electronically provides all ACWA members an opportunity to participate, rather than limiting voting to members attending an ACWA conference.

Each member agency is entitled to one vote, which will be cast by its authorized voting representative. Mesa Water District (Mesa Water®) must designate its voting representative by submitting the attached Authorized Voting Representative Form to ACWA by Friday, October 30, 2026.

The designated voting representative will receive an electronic ballot from Simply Voting on November 9, 2026. Completed ballots must be submitted by December 18, 2026.



The voting representative designated through this process will also serve as Mesa Water's voting representative for ACWA's next election of Board Officers and region boards for the 2028-2029 term. ACWA will provide an opportunity to change the designation prior to the deadline for nominating candidates, if desired.

The proposed Amended and Restated Bylaws, including a table of proposed amendments and both redline and clean versions, are available for review at ACWA's [website](#) and are included as attachments to this agenda item.

FINANCIAL IMPACT

In Fiscal Year 2027, \$30,000 is budgeted for the ACWA membership; no funds have been spent to date.

ATTACHMENTS

- Attachment A: ACWA Memorandum
- Attachment B: Authorized Voting Representative Form
- Attachment C: Proposed Amendments to ACWA's Bylaws Table
- Attachment D: Proposed Amended and Restated Bylaws, Clean
- Attachment E: Proposed Amended and Restated Bylaws, Redline

Via U.S. Electronic Mail

TO: ACWA Member Agency Board Presidents and General Managers
CC: ACWA Board of Directors
FROM: Karla Nemeth, ACWA Executive Director
DATE: September 28, 2026
SUBJECT: Proposed Amendments to ACWA's Bylaws by Written Ballot

ACWA will conduct a vote of the membership by electronic ballot on proposed Amended and Restated Bylaws, as recommended by the Board of Directors on September 25, 2026.

The voting will be conducted by electronic ballot consistent with the voting process used by members to elect Board Officers and region boards. Conducting the vote electronically provides all members an opportunity to participate, rather than limiting voting to members attending an ACWA conference, thereby promoting broader member participation and engagement.

Each member agency is entitled to one vote that will be cast by its authorized voting representative. Member agencies must designate their voting representative by submitting the attached Voting Representative Form by **Friday, October 30**.

Important Next Steps

- 1. Designate voting representative:** Fill out the attached Voting Representative Form by Friday, October 30. Note: ACWA will also use this designee as the voting representative in next year's election for ACWA's Board Officers and region boards for the 2028-'29 term. You will have the opportunity to change the designation prior to the deadline for nominating candidates if desired.
- 2. Review proposed Amended and Restated Bylaws:** These are available online at <https://www.acwa.com/2026-bylaws/> as well as attached.
- 3. Have designated voter prepare for the electronic voting:** Your designated voter will receive an email directly from Simply Voting on November 9. Have them add (vote@simplyvoting.com) to their safe-senders list to ensure delivery of the ballot. **Ballots must be submitted by December 18.**

More information on the proposed Amended & Restated Bylaws, voting process, and next steps is available at <https://www.acwa.com/2026-bylaws/>. For additional questions regarding the proposed Amended and Restated Bylaws or the voting process, please contact ACWA's General Counsel Joshua Nelson at 916-951-2859 or joshua.nelson@bbklaw.com or Senior Clerk of the Board Donna Pangborn at 916-669-2425 or donnap@acwa.com.



Attachments (Also see website [link](#) for these materials.):

1. Authorized Voting Representative Form
2. Proposed Amendments to ACWA's Bylaws Summary Table
3. Proposed Amended and Restated Bylaws (redline version)
4. Proposed Amended and Restated Bylaws (clean version)

ACWA members will vote by electronic ballot on proposed Amended and Restated Bylaws.

Key Details:

- **Electronic Voting:** Voting will be conducted electronically by each member agency's designated voter.
- **Designated Voter:** Each agency must **designate one voting representative by October 30**. To designate your agency's voter, please submit this **Authorized Voting Representative Form** by the deadline.
Note: ACWA will also use the person designated below as the voting representative in next year's election for ACWA's Board Officers and region boards for the 2028-'29 term. You will have an opportunity to change the designation prior to the deadline for nominating candidates, if desired.
- **Default Voter:** If no representative is designated by the deadline, your agency's **General Manager** will be the authorized voter by default.
- **Ballot Distribution:** Authorized voters will receive an electronic ballot on November 9.

For more information about ACWA's elections, visit: www.acwa.com/elections.

The person designated below will cast our agency's vote for the proposed Amended and Restated Bylaws process in 2026 and the election of ACWA's President, Vice President and Region Board for the 2028-'29 term.

Member Agency's Name		Agency's Phone No.
Authorized Voting Representative's Name	Authorized Voting Representative's Email	Authorized Voting Representative's Phone No.

Print Name of Member Agency's Authorized Signatory

X

Authorized Signatory Signature

Date

SUBMIT YOUR FORM

To: Donna Pangborn, Senior Clerk of the Board
Email: donnap@acwa.com
Mail: 980 9th Street, Suite 1000, Sacramento, CA 95814

SUBMISSION DEADLINE

OCT. 30, 2026

Proposed Amendments to the ACWA's Bylaws

Amendment 1: ARTICLE 4, Section 4.05, Special Meeting

Current Bylaw	Proposed Bylaw	Rationale
Section 4.05. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the meeting is called by a request of five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.	Section 4.05. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. <u>However, the president's determination of necessity shall control.</u> Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the meeting is called by a request of five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.	Amendment to add the president's ultimate authority to schedule a special meeting if deemed necessary.

Note: Green text throughout this document reflects edits recommended by the Legal Affairs Bylaws and Procedures Subcommittee in response to its review and analysis of the proposed amendments to the Bylaws, consistent with Section 9.09 of ACWA's Bylaws. The ACWA Board included the LAC Workgroup's recommended edits as part of its recommendation to the members.

Proposed Amendments to the ACWA's Bylaws

Amendment 2: ARTICLE 4, Section 4.06 Meetings by Electronic Communication

Current Bylaw	Proposed Bylaw	Rationale
Section 4.06. Meetings by Electronic Communication. Any meeting of the Board of Directors, region boards, or any committee may be conducted, in whole or in part, by telephone, electronic transmission, or by electronic video screen communication. A member of the Board of Directors, a region board, or any committee shall be deemed present in person at the meeting if the following apply: (a) Each director, region board, or committee member participating in the meeting can communicate concurrently with all other directors, region board, or committee members. (b) Each director, region board or, committee member is provided the means of participating in all matters before the board, region board, or committee, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association.	Section 4.06. Meetings by Electronic Communication. <u>Alternatives to Traditional Meetings.</u> (a) Any meeting of the Board of Directors, region boards, or any committee may be conducted, in whole or in part, by telephone, electronic transmission, or by electronic video screen communication. A member of the Board of Directors, a region board, or any committee shall be deemed present in person at the meeting if the following apply: 1) Each director, region board, or committee member participating in the meeting can communicate concurrently with all other directors, region board, or committee members. 2) Each director, region board or, committee member is provided the means of participating in all matters before the board, region board, or committee, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association. (b) <u>To the extent permitted by applicable law and subject to all applicable requirements, any action that may be taken at a regular or special Board of Directors, a region board, or any committee may be approved by unanimous written consent of the members of that body.</u>	Amendment to allow the flexibility to take action by written consent. LAC recommended this language be added to Article 4 instead of Article 9.

Proposed Amendments to the ACWA's Bylaws

Amendment 3: ARTICLE 5, Regions

Current Bylaw	Proposed Bylaw	Rationale
Section 5.02. Officers (a) The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region in each odd-numbered year. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. Association staff shall verify the legitimacy of the ballots.	Section 5.02. Officers (a) The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region in each odd-numbered year. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. <u>Five or more members of the Association from the region shall constituting a quorum for the purposes of regional board elections.</u> Association staff shall verify the legitimacy of the ballots.	Amendment to clarify the quorum for region board elections is five members.

Proposed Amendments to the ACWA's Bylaws

Amendment 4: ARTICLE 6, Section 6.04, Meetings

Current Bylaw	Proposed Bylaw	Rationale
Section 6.04. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06. All members of the Board of Directors may attend any meeting of the Executive Committee. Meetings of the Executive Committee may be closed to others at the discretion of the president or committee. Only members of the Executive Committee are allowed to vote on matters at a meeting of the committee.	Section 6.04. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06. <u>With the exception of closed sessions as designated by the Executive Committee,</u> all members of the Board of Directors <u>and Council of Past Presidents</u> may attend any meeting of the Executive Committee. <u>However, Meetings of the Executive Committee may be closed its meetings to select or all non-members of the Committee to others at the discretion of the president or by a majority vote of the Executive Committee. Any decision to close an Executive Committee meeting to others shall be final and not reversible except with the consent of party that decided to close the meeting.</u> Only members of the Executive Committee are allowed to vote on <u>Executive Committee</u> matters. at a meeting of the committee.	Amendment to limit attendance during closed session discussions involving personnel matters to preserve the confidentiality of sensitive employment information, protect the privacy rights of employees and applicants, and promote candid discussion by those with responsibility for making personnel decisions. Importantly, the Board of Directors could conduct its own closed session prior to any final action. This amendment ensures flexibility for the Executive Committee's internal deliberation and consideration while preserving ultimate Board decision-making authority.

Proposed Amendments to the ACWA's Bylaws

Amendment 5, ARTICLE 8, Section 8.01, Council of Past Presidents

Current Bylaw	Proposed Bylaw	Rationale
Section 8.01. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board and Executive Committee meetings, including attending closed sessions. With the exception of the immediate past president, members of the Council of Past Presidents are non-voting.	Section 8.01. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board and Executive Committee meetings, including attending closed sessions <u>of the Board. Members of the Council of Past Presidents may also attend closed session meetings the Executive Committee except as designated by the Executive Committee as further described in Section 6.04.</u> With the exception of the immediate past president, members of the Council of Past Presidents are non-voting.	Amendment to clarify that the Council of Past Presidents may attend Board of Directors and Executive Committee meetings, with the exception of Executive Committee closed sessions as designated by the Executive Committee.

Proposed Amendments to the ACWA's Bylaws

Amendment 6, Article 9, Section 9.08, Quorum

Current Bylaw	Proposed Bylaw	Rationale
Section 9.08. Quorum. The presence of the authorized representatives of at least 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business. Actions taken by written ballot shall require the timely receipt of the written ballot from the authorized representatives of at least 50 members to constitute a quorum.	Section 9.08. Quorum. The presence of the authorized representatives of at least 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business. Actions <u>of the members of the Association</u> taken by written ballot shall require the timely receipt of the written ballot from the authorized representatives of at least 50 members to constitute a quorum.	Amendment to clarify that the quorum for the region board elections is five, consistent with the quorum needed to conduct business at a region meeting, as established in Section 5.04, and with newly amended quorum language to elect region boards in Section 5.02.



AMENDED AND RESTATED BYLAWS of the Association of California Water Agencies

Amended and restated by the ACWA Members: December 4, 2024

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(As amended and restated by the Members on December 4, 2024)

ARTICLE 1 - General

Section 1.01. Name. The name of this California nonprofit corporation shall be the Association of California Water Agencies (hereinafter referred to as the Association).

Section 1.02. Principal Office. The principal office for the transaction of business of the Association shall be located in Sacramento, California.

Section 1.03. Purposes. The purposes of the Association shall be to work together with its members and others for the best interests of California and its citizens and landowners who use, need and depend upon water; to encourage the orderly development of the waters of the state; to seek means of obtaining and making available to all of California a dependable water supply of the best possible quality at the lowest possible cost, giving due consideration to environmental factors involved therein; to provide inspiration and leadership in meeting and solving the water supply problems of this state; to propose and advocate such policies and measures—local, state and federal—that serve the best interests of the Association, opposing those of contrary nature; to assist in promoting the health, safety and welfare of the employees of its members; and to do all other things that are in the best interests of its members.

ARTICLE 2 – Membership and Dues

Section 2.01. Membership.

- (a) **Members.** Only a public district, public agency, or public organization created and operated for the purpose of controlling, treating, developing, acquiring, using or supplying water for any purpose for inhabitants or lands within the state of California, or for the protection, drainage or reclamation of lands within the state of California, may become a member of the Association. Such an entity will become a member upon written application, approval by the Board of Directors, and the payment of the required dues. Acceptance to membership shall authorize full participation in Association activities. Except as otherwise provided in Section 2.01(b) below, in no case may an organization other than a state, a political subdivision (as defined in § 1.103-1(b) of the Income Tax Regulations) of a state or an entity the income of which is excluded from gross income under § 115 of the Internal Revenue Code be a member of the Association. A member of the Association shall be in good standing if in compliance with all bylaws and requirements of membership, including timely payment of annual dues and emergency assessments.
- (b) **Honorary Life Members.** Any person who has rendered conspicuous service in furthering the purposes of the Association may, by vote of the Board of Directors, be granted an honorary life membership in the Association without payment of dues or assessments. All past presidents of the Association shall automatically be honorary life members without vote of the Board of Directors. Honorary life members shall not be entitled to a vote or to hold office automatically because of their status as honorary life members.
- (c) **Termination of Members.** Membership shall cease upon the failure of any member to pay the dues provided for in Section 2.02 of this Article. The membership of any member may be terminated at any time by such member sending written notification of its intention to withdraw to the Association's principal office. The Board of Directors may terminate the membership of any member upon 30 days' written notice by first-class mail when it is determined at any regular Board meeting or at any special Board meeting called for that purpose that continuance of such membership would not be in the best interests of the Association. Withdrawal or termination of membership ends any participation in Association activities and shall terminate a member's interest in the Association's assets.

Section 2.02. Dues. The annual dues of each member of the Association shall be established by the Board of Directors; provided, however, that any member may apply for a change in its dues because of conditions that differentiate such applicant from other members.

Section 2.03. Liability of Members. No member shall be liable for any obligation incurred by the Association with the following exception: (1) the payment of the annual dues while it remains a member;

and (2) the payment of emergency assessments, which shall not exceed 10 percent of current annual dues for each member in any calendar year while it remains a member. No emergency assessment may be levied against any member during its first two years of membership in the Association.

ARTICLE 3 - Officers

Section 3.01. President and Vice President.

- (a) **General.** The president and vice president of the Association shall be the elected officers of the Association. At the time of their election the president and vice president shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association. The president and vice president shall be elected by the members of the Association by written ballot in each odd-numbered year before the Association's annual meeting, shall be announced at the Association's annual meeting, shall take office on January 1 of the calendar year following election, and shall hold office until such time as their successors take office or are appointed. An elected president shall not be permitted to succeed himself/herself to that office. Except as provided in this Article, should vacancies occur in either office of the president or vice president, the Board of Directors shall appoint persons to fill such offices for the unexpired terms thereof.
- (b) **President.** The president shall preside at all meetings of the Board of Directors, the Executive Committee, and the general membership; shall appoint members of all committees, including the chair and vice chair of each, upon recommendation from members and regions (as communicated by the region chairs), with each such committee chair and vice chair ratified by the Board of Directors; and shall perform all other duties necessary to carry out the functions of the office. The president shall be a non-voting, *ex officio* member of each committee, but shall not be an *ex officio* member of the Election Committee or the region boards.
- The president may be expelled from office with or without cause, upon the satisfaction of the following two events: (1) a two-thirds vote of the Board of Directors; and (2) a subsequent simple majority vote of the members of the Association during a meeting of the membership.
- (c) **Vice President.** The vice president shall, in the absence of the president, assume all of the duties of that office and, if a vacancy occurs, succeed thereto for the unexpired term. The vice president shall sit as a member of the Executive Committee of the ACWA Joint Powers Insurance Authority and shall perform such other duties as assigned by the president. The vice president shall be a non-voting, *ex officio* member of each committee, but shall not be an *ex officio* member of the Election Committee or the region boards.

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

Section 3.02. Executive Director/Secretary and Controller/Treasurer.

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

ARTICLE 4 – Board of Directors

Section 4.01. Membership. The Board of Directors shall consist of:

- (a) The Association president and vice president.
- (b) The chair and vice chair of each region.
- (c) The chair of each standing committee.
- (d) The most immediate active past president.
- (e) The vice president of the ACWA/Joint Powers Insurance Authority.

Section 4.02. Term of Office. The term of office of all members of the Board of Directors shall commence on January 1 of the calendar year following election of the president and vice president, except for those persons who serve on the Board of Directors by nature of their position as chairs of standing committees, whose terms shall instead commence upon their ratification by the Board of Directors. Except as provided in Article 4, Section 4.11, the term of office for all members of the Board of Directors shall terminate on December 31 of the following odd-numbered year two years later, or until their successors take office.

Section 4.03. Attendance Requirement. Any member of the Board of Directors who misses two consecutive regular Board meetings without being excused by the Board will no longer be a member of the Board of Directors.

Section 4.04. Regular Meetings. Regular meetings of the Board of Directors shall be held bimonthly at such times and places as the Board may determine.

Section 4.05. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. However, the president's determination of necessity shall control. Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the meeting is called by a request of five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.

Section 4.06. Alternatives to Traditional Meetings.

(a) Any meeting of the Board of Directors, region boards, or any committee may be conducted, in whole or in part, by telephone, electronic transmission, or by electronic video screen communication. A member of the Board of Directors, a region board, or any committee shall be deemed present in person at the meeting if the following apply:

(1) Each director, region board, or committee member participating in the meeting can communicate concurrently with all other directors, region board, or committee members.

(2) Each director, region board or, committee member is provided the means of participating in all matters before the board, region board, or committee, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association.

(b) To the extent permitted by applicable law and subject to all applicable requirements, any action that may be taken at a regular or special Board of Directors, a region board, or any committee may be approved by unanimous written consent of the members of that body.

Section 4.07. Quorum. At any meeting of the Board of Directors, the attendance of 50 percent of the voting members of the Board of Directors, or their permitted alternates as specified in these bylaws, shall constitute a quorum for the transaction of any business. The Board may hold a closed session for discussion of personnel matters; enforcement of violations of the code of conduct; pending or anticipated litigation or other legal matters, including, but not limited to, considering whether to file or join in an amicus brief; real property negotiations and discussions; and other confidential matters as determined by the Board to the extent permitted by applicable law. (See Board Policy 2.1.8.3.)

Section 4.08. Alternates. Each region shall designate an alternate for each chair and vice chair, who shall meet the qualification requirements for chair and vice chair, to act at meetings of the Board of Directors when the chair or vice chair is unable to attend. The vice chair of each standing committee will be the alternate to act at meetings of the Board of Directors when the standing committee chair is unable to attend. An alternate may not act or vote on behalf of more than one member of the Board of Directors. A member of the Board of Directors may not act as an alternate for any other member.

Section 4.09. Vacancies for Standing Committee Chairs and Vice Chairs. Should a vacancy occur in the office of any standing committee chair or vice chair before the end of the term, the president shall appoint a new committee chair or vice chair to fulfill the unexpired term of such committee chair or vice chair subject to ratification by the Board of Directors. A vacancy in the office of any such standing committee chair or vice chair as described in the previous sentence shall be deemed to exist when the chair or vice chair: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 4.10. Duties, Authorities, and Delegation. Subject to the provisions and limitations of California Nonprofit Corporation Law, other applicable laws, and the provisions of these bylaws, the Association's activities and affairs are to be exercised by or under the direction of the Association's Board of Directors. The Board of Directors is responsible for the overall supervision, control, and direction of the Association. The Board of Directors shall: (1) employ and release the executive director/secretary; (2) set performance expectations for the executive director/secretary; (3) receive, review, and consider approval of executive director/secretary recommended compensation, other terms and conditions of employment, and annual evaluations as prepared by the Executive Committee; (4) annually adopt a budget; and (5) set the level of

dues for the Association. Except as to the duties listed in the previous sentence, and subject to Article 3, Section 2, the Board of Directors may delegate the supervision, control, and direction of the Association's affairs to any person or group, including a committee, provided the Association Board retains ultimate responsibility for the actions of such person or group. Where such powers are delegated, the delegation shall be documented in writing.

Section 4.11. Immediate Past President. The immediate past president automatically assumes this position after serving as the Association's elected president and is a voting member of the Board of Directors and Executive Committee. The term of office for the immediate past president shall commence on January 1 of the calendar year following election of the president and vice president and shall terminate on December 31 of the following odd-numbered year two years later. In the event the most immediate active past president is unavailable to serve, the most recent and available active past president in succession shall serve in this capacity.

Section 4.12. Code of Conduct of Board Members.

- (a) The Board of Directors shall establish, and update as appropriate, a code of conduct for its Directors that recognizes the Association's commitment of integrity, respect, and fair representation to its members and the public they serve and establishes minimum ethical standards for the performance of the duties of office. (See Code of Conduct Policy, Board Policy Manual, Policy No. GO-2.1A.) The code shall be consistent with the procedural processes contained in the Code of Conduct Policy. (See sections 2.1.3A and 2.1.4A of Policy GO-2.1A of the Board Policy Manual.) The code shall be distributed to all new Directors and shall be distributed annually to all members of the Association.

