



REGULAR BOARD MEETING AGENDA
BOARD OF DIRECTORS MEETING
MALAGA COUNTY WATER DISTRICT
3580 SOUTH FRANK STREET
FRESNO, CALIFORNIA 93725
Tuesday, July 24, 2018 at 6:00PM

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a District Board Meeting, please contact the District Office at 559-485-7353 at least 48 hours prior to the meeting, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

- ❖ Please submit all written correspondence for the Board of Directors by 12:00 pm the Friday prior to the meeting. Please deliver or mail to the District Clerk.
- ❖ Public comments are limited to three (3) minutes or less per individual per item, with a fifteen (15) minute maximum per group per item and will be heard during the communication portion of the agenda.

1. Call to Order:

2. Roll Call: President Charles Garabedian, Jr.; Vice President Salvador Cerrillo; Director Irma Castaneda; Director Frank Cerrillo, Jr.; Director Carlos Tovar, Jr.

3. Certification: Certification was made that the Board Meeting Agenda was posted 72 hours in advance of the meeting.

4. Consent Agenda. The items listed below in the Consent Agenda are routine in nature and are usually approved by a single vote. Prior to any action by the Board of Directors, any Board member may remove an item from the consent agenda for further discussion. Items removed from the Consent Agenda may be heard immediately following approval of the Consent Agenda or set aside for discussion and action after Regular Business.

a. Minutes of the Regular Board Meeting of July 10, 2018.

Recommended action: To approve the Consent Agenda as presented or amended.

Motion by: _____; **Second by:** _____

5. Old Business:

a. **Water Meter Project: Notice of Award.** Vulcan Construction & Maintenance, Inc. (Vulcan) was the apparent low bidder at \$1,310,435 for the water meter project and the bid has been reviewed and approved by the state for award.

Recommended action: To award the water meter project contract to Vulcan which requires them to execute the contract and provide necessary bonds and insurance certificates within ten (10) days of notification of the award.

Motion by: _____; **Second by:** _____.

- b. **Resolution 7-24-2018: Debt Management Policy.** Senate Bill 1029 (SB 1029) requires agencies to adopt a Debt Management Policy to manage long-term debt and is a requirement for funding of the Water Meter Project.

Recommended action: To adopt Resolution 7-24-2018 establishing a Debt Management Policy for Malaga County Water District for the purpose of compliance and funding of the Water meter Project.

Motion by: _____; **Second by:** _____.

- c. **Resolution 7-24-2018A: Amendment to the Solid Waste Franchise Agreement.** A Resolution to modify the method for calculating consumer price index (CPI) annual increases to solid waste disposal service rates. The modification is to use the April-April State of California CPI calculator to determine annual rate increases to be effective 1 July annually.

Recommended action: To adopt Resolution 7-24-2018A modifying the solid waste franchise agreement.

Motion by: _____; **Second by:** _____.

6. New Business:

- a. **North Kings Groundwater Sustainability Agency (NKGSA).** A presentation by Gary Serrato, Executive Officer, NKGSA to inform the Board of Directors of the development of a Groundwater Sustainability Plan (GSP) for the NKGSA.

For information, discussion, and potential action.

7. Recreation Reports: To be submitted at the meeting.

8. Engineer Reports:

- a. District Engineer Report. Memo dated 20 July 2018 outlining water meter project actions to award the contract and adopt a Debt Management Policy.
- b. CDBG Engineer Report: It has been determined that the A/C units for CDBG 16451 (Rec Center A/C project) are too heavy to be mounted on the roof of the building. The General Manager meet with the CDBG Engineer and design engineer to identify alternative locations for the A/C units.

9. General Manager's Report:

- a. Department reports
b. Continuation haulers update
c. Website updates
d. P&P manual review

10. President's Report:

11. Vice President's Report:

12. Director's Reports:

13. Legal Counsel Report:

14. Communications:

- a. Written Communications:
- b. Public Comment:

15. Closed Session:

16. Adjournment:

Motion by: _____, **Second by:** _____

Certification of Posting

I, Norma Melendez, District Clerk of the Malaga County Water District, do hereby certify that the foregoing agenda for the Regular Meeting of the Board of Directors of July 24, 2018 was posted for public view on the front window of the MCWD office at 3580 S. Frank Street, Fresno Ca 93725, at 5:00P.M. On 07/20/2018.

Norma Melendez

Norma Melendez, District Clerk



**REGULAR BOARD MEETING MINUTES
BOARD OF DIRECTORS MEETING
MALAGA COUNTY WATER DISTRICT
3580 SOUTH FRANK STREET
FRESNO, CALIFORNIA 93725
Tuesday, July 10, 2018 at 6:00PM**

In compliance with the Americans with Disabilities Act, if you need special assistance to participate in a District Board Meeting, please contact the District Office at 559-485-7353 at least 48 hours prior to the meeting, to ensure that reasonable arrangements can be made to provide accessibility to the meeting.

- ❖ Please submit all written correspondence for the Board of Directors by 12:00 pm the Friday prior to the meeting. Please deliver or mail to the District Clerk.
- ❖ Public comments are limited to three (3) minutes or less per individual per item, with a fifteen (15) minute maximum per group per item and will be heard during the communication portion of the agenda.

1. Call to Order: 6:00 p.m.

2. Roll Call: President Charles Garabedian, Jr.; Vice President Salvador Cerrillo; Director Irma Castaneda; Director Frank Cerrillo, Jr.; Director Carlos Tovar, Jr.
All Present.

3. Certification: Certification was made that the Board Meeting Agenda was posted 72 hours in advance of the meeting.

4. Old Business:

- a. **Water Meter Project.** Bids for the water meter project were opened on 22 June and Vulcan Construction was the apparent low bidder at \$1,312,810. Final bid documents have been submitted for review.

For information and discussion.

Discussion was held. No reportable action.

- b. **Resolution 7-10-2018: CDBG 16451.** A Resolution to approve the re-bid for the project. A staff report and supporting documents are attached for consideration to approve the CDBG 16451 bid by Lighthouse Electric for \$227,231 which will require matching funds of \$47,200 to be paid by the District.

Recommended action: To adopt Resolution 7-10-2018 accepting the bid by Lighthouse Electric and payment of matching funds to complete the project. It is also recommended that the General Manager be authorized to sign documents as necessary for the project to be completed.

Motion by Vice President Cerrillo; Second by Director Castaneda and by a 5-0 vote to adopt Resolution 7-10-2018 as presented.

- c. **R/O Continuation Rights.** The District has authorized continuation rights to R/O solid waste haulers who meet the District's conditions. It is recommended that the Board of Directors hold a discussion whether all haulers must comply with the same rates as the

exclusive franchise hauler. Some haulers do not charge R/O bin rental fees, also pull rates and tipping fees vary among haulers. For discussion and potential action.

No reportable action.

5. New Business: No new business for this meeting.

6. Recreation Reports: To be submitted at the meeting.

Romana Campos has reported to have secured bike donations to raffle on Fiesta Day. No new programs for the month of July. The Back to School program is scheduled for August 10.

7. Engineer Reports:

a. District Engineer Report. Water meter project bids are under review.

b. CDBG Engineer Report:

i. CDBG 16451 (Well 6 VFD) has been flagged by HUD for inactivity. CDBG 17451 (Rec Center A/C project) has also been flagged for inactivity. The Fresno County Community Development Division requires that at a minimum a request for reimbursement for both projects must be submitted by Friday, 13 July. The CDBG Engineer has been advised.

ii. A discussion with the Board of Directors whether to apply for a CDBG grant for FY 2019-20. The last submission to improve the park walking path was rated 8 out of 10 projects and will not be funded.

8. General Manager's Report:

a. Department reports.

b. Other reports.

c. Status of the park restroom construction project.

9. President's Report:

Nothing to report.

10. Vice President's Report:

Reminded fellow Board Members that sign-ups for the upcoming election will open Monday, July 16.

11. Director's Reports:

Nothing to report.

12. Legal Counsel Report:

Nothing to report.

13. Consent Agenda. The items listed below in the Consent Agenda are routine in nature and are usually approved by a single vote. Prior to any action by the Board of Directors, any Board member may remove an item from the consent agenda for further discussion. Items removed from the Consent Agenda may be heard immediately following approval of the Consent Agenda or set aside for discussion and action after Regular Business.

a. Minutes of the Regular Board Meeting of June 26, 2018.

b. Financial Statements and Account Payable reports.

Recommended action: To approve the Consent Agenda as presented or amended.

Motion by Vice President Cerrillo, Second by Director Cerrillo to approve Consent Agenda as presented.

14. Communications:

- a. Written Communications: **None for this meeting.**
- b. Public Comment: **None for this meeting.**

15. Closed Session: No closed session item for this meeting.

16. Adjournment:

Motion by Vice President Cerrillo, Second by Director Cerrillo to adjourn the meeting at 7:18p.m.

SECTION 00 51 00

NOTICE OF AWARD

TO: Vulcan Construction & Maintenance Inc.
1010 W. Whitesbridge Avenue
Fresno, CA 93706

PROJECT: Malaga County Water District
Water Meter Project

The Owner has considered the bid submitted by you for the above described Work in response to its Notice Inviting Bids dated May 28, 2018, and the Instructions to Bidders.

You are hereby notified that your bid has been accepted, and the sum of the items amounts to \$ 1,310,435.00.

You are required by the Instructions to Bidders to execute the Contract and provide the necessary bonds and insurance certificates within ten (10) calendar days from the date of this Notice.