ARTICLE 5— Regions

Section 5.01. Boundaries of Each Region.

- (a) There shall be a maximum of 10 regions within the state. The Board of Directors shall determine the regional boundaries. Insofar as is practicable, the regions shall have a numerical balance in members of the Association; make geographic sense; and promote regional problem solving.
- (b) A member of the Association may file a written petition to the Board of Directors requesting a change in regions. Such petition shall set forth the reasons for such requested change. The Board shall, within a reasonable time, act upon such petition and set forth the reasons for its action. Such action by the Board shall be based on factors in Section 5.01(a) above, as well as others deemed by the Board of Directors to be relevant to the decision.

Section 5.02. Officers.

- (a) The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region in each odd-numbered year. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. Five or more members of the Association from the region shall constitute a quorum for purposes of regional board elections. Association staff shall verify the legitimacy of the ballots.
- (b) The officers of each region shall: (1) exercise the powers and perform duties of the region during the interim between region meetings; and (2) make recommendations to the president regarding appointments to committees. The chair and vice chair shall be the region's representatives to the Board of Directors.
- (c) Each officer of a region shall be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the office, the individual may not serve during the remaining term of that office unless that individual can again meet the criteria for the office and is appointed to complete the term. The region board may adopt more stringent criteria for board member qualifications as part of the region's rules and regulations.
- (d) Should a vacancy occur in any of the region board positions before the end of the term, the remaining members of the region board shall appoint a new member. A vacancy in the office of any region board position shall be deemed to exist when a region board member: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 5.03. Nominating Committees. There shall be a nominating committee for each region consisting of three or more designees, each representing a member of the Association located within the region, appointed by the chair of the region and approved by the region board. Nominating committees shall be formed by February 28 of each odd-numbered year.

Section 5.04. Meetings. The meetings of each region shall be held at both the spring and fall conferences and at such other times and places as may be determined by the region chair. Representatives of five or more members of the Association from the region present at any region meeting shall constitute a quorum for purposes of conducting the business of the region. Any meeting,

regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06.

Section 5.05. Workgroups. Workgroups may be appointed by the region chair as needed.

Section 5.06. Rules. Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association. Each region shall abide by the code of conduct adopted by the Board of Directors of the Association.

ARTICLE 6 – Executive Committee

Section 6.01. Membership. There shall be an Executive Committee consisting of the following: the president of the Association, who shall be the chair thereof; the vice president; the most immediate active past president; the chair of the Finance Committee; and three at-large representatives selected from and by the members of the Board of Directors. The election of the three at-large representatives to the Executive Committee shall occur at the first Board of Directors meeting held in each even-numbered year and the elected representatives shall serve immediately following their election and until such time as their successors take office. To the extent practical, the Executive Committee should be constituted so as to reflect the geographic extent of the Association and the functions of the members of the Association.

Section 6.02. Powers. The Executive Committee shall have the following authority:

- (a) **Personnel.** Subject to the budget adopted by the Board of Directors, the Executive Committee shall perform the following personnel actions: (1) recommend compensation for the executive director/secretary to the Board of Directors for approval; (2) perform annual reviews of the executive director/secretary and submit that review to the Board of Directors; (3) review the classification and compensation plan and publicly posted salary schedule for Association employees submitted by the executive director/secretary, which shall be approved by the Board of Directors; (4) establish personnel policies for the conduct and behavior of employees, which shall be reviewable by the Board of Directors; and (5) undertake such other personnel actions as may be requested by the executive director/secretary in support of his or her oversight of all other personnel matters, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors.
- (b) **Delegation.** The Executive Committee may act pursuant to any authority specifically delegated to it by the Board of Directors. The delegation shall indicate whether the authority is still subject to the ultimate authority of the Board.
- (c) **Authority to Act Between Meetings.** The Executive Committee may act for the Board of Directors between Board meetings when calling a special meeting of the Board of Directors is impracticable, provided that no such action of the Executive Committee shall be binding on the Board of Directors until authorized or approved by the Board. The

Executive Committee has the authority to authorize actions recommended by the Legal Affairs Committee (such as the filing of letter briefs and amicus curiae briefs) by electronic means without the need for an in-person or telephonic meeting, but such actions shall be ratified by the Board of Directors at its next meeting.

Section 6.03. Reporting. The president, or any person designated by the president, shall report to the Board of Directors, at each regular Board meeting, any action taken by the Executive Committee since the last preceding regular Board meeting. The minutes of Executive Committee meetings, which at that time may still be in draft form, shall be mailed (using the U.S. Postal Service, express delivery, electronic means, or otherwise) to each member of the Board of Directors at least five days prior to Board meetings, except in cases in which the Executive Committee meets during or immediately prior to a conference of the Association or immediately prior to a Board meeting, in which case the minutes, which may still be in draft form, shall be mailed to each director promptly thereafter.

Section 6.04. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06. With the exception of closed sessions as designated by the Executive Committee, all members of the Board of Directors and Council of Past Presidents may attend any meeting of the Executive Committee. However, the Executive Committee may close its meetings to select or all non-members of the Committee at the discretion of the president or by a majority vote of the Executive Committee. Any decision to close an Executive Committee meeting to others shall be final and not reversible except with the consent of party that decided to close the meeting. Only members of the Executive Committee are allowed to vote on Executive Committee matters .

Section 6.05. Minutes. The minutes of the Executive Committee meetings shall be kept by the executive director/secretary at the Association's principal office. Actions of the Executive Committee shall be reported to the Board of Directors as provided in Section 3 of this Article and shall be available to any member of the Board of Directors upon request to the executive director/secretary.

ARTICLE 7 – Standing Committees

Section 7.01. Qualification. In order to serve on any Association standing committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the appointment, the individual may not serve during the remaining term of that appointment unless that individual can again meet the criteria for appointment and is appointed to complete the term.

Section 7.02. Term of Office. The term of office of standing committee members shall be two years commencing on January 1 of each even-numbered year. The term of office of standing committee chairs and vice chairs shall be approximately two years and shall commence as soon after January 1 of the even-numbered year as they may be appointed by the president and ratified by the then-seated Board of Directors, and shall terminate on December 31 of the odd-numbered year approximately two years later or until their successors are appointed and ratified.

Section 7.03. Meetings. Meetings of standing committees may be called at such times and places designated by the respective chair thereof except where provided otherwise by these bylaws. Any meetings of standing committees may be conducted, in whole or in part, by electronic transmission or by electronic video screen communication, as set forth in Section 4.06. Subject to the provisions of these bylaws and any actions that may be taken by the Board of Directors, the chairs of each standing committee may establish their own rules for the efficient operation of the committee they each chair. The chairs of each standing committee are authorized to create subcommittees and workgroups in order to complete the work of the committee.

Section 7.04. Committee Composition. Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committees subject to the rules and procedures of each committee. If the chair is absent, the vice chair shall fill the role of the chair during such absence.

Section 7.05. Agriculture Committee. There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of the Association and its members. The committee shall consist of at least one member from each region.

Section 7.06. Business Development Committee. There shall be a Business Development Committee whose duty it is to develop and recommend to the Board of Directors programs and activities to be provided or administered by the Association that generate non-dues revenue and provide a service or benefit to member agencies. The committee shall consist of at least one member from each region and may include members from any of the other standing committees.

Section 7.07. Communications Committee. There shall be a Communications Committee whose duty it shall be to develop and make recommendations to the Board of Directors regarding a comprehensive internal and external communications program for the Association and to promote development of sound public information and education programs and practices among member agencies. The committee shall consist of no more than 40 members. The committee shall consist of at least one member from each region.

Section 7.08. Energy Committee. There shall be an Energy Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one member from each region.

Section 7.09. Federal Affairs Committee. There shall be a Federal Affairs Committee whose duty it shall be to review all federal legislative proposals and regulatory proposals affecting member agencies, after consulting with other appropriate committees, and to develop Association positions consistent with existing policy, where it has been established; recommend sponsorship of bills that will resolve problems or improve conditions for member agencies; and assist in the establishment of the Association's federal legislative program. The committee shall consist of at least one, but no more than five members from each region.

Section 7.10. Finance Committee. There shall be a Finance Committee whose duty it shall be to make recommendations to the Board of Directors regarding annual budgets, dues formula and schedules and other revenue-producing income, annual audit and selection of an auditor, and investment strategies. The committee shall consist of the president and vice president of the Association as *ex officio* members, either the chair or vice chair from each of the Association's 10 region boards, and one additional member from each region with experience in financial matters.

Section 7.11. Groundwater Committee. There shall be a Groundwater Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one member from each region.

Section 7.12. Legal Affairs Committee. There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to member agencies, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the member agencies and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between 34 and 44 attorneys, each of whom shall be a member of the California Bar and shall be, or act as, counsel for a member agency, representing diverse interests within the Association, including but not limited to, different geographical areas throughout the state, large and small agencies, agricultural and urban agencies, agencies created under the various enabling statutes, etc. The committee shall consist of at least one member from each region.

Section 7.13. Local Government Committee. There shall be a Local Government Committee whose duty it shall be to recommend policies to the State Legislative Committee, as appropriate, and Board of Directors on matters affecting water agencies as a segment of local government in California. The committee shall consist of at least one, but no more than three members from each region.

Section 7.14. Membership Committee. There shall be a Membership Committee whose duty it shall be to assist staff in developing membership recruitment and retention programs, make recommendations to the Board of Directors regarding membership policies, eligibility, and applications for membership and review and make recommendations to the Finance Committee regarding an equitable dues structure. The committee shall consist of at least one member from each region.

Section 7.15. State Legislative Committee. There shall be a State Legislative Committee whose duty it shall be to review all state legislative proposals affecting member agencies and to establish Association positions, consistent with existing policy, where it has been established; sponsor bills that will resolve problems or improve conditions for member agencies; and assist in the establishment of the Association's legislative program. The committee shall consist of members representing a variety of types of member agencies and at least one, but no more than four members from each region.

Section 7.16. Water Management Committee. There shall be a Water Management Committee whose duty it shall be to recommend policy and programs to the Board of Directors on any area of concern in water management. The committee shall consist of at least one, but no more than four members from each region.

Section 7.17. Water Quality Committee. There shall be a Water Quality Committee whose duty it shall be to develop and recommend Association policy, positions, and programs to the Board of Directors, to promote cost-effective state and federal water quality regulations that protect the public health, to enable interested member agencies to join together to develop and coordinate with other organizations, and to present unified comments regarding agricultural and domestic water quality regulations. The committee shall consist of at least one member from each region.

ARTICLE 8 – Special Councils, Committees, and Task Forces

Section 8.01. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board and Executive Committee meetings, including attending closed sessions of the Board. Members of the Council of Past Presidents may also attend meetings of the Executive Committee except as designated by the Executive Committee as further described in Section 6.04. With the exception of the immediate past president, members of the Council of Past Presidents are non-voting.

Section 8.02. Election Committee. There shall be an Election Committee consisting of eleven representatives established by February 28 of each odd-numbered year, whose purpose shall be to present qualified individuals for the offices of president and vice president of the Association. The Election Committee shall vet all candidates to determine if the eligibility criteria have been met. The Election

Committee will endorse a preferred candidate for president and vice president before presenting an open ballot with all qualifying candidates to the members for a vote in the manner set forth in Section 9.10 and Section 9.11.

(a) **Selection.** The Election Committee shall be selected in the following manner:

(1) Each of the 10 currently seated Region Boards in the odd-numbered year shall appoint a representative from their respective regions to serve on the Election Committee.

(2) One representative appointed by the president in the odd-numbered year shall also serve on the Election Committee. Neither the president nor the vice president qualifies to be appointed to this position.

(b) **Qualification.** In order to serve on the Election Committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Past presidents, who are Honorary Life Members of the Association, may also serve on the Election Committee without meeting stated qualifications unless otherwise disqualified. Where an individual ceases to meet these criteria during the election cycle, the individual may not continue to serve. When the disqualified member represented a Region Board, the affected Region Board shall select a replacement representative. When the disqualified member represented the President, the President shall select an alternate representative.

Section 8.03. Other Committees and Task Forces. Other committees and task forces may be appointed by the president from time to time as needed, consistent with and supportive of the mission of the Association.

ARTICLE 9 – Meetings of Members

Section 9.01. Meetings. Meetings of the members of the Association shall be held at the Association's conferences to provide a report to the members on the Association's activities during the past year, provide an overview of the Association's finances, announce the newly elected president and vice president of the Association in each odd-numbered year, and to transact such other proper business as may come before the meeting.

Section 9.02. Special Meetings. Special meetings of the members of the Association may be called by the Board of Directors, the president of the Board of Directors, or by 5 percent or more of the members of the Association. Except when called by the Board, a request for a special meeting must be in writing and must be delivered in person or mailed by first-class mail addressed to the president of the Board at

the principal office of the Association, with a copy to the executive director/secretary. The request must state the general nature of the business proposed to be transacted at the meeting.

A special meeting that has been called by written request of 5 percent of the member agencies of the Association to the Board of Directors shall be set by the Board of Directors on a date that is not less than 35 or more than 90 days after receipt of the request.

Section 9.03. Meetings by Remote Communication. Any meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the Association or by electronic video screen communication. The member shall be deemed present in person at the meeting if the following apply:

- (a) The Association implements reasonable measures to provide the member a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings.
- (b) If any member votes or takes other action at the meeting by means of electronic transmission to the Association or electronic video screen communication, a record of that vote or action is maintained by the Association.
- (c) The Association verifies that each person participating remotely is an authorized representative of a voting member.

Section 9.04. Notice Requirements for Membership Meetings. Written notice of any membership meeting shall be given to each voting member of the Association. The notice shall state the date, time, and place of the meeting; the means by which members may participate; and the general nature of the business to be transacted. The member notification information shall also be posted on the Association's website.

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

Section 9.05. Notice Requirements for Special Meetings. The executive director/secretary shall cause notice to be given to all members of the Association of the date, time, and place of the meeting and the general nature of the business to be transacted at the meeting. No business except that specified in the request and notice may be transacted at said special meeting. If notice of the requested special meeting is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice.

Section 9.06. Voting. Each member of the Association in good standing at the time of the annual or special meeting shall be entitled to one vote that shall be cast by its authorized representative. Each

member must designate its authorized representative prior to the annual or special meeting. It is the member's responsibility to designate or update its authorized representative as needed. The Association may confirm with any member the identity of that member's authorized representative for the purpose of casting ballots in any election of president and vice president, amendments to these Bylaws, or other Association business that requires a vote. All questions, except amendments or revisions of these bylaws, shall be determined by a majority of the members present and voting. A roll call may be requested by any authorized representative.

Section 9.07. Amendment of Bylaws. These bylaws may be amended or revised by two-thirds of the member agencies of the Association present and voting at any meeting.

Section 9.08. Quorum. The presence of the authorized representatives of at least 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business. Actions of the members of the Association taken by written ballot shall require the timely receipt of the written ballot from the authorized representatives of at least 50 members to constitute a quorum.

Section 9.09. Amendments, Revisions, and Resolutions. Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least 90 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section 9.04. The 90-day rule may be suspended at any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections 9.06 and 9.07.

Section 9.10. Nomination of President and Vice President.

- (a) **Qualification.** At the time of their election, the president and vice president of the Association shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association.
- (b) **Nominating Resolutions.** All nominations for the positions of president and vice president shall be accompanied by an official resolution from the Association member agency on whose board the nominee serves. Said resolution shall be signed by an authorized signatory of the member agency's Board of Directors.

Section 9.11. Election of President and Vice President. Each member of the Association in good standing at the time a vote is cast is entitled to one vote for election of the president and vice president that shall be cast by its authorized representative by written ballot. The ballot and any related material may be sent by first class, registered, or certified mail or electronic transmission by the Corporation that meets the requirements of Corporations Code section 20, and responses may be returned to the Corporation by mail or electronic transmission. On any written ballot for the election of president or vice president, an authorized representative acting on behalf of the member may write in a qualified candidate for election. Nominating resolutions for write-in candidates must be received by the deadline for the return of ballots.

Section 9.12. Write-In Candidates. If a write-in candidate prevails in any election for president or vice president, such individual shall not be officially elected into such position until the Election Committee confirms that the individual meets the eligibility criteria and qualifications requirements.

Section 9.13. Run-off Election for President and Vice President. In the event a nominee does not receive a majority of the votes for president or vice president, a run-off election shall be held for the office or offices for which a majority of the votes have not been received. The run-off election shall only involve the nominees who received the two highest amounts of votes. The run-off election shall be conducted in the same manner as the initial election.

Section 9.14. Additional Procedures for Election of President and Vice President. The Board shall have the authority to adopt policies for elections ("Election Policy") of president and vice president setting forth the details for the election of such positions when not otherwise contrary to or covered by these bylaws.

Section 9.15. Action by Written Ballot. To the extent permitted by applicable law and subject to all applicable requirements, any action that may be taken at a regular or special member meeting of the members may be approved by written ballot if a ballot is sent to each member entitled to vote on the matter. If approved by the Board, ballots may be sent and returned by electronic transmission as permitted in the Corporations Code. Ballot format, solicitation and voting thresholds shall meet the requirements of the Corporations Code and be consistent with applicable provisions of these Bylaws.

ARTICLE 10—Indemnification of Directors, Officers, and Other Agents

Section 10.01. Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

Section 10.02. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification.

Section 10.03. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 10.04. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's or agent's status as such.

ARTICLE 11 - Miscellaneous

Section 11.01. Conduct of Meetings. All meetings of the Association shall be conducted in accord with the code of conduct and in substantial accordance with the latest edition of Robert's Rules of Order Newly Revised unless the Board adopts alternate rules of conduct for itself and/or its committees, region boards, and region workgroups.

Section 11.02. Funds. The funds of the Association shall be used to further the aims and purposes of this Association. They shall be kept by the controller/treasurer and paid out by checks or other electronic means, which shall only be valid with two authorized signatures. The Board of Directors shall designate by resolution which persons, other than the controller/treasurer, may sign for expenditures. The Finance Committee shall implement procedures to ensure necessary internal controls over the receipt and expenditures of Association funds and arrange for an external audit. Audit reports shall be presented to the Board of Directors.

Section 11.03. Disposition of Assets upon Dissolution. The Association's properties and assets are irrevocably dedicated to the fulfillment of the Association's purposes as described in Article 2 of the Articles of Incorporation. No part of the Association's net earnings, properties and assets, on dissolution or otherwise, may inure to the benefit of any private person. Upon the dissolution of the Association, all debts thereof shall be paid and its affairs settled, and all remaining assets shall be distributed to the Association's member political subdivisions for a public purpose, consistent with the provisions of the California Nonprofit Corporation Law relating to mutual benefit corporations then in effect and with the Articles of Incorporation.

Section 11.04. Definitions. As used in these Bylaws, the terms “electronic transmission” and “notice provided by electronic means” shall refer to notice and other communications given by fax or e-mail.

Section 11.05. Conflicts Between Bylaws and Other Association Policies. To the extent permitted by applicable law, these Bylaws shall govern in the event there is a conflict between these Bylaws and another Association policy, rule, or procedure.

Amended comprehensively December 1, 2010

Amended May 9, 2012

Amended May 7, 2014

Amended December 2, 2015

Amended November 29, 2017

Amended & Restated November 30, 2022

Amended & Restated December 4, 2024



PROPOSED AMENDED AND
RESTATED BYLAWS of the
Association of California
Water Agencies

Amended and restated by the ACWA Members: December 4, 2024

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(As amended and restated by the Members on December 4, 2024)

ARTICLE 1 - General

Section 1.01. Name. The name of this California nonprofit corporation shall be the Association of California Water Agencies (hereinafter referred to as the Association).

Section 1.02. Principal Office. The principal office for the transaction of business of the Association shall be located in Sacramento, California.

Section 1.03. Purposes. The purposes of the Association shall be to work together with its members and others for the best interests of California and its citizens and landowners who use, need and depend upon water; to encourage the orderly development of the waters of the state; to seek means of obtaining and making available to all of California a dependable water supply of the best possible quality at the lowest possible cost, giving due consideration to environmental factors involved therein; to provide inspiration and leadership in meeting and solving the water supply problems of this state; to propose and advocate such policies and measures—local, state and federal—that serve the best interests of the Association, opposing those of contrary nature; to assist in promoting the health, safety and welfare of the employees of its members; and to do all other things that are in the best interests of its members.

ARTICLE 2 – Membership and Dues

Section 2.01. Membership.