If you fail to execute said Contract within ten (10) days from the date of this Notice, Owner will be entitled to consider all your rights arising out of Owner's acceptance of your bid as abandoned. Owner will be entitled to such other rights as may be granted by law.

You are required to return an acknowledged copy of this Notice of Award to Owner.

Dated this day of July, 2018.

Malaga County Water District
OWNER

By: James D. Anderson

Title: General Manager

ACCEPTANCE OF NOTICE

Receipt of the foregoing Notice of Award is hereby acknowledged

By: _____

this the _____ Day of _____, 20

By: _____

Title _____

END OF SECTION

RESOLUTION NO. 07-24-2018

**A RESOLUTION OF THE BOARD OF DIRECTORS
OF THE MALAGA COUNTY WATER DISTRICT
ADOPTING AN SB 1029 COMPLIANT DEBT MANAGEMENT POLICY**

WHEREAS, the Malaga County Water District must establish an SB 1029 Compliant Debt Management Policy in order to obtain loan financing through the Clean Water or Safe Drinking Water State Revolving Funds; and

WHEREAS, the Malaga County Water District wishes to enter into long-term financing obligations to acquire and/or construct capital assets to meet the service needs of the District; and

WHEREAS, these financial obligations must be managed properly; and

WHEREAS, the adoption of long-term financial strategy and policy is important to ensure sound financial management practices; and

WHEREAS, for the purpose of this policy, long-term financial obligations are those that exceed one fiscal year, and include certificates of participation, bonds, or similar instruments (including, but not limited to, bank loans and letters of credit) that require the acquisition of capital from the financial markets and are supported by the District's municipal credit rating.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the Malaga County Water District that the attached SB 1029 Compliant Debt Management Policy is hereby adopted.

I do hereby certify that the foregoing is a full, true, and correct copy of a resolution passed and adopted at a regular meeting of the Malaga County Water District held on the 24th day of July, 2018.

AYES:

NOES:

ABSENT:

Charles E. Garabedian, Jr.
President of the Board of Directors of the
Malaga County Water District.

ATTEST:

James D. Anderson
Secretary of the Board of Directors of
The Malaga County Water District

MALAGA COUNTY WATER DISTRICT

SB 1029 COMPLIANT DEBT MANAGEMENT POLICY

PURPOSE

The purpose of this document is to establish a policy governing long-term financial obligations for the Malaga County Water District (or “District”).

BACKGROUND

Senate Bill (SB) 1029 imposed a requirement into Government Code 8855(i) requiring agencies to adopt a debt management policy for managing long-term debt. In order to obtain financing through the Clean Water and Safe Drinking Water State Revolving Funds (CWSRF and SDWSRF), a Debt Management Policy must be adopted by the District. Generally, the policy requires the following elements:

1. The purpose for which the debt proceeds may be used.
2. The types of debt that may be issued.
3. The relationship of the debt to, and integration with, the issuer’s capital improvement program or budget, if applicable.
4. Policy goals related to the issuer’s planning goals and objectives.
5. The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the debt issuance will be directed to the intended use.

The Malaga County Water District understands that it may need to enter into long-term financial obligations to acquire or construct capital assets to meet the service needs of the District, and that these financial obligations must be managed properly. The adoption of long-term financial strategy and policy is important to ensure sound financial management practices. The policy is general and therefore allows for exceptions in extraordinary conditions. For the purposes of this policy, long-term financial obligations are those that exceed one fiscal year, and include certificates of participation, bonds, or similar instruments (including, but not limited to, bank loans and letters of credit) that require the acquisition of capital from the financial markets and are supported by the District’s municipal credit rating.

1 PURPOSE AND USE

It is the policy of the Malaga County District that the following guidelines and restrictions will be applied during the debt issuance process and the management of the District’s debt portfolio:

- 1.1 Malaga County Water District will only issue long-term debt that is specifically authorized by resolution.
- 1.2 Malaga County Water District will describe the debt, reference applicable authorizing resolution, and indicate the purpose for which it will be used.

- 1.3 Prior to issuance of long-term debt, Malaga County Water District will:
 - 1.3.1 Asses its ability to repay the obligation,
 - 1.3.2 Identify the funding source of payment,
 - 1.3.3 Evaluate the impact of the ongoing obligation on the current and future budgets,
 - 1.3.4 Assess the operational and maintenance requirements of the project to be financed,
 - 1.3.5 Consider the impact on the District's credit rating.
- 1.4 Malaga County Water District will consider the useful life of the project or projects being financed in relation to term of the long-term obligation.
- 1.5 Long-term financial obligations will not be used to finance current operations or for recurring operational needs.
- 1.6 Malaga County Water District may consider long-term financial obligations for the purpose of funding capital improvements to its utility infrastructure. Specific improvement projects should be first identified in one of the following:
 - 1.6.1 A utility master plan,
 - 1.6.2 Project feasibility study,
 - 1.6.3 District capital improvement plan or program, or
 - 1.6.4 Utility rate study.