- (a) **Members.** Only a public district, public agency, or public organization created and operated for the purpose of controlling, treating, developing, acquiring, using or supplying water for any purpose for inhabitants or lands within the state of California, or for the protection, drainage or reclamation of lands within the state of California, may become a member of the Association. Such an entity will become a member upon written application, approval by the Board of Directors, and the payment of the required dues. Acceptance to membership shall authorize full participation in Association activities. Except as otherwise provided in Section 2.01(b) below, in no case may an organization other than a state, a political subdivision (as defined in § 1.103-1(b) of the Income Tax Regulations) of a state or an entity the income of which is excluded from gross income under § 115 of the Internal Revenue Code be a member of the Association. A member of the Association shall be in good standing if in compliance with all bylaws and requirements of membership, including timely payment of annual dues and emergency assessments.
- (b) **Honorary Life Members.** Any person who has rendered conspicuous service in furthering the purposes of the Association may, by vote of the Board of Directors, be granted an honorary life membership in the Association without payment of dues or assessments. All past presidents of the Association shall automatically be honorary life members without vote of the Board of Directors. Honorary life members shall not be entitled to a vote or to hold office automatically because of their status as honorary life members.
- (c) **Termination of Members.** Membership shall cease upon the failure of any member to pay the dues provided for in Section 2.02 of this Article. The membership of any member may be terminated at any time by such member sending written notification of its intention to withdraw to the Association's principal office. The Board of Directors may terminate the membership of any member upon 30 days' written notice by first-class mail when it is determined at any regular Board meeting or at any special Board meeting called for that purpose that continuance of such membership would not be in the best interests of the Association. Withdrawal or termination of membership ends any participation in Association activities and shall terminate a member's interest in the Association's assets.

Section 2.02. Dues. The annual dues of each member of the Association shall be established by the Board of Directors; provided, however, that any member may apply for a change in its dues because of conditions that differentiate such applicant from other members.

Section 2.03. Liability of Members. No member shall be liable for any obligation incurred by the Association with the following exception: (1) the payment of the annual dues while it remains a member;

and (2) the payment of emergency assessments, which shall not exceed 10 percent of current annual dues for each member in any calendar year while it remains a member. No emergency assessment may be levied against any member during its first two years of membership in the Association.

ARTICLE 3 - Officers

Section 3.01. President and Vice President.

- (a) **General.** The president and vice president of the Association shall be the elected officers of the Association. At the time of their election the president and vice president shall each be an elected or appointed member of the governing body or commission (as appropriate) of a member agency of the Association. The president and vice president shall be elected by the members of the Association by written ballot in each odd-numbered year before the Association's annual meeting, shall be announced at the Association's annual meeting, shall take office on January 1 of the calendar year following election, and shall hold office until such time as their successors take office or are appointed. An elected president shall not be permitted to succeed himself/herself to that office. Except as provided in this Article, should vacancies occur in either office of the president or vice president, the Board of Directors shall appoint persons to fill such offices for the unexpired terms thereof.
- (b) **President.** The president shall preside at all meetings of the Board of Directors, the Executive Committee, and the general membership; shall appoint members of all committees, including the chair and vice chair of each, upon recommendation from members and regions (as communicated by the region chairs), with each such committee chair and vice chair ratified by the Board of Directors; and shall perform all other duties necessary to carry out the functions of the office. The president shall be a non-voting, *ex officio* member of each committee, but shall not be an *ex officio* member of the Election Committee or the region boards.
- The president may be expelled from office with or without cause, upon the satisfaction of the following two events: (1) a two-thirds vote of the Board of Directors; and (2) a subsequent simple majority vote of the members of the Association during a meeting of the membership.
- (c) **Vice President.** The vice president shall, in the absence of the president, assume all of the duties of that office and, if a vacancy occurs, succeed thereto for the unexpired term. The vice president shall sit as a member of the Executive Committee of the ACWA Joint Powers Insurance Authority and shall perform such other duties as assigned by the president. The vice president shall be a non-voting, *ex officio* member of each committee, but shall not be an *ex officio* member of the Election Committee or the region boards.

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

Section 3.02. Executive Director/Secretary and Controller/Treasurer.

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

ARTICLE 4 – Board of Directors

Section 4.01. Membership. The Board of Directors shall consist of:

- (a) The Association president and vice president.
- (b) The chair and vice chair of each region.
- (c) The chair of each standing committee.
- (d) The most immediate active past president.
- (e) The vice president of the ACWA/Joint Powers Insurance Authority.

Section 4.02. Term of Office. The term of office of all members of the Board of Directors shall commence on January 1 of the calendar year following election of the president and vice president, except for those persons who serve on the Board of Directors by nature of their position as chairs of standing committees, whose terms shall instead commence upon their ratification by the Board of Directors. Except as provided in Article 4, Section 4.11, the term of office for all members of the Board of Directors shall terminate on December 31 of the following odd-numbered year two years later, or until their successors take office.

Section 4.03. Attendance Requirement. Any member of the Board of Directors who misses two consecutive regular Board meetings without being excused by the Board will no longer be a member of the Board of Directors.

Section 4.04. Regular Meetings. Regular meetings of the Board of Directors shall be held bimonthly at such times and places as the Board may determine.

Section 4.05. Special Meetings. Special meetings may be called by the president upon the president's own volition or shall be called by the president when requested in writing by five directors. Prior to conducting such a special meeting, the president shall consult with the Executive Committee to ensure that adequate information is available to the Board of Directors for any necessary decisions; and where such meeting is called upon the president's own volition, the president shall also consult with the Executive Committee as to the necessity of the special meeting. [However, the president's determination of necessity shall control.](#) Notice for special meetings shall be provided in the following manner: (1) upon 10 days' written notice sent by mail to each director and addressed to each at the address as shown upon the records of the Association; or (2) upon 48 hours' notice with notice provided by electronic means. When the meeting is called upon the president's own volition, the president shall choose the form of notice; when the meeting is called by a request of five directors, the five directors shall choose the form of notice and the president shall promptly call the meeting. No business except those items described in the notice shall be transacted at any special meeting, except by consent of three-fourths of the members of the Board of Directors present.

Section 4.06. ~~Meetings by Electronic Communication.~~ Alternatives to Traditional Meetings.

(a) Any meeting of the Board of Directors, region boards, or any committee may be conducted, in whole or in part, by telephone, electronic transmission, or by electronic video screen communication. A member of the Board of Directors, a region board, or any committee shall be deemed present in person at the meeting if the following apply:

(a)(1) Each director, region board, or committee member participating in the meeting can communicate concurrently with all other directors, region board, or committee members.

~~(1)-(2)~~ Each director, region board or, committee member is provided the means of participating in all matters before the board, region board, or committee, including the capacity to propose, or to interpose an objection to, a specific action to be taken by the Association.

(b) To the extent permitted by applicable law and subject to all applicable requirements, any action that may be taken at a regular or special Board of Directors, a region board, or any committee may be approved by unanimous written consent of the members of that body.

~~Section 4.06.~~**Section 4.07. Quorum.** At any meeting of the Board of Directors, the attendance of 50 percent of the voting members of the Board of Directors, or their permitted alternates as specified in these bylaws, shall constitute a quorum for the transaction of any business. The Board may hold a closed session for discussion of personnel matters; enforcement of violations of the code of conduct; pending or anticipated litigation or other legal matters, including, but not limited to, considering whether to file or join in an amicus brief; real property negotiations and discussions; and other confidential matters as determined by the Board to the extent permitted by applicable law. (See Board Policy 2.1.8.3.)

~~Section 4.07.~~**Section 4.08. Alternates.** Each region shall designate an alternate for each chair and vice chair, who shall meet the qualification requirements for chair and vice chair, to act at meetings of the Board of Directors when the chair or vice chair is unable to attend. The vice chair of each standing committee will be the alternate to act at meetings of the Board of Directors when the standing committee chair is unable to attend. An alternate may not act or vote on behalf of more than one member of the Board of Directors. A member of the Board of Directors may not act as an alternate for any other member.

~~Section 4.08.~~**Section 4.09. Vacancies for Standing Committee Chairs and Vice Chairs.** Should a vacancy occur in the office of any standing committee chair or vice chair before the end of the term, the president shall appoint a new committee chair or vice chair to fulfill the unexpired term of such committee chair or vice chair subject to ratification by the Board of Directors. A vacancy in the office of any such standing committee chair or vice chair as described in the previous sentence shall be deemed to exist when the chair or vice chair: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

~~Section 4.09.~~**Section 4.10. Duties, Authorities, and Delegation.** Subject to the provisions and limitations of California Nonprofit Corporation Law, other applicable laws, and the provisions of these bylaws, the Association's activities and affairs are to be exercised by or under the direction of the Association's Board of Directors. The Board of Directors is responsible for the overall supervision, control, and direction of the Association. The Board of Directors shall: (1) employ and release the executive director/secretary; (2) set performance expectations for the executive director/secretary; (3) receive, review, and consider approval of executive director/secretary recommended compensation, other terms and conditions of employment, and annual evaluations as prepared by the Executive Committee; (4)

annually adopt a budget; and (5) set the level of dues for the Association. Except as to the duties listed in the previous sentence, and subject to Article 3, Section 2, the Board of Directors may delegate the supervision, control, and direction of the Association's affairs to any person or group, including a committee, provided the Association Board retains ultimate responsibility for the actions of such person or group. Where such powers are delegated, the delegation shall be documented in writing.

~~Section 4.10.~~Section 4.11. **Immediate Past President.** The immediate past president automatically assumes this position after serving as the Association's elected president and is a voting member of the Board of Directors and Executive Committee. The term of office for the immediate past president shall commence on January 1 of the calendar year following election of the president and vice president and shall terminate on December 31 of the following odd-numbered year two years later. In the event the most immediate active past president is unavailable to serve, the most recent and available active past president in succession shall serve in this capacity.

~~Section 4.11.~~Section 4.12. **Code of Conduct of Board Members.**

- (a) The Board of Directors shall establish, and update as appropriate, a code of conduct for its Directors that recognizes the Association's commitment of integrity, respect, and fair representation to its members and the public they serve and establishes minimum ethical standards for the performance of the duties of office. (See Code of Conduct Policy, Board Policy Manual, Policy No. GO-2.1A.) The code shall be consistent with the procedural processes contained in the Code of Conduct Policy. (See sections 2.1.3A and 2.1.4A of Policy GO-2.1A of the Board Policy Manual.) The code shall be distributed to all new Directors and shall be distributed annually to all members of the Association.

ARTICLE 5— Regions

Section 5.01. Boundaries of Each Region.

- (a) There shall be a maximum of 10 regions within the state. The Board of Directors shall determine the regional boundaries. Insofar as is practicable, the regions shall have a numerical balance in members of the Association; make geographic sense; and promote regional problem solving.
- (b) A member of the Association may file a written petition to the Board of Directors requesting a change in regions. Such petition shall set forth the reasons for such requested change. The Board shall, within a reasonable time, act upon such petition and set forth the reasons for its action. Such action by the Board shall be based on factors in Section 5.01(a) above, as well as others deemed by the Board of Directors to be relevant to the decision.

Section 5.02. Officers.

- (a) The officers of each region shall be a chair and vice chair and three to five region board members who shall be elected by the region in each odd-numbered year. A region may maintain a board of fewer than five but not less than three members as provided in the region's rules and regulations. The officers of the region board shall take office on January 1 of the calendar year following election and shall hold office for two years, or until their successors take office. Regions shall hold elections by electronic ballot. Five or more members of the Association from the region shall constitute a quorum for purposes of regional board elections. Association staff shall verify the legitimacy of the ballots.
- (b) The officers of each region shall: (1) exercise the powers and perform duties of the region during the interim between region meetings; and (2) make recommendations to the president regarding appointments to committees. The chair and vice chair shall be the region's representatives to the Board of Directors.
- (c) Each officer of a region shall be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the office, the individual may not serve during the remaining term of that office unless that individual can again meet the criteria for the office and is appointed to complete the term. The region board may adopt more stringent criteria for board member qualifications as part of the region's rules and regulations.
- (d) Should a vacancy occur in any of the region board positions before the end of the term, the remaining members of the region board shall appoint a new member. A vacancy in the office of any region board position shall be deemed to exist when a region board member: (1) resigns the office; (2) no longer is an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member of the Association to represent that member; or (3) is otherwise removed by a member agency of the Association.

Section 5.03. Nominating Committees. There shall be a nominating committee for each region consisting of three or more designees, each representing a member of the Association located within the region, appointed by the chair of the region and approved by the region board. Nominating committees shall be formed by February 28 of each odd-numbered year.

Section 5.04. Meetings. The meetings of each region shall be held at both the spring and fall conferences and at such other times and places as may be determined by the region chair. Representatives of five or more members of the Association from the region present at any region meeting shall constitute a quorum for purposes of conducting the business of the region. Any meeting,

regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06.

Section 5.05. Workgroups. Workgroups may be appointed by the region chair as needed.

Section 5.06. Rules. Each region shall organize and adopt rules and regulations for the conduct of its meetings and affairs not inconsistent with the Articles of Incorporation or bylaws of the Association. Each region shall abide by the code of conduct adopted by the Board of Directors of the Association.

ARTICLE 6 – Executive Committee

Section 6.01. Membership. There shall be an Executive Committee consisting of the following: the president of the Association, who shall be the chair thereof; the vice president; the most immediate active past president; the chair of the Finance Committee; and three at-large representatives selected from and by the members of the Board of Directors. The election of the three at-large representatives to the Executive Committee shall occur at the first Board of Directors meeting held in each even-numbered year and the elected representatives shall serve immediately following their election and until such time as their successors take office. To the extent practical, the Executive Committee should be constituted so as to reflect the geographic extent of the Association and the functions of the members of the Association.

Section 6.02. Powers. The Executive Committee shall have the following authority:

- (a) Personnel.** Subject to the budget adopted by the Board of Directors, the Executive Committee shall perform the following personnel actions: (1) recommend compensation for the executive director/secretary to the Board of Directors for approval; (2) perform annual reviews of the executive director/secretary and submit that review to the Board of Directors; (3) review the classification and compensation plan and publicly posted salary schedule for Association employees submitted by the executive director/secretary, which shall be approved by the Board of Directors; (4) establish personnel policies for the conduct and behavior of employees, which shall be reviewable by the Board of Directors; and (5) undertake such other personnel actions as may be requested by the executive director/secretary in support of his or her oversight of all other personnel matters, which shall be reviewable by the Board of Directors, in closed session, upon request of the Board of Directors.
- (b) Delegation.** The Executive Committee may act pursuant to any authority specifically delegated to it by the Board of Directors. The delegation shall indicate whether the authority is still subject to the ultimate authority of the Board.
- (c) Authority to Act Between Meetings.** The Executive Committee may act for the Board of Directors between Board meetings when calling a special meeting of the Board of Directors is impracticable, provided that no such action of the Executive Committee shall be binding on the Board of Directors until authorized or approved by the Board. The

Executive Committee has the authority to authorize actions recommended by the Legal Affairs Committee (such as the filing of letter briefs and amicus curiae briefs) by electronic means without the need for an in-person or telephonic meeting, but such actions shall be ratified by the Board of Directors at its next meeting.

Section 6.03. Reporting. The president, or any person designated by the president, shall report to the Board of Directors, at each regular Board meeting, any action taken by the Executive Committee since the last preceding regular Board meeting. The minutes of Executive Committee meetings, which at that time may still be in draft form, shall be mailed (using the U.S. Postal Service, express delivery, electronic means, or otherwise) to each member of the Board of Directors at least five days prior to Board meetings, except in cases in which the Executive Committee meets during or immediately prior to a conference of the Association or immediately prior to a Board meeting, in which case the minutes, which may still be in draft form, shall be mailed to each director promptly thereafter.

Section 6.04. Meetings. The Executive Committee shall hold regularly scheduled meetings as set by the president. Special meetings of the Executive Committee may be called by the president upon notice to the members of that committee or upon written request of three Executive Committee members. Notice for special Executive Committee meetings shall be provided to the entire Board: (1) upon five days' written notice sent by mail, or (2) upon 24 hours' notice with notice provided by electronic means; and all such meetings shall be open to the Board of Directors. Any meeting, regular or special, may be held in person or by telephone conference, web video conference, or other electronic video screen communication or electronic transmission, as set forth in Section 4.06. With the exception of closed sessions as designated by the Executive Committee, all members of the Board of Directors and Council of Past Presidents may attend any meeting of the Executive Committee. However, Meetings of the Executive Committee may be closed its meetings to select or all non-members of the Committee to others at the discretion of the president or by a majority vote of the Executive Committee. Any decision to close an Executive Committee meeting to others shall be final and not reversible except with the consent of party that decided to close the meeting. Only members of the Executive Committee are allowed to vote on Executive Committee matters at a meeting of the committee.

Section 6.05. Minutes. The minutes of the Executive Committee meetings shall be kept by the executive director/secretary at the Association's principal office. Actions of the Executive Committee shall be reported to the Board of Directors as provided in Section 3 of this Article and shall be available to any member of the Board of Directors upon request to the executive director/secretary.

ARTICLE 7 – Standing Committees

Section 7.01. Qualification. In order to serve on any Association standing committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Where an individual ceases to meet these criteria during the term of the

appointment, the individual may not serve during the remaining term of that appointment unless that individual can again meet the criteria for appointment and is appointed to complete the term.

Section 7.02. Term of Office. The term of office of standing committee members shall be two years commencing on January 1 of each even-numbered year. The term of office of standing committee chairs and vice chairs shall be approximately two years and shall commence as soon after January 1 of the even-numbered year as they may be appointed by the president and ratified by the then-seated Board of Directors, and shall terminate on December 31 of the odd-numbered year approximately two years later or until their successors are appointed and ratified.

Section 7.03. Meetings. Meetings of standing committees may be called at such times and places designated by the respective chair thereof except where provided otherwise by these bylaws. Any meetings of standing committees may be conducted, in whole or in part, by electronic transmission or by electronic video screen communication, as set forth in Section 4.06. Subject to the provisions of these bylaws and any actions that may be taken by the Board of Directors, the chairs of each standing committee may establish their own rules for the efficient operation of the committee they each chair. The chairs of each standing committee are authorized to create subcommittees and workgroups in order to complete the work of the committee.

Section 7.04. Committee Composition. Each limited standing committee shall have a membership composition that is comprised of members in the quantity and with qualifications as defined by the provisions of these bylaws. The committee chair position shall not be included in the maximum count for determining the committee composition total of any given limited committee. The committee chair shall, however, be a voting member of their respective committees subject to the rules and procedures of each committee. If the chair is absent, the vice chair shall fill the role of the chair during such absence.

Section 7.05. Agriculture Committee. There shall be an Agriculture Committee whose duty it shall be to recommend Association policy, positions and programs to the Board of Directors, State Legislative Committee, Federal Affairs Committee or other committees, as appropriate, regarding agricultural issues affecting the interests of the Association and its members. The committee shall consist of at least one member from each region.

Section 7.06. Business Development Committee. There shall be a Business Development Committee whose duty it is to develop and recommend to the Board of Directors programs and activities to be provided or administered by the Association that generate non-dues revenue and provide a service or benefit to member agencies. The committee shall consist of at least one member from each region and may include members from any of the other standing committees.

Section 7.07. Communications Committee. There shall be a Communications Committee whose duty it shall be to develop and make recommendations to the Board of Directors regarding a comprehensive internal and external communications program for the Association and to promote development of sound public information and education programs and practices among member agencies. The committee shall

consist of no more than 40 members. The committee shall consist of at least one member from each region.

Section 7.08. Energy Committee. There shall be an Energy Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one member from each region.

Section 7.09. Federal Affairs Committee. There shall be a Federal Affairs Committee whose duty it shall be to review all federal legislative proposals and regulatory proposals affecting member agencies, after consulting with other appropriate committees, and to develop Association positions consistent with existing policy, where it has been established; recommend sponsorship of bills that will resolve problems or improve conditions for member agencies; and assist in the establishment of the Association's federal legislative program. The committee shall consist of at least one, but no more than five members from each region.

Section 7.10. Finance Committee. There shall be a Finance Committee whose duty it shall be to make recommendations to the Board of Directors regarding annual budgets, dues formula and schedules and other revenue-producing income, annual audit and selection of an auditor, and investment strategies. The committee shall consist of the president and vice president of the Association as *ex officio* members, either the chair or vice chair from each of the Association's 10 region boards, and one additional member from each region with experience in financial matters.

Section 7.11. Groundwater Committee. There shall be a Groundwater Committee whose duty it shall be to recommend policies and programs to the Board of Directors and to the State Legislative Committee and/or Federal Affairs Committee as appropriate. The committee shall consist of at least one member from each region.

Section 7.12. Legal Affairs Committee. There shall be a Legal Affairs Committee whose duty it shall be to support the mission of the Association, and more particularly to deal with requests for assistance involving legal matters of significance to member agencies, including but not limited to state and federal court litigation, water rights matters, selected regulatory and resources agency matters, proposed bylaw revisions, review of legislation as requested by the State Legislative Committee, etc. The committee shall consider matters and issues submitted to it in order to determine which ones are of major significance to the member agencies and, assuming a finding of major significance, recommend to the Board of Directors the position(s) which the committee believes the Association should take with respect thereto. The committee shall be composed of between 34 and 44 attorneys, each of whom shall be a member of the California Bar and shall be, or act as, counsel for a member agency, representing diverse interests within the Association, including but not limited to, different geographical areas throughout the state, large and small agencies, agricultural and urban agencies, agencies created under the various enabling statutes, etc. The committee shall consist of at least one member from each region.

Section 7.13. Local Government Committee. There shall be a Local Government Committee whose duty it shall be to recommend policies to the State Legislative Committee, as appropriate, and Board of Directors on matters affecting water agencies as a segment of local government in California. The committee shall consist of at least one, but no more than three members from each region.

Section 7.14. Membership Committee. There shall be a Membership Committee whose duty it shall be to assist staff in developing membership recruitment and retention programs, make recommendations to the Board of Directors regarding membership policies, eligibility, and applications for membership and review and make recommendations to the Finance Committee regarding an equitable dues structure. The committee shall consist of at least one member from each region.

Section 7.15. State Legislative Committee. There shall be a State Legislative Committee whose duty it shall be to review all state legislative proposals affecting member agencies and to establish Association positions, consistent with existing policy, where it has been established; sponsor bills that will resolve problems or improve conditions for member agencies; and assist in the establishment of the Association's legislative program. The committee shall consist of members representing a variety of types of member agencies and at least one, but no more than four members from each region.

Section 7.16. Water Management Committee. There shall be a Water Management Committee whose duty it shall be to recommend policy and programs to the Board of Directors on any area of concern in water management. The committee shall consist of at least one, but no more than four members from each region.

Section 7.17. Water Quality Committee. There shall be a Water Quality Committee whose duty it shall be to develop and recommend Association policy, positions, and programs to the Board of Directors, to promote cost-effective state and federal water quality regulations that protect the public health, to enable interested member agencies to join together to develop and coordinate with other organizations, and to present unified comments regarding agricultural and domestic water quality regulations. The committee shall consist of at least one member from each region.

ARTICLE 8 – Special Councils, Committees, and Task Forces

Section 8.01. Council of Past Presidents. There shall be a Council of Past Presidents composed of all past presidents of the Association who serve on the council until each is no longer able to or wishes to serve. The council shall provide a mechanism for past presidents to continue to make valuable contributions to the Association. With approval of the Board of Directors, the president and/or executive director/secretary may assign specific responsibilities to the council from time to time. Members of the Council of Past Presidents are invited to attend and participate in the Association's Board and Executive Committee meetings, including attending closed sessions [of the Board](#). [Members of the Council of Past Presidents may also attend closed sessions meetings of the Executive Committee except as designated by the Executive Committee as further described in Section 6.04.](#) With the exception of the immediate past president, members of the Council of Past Presidents are non-voting.

Section 8.02. Election Committee. There shall be an Election Committee consisting of eleven representatives established by February 28 of each odd-numbered year, whose purpose shall be to present qualified individuals for the offices of president and vice president of the Association. The Election Committee shall vet all candidates to determine if the eligibility criteria have been met. The Election Committee will endorse a preferred candidate for president and vice president before presenting an open ballot with all qualifying candidates to the members for a vote in the manner set forth in Section 9.10 and Section 9.11.

(a) Selection. The Election Committee shall be selected in the following manner:

(1) Each of the 10 currently seated Region Boards in the odd-numbered year shall appoint a representative from their respective regions to serve on the Election Committee.

(2) One representative appointed by the president in the odd-numbered year shall also serve on the Election Committee. Neither the president nor the vice president qualifies to be appointed to this position.

(b) Qualification. In order to serve on the Election Committee, an individual must be an officer, employee, or member of the governing body of a member agency of the Association, or other representative duly designated by a member agency of the Association to represent that member at the time of the appointment. Past presidents, who are Honorary Life Members of the Association, may also serve on the Election Committee without meeting stated qualifications unless otherwise disqualified. Where an individual ceases to meet these criteria during the election cycle, the individual may not continue to serve. When the disqualified member represented a Region Board, the affected Region Board shall select a replacement representative. When the disqualified member represented the President, the President shall select an alternate representative.

Section 8.03. Other Committees and Task Forces. Other committees and task forces may be appointed by the president from time to time as needed, consistent with and supportive of the mission of the Association.

ARTICLE 9 – Meetings of Members

Section 9.01. Meetings. Meetings of the members of the Association shall be held at the Association's conferences to provide a report to the members on the Association's activities during the past year, provide an overview of the Association's finances, announce the newly elected president and vice president of the Association in each odd-numbered year, and to transact such other proper business as may come before the meeting.

Section 9.02. Special Meetings. Special meetings of the members of the Association may be called by the Board of Directors, the president of the Board of Directors, or by 5 percent or more of the members of the Association. Except when called by the Board, a request for a special meeting must be in writing and must be delivered in person or mailed by first-class mail addressed to the president of the Board at the principal office of the Association, with a copy to the executive director/secretary. The request must state the general nature of the business proposed to be transacted at the meeting.

A special meeting that has been called by written request of 5 percent of the member agencies of the Association to the Board of Directors shall be set by the Board of Directors on a date that is not less than 35 or more than 90 days after receipt of the request.

Section 9.03. Meetings by Remote Communication. Any meeting of the members may be conducted, in whole or in part, by electronic transmission by and to the Association or by electronic video screen communication. The member shall be deemed present in person at the meeting if the following apply:

- (a) The Association implements reasonable measures to provide the member a reasonable opportunity to participate in the meeting and to vote on matters submitted to the members, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with those proceedings.
- (b) If any member votes or takes other action at the meeting by means of electronic transmission to the Association or electronic video screen communication, a record of that vote or action is maintained by the Association.
- (c) The Association verifies that each person participating remotely is an authorized representative of a voting member.

Section 9.04. Notice Requirements for Membership Meetings. Written notice of any membership meeting shall be given to each voting member of the Association. The notice shall state the date, time, and place of the meeting; the means by which members may participate; and the general nature of the business to be transacted. The member notification information shall also be posted on the Association's website.

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

Section 9.05. Notice Requirements for Special Meetings. The executive director/secretary shall cause notice to be given to all members of the Association of the date, time, and place of the meeting and the general nature of the business to be transacted at the meeting. No business except that specified in the request and notice may be transacted at said special meeting. If notice of the requested special meeting

is not given within 20 days after receipt of the request, the person or persons requesting the meeting may give the notice.

Section 9.06. Voting. Each member of the Association in good standing at the time of the annual or special meeting shall be entitled to one vote that shall be cast by its authorized representative. Each member must designate its authorized representative prior to the annual or special meeting. It is the member's responsibility to designate or update its authorized representative as needed. The Association may confirm with any member the identity of that member's authorized representative for the purpose of casting ballots in any election of president and vice president, amendments to these Bylaws, or other Association business that requires a vote. All questions, except amendments or revisions of these bylaws, shall be determined by a majority of the members present and voting. A roll call may be requested by any authorized representative.

Section 9.07. Amendment of Bylaws. These bylaws may be amended or revised by two-thirds of the member agencies of the Association present and voting at any meeting.

Section 9.08. Quorum. The presence of the authorized representatives of at least 50 members of the Association at any meeting of the members shall constitute a quorum for transacting business. Actions [of the members of the Association](#) taken by written ballot shall require the timely receipt of the written ballot from the authorized representatives of at least 50 members to constitute a quorum.

Section 9.09. Amendments, Revisions, and Resolutions. Before any amendments or revisions to the bylaws, or resolutions, may be considered at any meeting of the Association, any such amendment, revision, or resolution shall be submitted to the executive director/secretary at least 90 days prior to the first day of such meeting. The executive director/secretary shall promptly distribute any proposed amendments or revisions to the Legal Affairs Committee for the Legal Affairs Committee to develop an unbiased analysis of the amendments or revisions. Following development of an analysis for the proposed amendments or revisions, the executive director/secretary shall distribute copies of any resolutions, amendments or revisions, including any applicable analyses, to all members of the Association not less than 10 days or more than 90 days prior to presentation at such meeting. The written notice of the membership meeting shall be given to each voting member of the Association consistent with the provisions defined in Section 9.04. The 90-day rule may be suspended at any meeting of the Association by consent of three-fourths of the members present. Voting on resolutions, amendments, or revisions shall proceed as provided by Sections 9.06 and 9.07.

Section 9.10. Nomination of President and Vice President.

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

- (b) **Nominating Resolutions.** All nominations for the positions of president and vice president shall be accompanied by an official resolution from the Association member agency on whose board the nominee serves. Said resolution shall be signed by an authorized signatory of the member agency's Board of Directors.

Section 9.11. Election of President and Vice President. Each member of the Association in good standing at the time a vote is cast is entitled to one vote for election of the president and vice president that shall be cast by its authorized representative by written ballot. The ballot and any related material may be sent by first class, registered, or certified mail or electronic transmission by the Corporation that meets the requirements of Corporations Code section 20, and responses may be returned to the Corporation by mail or electronic transmission. On any written ballot for the election of president or vice president, an authorized representative acting on behalf of the member may write in a qualified candidate for election. Nominating resolutions for write-in candidates must be received by the deadline for the return of ballots.

Section 9.12. Write-In Candidates. If a write-in candidate prevails in any election for president or vice president, such individual shall not be officially elected into such position until the Election Committee confirms that the individual meets the eligibility criteria and qualifications requirements.

Section 9.13. Run-off Election for President and Vice President. In the event a nominee does not receive a majority of the votes for president or vice president, a run-off election shall be held for the office or offices for which a majority of the votes have not been received. The run-off election shall only involve the nominees who received the two highest amounts of votes. The run-off election shall be conducted in the same manner as the initial election.

Section 9.14. Additional Procedures for Election of President and Vice President. The Board shall have the authority to adopt policies for elections ("Election Policy") of president and vice president setting forth the details for the election of such positions when not otherwise contrary to or covered by these bylaws.

Section 9.15. Action by Written Ballot. To the extent permitted by applicable law and subject to all applicable requirements, any action that may be taken at a regular or special member meeting of the members may be approved by written ballot if a ballot is sent to each member entitled to vote on the matter. If approved by the Board, ballots may be sent and returned by electronic transmission as permitted in the Corporations Code. Ballot format, solicitation and voting thresholds shall meet the requirements of the Corporations Code and be consistent with applicable provisions of these Bylaws.

ARTICLE 10—Indemnification of Directors, Officers, and Other Agents

Section 10.01. Right of Indemnity. To the fullest extent permitted by law, this Corporation shall indemnify its Directors, Officers, employees, and other persons described in Section 7237(a) of the California Corporations Code, including persons formerly occupying any such position, against all expenses, judgments, fines, settlements and other amounts actually and reasonably incurred by them in

connection with any "proceeding," as that term is used in that Section, and including an action by or in the right of the Corporation, by reason of the fact that the person is or was a person described in that section. "Expenses," as used in this bylaw, shall have the same meaning as in Section 7237(a) of the California Corporations Code.

Section 10.02. Approval of Indemnity. On written request to the Board by any person seeking indemnification under Section 7237(b) or Section 7237(c) of the California Corporations Code, the Board shall promptly determine under Section 7237(e) of the California Corporations Code whether the applicable standard of conduct set forth in Section 7237(b) or Section 7237(c) has been met and, if so, the Board shall authorize indemnification.

Section 10.03. Advancement of Expenses. To the fullest extent permitted by law and except as otherwise determined by the Board in a specific instance, expenses incurred by a person seeking indemnification under these bylaws in defending any proceeding covered by those Sections shall be advanced by the Corporation before final disposition of the proceeding, on receipt by the Corporation of an undertaking by or on behalf of that person that the advance will be repaid unless it is ultimately determined that the person is entitled to be indemnified by the Corporation for those expenses.

Section 10.04. Insurance. The Corporation shall have the right to purchase and maintain insurance to the full extent permitted by law on behalf of its Officers, Directors, employees, and other agents, against any liability asserted against or incurred by any officer, director, employee, or agent in such capacity or arising out of the officer's, director's, employee's or agent's status as such.

ARTICLE 11 - Miscellaneous

Section 11.01. Conduct of Meetings. All meetings of the Association shall be conducted in accord with the code of conduct and in substantial accordance with the latest edition of Robert's Rules of Order Newly Revised unless the Board adopts alternate rules of conduct for itself and/or its committees, region boards, and region workgroups.

Section 11.02. Funds. The funds of the Association shall be used to further the aims and purposes of this Association. They shall be kept by the controller/treasurer and paid out by checks or other electronic means, which shall only be valid with two authorized signatures. The Board of Directors shall designate by resolution which persons, other than the controller/treasurer, may sign for expenditures. The Finance Committee shall implement procedures to ensure necessary internal controls over the receipt and expenditures of Association funds and arrange for an external audit. Audit reports shall be presented to the Board of Directors.

Section 11.03. Disposition of Assets upon Dissolution. The Association's properties and assets are irrevocably dedicated to the fulfillment of the Association's purposes as described in Article 2 of the Articles of Incorporation. No part of the Association's net earnings, properties and assets, on dissolution or otherwise, may inure to the benefit of any private person. Upon the dissolution of the Association, all

debts thereof shall be paid and its affairs settled, and all remaining assets shall be distributed to the Association's member political subdivisions for a public purpose, consistent with the provisions of the California Nonprofit Corporation Law relating to mutual benefit corporations then in effect and with the Articles of Incorporation.

Section 11.04. Definitions. As used in these Bylaws, the terms "electronic transmission" and "notice provided by electronic means" shall refer to notice and other communications given by fax or e-mail.

Section 11.05. Conflicts Between Bylaws and Other Association Policies. To the extent permitted by applicable law, these Bylaws shall govern in the event there is a conflict between these Bylaws and another Association policy, rule, or procedure.

Amended comprehensively December 1, 2010

Amended May 9, 2012

Amended May 7, 2014

Amended December 2, 2015

Amended November 29, 2017

Amended & Restated November 30, 2022

Amended & Restated December 4, 2024



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Jacob Hester, P.E., District Engineer
DATE: October 14, 2026
SUBJECT: Well Nos. 12 and 14 Power Quality Mitigation

RECOMMENDATION

Receive the presentation.

STRATEGIC PLAN

Goal #1: Provide an abundant, local, reliable and safe water supply.
Goal #2: Perpetually renew and improve our infrastructure.
Goal #3: Be financially responsible and transparent.

PRIOR BOARD ACTION/DISCUSSION

At its December 10, 2025 meeting, the Board of Directors (Board) authorized the General Manager, up to his signing authority, to execute contracts with Academy Electric for installation of power quality monitoring equipment at Well Nos. 12 and 14, and with TerraVerde Energy for submission of Self-Generation Incentive Program funding applications and support in planning to secure the Inflation Reduction Act Investment Tax Credit for battery energy storage systems at Well Nos. 12 and 14.

BACKGROUND

Mesa Water District's (Mesa Water®) two largest production wells, Nos. 12 and 14, collectively account for approximately half of the District's well capacity. In late 2025, the wells experienced several power quality disturbances from Southern California Edison (SCE), including four incidents within a two-week period that caused both wells to shut down. When a well shuts down, Water Operations staff must respond to the site, reset equipment, and complete the required blowdown process before returning the well to service. Because both wells are significant sources of water supply, simultaneous shutdowns can have a substantial impact on system operations and pressure.

DISCUSSION

Following the December 2025 Board meeting, TerraVerde Energy (TerraVerde) submitted Self-Generation Incentive Program (SGIP) applications for battery energy storage systems at both well sites. In March 2026, the Mesa Water was notified that the SGIP applications were canceled because available program funding had been exhausted. TerraVerde subsequently completed a battery feasibility study in July 2026 evaluating battery sizing, backup power capability, potential energy cost savings, and available financial incentives. Because staff is not recommending implementation of a battery energy storage system, Mesa Water will not pursue the associated Inflation Reduction Act Investment Tax Credit.

Academy Electric installed power quality monitoring equipment at Well Nos. 12 and 14 to better understand the power disturbances affecting the facilities. To further evaluate the power quality issues and potential mitigation alternatives, staff entered into a sole-source professional services agreement with Lee + Ro, Inc. (Lee + Ro), under the General Manager's signing authority, for a not-to-exceed amount of \$48,447 to perform a backup power technology evaluation for Well Nos. 12 and 14. Lee + Ro was selected based on its expertise in electrical, controls, and backup power systems and its familiarity with the District's facilities through its work on the flywheel UPS for the Reservoir Upgrades Project. Lee + Ro evaluated the monitoring data, existing electrical and control systems, and potential improvements to reduce well shutdowns during power disturbances and transfers from utility power to the existing standby generators. The evaluation also incorporated the findings of TerraVerde's battery feasibility study.

Lee + Ro reviewed record drawings, control strategies, Supervisory Control and Data Acquisition (SCADA) alarm records, power quality monitoring data, and the existing electrical and control systems. The power quality monitoring identified short-duration voltage dips of approximately 50 to 70 percent of nominal voltage that were capable of causing equipment trips and well shutdowns.

As part of the evaluation, Lee + Ro also performed field testing of the existing standby generators, automatic transfer switches (ATS), variable frequency drives (VFD), and associated controls. The evaluation determined that insufficient standby generation capacity was not the primary cause of the extended well outages. The existing standby generators are capable of starting and restoring power within an acceptable timeframe; however, ATS transfer settings, VFD restart timers, and control logic created cumulative delays that extended the amount of time required to restore the wells following a power disturbance.

During field testing, adjustments were made to the ATS settings and VFD parameters to reduce transfer time and improve ride-through capability. The primary adjustments implemented at Well Nos. 12 and 14 are summarized below:

Setting	Previous Setting	Revised Setting	Setting Purpose
ATS - S1 Failure Delay	23 sec	5 sec	Confirms loss of utility power before initiating transfer
ATS - S1 to S2 Transfer Delay	120 sec	30 sec	Delays transfer from utility to generator power
ATS - Center-Off Position Delay	120 sec	0 sec	Delays transfer while ATS is in center-off position
ATS - S2 Failure Delay	3 sec	3 sec	Confirms loss of generator power
ATS - S2 to S1 Transfer Delay	4 min	4 min	Delays retransfer from generator to utility power
VFD Ride-Through	Disabled	Enabled	Helps VFD remain online during short power disturbances

Note: S1 = utility (SCE) power; S2 = standby generator power.

Following implementation of these adjustments, a simulated utility outage demonstrated successful transfer from utility power to generator power in approximately 45 seconds, compared to approximately four minutes and 23 seconds prior to the adjustments. Water Operations staff have not reported significant power-related issues following implementation of these modifications.

Lee + Ro evaluated four alternatives for further improving reliability at the well sites:

Alternative 1 – Battery Energy Storage System (BESS). This alternative would install a facility-scale battery system capable of providing backup power during utility disturbances and outages. A BESS would provide the longest-duration backup capability of the alternatives evaluated; however, it would require significant electrical infrastructure, site improvements, utility coordination, and capital investment. Because Well Nos. 12 and 14 already have standby generators, the evaluation found that the incremental reliability benefit did not justify the additional cost and complexity under current operating conditions.

Alternative 2 – Flywheel Uninterruptible Power Supply (UPS). This alternative would install a flywheel UPS to provide short-duration ride-through power between loss of utility power and transfer to the standby generator. A flywheel can respond immediately and is well suited for short-duration disturbances, but would require new equipment and associated electrical infrastructure. The evaluation found that recent changes to the existing transfer sequence substantially reduced the need for a facility-scale ride-through system, limiting the incremental benefit of this alternative.

Alternative 3 – Controls Optimization. This alternative focuses on optimizing the existing ATS, VFD, and control system settings without installing major new equipment. Much of this alternative was implemented during Lee + Ro's field investigation. The modifications reduced the demonstrated utility-to-generator transfer time from approximately four minutes and 23 seconds to approximately 45 seconds and enabled VFD ride-through functionality. This alternative has the lowest implementation cost and complexity of the alternatives evaluated.

Alternative 4 – Hybrid Controls Optimization and Critical Controls UPS Upgrade. This alternative incorporates the controls improvements under Alternative 3 and adds targeted UPS backup for critical instrumentation and VFD control circuitry. Rather than providing backup power to the entire well facility, the UPS systems would maintain power to critical controls during short-duration disturbances and during the time needed to transfer to standby generator power. This approach provides additional resiliency while avoiding the cost and infrastructure associated with a facility-scale battery or flywheel system.

Lee + Ro evaluated the alternatives based on ride-through capability, reliability, implementation complexity, maintenance/lifecycle, capital cost, and other considerations. Alternative 4 received the highest overall score in the evaluation. Based on the evaluation, staff recommends proceeding

with Alternative 4 – Hybrid Controls Optimization and Critical Controls UPS Upgrade. This alternative builds upon the improvements already achieved through controls optimization while providing additional protection for critical controls without the cost and complexity of providing facility-scale backup power.

Comprehensive Alternatives Analysis Evaluation						
Alternative	Ride Thru (25 %)	Reliability (20 %)	Complexity (25 %)	Lifecycle (15 %)	Cost (15 %)	Total Score
#1-Battery	3	4	1	3	1	2.4
#2-Flywheel	4	4	2	4	2	3.2
#3-Controls	1	5	5	5	5	4
#4-Hybrid	5	5	4	4	4	4.45

Lee + Ro also prepared marked-up drawings identifying the proposed improvements associated with Alternative 4. Staff plans to use these drawings to implement the recommended improvements at Well Nos. 12 and 14 using one of the District's on-call electrical contractors.

Jordan Lim, P.E., Project Manager with Lee + Ro, will provide a presentation on the findings of the backup power technology evaluation and answer questions from the Board.

FINANCIAL IMPACT

In Fiscal Year 2027, \$709,000 is budgeted for Well Nos. 12 and 14 Power Supply Reliability; \$20,647 has been spent to date.

ATTACHMENTS

None.



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Jacob Hester, P.E., District Engineer
DATE: October 14, 2026
SUBJECT: Fiscal Year 2025 Water Loss Audit

RECOMMENDATION

Receive the presentation.

STRATEGIC PLAN

Goal #1: Provide an abundant, local, reliable and safe water supply.
Goal #2: Perpetually renew and improve our infrastructure.

PRIOR BOARD ACTION/DISCUSSION

Since Fiscal Year (FY) 2017, the Board of Directors (Board) has received an annual update on the results of the annual Water Loss Audit.

DISCUSSION

Water Loss Regulations

California Senate Bill No. 555 ([SB 555](#)) requires urban retail water suppliers to perform an annual water audit using the American Water Works Association's ([AWWA](#)) Free Water Audit Software. The water audit must be validated by a third-party certified Water Audit Validator. The validated water audit must be submitted to the State Department of Water Resources annually by December 31. Mesa Water District's (Mesa Water®) FY 2025 Validated Water Loss Audit is included as Attachment A.

Water Loss Regulatory Changes

Water Code Section 10608.34 (added by SB 555 in 2015) requires the State Water Resources Control Board (State Water Board) to develop and adopt economically feasible water loss performance standards for urban retail water suppliers. The final rule was adopted on October 19, 2022 and sets performance standards for both "Apparent Losses" and "Real Losses". An example of an Apparent Loss is billing errors, and an example of a Real Loss is a main line break. Each urban retail water supplier was assigned an individual performance standard for Real Loss and will be required to achieve its Real Loss performance standard by 2028 for compliance. The Real Loss performance standard assigned is the lower of the urban retail water supplier's average baseline Real Loss, or the output of the State's economic model for cost-benefit of water loss reduction. Mesa Water's Real Loss performance standard was assigned as 16.7 gallons per connection per day, which is our average baseline.

Each urban retail water supplier's Apparent Loss performance standard is based on Apparent Losses during the baseline audit years. Mesa Water's Apparent Loss performance standard is 11.4 gallons per connection per day. Exceeding the Apparent Loss standard does not constitute non-



compliance but does trigger additional reporting and analysis of Apparent Losses.

Annual Water Loss Audit

The annual water loss audit starts with a water balance for water that entered the distribution system (water supplied) and water that reached customer meters (water sold). The difference between water supplied and water sold is considered water loss. The water loss is further classified and adjusted by production meter and customer meter accuracy testing, estimates of authorized consumption but unmetered water uses, estimates of water theft, and estimates of billing errors. Water losses are characterized as Apparent (or unavoidable) Losses or Real Losses. Costs are applied to the losses, and a total cost impact is calculated for evaluation. Operations data is also used to normalize the water losses to system pressure and number of connections. To compare urban systems (more than 3,000 customers) on the same scale, the Infrastructure Leakage Index (ILI) is calculated as a ratio of the actual water loss to the theoretical minimum water loss given the system pressure, length of main lines, and number of connections based on industry standards.

For each input to the water loss audit, the validity of the input is assessed by the third-party water audit validator based on criteria in AWWA M36 Water Audits and Loss Control Programs, Fourth Edition, as well as the Water Loss Audit Validator Guidance Document. A final data validity score is an output of the Water Audit Software. It is a weighted calculation based on inputs and normalized to a 100-point scale. A data validity score of 51 or higher indicates actionable data for setting goals and strategies for water loss improvement.

Fiscal Year 2025 Water Loss Audit Results

Table 1 summarizes Mesa Water's Water Loss Audit Key Performance Indicators (KPI), and compares Mesa Water's FY 2025 performance to Orange County retail water agencies with valid audit results. Of the water supplied by Mesa Water, only 2.5% is attributed to Real Loss from breaks and background leakage and is considered the Real Loss from leaking infrastructure. Statistics on real water loss percentages from other agencies are not available for comparison. Rather than comparing agencies on percentage of Real Loss, the State standard for comparing Real Loss is normalized to gallons of Real Loss per connection per day. For FY 2025, Mesa Water's Real Loss was calculated to be 15.2 gallons per connection per day. This is in the best 40% in Orange County and in compliance with the 2028 performance standard of 16.7 gallons per connection per day.

Mesa Water's Apparent Loss in FY 2025 was 10.7 gallons per connection per day. This is in compliance with the 2028 performance standard of 11.4 gallons per connection per day, and is in the bottom 25% for Orange County water suppliers.

ILI is the ratio of the actual Real Loss to the theoretical minimum Real Loss. The lowest achievable ILI should be 1.0 and Mesa Water's ILI is 0.9. This is in the best 40% among Orange County water suppliers. Mesa Water's Water Loss Audit Data Validity Score of 82 is among the best in Orange County.

Table 1. Water Loss Audit Key Performance Indicators

KPI	Mesa Water	MWDOC Median	Mesa Water Percentile among MWDOC Member Agencies
Real Loss (as percent of water supplied)	2.5%	NA	NA
Real Loss (Gal/connection/day)	15.2	17.4	Best 40%
Apparent Loss (Gal/connection/day)	10.7	6.0	Bottom 25%
Infrastructure Leakage Index (ILI)	0.9	1.0	Best 40%
Data Validity Score	82	70	2 nd Highest Score

Annual Leak Detection

100 miles of leak detection was completed by MWDOC's leak detection team in April and May 2025. No mainline leaks were reported. Two service line leaks were found. 35 of the 55 leaks reported were small drips from connections to customer meters or the meter itself. 18 of the MWDOC reported leaks were not found when investigated by staff. Table 2 summarizes the leak detection results.

Table 2. FY 2025 Leak Detection Results

Type of Leak	Number	Mesa Water Action
Main Line	0	NA
Service lateral (main to meter)	2	Repair
Customer plumbing (meter to house)	0	NA
Meter connection	35	Tighten connections or replace gaskets/fittings
No leak found	18	NA

Preview of FY 2026 Water Loss Audit

The FY 2026 Water Loss Audit is nearing completion and is due on December 31, 2026. FY 2026 was a nonstandard year for Mesa Water and that is reflected in the FY 2026 Water Loss Audit. The total calculated water loss of 29.6 gallons per connection per day to be apportioned between Real Loss and Apparent Loss exceeds the combined Real Loss Standard (16.7 gallons per connection per day) and Apparent Loss standard (11.4 gallons per connection per day) that are



required to be met in 2028. In October 2025, there were significant line breaks, including the motive water line break that flooded the Reservoir 2 pump station as well as the mainline break on the Fairview 12-inch diameter line. In June 2026, staff responded to multiple line breaks on the Placentia 14-inch diameter line. In addition to the line breaks, Mesa Water implemented a new customer billing system in May 2026. Staff is investigating if all of the FY 2026 billed consumption is accounted for in the consumption report from the new billing system.

FINANCIAL IMPACT

In Fiscal Year 2026, \$50,000 was budgeted for the Water Loss Audit program; no funds have been spent to date.

ATTACHMENTS

Attachment A: Fiscal Year 2025 Validated Water Loss Audit



AWWA Free Water Audit Software v6.0

FWAS v6.0

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This spreadsheet-based water audit tool is designed to help quantify and track water losses associated with water distribution systems and identify areas for improved efficiency and cost recovery. It provides a "top-down" summary water audit format and is not meant to take the place of a full-scale, comprehensive water audit format. Auditors are strongly encouraged to refer to the most current edition of AWWA M36 Manual for Water Audits for detailed guidance on the water auditing process and targeting loss reduction levels. This tool contains several separate worksheets. Sheets can be accessed using the tabs at the bottom of the screen, or by clicking the TOC links below.

Table of Contents (TOC)

Start Page	The current sheet. Enter contact information and basic audit details.
Worksheet	Enter the required data on this worksheet to calculate the water balance and data grading.
Interactive Data Grading	Answer questions about operational practices for each audit input, and the data validity grades will automatically populate.
Dashboard	Review NRW components, performance indicators and graphical outputs to evaluate the results of the audit.
Notes	Enter notes to explain how values were calculated, document data sources, and related information about data management practices.
Blank Sheet	By popular demand! A blank sheet. The world is your canvas.
Water Balance	The values entered in the Worksheet automatically populate the Water Balance.
Loss Control Planning	Use this sheet to interpret the results of the audit validity score and performance indicators.
Definitions	Use this sheet to understand the terms used in the audit process.
Service Connection Diagram	Diagrams depicting possible customer service connection line configurations.
Acknowledgements	Acknowledgements for development of the AWWA Free Water Audit Software v6.0.

AWWA Web Resources for Water Loss Control

<https://www.awwa.org/Resources-Tools/Resource-Topics/Water-Loss-Control>

Items referenced in the Free Water Audit Software v6.0 on the web:

Data Grading Matrix v6.0
Example Water Audit v6.0
Water Audit Compiler v6.0
AWWA Reports on Performance Indicators
M36 Manual

Enter Basic Information

Name of Utility:	Mesa Water District
Name of Contact Person:	Karyn Igar
Email:	karyni@mesawater.org
Telephone Ext.:	949-207-5452
City/Town/Municipality:	Costa Mesa
State / Province:	California (CA)
Country:	USA
Audit Preparation Date:	Dec 03 2025
Audit Year:	2025
Audit Year Label:	Fiscal (Fiscal, Calendar, etc)
Audit Period Start Date:	Jul 01 2024
Audit Period End Date:	Jun 30 2025
Volume Reporting Units:	Acre-feet
Water System Structure:	Retail
Water Type:	Potable Water
System ID Number:	CA3010004
Validator Name/ID:	Rachel Davis
Validator Email:	rdavis@mwdoc.com
Estimated Total Population Served by Water Utility:	115,000

Key of Input Acronyms *In order of appearance in the Worksheet*

VOS	Volume from Own Sources
VOSEA	VOS Error Adjustment
WI	Water Imported
WIEA	WI Error Adjustment
WE	Water Exported
WEEA	WE Error Adjustment
BMAC	Billed Metered Authorized Consumption
BUAC	Billed Unmetered Authorized Consumption
UMAC	Unbilled Metered Authorized Consumption
UUAC	Unbilled Unmetered Authorized Consumption
SDHE	Systematic Data Handling Errors
CMI	Customer Metering Inaccuracies
UC	Unauthorized Consumption
Lm	Length of mains
Nc	Number of service connections
Lp	Average length of (private) customer service line
AOP	Average Operating Pressure
CRUC	Customer Retail Unit Charge
VPC	Variable Production Cost

Color Key

User input

Calculated

Optional default

Guidance for the Worksheet

Choosing to enter unit of **percent** or **volume**
(applies to VOSEA, WIEA, WEEA, CMI)

choose entry option:

1.00%	percent	or
	volume	25.000

Choosing to enter **default** or **custom input**
(applies to UUAC, SDHE, UC)

choose entry option:

0.25%	default	or
	custom	75.000

Guidance for the Interactive Data Grading

Use acronym buttons in IDG header to navigate among inputs. Acronym Key above. White = needs answers, orange = complete, clear = not required. Example below.

VOS	VOSEA	WI	WIEA	WE	WEEA	BMAC	BUAC	UMAC	UUAC
SDHE	CMI	UC	Lm	Nc	Lp	AOP	CRUC	VPC	

After clicking an acronym button, answer all visible questions in the order they're presented, choosing best-fit answer

Grade will populate when all visible questions are complete for an input

7

The limiting criteria will be labeled along the right. If only 1 limiting criterion is shown, improving on that criterion will achieve a higher data grade. If multiple limiting criteria are shown, improving on *each* limiting criterion is necessary to achieve a higher data grade. A complete inventory of data grading criteria is available in the Data Grading Matrix v6.0 (see web resources)

Limiting

If you have questions or comments regarding this software please contact us at: wlc@awwa.org



AWWA Free Water Audit Software: Worksheet

FWAS v6.0
American Water Works Association.
Copyright © 2020, All Rights Reserved.

Water Audit Report for: **Mesa Water District**
Audit Year: **2025** **Jul 01 2024 - Jun 30 2025** **Fiscal**

Click 'n' to add notes
Click 'g' to determine data validity grade
All volumes to be entered as: ACRE-FEET PER YEAR

To edit water system info: [go to start page](#)

To access definitions, click the [input name](#)

Water Supplied Error Adjustments

choose entry option:

VOS Volume from Own Sources: 15,624.350 Acre-ft/Yr 0.00% percent [under-registration](#) VOSEA
WI Water Imported: 1.117 Acre-ft/Yr 0.00% percent WIEA
WE Water Exported: Acre-ft/Yr WEEA

WATER SUPPLIED: 15,625.936 Acre-ft/Yr

AUTHORIZED CONSUMPTION

BMAC Billed Metered: 14,875.290 Acre-ft/Yr
BUAC Billed Unmetered: 0.000 Acre-ft/Yr
UMAC Unbilled Metered: 0.000 Acre-ft/Yr
UUAC Unbilled Unmetered: 97.220 Acre-ft/Yr
choose entry option: custom 97.220 acre-ft/yr

AUTHORIZED CONSUMPTION: 14,972.510 Acre-ft/Yr

WATER LOSSES 653.426 Acre-ft/Yr

Apparent Losses

Default option selected for Systematic Data Handling Errors, with automatic data grading of 3

SDHE Systematic Data Handling Errors: 37.188 Acre-ft/Yr
CMI Customer Metering Inaccuracies: 196.164 Acre-ft/Yr
UC Unauthorized Consumption: 37.188 Acre-ft/Yr
choose entry option: 0.25% default 196.164 acre-ft/yr under-registration
0.25% volume
0.25% default

Default option selected for Unauthorized Consumption, with automatic data grading of 3

Apparent Losses: 270.540 Acre-ft/Yr

Real Losses

Real Losses: 382.885 Acre-ft/Yr

WATER LOSSES: 653.426 Acre-ft/Yr

NON-REVENUE WATER

NON-REVENUE WATER: 750.646 Acre-ft/Yr

SYSTEM DATA

Lm Length of mains: 317.6 miles (including fire hydrant lead lengths)
Nc Number of service connections: 22,529 (active and inactive)
Service connection density: 71 conn./mile main

Are customer meters typically located at the curbstop/property line? Yes

Lp Average length of customer service line has been set to zero and a data grading of 10 has been applied
AOP Average Operating Pressure: 78.8 psi

COST DATA

CRUC Customer Retail Unit Charge: \$5.96 \$/100 cubic feet (ccf)
VPC Variable Production Cost: \$927.55 \$/acre-ft
Total Annual Operating Cost \$38,301,000 \$/yr (optional input)

WATER AUDIT DATA VALIDITY TIER:

*** The Water Audit Data Validity Score is in Tier IV (71-90). See Dashboard tab for additional outputs. ***

[go to dashboard](#)

A weighted scale for the components of supply, consumption and water loss is included in the calculation of the Water Audit Data Validity Score

PRIORITY AREAS FOR ATTENTION TO IMPROVE DATA VALIDITY:

Based on the information provided, audit reliability can be most improved by addressing the following components:

- 1: Volume from Own Sources (VOS)
- 2: Billed Metered (BMAC)
- 3: Unauthorized Consumption (UC)

KEY PERFORMANCE INDICATOR TARGETS:

OPTIONAL: If targets exist for the operational performance indicators, they can be input below:

Unit Total Losses: 28.1 gal/conn/day
Unit Apparent Losses: 11.4 gal/conn/day
Unit Real Losses^a: 16.7 gal/conn/day
Unit Real Losses^b: gal/mile/day

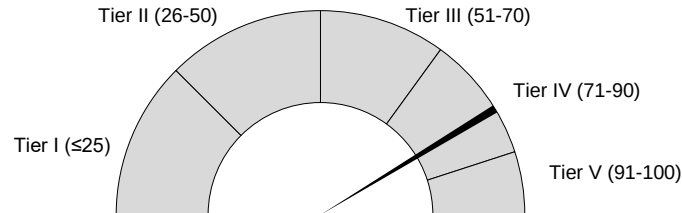
If entered above by user, targets will display on KPI gauges (see Dashboard)



Data Validity

Data Validity Score: **82** Data Validity Tier: **Tier IV (71-90)**

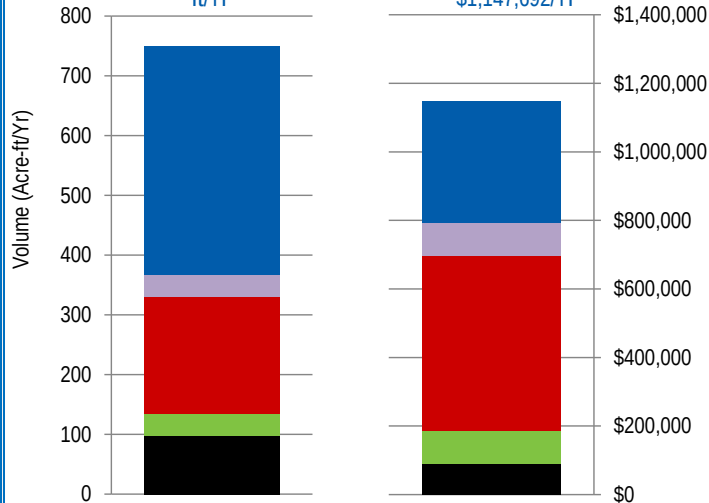
See [Loss Control Planning](#) for Tier Details



NRW Components Summary

Total Volume of NRW = 751 Acre-ft/Yr

Total Cost of NRW = \$1,147,692/Yr



Real Losses	Unauthorized Consumption
Systematic Data Handling Errors	Unbilled Unmetered Auth Cons
Customer Metering Inaccuracies	Unbilled Metered Authorized Cons

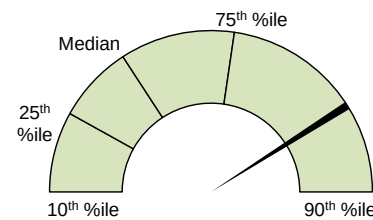
	Volume Acre-ft/Yr	Value \$/Yr	Basis of Valuation
Apparent Losses	270.5	\$702,371	CRUC
Real Losses	382.9	\$355,145	VPC
Unbilled Authorized Cons	97.2	\$90,176	VPC
Non-Revenue Water	750.6	\$1,147,692	Blended

Actual KPI result

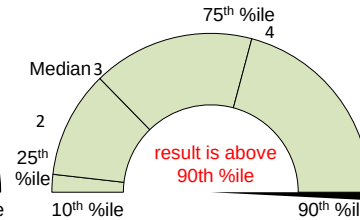
Key Performance Indicators

Target (see Worksheet)

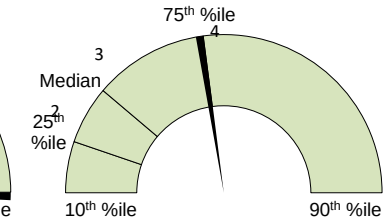
gauge %iles per validated industry ranges²



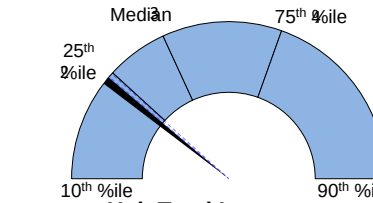
Total Loss Cost Rate
46.94 \$/conn/year



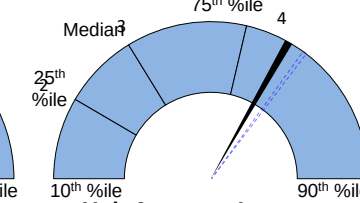
Apparent Loss Cost Rate
31.18 \$/conn/year



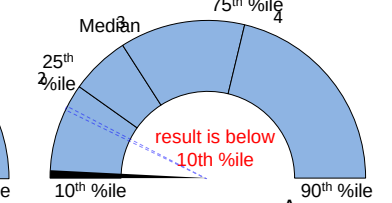
Real Loss Cost Rate
15.76 \$/conn/year



Unit Total Losses
25.9 gal/conn/day

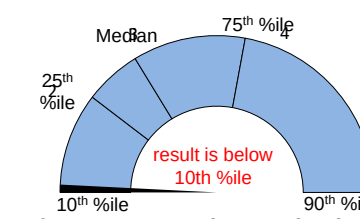
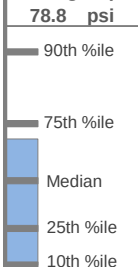


Unit Apparent Losses
10.7 gal/conn/day

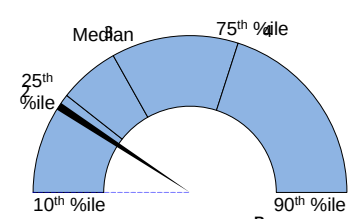


Unit Real Losses^A
15.2 gal/conn/day

Average Operating Pressure



Infrastructure Leakage Index (ILI)
0.9 dimensionless



Unit Real Losses^B
1,076 gal/mile/day

See UARL definition for additional guidance on the ILI

(UARL) Unavoidable Annual Real Losses 449.9 Acre-ft/Yr 17.8 gal/conn/day

Guidance Information for Key Performance

- The eight indicators shown are the recommended suite per the AWWA Water Loss Control Committee 2020 Position on KPIs¹.
- A suite of KPIs is necessary, as no single KPI can holistically communicate water loss performance for a given water system.
- See Table 1 below for Uses and Limitations for each KPI, excerpted from the AWWA Water Loss Control Committee Report (2020)¹, with naming conventions updated.
- Percentiles (%iles) shown on KPI gauges come from Level 1 validated data in the AWWA WLCC Reference Water Audit Dataset (2020)².
- KPI %iles shown above are not segregated by cohorts. Limited
- KPI data by cohorts may be found in WRF 4695 Guidance Manual, Appendix B (2019)³.
- Actual KPI results that fall below 10th %ile or above 90th %ile do not necessarily imply error, but should be viewed with scrutiny.
- Percentiles not intended to imply targets. Targets may be input by user for operational KPIs, if desired, on Worksheet.
- See UARL and ILI in Definitions tab for discussion of size and pressure limitations.
- Systems that fall on the extreme ends of size or connection density should use caution when interpreting Unit Losses KPIs.

AWWA Free Water Audit Software

Water Balance



Water Audit Report for: Mesa Water District

Audit Year: 2025

Jul 01 2024 - Jun 30 2025

Data Validity Tier: Tier IV (71-90)

FWAS v6.0

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Volume from Own Sources (VOS) (corrected for known errors)

2025

VOS

VOSEA

WI

WIEA

WE

WEEA

BMAC

BUAC

UMAC

UUAC

SDHE

CMI

UC

Lm

Nc

Lp

AOP

CRUC

VPC

Limiting criteria
(see Start Page for details)


White = incomplete
Orange = complete
Use acronyms for navigation
FWAS v6.0 American Water Works Association. Copyright © 2020, All Rights Reserved.

go to input
Volume from Own Sources (VOS) - Data Grading Criteria
go to notes

vos	Criteria Question	Select Best-Fit Answers to All Visible Questions	
vos.0	Did the water utility supply any water from its own sources during the audit year?	Yes	
vos.1	What percent of own supply volume is metered?	>99%	
	For questions 2-10 below: Choose the answer that applies for those meters that measure >90% of the finished water volume. In-situ flow accuracy testing = a test process that confirms the flow measuring accuracy of the primary device (the flowmeter), in its installed location, using an independent reference volume. Electronic calibration = a process that checks for error in the metering secondary device(s) and/or the tertiary device(s). Secondary device can include conversion to mA, meter transmitter or similar instrumentation. Tertiary device can include SCADA, historian or other computerized archival system.		
vos.2	What is the frequency of electronic calibration?	Annually	Limiting
vos.3	What level of data transfer errors are checked as part of the electronic calibration process?	Data transfer errors are checked at secondary device(s) AND tertiary device(s)	
vos.4	Is the most recent electronic calibration documentation available for review?	Yes	
vos.5	What is the frequency of in-situ flow accuracy testing?	Annually	Limiting
vos.6	Is the most recent in-situ flow accuracy testing documentation available for review?	Yes	
vos.7	What are the total volume-weighted average results of in-situ flow accuracy testing (during or closest to audit year)?	At or within ±3%	
vos.8	Have testing and calibration procedures been closely scrutinized for compliance with procedures described in the AWWA M36 and/or M33 Manual(s)?	Yes	
vos.9	Which best describes the frequency of finished water meter readings?	Continuous	
vos.10	Which best describes the frequency of data review for anomalies/errors? These can include numbers that are outside of typical patterns, and zero or 'null' values that may reflect a gap in data recording.	Daily	
	FINAL DATA GRADE FOR THIS AUDIT INPUT:	9	

[go to input](#)

Volume from Own Sources Error Adjustment (VOSEA) - Data Grading Criteria

[go to notes](#)

vosea	Criteria Question	Select Best-Fit Answers to All Visible Questions
vosea.1	Are tank levels monitored automatically & recorded daily?	Yes
vosea.2	Are daily changes of stored water volumes in distribution system tanks included in the tabulation of the daily "Volume from Own Sources" quantity?	Yes
vosea.3	Is the annual net distribution storage change included in either the VOS input or the VOSEA input?	Yes
vosea.4	Are the flow accuracy test and/or electronic calibration results included in the VOSEA input in the water audit?	Yes, results are analyzed and a 'no-adjustment' was determined
FINAL DATA GRADE FOR THIS AUDIT INPUT:		10

[go to input](#)

Water Imported (WI) - Data Grading Criteria

[go to notes](#)

wi	Criteria Question	Select Best-Fit Answers to All Visible Questions
wi.0	Did the water utility import any water during the audit year?	Yes
wi.1	What percent of water imported is metered?	>99%
For questions 2-10 below: Choose the answer that applies for those meters that measure >90% of the water imported volume. In-situ flow accuracy testing = a test process that confirms the flow measuring accuracy of the primary device (the flowmeter), in its installed location, using an independent reference volume. Electronic calibration = a process that checks for error in the metering secondary device(s) and/or the tertiary device(s). Secondary device can include conversion to mA, meter transmitter or similar instrumentation. Tertiary device can include SCADA, historian or other computerized archival system.		
wi.2	What is the frequency of electronic calibration?	At least semi-annually
wi.3	What level of data transfer errors are checked as part of the electronic calibration process?	Data transfer errors are checked at secondary device(s) AND tertiary device(s)
wi.4	Is the most recent electronic calibration documentation available?	Yes
wi.5	What is the frequency of in-situ flow accuracy testing?	None, or Not within last 5 years
wi.6		
wi.7		
wi.8	Have testing and calibration procedures been closely scrutinized for compliance with procedures described in the AWWA M36 and/or M33 Manual(s)?	Yes
wi.9	Which best describes the frequency of meter readings (data collection frequency as opposed to billing frequency)?	Continuous
wi.10	What is the frequency of data review & correction by Exporting or Importing Utility for data gaps and/or anomalies? These can include numbers that are outside of typical patterns, and zero or 'null' values that may reflect a gap in data recording.	Once per month
FINAL DATA GRADE FOR THIS AUDIT INPUT:		6

Limiting

[go to input](#)

Water Imported Error Adjustment (WIEA) - Data Grading Criteria

[go to notes](#)

wiea	Criteria Question	Select Best-Fit Answers to All Visible Questions	
wiea.1	Is an agreement in place between Exporting and Importing Utility for the purchase of water?	Yes, written	Limiting
wiea.2	Are meter accuracy testing or electronic calibration requirements stipulated in the water purchase agreement?	No	
wiea.3	Are flow accuracy test and/or electronic calibration results used to inform the error adjustment input in the water audit?	No	
wiea.4	Who has access to the import meter readings including current and archived data?	Exporting and Importing Utility	
FINAL DATA GRADE FOR THIS AUDIT INPUT:		3	

[go to input](#)

Water Exported (WE) - Data Grading Criteria

[go to notes](#)

we	Criteria Question	Select Best-Fit Answers to All Visible Questions
we.0	Did the water utility export any water during the audit year?	No
we.1		
	For questions 2-10 below: Choose the answer that applies for those meters that measure >90% of the water exported volume. In-situ flow accuracy testing = a test process that confirms the flow measuring accuracy of the primary device (the flowmeter), in its installed location, using an independent reference volume. Electronic calibration = a process that checks for error in the metering secondary device(s) and/or the tertiary device(s). Secondary device can include conversion to mA, meter transmitter or similar instrumentation. Tertiary device can include SCADA, historian or other computerized archival system.	
we.2		
we.3		
we.4		
we.5		
we.6		
we.7		
we.8		
we.9		
we.10		
FINAL DATA GRADE FOR THIS AUDIT INPUT:		n/a

[go to input](#)**Water Exported Error Adjustment (WEEA) - Data Grading Criteria**[go to notes](#)

weea	Criteria Question	Select Best-Fit Answers to All Visible Questions
weea.1		
weea.2		
weea.3		
weea.4		
FINAL DATA GRADE FOR THIS AUDIT INPUT:		n/a

[go to input](#)**Billed Metered Authorized Consumption (BMAC) - Data Grading Criteria**[go to notes](#)

bmac	Criteria Question	Select Best-Fit Answers to All Visible Questions
bmac.0	Were any customers metered in the audit year?	Yes
bmac.1	For billed metered accounts, what % of bills are estimated in a typical billing cycle?	5% or less
bmac.2	How often does the utility read its customer meters? For systems with multiple read frequencies, select the reading frequency that describes the majority of your customers.	Bi-Monthly
bmac.3	Is the BMAC volume pro-rated to represent consumption occurring exactly during the audit period?	Yes
bmac.4	How frequently does internal review by utility staff of the BMAC volumes occur?	Every billing cycle
bmac.5	What level of detail is examined in the internal review of BMAC volumes?	Totals grouped by use type or customer class and specific accounts flagged for anomalous consumption
bmac.6	When was the most recent billing data review by someone who is independent of the utility billing process?	Within last 3 years
bmac.7	What level of detail was examined in the review by someone who is independent of the utility billing process?	Third party review includes a check on a sample of accounts
FINAL DATA GRADE FOR THIS AUDIT INPUT:		8

Limiting

[go to input](#)**Billed Unmetered Authorized Consumption (BUAC) - Data Grading Criteria**[go to notes](#)

buac	Criteria Question	Select Best-Fit Answers to All Visible Questions
buac.0	Was there any billed consumption on unmetered accounts in the audit year?	No
buac.1		
buac.2		
buac.3		
FINAL DATA GRADE FOR THIS AUDIT INPUT:		n/a

[go to input](#)**Unbilled Metered Authorized Consumption (UMAC) - Data Grading Criteria**[go to notes](#)

umac	Criteria Question	Select Best-Fit Answers to All Visible Questions
umac.0	Did the water utility have any unbilled-metered consumption in the audit year?	No
umac.1		
umac.2		
umac.3		
umac.4		
FINAL DATA GRADE FOR THIS AUDIT INPUT:		n/a

[go to input](#)

Unbilled Unmetered Authorized Consumption (UUAC) - Data Grading Criteria

[go to notes](#)

uuac	Criteria Question	Select Best-Fit Answers to All Visible Questions	
uuac.0	On the Worksheet, the status of the default option is:	A system specific volume has been entered	Limiting
uuac.1	How well-understood is the extent of unbilled unmetered use?	Majority identified and tracked	
uuac.2	Which best describes the records that are kept for events of unbilled unmetered use?	Documentation exists, but not specific to each event	
uuac.3	How is the majority of unbilled unmetered use estimated?	By number of events multiplied by typical use estimates	
FINAL DATA GRADE FOR THIS AUDIT INPUT:		6	

[go to input](#)

Systematic Data Handling Error (SDHE) - Data Grading Criteria

[go to notes](#)

This Data Grading Criteria is hidden when the 'default' input is used on the Worksheet

FINAL DATA GRADE FOR THIS AUDIT INPUT:

3

[go to input](#)**Customer Metering Inaccuracies (CMI) - Data Grading Criteria**[go to notes](#)

cmi	Criteria Question	Select Best-Fit Answers to All Visible Questions	
cmi.0	Was there any metered customer usage during the audit period?	Yes	
cmi.1	Do you test meters reactively (when triggered by customer complaint or billing/consumption flag)?	Reactive testing conducted	
cmi.2	For small size customer meters, which best describes the frequency of proactive testing (effort beyond when triggered by customer complaint or billing/consumption flags)?	Ongoing, conducted annually	
cmi.3	Which best describes what meters are included in the proactive small size customer meter testing activities?	Testing targeted to subsets of meters ie oldest meters	Limiting
cmi.4	For mid and large size customer meters, which best describes the frequency of the proactive testing program?	Ongoing, conducted annually	
cmi.5	Which best describes what meters are included in the proactive mid- and large customer meter testing activities?	Testing targeted to subsets of meters (ie most revenue generating or customer types)	Limiting
cmi.6	Which best describes how the input was derived?	Calculated based on most recent meter accuracy tests, but not comprehensive of all meter performance	
cmi.7	Has the input derivation been reviewed by someone with expert knowledge in the M36 methodology?	No	
cmi.8	To what extent does meter replacement occur and for which meters?	Annual proactive replacement of subset of meters (i.e. by age or throughput)	
cmi.9	Which best describes the reliability of meter installation records?	Records are kept for meter installations, but data is missing for installation date, type, size, or manufacturer	
FINAL DATA GRADE FOR THIS AUDIT INPUT:		7	

[go to input](#)

Unauthorized Consumption (UC) - Data Grading Criteria

This Data Grading Criteria is hidden when the 'default' input is used on the Worksheet

[go to notes](#)

FINAL DATA GRADE FOR THIS AUDIT INPUT:

3

[go to input](#)**Length of Mains (Lm) - Data Grading Criteria**[go to notes](#)

Lm	Criteria Question	Select Best-Fit Answers to All Visible Questions
Lm.1	How was the input derived?	Derived directly from Mains inventory (GIS, ledger, etc)
Lm.2	Are hydrant laterals included in the input derivation?	Yes
Lm.3	Which best describes how the Mains inventory (GIS, ledger, etc) is kept up to date?	Additions or subtractions are updated in the mains inventory (GIS, ledger, etc), at least annually
Lm.4	Which best describes how the Mains inventory (GIS, ledger, etc) is field validated to confirm field conditions match the inventory?	Field validation is accomplished (i.e. in daily operations or specific validation projects)
FINAL DATA GRADE FOR THIS AUDIT INPUT:		10

[go to input](#)**Number of Service Connections (Nc) - Data Grading Criteria**[go to notes](#)

Nc	Criteria Question	Select Best-Fit Answers to All Visible Questions
Nc.1	How was the input derived?	Extracted from Services inventory (GIS, billing system, etc)
Nc.2	What is the count of services based on?	Premise based, i.e. service connection count, location ID count
Nc.3	Are inactive (but still pressurized) service lines included in the input? These may be metered or unmetered.	Yes
Nc.4	Which best describes how the inventory of service connections (GIS, billing system, etc) is kept up to date?	Additions or subtractions are updated in the service line inventory (GIS, billing system, etc), at least annually
Nc.5	Which best describes how the inventory of service connections (GIS, billing system, etc) is field validated to confirm field conditions match the inventory?	Field validation is accomplished for the entire system (i.e. in daily operations or specific validation projects)
FINAL DATA GRADE FOR THIS AUDIT INPUT:		10

[go to input](#)**Average Length of (Private) Customer Service Line (Lp) - Data Grading Criteria**[go to notes](#)

Lp	Criteria Question	Select Best-Fit Answers to All Visible Questions
Lp.0	Are customer meters typically located at the curbstop or property line?	Yes
Lp.1		
Lp.2		
Lp.3		
Lp.4		
FINAL DATA GRADE FOR THIS AUDIT INPUT:		10

go to input

Average Operating Pressure (AOP) - Data Grading Criteria

go to notes

aop	Criteria Question	Select Best-Fit Answers to All Visible Questions	
aop.1	Which best describes checks on the boundary integrity for the system's pressure zone(s)?	Not applicable, the system operates as a single pressure zone	Limiting
aop.2	Which best describes how one-time pressure readings (i.e. from hydrants) are collected?	Collected only if there are low pressure complaints, or new development requests	
aop.3	Which best describes where continuous pressure data (via temporary data loggers or permanent telemetry) is collected?	At zone boundary conditions, plus some locations inside the zone(s) but not representing the full pressure profile	
aop.4	Which best describes how continuous pressure data is collected?	Year-round data collection via permanent monitoring	
aop.5	How was the input derived?	Derived from hydraulic model, where model has been field calibrated in the last 5 years	
FINAL DATA GRADE FOR THIS AUDIT INPUT:		8	

[go to input](#)**Customer Retail Unit Charge (CRUC) - Data Grading Criteria**[go to notes](#)

cruc	Criteria Question	Select Best-Fit Answers to All Visible Questions
cruc.0	Was any metered consumption billed on a volumetric basis in the audit period?	Yes
cruc.1	Which best describes the use and reliability of the current rate structure?	Customer bill calculations have been checked to confirm the rate structure is correctly implemented
cruc.2	Choose the option that best describes how the input was derived	Rate structure has only a single volumetric rate, and this was used as the input
cruc.3	Is there any additional volumetric revenue the utility receives that depends on water meter readings, such as sewer?	No
cruc.4	Has the input derivation been reviewed by someone with expert knowledge in the M36 methodology?	No
FINAL DATA GRADE FOR THIS AUDIT INPUT:		9

Limiting

go to input		Variable Production Cost (VPC) - Data Grading Criteria		go to notes
vpc	Criteria Question	Select Best-Fit Answers to All Visible Questions		
vpc.1	Choose the option that best describes how the input was derived	Multiple sources of water exist, and a volume-weighted average was calculated for all sources		
vpc.2	Choose the option that best describes which short-run marginal costs have been included in the input, using the definitions below for reference. Short-run marginal costs can include the following: - chemicals + power for treatment, typically applicable if the utility is producing/treating water - power for distribution, typically applicable if pumps exist in the distribution network - water acquisition costs, typically applicable if the utility is purchasing water or incurs any extraction costs for withdrawing from a source Some short-run marginal costs may not be applicable. The auditor should analyze the system characteristics to determine which costs are applicable for inclusion in the VPC input derivation. See also the latest AWWA M36 Manual for further guidance.	All applicable short-run marginal costs are included		
vpc.3	Choose the option that best describes which long-run marginal costs have been included in the input, using the definitions below for reference. Long-run marginal costs can include the following: - water treatment residuals management, typically applicable if solids are produced from water treatment process - accelerated wear & tear on dynamic equipment, typically applicable if pumps exist for treatment and/or distribution, or any other equipment exists that wears out as a function of use instead of time (i.e. filter media, chemical dosing pumps, uv disinfection bulbs, etc) - payouts for damage claims from main and service line breaks, typically applicable if damage claims are paid by the utility - accelerated expansion of supply capacity, typically applicable if the utility is at or nearing supply capacity, or scarcity costs in water scarce areas - full cost pricing that includes all lifecycle costs and externalities (internalized or not) Some long-run marginal costs may not be applicable. The auditor should analyze the system characteristics to determine which costs are applicable for inclusion in the VPC input derivation. See also the latest AWWA M36 Manual for further guidance.	Long-run marginal costs have been evaluated for applicability, and all applicable costs are included		
vpc.4	Has the input derivation been reviewed by someone with expert knowledge in the M36 methodology?	No		Limiting
FINAL DATA GRADE FOR THIS AUDIT INPUT:		9		

Table 1

Source: AWWA Water Loss Control Committee Report (2020)¹, with naming conventions updated

2020 AWWA Water Audit Method – Water Audit Outputs and Key Performance Indicators: Uses and Limitations

Type	Indicator	Description	Suitable Purposes					Uses and Limitations	Principal Users
			Assessment	Bench-Marking	Target-Setting	Planning	Tracking		
Attribute	Apparent Loss Volume	Calculated by Free Water Audit Software	✓				✓	Assess loss level	Utility, Regulators
	Apparent Loss Cost	Calculated by Free Water Audit Software	✓				✓	Assess cost loss level	Utility, Regulators
	Real Loss Volume	Calculated by Free Water Audit Software	✓				✓	Assess loss level	Utility, Regulators
	Real Loss Cost	Calculated by Free Water Audit Software	✓				✓	Assess loss cost level	Utility, Regulators
	Unavoidable Annual Real Loss (UARL)	Calculated by Free Water Audit Software	✓				✓	Reveal theoretical technical low level of leakage	Utility, Regulators
Volume	Unit Apparent Losses (vol/conn/day)	Strong and understandable indicator for multiple users.	✓	✓	✓	✓	✓	Used for performance tracking and target-setting	Utility, Regulators
	Unit Real Losses ^A (vol/conn/day)	Strong and understandable indicator for multiple users.	✓	✓	✓	✓	✓	Used for performance tracking and target-setting	Utility, Regulators, Policy Makers
	Unit Real Losses ^B (vol/pipeline length/day)	Strong and understandable indicator for use by utilities with low connection density.	✓	✓	✓	✓	✓	Data collection and assessment of systems with “low” connection density	Utility, Regulators, Policy Makers
	Unit Total Losses (vol/conn/day) New KPI	Strong and understandable indicator, suitable for high-level performance measurement.	✓				✓	High level indicator for trending analysis. Not appropriate for target-setting or benchmarking	Utilities, Customers
	Infrastructure Leakage Index (ILI)	Robust, specialized ratio KPI; can be influenced by pressure and connection density.	✓	✓			✓	Benchmarking after pressure management is implemented	Utilities
Value	Apparent Loss Cost Rate (value/conn/year) New KPI	Indicators with sufficient technical rigor. Provide the unit financial value of each type of loss, which is useful for planning and assessment of cost efficiency of water loss reduction and control interventions and programs.	✓			✓	✓	Data collection and assessment on AWWA indicators or contextual parameters to use in conjunction with Loss Cost Rates	Utilities, Regulators, Customers
	Real Loss Cost Rate (value/conn/year) New KPI		✓			✓	✓		Utilities, Regulators, Customers
Validity	Data Validity Tier (DVT)	Strong indicator of water loss audit data quality, if data has been validated. Tier provides guidance on priority areas of activity.	✓	✓		✓	✓	Assess caliber of data inputs of the water audit	Regulators, Utilities



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Jacob Hester, P.E., District Engineer
DATE: October 14, 2026
SUBJECT: Newport Beach Interagency Water Transfer Project

RECOMMENDATION

Approve the Agreement between Mesa Water District and the City of Newport Beach for the Purchase, Sale and Delivery of Surplus Potable Water, and authorize execution of the Agreement.

The Executive Committee reviewed this item at its October 7, 2026 meeting and recommends Board approval.

STRATEGIC PLAN

- Goal #1: Provide an abundant, local, reliable and safe water supply.
- Goal #2: Perpetually renew and improve our infrastructure.
- Goal #3: Be financially responsible and transparent.
- Goal #4: Increase public awareness of Mesa Water.
- Goal #7: Actively participate in regional and statewide water issues.

PRIOR BOARD ACTION/DISCUSSION

At its April 3, 2025 workshop, the Board of Directors (Board) directed the General Manager to negotiate a contract with MKN & Associates for an amount not to exceed \$46,691 to conduct a feasibility study for an interagency water transfer from Mesa Water District (Mesa Water®) to the City of Newport Beach (Newport Beach).

At its September 10, 2025 meeting, the Board authorized the General Manager to proceed, up to his signing authority, with MKN & Associates for the Newport Beach Interagency Water Transfer cost estimate for design and construction.

At its November 12, 2025 meeting, the Board authorized the General Manager to approve contracts for an amount not to exceed \$500,000 for the construction, construction management, and engineering services necessary to proceed with a new interconnection between Mesa Water and Newport Beach.

At its June 24, 2026 meeting, the Board approved a contract with T.E. Roberts, Inc. (T.E. Roberts) for \$749,478 and a 10% contingency of \$74,948 for a total authorized amount not to exceed \$824,426 for construction of the Newport Beach Interagency Water Transfer Project, and authorized execution of the contract.

At its August 12, 2026 meeting, the Board approved a contract amendment with T.E. Roberts for \$275,324.45 and a 10% contingency of \$27,532.45 for a total authorized amount not to exceed \$1,127,282.90 for construction of the Newport Beach Interagency Water Transfer Project, and authorized execution of the contract.



DISCUSSION

Mesa Water and Newport Beach have been working together to construct a new interconnection that will allow Mesa Water to provide surplus local groundwater to Newport Beach. The project includes a new metered interconnection between the agencies near West 17th Street and Whittier Avenue. The construction phase has kicked off, with preconstruction activities underway.

In parallel with design and construction of the interconnection, staff and legal counsel from both agencies have developed an Agreement for the Purchase, Sale and Delivery of Surplus Potable Water (Agreement). The Agreement establishes the terms under which Mesa Water may provide surplus potable water to Newport Beach once the new interconnection is operational. Neither agency is obligated to deliver or purchase a minimum quantity of water. Mesa Water may provide water when surplus supply is available, and either agency may suspend, reduce, or discontinue deliveries at its discretion.

The Agreement also establishes the following key business terms:

- **Construction Cost Sharing:** Mesa Water will initially fund construction of the interconnection. Upon completion and operation, Newport Beach will reimburse Mesa Water for 50% of the actual cost, up to a maximum reimbursement of \$375,000. Costs above the initial estimated \$750,000 project cost will be borne by Mesa Water.
- **Water Rate:** The rate is based on Mesa Water's cost to produce and deliver the groundwater supply, including the Orange County Water District Replenishment Assessment (RA), plus one-third of the savings compared with the Metropolitan Water District of Southern California imported water rate. This provides Mesa Water with one-third of the savings generated by the transfer while Newport Beach receives two-thirds of the savings.
- **FY 2027 Rate:** Based on current costs, the illustrative rate is \$1,145 per acre-foot through December 31, 2026 and \$1,109 per acre-foot from January 1 through June 30, 2027. The rate will be updated as Mesa Water's costs or applicable imported water rates change.
- **Facility Ownership:** Mesa Water will own and operate the equipment up to the point of connection to Newport Beach's system.
- **Term:** The Agreement has an initial seven-year term and automatically renews for additional five-year periods unless either agency provides at least three months' notice prior to expiration of the applicable term.

The Agreement provides a framework for Mesa Water to beneficially use available surplus production capacity while providing Newport Beach with an additional local water supply and reducing its reliance on imported water. Staff recommends that the Board approve the Agreement between Mesa Water and Newport Beach for the Purchase, Sale and Delivery of Surplus Potable Water, and authorize execution of the Agreement.



FINANCIAL IMPACT

In Fiscal Year 2027, \$750,000 is budgeted for the Newport Beach Interagency Water Transfer Project; \$8,236 has been spent to date.

ATTACHMENTS

Attachment A: Agreement

**AGREEMENT BY AND BETWEEN THE CITY OF NEWPORT BEACH
AND THE MESA WATER DISTRICT
FOR THE PURCHASE, SALE AND DELIVERY OF SURPLUS POTABLE WATER**

THIS AGREEMENT FOR THE PURCHASE, SALE AND DELIVERY OF SURPLUS POTABLE WATER (“Agreement”) is made and entered into as of this _____ day of _____, 2026, between the **CITY OF NEWPORT BEACH**, a California municipal corporation and charter city (“Newport Beach”), and **MESA WATER DISTRICT**, County of Orange (“County”), State of California, a county water district (“Mesa Water”), organized and operating pursuant to the provisions of 30000 *et seq.* of the California Water Code. The parties hereto may be referred to in some instances as a party (“Party”) or parties (“Parties”).

R E C I T A L S

WHEREAS, Newport Beach is a California charter law city operating pursuant to the provisions of California law which provides water and water service to customers within its boundaries and has authority to purchase potable water to meet customer demands;

WHEREAS, Mesa Water is a county water district operating pursuant to the provisions of California law with authority to collect, treat, reclaim, transport, distribute and sell potable water for various purposes;

WHEREAS, Mesa Water and Newport Beach have 6 existing emergency water interconnections documented in the Emergency Interconnection Study conducted by RBF Consulting. The study identified and evaluated a potential additional interconnection between Mesa Water and Newport Beach which could be used for emergencies or surplus water;

WHEREAS, Mesa Water and Newport Beach have worked together to plan for an additional interconnection. Mesa Water and Newport Beach have also met with Orange County Water District and gained their concurrence for this new interconnection;

WHEREAS, the Parties agree that Mesa Water shall design and construct a metered intertie system connecting the Mesa Water potable water system to Newport Beach well water transmission system (“Interconnection Facilities”) for purposes of allowing Mesa Water to transfer to Newport Beach certain surplus potable water supplies when such supplies are available to Mesa Water and as needed by Newport Beach;

WHEREAS, it is agreed that Mesa Water surplus potable water is intended to supplement Newport Beach’s groundwater supply to enable Newport Beach’s total groundwater usage to achieve up to, but not exceed, the Basin Pumping Percentage.

WHEREAS, the Parties agree that in constructing the physical infrastructure needed for such an intertie, Mesa Water shall be responsible for the initial costs of design and construction of the Interconnection Facilities, estimated at a cost of approximately \$750,000, which will be borne by Mesa Water with a fifty percent (50%) reimbursement from Newport Beach paid upon

completion of the Interconnection Facilities;

WHEREAS, Newport Beach and Mesa Water shall cooperate to establish rates so that the Parties share the savings of the difference between the Imported Water Rate and the Mesa Water Treated Water Cost, with Mesa Water charging Newport Beach on a per-acre foot basis an amount equal to the Interconnection Water Rate, as defined in Section 3.02 below.

WHEREAS, Newport Beach and Mesa Water desire to enter into this Agreement to provide for the terms and conditions under which Mesa Water shall deliver and sell potable water to Newport Beach, and Newport Beach shall agree to receive and purchase such, all as set forth herein,

NOW, THEREFORE, NEWPORT BEACH AND MESA WATER FOR THE CONSIDERATION AND UPON THE TERMS AND CONDITIONS HEREINAFTER SPECIFIED AGREE AS FOLLOWS:

ARTICLE I INTRODUCTION; INTENTION

Section 1.01. Incorporation of Recitals. The above recitals are true and correct and are hereby incorporated by this reference.

Section 1.02. Definitions.

Unless the context or internal definition clearly otherwise requires, the terms defined in this Section shall, for all purposes of this Agreement, have the meanings herein specified.

“Imported Water Rate” is the then-current and adopted per-acre foot “Volumetric Full-Service Treated Rate” established by the Metropolitan Water District of Southern California (“MET”) through the Municipal Water District of Orange County (“MWDOC”) for treated imported water.

“Interconnection Facilities” means the facilities which directly connect the applicable potable water systems of Mesa Water and Newport Beach including, but not limited to, any applicable backflow prevention device(s) or facilities and metering facilities and connections.

“MET” means the Metropolitan Water District of Southern California, a public agency.

“MWDOC” means the Municipal Water District of Orange County, the wholesale agency for imported water (treated and untreated) from MET.

“OCWD” means the Orange County Water District, the agency responsible for managing the Orange County Groundwater Basin.

Section 1.03. Intention. It is the intention of the Parties to provide for the terms and conditions under which Mesa Water shall deliver and sell to Newport Beach, and Newport Beach shall receive and purchase, surplus water produced by Mesa Water at the Point of Connection, as defined in Section 2.01. The Parties also intend that this Agreement shall encompass the terms

and conditions for payment thereof, interruptions of deliveries, the term of this Agreement and certain related matters.

Section 1.04. Agreement Administration. The Utilities Director of Newport Beach, or his or her designee(s), shall administer this Agreement on behalf of Newport Beach; and, except as expressly required by this Agreement, Utilities Director shall have the authority to take all actions that Newport Beach is required or authorized to take under this Agreement. The Mesa Water General Manager, or his or her designee(s), shall administer this Agreement on behalf of Mesa Water; and, except as expressly required by this Agreement, the Mesa Water General Manager shall have the authority to take all actions that Mesa Water is required or authorized to take under this Agreement.

ARTICLE II WATER DELIVERIES

Section 2.01 Point of Connection; Water Deliveries. Upon the completion of the Interconnection Facilities, or when the Designated Representatives shall determine, Mesa Water shall be prepared to provide treated potable water to Newport Beach at the Point of Connection. Unless otherwise agreed to by the Designated Representatives, all deliveries of water by Mesa Water to Newport Beach pursuant to the terms hereof shall take place at the Point of Connection, as outlined in Exhibit A, attached hereto and incorporated herein by reference and shall be metered as set forth in Section 2.05.

Section 2.02 Water Quality and Delivery Pressure. Mesa Water, in coordination with Newport Beach, shall set the desired flowrate at the control valve for the Interconnection Facilities, with practical delivery capacity governed by the pressure control valve sustaining a minimum pressure on the Mesa Water side of the connection. Potable water furnished by Mesa Water to Newport Beach pursuant to the provisions of this Agreement shall comply with the flow rate(s), water pressure and water quality established by applicable State and federal requirements and regulations.

Section 2.03 Ownership of Delivered Water. Upon delivery of potable water to Newport Beach at the Point(s) of Connection such water shall thereupon be deemed to be Newport Beach's water for all purposes (as further set forth in Section 5.02).

Section 2.04 Metering of Flows and Deliveries. Mesa Water shall bill directly to Newport Beach for any and all water provided to Newport Beach through the Interconnection Facilities, as contemplated in Article III.

Section 2.05 Facilities Ownership and Capacity Rights. The Parties agree that nothing in this Agreement is intended to, or shall, provide or constitute any rights of either Party in or to the facilities and/or water capacity rights owned or operated by the other Party. Mesa Water shall own and operate the Interconnection Facilities up to Newport Beach's isolation valve just upstream of its connection with the 36" ductile iron pipe (DIP), and Newport Beach shall own any and all infrastructure beginning at and including that isolation valve and downstream. Mesa Water shall operate its facilities pursuant to the Mesa Water Rules and Regulations and other applicable operating parameters. Newport Beach shall operate its facilities pursuant to its applicable ordinances, regulations and Newport Beach directives.

Section 2.06 Interruptions in Deliveries; Emergency Circumstances.

- a) Newport Beach may request upon notification to Mesa Water suspension, reduction, or discontinuation of water delivery at any time and for any reason in its sole and absolute discretion. Mesa Water shall comply with Newport Beach request immediately as soon as practicable. Mesa Water acknowledges and agrees that Newport Beach shall incur no penalty, fee, charge, assessment or liability arising solely from Newport Beach's direction under this Section.
- b) Mesa Water may suspend, reduce or discontinue delivery of water at any time for any reason in its sole and absolute discretion upon notice to Newport Beach. Newport Beach acknowledges and agrees that Mesa Water shall incur no penalty, fee, charge or assessment or liability arising solely from such action by Mesa Water.

**ARTICLE III
WATER RATES AND CHARGES**

Section 3.01 Interconnection Facility Reimbursement. Mesa Water shall be responsible for design and construction of the Interconnection Facility, the estimated cost of which is \$750,000, which will be borne by Mesa Water. Newport Beach shall reimburse 50% of actual costs up to a maximum of \$375,000 upon completion and operation of the Interconnection Facility and upon invoice by Mesa Water. Any overage will be borne by Mesa Water.

Section 3.02 Water Rates and Charges.

- (a) The "Interconnection Water Rate" shall be comprised of three components:
 - 1) The Orange County Water District Replenishment Assessment;
 - 2) Mesa Water's cost to pump, treat and deliver its clear groundwater and amber colored groundwater in a mix consistent with the Basin Pumping Percentage currently at 85%, which results in an 85% clear, 15% amber mix; and
 - 3) One-third (1/3) the difference between 1) plus and 2) above and the Metropolitan Water District of Southern California's Imported Water Rate.

See Exhibit B for an example based upon FY 2027 costs.

The Interconnection Water Rate shall be amended on an annual basis by mutual agreement, or at such time either the Mesa Water cost or the Imported Water Rates are updated by the applicable agency in charge of such adjustments.

Section 3.03 Water Purchases. Neither Mesa Water nor the Newport Beach shall have any obligation to deliver or take, as applicable, any amount of water under this Agreement. Mesa Water shall supply Newport Beach when it has a surplus supply available at Mesa Water's discretion, and Newport Beach may exercise its discretion to take such surplus water when demand requires.

Section 3.04 Billing Process. The following shall be the billing procedure for all Mesa Water invoices under this Agreement.

(a) Mesa Water shall, for each calendar month, provide an invoice to Newport Beach for the subject amount as currently practiced. Such invoices shall be provided to Newport Beach pursuant to Section 6.06 hereof, or as the Parties hereto may otherwise agree in writing. Mesa Water shall include, or arrange to include, within each such invoice the date and period covered by such invoice and the amount of water delivered under the terms hereof in the referenced period.

(b) Newport Beach shall pay the amount of such invoice within 30 days of the date of such invoice. In the event that Newport Beach questions or disputes the amount of such invoice shall first be paid and such questions shall thereafter be resolved and, if necessary, such accounts shall be reconciled accordingly.

(c) If not paid within such 30 day period, such invoice shall be considered delinquent and the amount thereof shall earn interest at the rate of 10% per annum from the date of delinquency to the date of payment.

(d) If such amount is not paid within 60 Business Days after receipt of the notice provided under (d), above, Newport Beach shall be considered in default under Section 5.04, hereof.

(e) Mesa Water shall keep all financial records regarding the invoiced amounts pursuant to generally accepted accounting principals and applicable legal and regulatory requirements. Mesa Water shall, upon request, make such documents and/or records available to Newport Beach for review during regular business hours on business days at Mesa Water's business offices.

Section 3.05 Procedure for Resolution of Billing Issues.

(a) In lieu of the provisions of Section 5.04, hereof, in the event of a billing dispute between the Parties under this Agreement such dispute shall be referred, in writing, to the Designated Representatives of the respective Parties. If the dispute cannot be otherwise informally resolved, the Designated Representatives of the Parties shall, at least once, meet and confer to discuss such dispute and possible resolution thereto. Every effort shall be made by both Parties to resolve such billing dispute without resort to arbitration as provided for in Section 6.08.

ARTICLE IV TERM AND TERMINATION

Section 4.01 Term of Agreement. The initial term of this Agreement ("Initial Term") shall be for a period of seven (7) years commencing upon execution of this agreement.

Section 4.02 Automatic Renewals. This Agreement shall be automatically renewed for additional five (5) year renewal periods, unless either Party provides at least three (3) months' notice before the expiration of the then-current term to the other Party of its intent to terminate the Agreement.

ARTICLE V CERTAIN LIMITATIONS

Section 5.01 Nontransferability of Rights. The Parties hereto expressly and specifically agree that the rights and terms of this Agreement shall not be assignable or transferable by either Newport Beach or Mesa Water without the express prior written consent of the other Party's governing body. Any attempt to assign or transfer the provisions of this Agreement by either Party without such express prior written consent hereto shall be void. Any involuntary transfer or assignment with respect to the provisions of, or rights under, this Agreement shall be subject to the provisions of Sections 5.04(d) and 6.02, hereof.

Section 5.02 No Liability Past Point of Connection. The Parties expressly agree that all responsibility and liability for the transportation, delivery and use(s) of water delivered to Newport Beach at the Point of Connection shall, once past such Point of Connection lie solely with Newport Beach. This includes, but is not limited to, responsibility for maintaining all necessary permits for deliveries of potable water and operation of Newport Beach's facilities downstream of the Point of Connection. The provisions of Section 6.02 shall expressly apply to the provisions of this Section 5.02.

Section 5.03 Mesa Water not Liable for Newport Beach Water Rates. The Parties expressly agree that the scope of this Agreement is limited to the terms hereof. Mesa Water is not involved in, and shall not be responsible or liable for, the setting, re-setting, establishing, collecting or enforcement of Newport Beach's rates, fees and charges, including, but not limited to, water rates and charges. Newport Beach agrees that in the event of a dispute, of any nature, involving Newport Beach's rates, fees and charges which may involve Mesa Water, the provisions of Section 6.02 shall apply.

Section 5.04 Default; Remedies.

(a) Events of Default. The following shall be considered as a default under the terms of this Mesa Water Agreement:

1. Failure by Newport Beach to pay to Mesa Water any amount invoiced pursuant to Article III hereof when due; or
2. Failure by either party hereto to observe and perform any covenant condition or agreement on its part to be observed and performed, other than as referred to in clause (a)(1) of this Section, for a period of forty-five (45) days after written notice specifying such failure and requesting that it be remedied has been provided to such party, provided, however, that if the failure stated in the notice cannot be corrected within the applicable period, the requesting party will not unreasonably withhold its consent to an extension of such time if corrective action shall be instituted by the party then in default within the specified period and diligently pursued until the default is corrected.

(b) Subject to the provisions of Section 3.04, upon the occurrence and continuance of any default specified in (a), above, either party hereto may proceed, through the provisions of Section 6.08 to pursue remedies as against the party in default, including the following:

1. To specifically enforce its rights and compel performance under the terms of the Agreement;
2. To enjoin any acts or things which are unlawful or violate the rights of such party;
3. For damages against such party;
4. For termination of this Agreement; and/or
5. For such other lawful remedies not prohibited pursuant to the terms and conditions hereof.

No remedy conferred upon either party hereto by this Section 5.04(b) is intended to be exclusive and every such remedy shall be in addition to any other remedy conveyed to the parties hereto under the terms hereof. The provisions of Section 6.02 shall be applicable to this Section 5.04.

(c) In the event of a dispute between the Parties involving any matter under this Agreement the dispute shall be referred, in writing, to the Designated Representatives of the respective Parties. If the dispute cannot be otherwise resolved, the Designated Representatives of the Parties shall, at least once, meet and confer to discuss such dispute and possible resolution thereto. All reasonable efforts shall be made by both Parties to resolve such dispute without resort to arbitration as provided for herein.

(d) Any provision in the Agreement notwithstanding, upon an involuntary assignment or other transfer of Newport Beach's rights and obligations under the terms hereof, Mesa Water shall have, at Mesa Water's sole option, a right of immediate termination of this Agreement. In the event Mesa Water exercises such option, Mesa Water shall provide written notice to all involved parties as set out in Section 6.19.

ARTICLE VI GENERAL PROVISIONS

Section 6.01. General Liability Insurance.

(a) Newport Beach shall, at all times during the term of this Agreement, keep in force a policy, or policies, of comprehensive general liability and automobile liability, or equivalent by way of self-insurance, providing coverage for personal injury, death and property damage in the minimum amount of \$4,000,000 aggregate annual coverage.

(b) Mesa Water shall, at all times during the term of this Agreement, keep in force a

policy, or policies, of comprehensive general liability and automobile liability, or equivalent by way of self-insurance, providing coverage for personal injury, death and property damage in the minimum amount of \$4,000,000 aggregate annual coverage.

Section 6.02. Indemnification Provisions.

(a) Newport Beach undertakes and agrees to indemnify and hold harmless Mesa Water, Mesa Water's Board of Directors and all of their officers, agents, successors in interest, assigns, and employees (individually and collectively, "Mesa Water Indemnitees"), and at the option of counsel for Mesa Water, defend by counsel satisfactory to counsel for Mesa Water, the Mesa Water Indemnitees from and against any and all liens and claims of lien, suits, causes of action, claims, charges, damages (including consequential, incidental, or indirect), demands, judgments, civil fines, penalties, or losses of any kind or nature whatsoever that are incurred by or asserted against Mesa Water Indemnitees, arising out of or in any way connected with the operation, maintenance or public use of Newport Beach water, recycled water or wastewater system(s). This indemnity shall apply whether occurring during the term of this Agreement and any time thereafter, and shall be in addition to any other rights or remedies which Mesa Water Indemnitees have under law, in equity or under this Agreement. Notwithstanding the foregoing, nothing herein shall be construed to require Newport Beach to indemnify the Mesa Water from any claim arising from the gross negligence, active negligence or willful misconduct of Mesa Water.

(b) Mesa Water undertakes and agrees to indemnify and hold harmless Newport Beach, Newport Beach's Council Members and all of their officers, agents, successors in interest, assigns, and employees (individually and collectively, "Newport Beach Indemnitees"), and at the option of counsel for Newport Beach, defend by counsel satisfactory to counsel for Newport Beach, the Newport Beach Indemnitees from and against any and all liens and claims of lien, suits, causes of action, claims, charges, damages (including consequential, incidental, or indirect), demands, judgments, civil fines, penalties, or losses of any kind or nature whatsoever that are incurred by or asserted against Newport Beach Indemnitees, arising out of or in any way connected with the operation, maintenance or public use of the Mesa Water water, recycled water or wastewater system(s). This indemnity shall apply whether occurring during the term of this Agreement and any time thereafter, and shall be in addition to any other rights or remedies which Newport Beach Indemnitees have under law, in equity or under this Agreement. Notwithstanding the foregoing, nothing herein shall be construed to require Mesa Water to indemnify Newport Beach from any claim arising from the gross negligence, active negligence or willful misconduct of Newport Beach.

Section 6.03 No Remedy Exclusive. No remedy herein conferred upon or reserved to Parties or their assignees is intended to be exclusive and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 6.04. No Joint Venture, Partnership, Etc. Notwithstanding any provision to the contrary herein, the parties hereto expressly and specifically agree that Mesa Water has been, and shall remain, an independent contractor in providing water to Newport Beach under the terms

hereof and as set forth herein and no action(s) or event(s) taken hereunder shall, for any reason, cause either Party, or their respective officers, directors, employees or consultants to become the employee, joint venturer or partner of the other party hereto.

Section 6.05. Recordkeeping: Inspection of Records. Each Party hereto agrees to keep and maintain full and accurate records of all financial transactions and facilities operations and actions undertaken hereunder. Each Party further agrees to make such records available to the other Party hereto during normal business hours upon reasonable prior notice. All such records shall be kept and maintained by the appropriate Party as provided by applicable law and their respective policies.

Section 6.06. Notices. Any notice, payment or instrument required or permitted by this Agreement to be given or delivered to any Party or other person shall be deemed to have been received when personally delivered or seventy-two hours following deposit of the same in any United States Post Office in California registered or certified, postage prepaid, addressed as follows: with a copy to:

Mesa Water: Mesa Water District
1965 Placentia Avenue
Costa Mesa, CA 92627
Attn: General Manager

With a copy to: Atkinson, Andelson, Loya, Ruud & Romo
20 Pacifica, Suite 1100
Irvine, CA 92618
Attn: Robert E. Anslow

Newport Beach: City of Newport Beach
100 Civic Center Drive Newport Beach, CA 92660
Attn: City Clerk

With a copy to: City of Newport Beach
100 Civic Center Drive Newport Beach, CA 92660
Attn: Utilities Director

Either Party can change its address for delivery of notice by delivering written notice of such change or address to the other Party no later than ten (10) calendar days prior to such change.

Section 6.07. Time of the Essence. Time is of the essence of this Agreement and each of the provisions hereof.

Section 6.08. Interpretation and Controlling Law. This Agreement and all its provisions shall be interpreted according to the laws of the State of California, which shall govern this Agreement and all matters relating to it.

Section 6.09. Representation by Counsel. Each Party has read this Agreement, has received the benefit and advice of counsel of that Party's choice, and has had this Agreement fully

explained by such counsel. Each party represents and warrants that it fully understands and appreciates the terms of this Agreement and their effect. The content and language of this Agreement have been approved by counsel for each of the Parties, and in the event interpretation of any alleged ambiguity is requested or required, there shall be no presumption or construction against any Party as the drafter of this Agreement.

Section 6.10. Severability. If any term, provision, covenant, or condition of this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions of this Agreement shall continue in full force and effect, unless and to the extent the rights and obligations of either Party have been materially altered or abridged by such holding.

Section 6.11. No Waiver. Failure by either Party to insist on the strict performance of any of the provisions of this Agreement by the other Party, or the failure by a Party to exercise its rights upon the default or breach of the other Party, shall not constitute a waiver of such Party's right insist on and demand strict compliance by the other Party with all of the provisions of this Agreement.

Section 6.12. Force Majeure. The time within which either party hereto shall be required to perform any act under this Agreement, other than the payment of money, shall be extended by a period of time equal to the number of days during which performance of such act is unavoidably delayed by strikes, lockouts, Acts of God, governmental restrictions, failure or inability to secure materials or labor by reason of priority or similar regulations or order of any government or regulatory body, war, civil disturbance, fire and unavoidable casualties hereto. If written notice of such delay or impossibility of performance is provided to the other party within a reasonable time after the commencement of such delay or condition of impossibility, an extension of time for such cause will be granted in writing for the period of the enforced delay, or longer as may be mutually agreed upon by the parties in writing, or the performance rendered impossible may be excused in writing by the party so notified.

Section 6.13. Amendments, Modifications. This Agreement shall not be modified or amended except in writing signed by the Party agreeing to such amendment or modification.

Section 6.14. No Obligation of Third Parties. The approval and execution of this Agreement shall not be deemed to confer any rights upon any person or entity other than Mesa Water and Newport Beach. There are no third party beneficiaries to this Agreement.

Section 6.15. Entire Agreement. This Agreement contains the entire agreement between the Parties relating to the subject matter of this Agreement, and any other agreement or representations respecting the subject matter of this Agreement or the rights or duties of either Party relating thereto, not expressly set forth in this Agreement, are null and void.

Section 6.16. Cooperation and Execution of Documents. The Parties hereto agree to complete, execute or file any further or additional documents which may be necessary to complete or further the terms of this Agreement.

Section 6.17. Headings. The titles and headings of Sections and Paragraphs of this

Agreement, as herein set forth, have been inserted for the sake of convenience only, and are not to be taken, deemed or construed to be any part of the terms, covenants or conditions of this Agreement, or to control, limit or modify any of the terms, covenants or conditions hereof.

Section 6.18. Exhibits. The following exhibits attached hereto are incorporated into this Agreement by reference:

<u>Exhibit</u>	<u>Description</u>
"A"	Point(s) of Connection
"B"	FY – 2027 Interconnection Water Rate

Section 6.19. No Application of Certain Constitutional Provisions. The Parties agree that this Agreement is a negotiated services agreement between retail water public agency provider which is not, and shall not be, subject to the provisions of California Constitution Article XIID Section 6. To the extent necessary or desirable, Newport Beach hereby, for itself and its successors, if any, or assigns, if any, irrevocably waives during the term of this Agreement any requirement for notice(s) or hearing(s) provided for under California Constitution Article XIID Section 6, as may be applied to the terms hereof.

Section 6.20. Warranty of Authority. The Parties both hereby represent and warrant that they each have all requisite power and authority to execute and deliver, and to perform their obligations under, this Agreement and that this Agreement constitutes a legal, valid and binding obligation of each Party and is enforceable as against Mesa Water and Newport Beach in accordance with the terms and provisions contained herein.

Section 6.21. No Attorneys' Fees. In the event of any dispute or legal action arising under this Agreement, the prevailing party shall not be entitled to attorneys' fees.

Section 6.22. Venue. Any action brought relating to this Agreement shall be adjudicated in a court of competent jurisdiction in the County of Orange, State of California.

Section 6.23. Signatories. The signatories hereto represent that they have been appropriately authorized to enter into this Agreement on behalf of the Party for whom they sign.

Section 6.24. Counterparts, Facsimiles or Copies of Signatures. This Agreement may be executed in one or more counterparts, and all so executed shall constitute one agreement, which shall be binding on the Parties. Any facsimile copy or other copy of a signature to this Agreement shall be deemed to be an original signature for all purposes.

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year written alongside their signature below.

MESA WATER DISTRICT

By: _____
President

By: _____
Secretary

CITY OF NEWPORT BEACH

By: _____

Title: _____

By: _____

Title: _____

EXHIBIT "A"

POINT OF CONNECTION (POC)

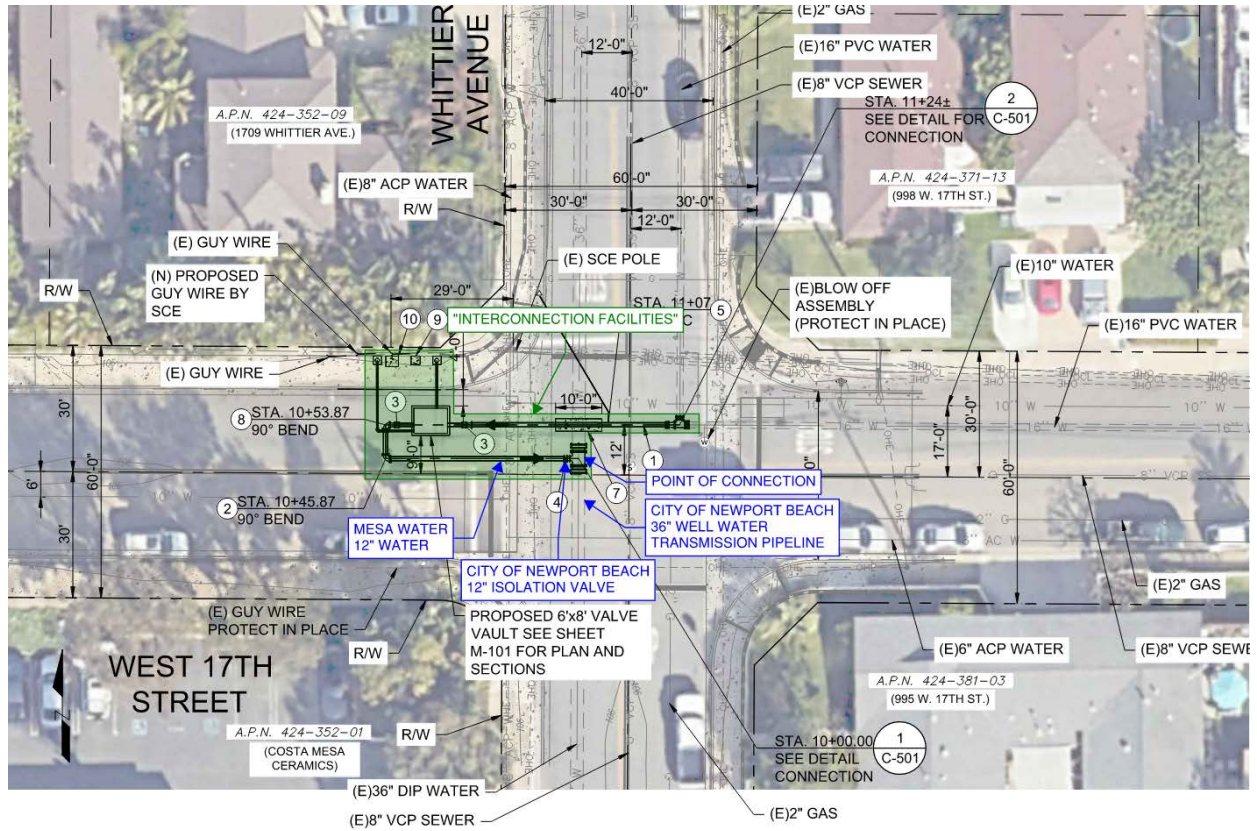


EXHIBIT “B”

FY 2027 ILLUSTRATIVE INTERCONNECTION WATER RATE

This exhibit provides the calculation of the FY 2027 Interconnection Water Rate in accordance with Section 3.02 of the Agreement. The values shown are based on the applicable Mesa Water District and Metropolitan Water District rates in effect during each period.

FY 2027 Mesa Water Treated Water Cost

Component	\$/AF
Orange County Water District Basin Replenishment Assessment	\$728
Clear	-
Chemicals	\$35
Utilities	\$124
Total Clear Water Cost	\$887
Amber	-
Chemicals	\$262
Utilities	\$317
Brine	\$25
Total Amber Water Cost	\$1,333
Total Mesa Water Treated Water Cost (85% Clear, 15% Amber)	\$954

Costs are rounded to nearest dollar

FY 2027 Interconnection Water Rate

	Jul. 1–Dec. 31, 2026	Jan. 1–Jun. 30, 2027
Metropolitan Imported Water Rate	\$1,528	\$1,420
Less: Mesa Water Treated Water Cost	(\$954)	(\$954)
Available Savings	\$574	\$466
Mesa Water Share of Savings (1/3)	\$191	\$155
Newport Beach Share of Savings (2/3)	\$383	\$311

Costs are rounded to nearest dollar

FY 2027 Illustrative Interconnection Water Rate Calculation

Interconnection Water Rate = Imported Water Rate - Newport Beach Share of Savings (2/3)

$$\text{Jul. 1–Dec. 31, 2026: } \frac{\$1,528}{AF} - \frac{\$383}{AF} = \frac{\$1,145}{AF}$$

$$\text{Jan. 1–Jun. 30, 2027: } \frac{\$1,420}{AF} - \frac{\$311}{AF} = \frac{\$1,109}{AF}$$

	Jul. 1–Dec. 31, 2026	Jan. 1–Jun. 30, 2027
Interconnection Water Rate	\$1,145/AF	\$1,109/AF



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Kurt Lind, Business Manager
DATE: October 14, 2026
SUBJECT: Agenda Management Software Selection Support Services

RECOMMENDATION

Approve a contract with ClientFirst Consulting Group, LLC for \$24,875 and a 10% contingency of \$2,488 for a total authorized amount not to exceed \$27,363 to provide support services related to the selection of Agenda Management Software, and authorize execution of the contract.

STRATEGIC PLAN

Goal #3: Be financially responsible and transparent.

Goal #6: Provide excellent customer service.

Goal #8: Practice continual business improvement

PRIOR BOARD ACTION/DISCUSSION

None.

BACKGROUND

Mesa Water District's (Mesa Water®) Board of Directors (Board) meeting agenda and Board packet process relies on manual, document-intensive steps for item creation, review and approval, assembly, and publication. Staff proposes a structured, vendor-neutral selection process for a modern agenda management system. The goal is to select a system that fits the District's needs and integrates with existing tools, including Laserfiche, Microsoft solutions, Single Sign-On (SSO), and the District website.

DISCUSSION

Transitioning from a manual Board agenda process to a modern, automated system is an important step in Mesa Water's commitment to business improvement, transparency, and public service. Today, preparing a Board packet involves many hands-on steps, including drafting items, routing them for review, assembling documents, and publishing materials. Each step takes staff time and carries a risk of version errors, missed approvals, and last-minute delays.

An automated system standardizes these workflows, tracks every change and approval in an audit trail, and produces consistent, accurate packets in less time. It also makes agendas and supporting materials easier for Directors and the public to find and use, and it integrates with systems Mesa Water already relies on, such as Laserfiche and Microsoft tools.

Client First will provide a structured and vendor-neutral selection process, ensuring Mesa Water chooses a solution that meets its actual needs, scales with future demands, and delivers lasting value.



ClientFirst Consulting Group, LLC (ClientFirst) would support Mesa Water through the following tasks:

1. **Assessment and Process Review.** Review current agenda files and workflows, and hold stakeholder workshops to identify gaps and develop District-specific feature and function requirements.
2. **Request for Information (RFI).** Develop the RFI, electronic vendor response forms, and total-cost-of-ownership forms, and facilitate vendor questions and answers.
3. **Vendor Evaluation and Finalist Selection.** Prepare a side-by-side comparison of vendor responses, develop demonstration scripts and evaluation forms, facilitate demonstrations, and support reference checks and due diligence.
4. **Contract and Implementation Plan Review.** Review the vendor's Statement of Work and assist with contract negotiations with the selected vendor (in a non-legal capacity).
5. **Implementation Project Management (Optional).** Support implementation planning and project management if the District elects it. Staff would return to the Board before authorizing this task.

Key functional areas: agenda item creation, workflow and approvals, agenda assembly, packet generation, version control and audit trail, public agenda publishing, and integrations and data conversion.

Alignment with the FY 2027 Strategic Plan

This project directly supports the following Strategic Plan goals:

- **Goal #3: Be financially responsible and transparent.** A competitive, best-practice selection process helps ensure value and a clear understanding of total cost of ownership. Built-in audit trails and public agenda publishing strengthen transparency and public access to Board materials.
- **Goal #6: Provide excellent customer service.** A more efficient agenda process gives Directors, staff, and the community timely, accurate, and easily accessible meeting materials.
- **Goal #8: Practice continual business improvement.** The project begins with a business process analysis to streamline manual steps, reduce paper, and replace workaround processes with standardized, automated workflows.

Benefits

- Greater efficiency and fewer manual, error-prone steps
- Consistent approval workflows with version control and an audit trail
- Integration with the District's existing systems, avoiding duplicate data entry
- Reduced risk through objective vendor comparison, reference checks, and contract review



FINANCIAL IMPACT

In Fiscal Year 2027, no funds were budgeted for Agenda Management Software Selection Support Services; the requested funding will come from Cash on Hand.

ATTACHMENTS

None.

REPORTS:

10. REPORT OF THE GENERAL MANAGER

REPORTS:

11. DIRECTORS' REPORTS AND COMMENTS

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

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

Jim Atkinson

Meetings Attended

Reimbursement Date:	Description, Date
9/3/26	Urban Water Institute Annual Conference, 8/18 – 8/22

Fred R. Bockmiller, P.E.

Meetings Attended

Reimbursement Date:	Description, Date
N/A	

Marice H. DePasquale

Meetings Attended

Reimbursement Date:	Description, Date
9/3/26	Urban Water Institute Annual Conference, 8/19 – 8/21
9/3/26	Meeting with Mesa Water Director, 9/3
9/17/26	Meeting with Mesa Water Director, 9/11
9/17/26	Meeting with Yorba Linda Water District, 9/15
9/17/26	Mesa Water Education and Career Center Event, 9/16

Shawn Dewane

Meetings Attended

Reimbursement Date:	Description, Date
9/17/26	Urban Water Institute Annual Conference, 8/19 – 8/21
9/17/26	Meeting with Mesa Water Director, 9/3

James R. Fisler

Meetings Attended

Reimbursement Date:	Description, Date
N/A	



*Dedicated to
Satisfying our Community's
Water Needs*

MEMORANDUM

TO: Board of Directors
FROM: Kaitlyn Norris, Public Affairs Supervisor
DATE: October 14, 2026
SUBJECT: Runoff and Storm Drain Capture Update

RECOMMENDATION

This item is provided for information.

STRATEGIC PLAN

Goal #1: Provide an abundant, local, reliable and safe water supply.
Goal #4: Increase public awareness of Mesa Water.
Goal #6: Provide excellent customer service.

PRIOR BOARD ACTION

None.

DISCUSSION

Mesa Water District (Mesa Water®) customers residing on Federal Avenue have alerted staff of multiple residences with excess water runoff, causing small amounts of water to pool in low points in the street. Staff have evaluated opportunities to address water use and runoff and provide customers with resources to improve outdoor water-use efficiency, including the following:

- Staff has notified the customers of excessive water use through written correspondence, providing information to encourage customers to review their water use and address potential sources of excessive consumption or runoff.
- Staff has explored the use of temporary contractors to provide water-wise audits for customers experiencing excessive water use. These audits would provide customers with an assessment of their water use and identify potential opportunities to improve efficiency, including irrigation adjustments and potential leaks.
- Staff has discussed the need for proper street/gutter drainage with the City of Costa Mesa Public Works Department.

Additionally, staff are currently recruiting a Water Use Efficiency Specialist with interviews taking place this month. This new position will provide a dedicated capacity for customer assistance, water-use efficiency programs, outreach, and analysis of water-use data. The position will also allow the District to take a proactive approach to identifying and addressing excessive water use and helping customers save money on their bill.

Staff will continue to evaluate opportunities to assist customers with water-use efficiency and reduce unnecessary water use and runoff.



FINANCIAL IMPACT

In Fiscal Year 2027, \$861,035 is budgeted for Public Affairs Support Services; \$160,970 has been spent to date.

ATTACHMENTS

None.