2 TYPE OF DEBT

The Malaga County Water District may consider conventional loans from private sources and State and Federal funding agencies. In addition, the District may consider assessment district and community facilities district financing to provide for public improvements, whether initiated by petition of the property owners or the District. Regardless of the structure of long-term debt, the District will adhere to the following practices:

- 2.1 The lowest overall financing cost to the District, and its ratepayers, will be sought.
- 2.2 Fixed interest rates and loan terms will be sought in all cases.
- 2.3 Loan terms shall coincide with the estimated useful life of the asset being financed, or the maximum term allowed under applicable statute.
- 2.4 Debt service amortization will be provided on a level basis.

3 DEBT INTEGRATION WITH DISTRICT FINANCES

Malaga County Water District shall evaluate financial impacts to the District fund in which the debt is being obligated. Use of master planning, capital improvement programs, and/or feasibility studies shall be utilized to evaluate and determine the scope of the capital improvement projects requiring long-term

financing. District staff, or consultants, shall evaluate grant opportunities for specific projects before pursuing long-term debt financing.

A financial evaluation of the overall impacted District fund shall be performed. This can be performed on a project-specific basis or as part of the District's five-year utility budget evaluation. The District will strive to maintain the lowest overall utility rates to its rate payers and accomplish the following management practices within each utility fund:

- Maintain an operating reserve fund.
- Maintain separate debt service reserves as required by specific funding sources, typically equivalent to one annual principal and interest payment.
- Maintain a short-lived asset reserve for replacing assets with useful lives between five and twenty years.
- Maintain a capital asset replacement reserve.

Long-term debt obligations are additive to the reserves described above. Utility user rates are determined based on the revenue needed to pay for budgeted expenses, fund required reserves, and meet long-term debt obligations.

4 POLICY GOALS

Malaga County Water District will only pursue long-term debt if the need is consistent with capital project improvements associated with an approved master plan, capital improvement program, or project-specific feasibility study. The need for capital improvements can be dictated by:

- Regulatory mandate,
- Correction of a non-compliance deficiency, or
- Replacement of assets that have reached or exceeded their useful lives.

5 INTERNAL CONTROLS

Malaga County Water District's internal control procedures for payment of long-term debt include review and approval by the General Manager, reporting to the Board of Directors for review and approval, and recording by the General Manager. The General Manager typically has authority to approve deposits and expenditures as designated by the Board of Directors. Access to bank account funds requires two signatures by the General Manager, Office Manager, or members of the Board of Directors. The District hires an outside accounting firm each year to review and provide audited financial statements for the District's finances.

RESOLUTION NO. 7-24-2018A

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE MALAGA COUNTY WATER DISTRICT APPROVING A SECOND AMENDMENT TO THE SOLID WASTE AND RECYCLING FRANCHISE AGREEMENT BETWEEN THE MALAGA COUNTY WATER DISTRICT AND INDUSTRIAL WASTE AND SALVAGE FOR SOLID WASTE COLLECTION, GREEN WASTE COLLECTION, RECYCLING SERVICES EFFECTIVE AUGUST 1, 2016 AMENDED BY THE BOARD OF DIRECTORS ON DECEMBER 12, 2017.

WHEREAS, on August 23, 2016, the Board of Directors of the Malaga County Water District approved an Agreement between the Malaga County Water District (“District”) and Orange Avenue Disposal, Inc. dba, Industrial Waste and Salvage (“IWS”) making IWS the exclusive solid waste enterprise to provide Residential and Commercial solid waste collection and disposal services within the District’s boundaries (the “Franchise Agreement”); and

WHEREAS, the Franchise Agreement contains a provision at section 7.3 for an annual rate increase, effective August 1 of each year, based on the California consumer price index (“CPI”) change as measured year over year based on the published June CPI; and

WHEREAS, in January 2018, the United States Bureau of Labor Statistics made certain changes to the way the CPI is calculated resulting in a change of reporting dates of the California CPI by the California Department of Industrial Relations; and

WHEREAS, as a result of the changed reporting dates, the California CPI for June each year will not be available until mid-August of each year; therefore section 7.3 of the Franchise Agreement needs to be amended to reflect that the annual CPI adjustment will be based on the published April CPI year over year which will be published in mid-June each year and a corresponding on time change in the CPI rate adjustment calculation method for the 2018 rate year; and

WHEREAS, the District desires to and hereby amends section 7.3 of the Franchise Agreement as attached hereto as Attachment 1.

NOW THEREFORE, BE IT RESOLVED, by the Board of Directors of the Malaga County Water District as follows:

1. That the foregoing recitals are true and correct and are incorporated by this reference herein as though fully set forth at this point.

2. The Board of Directors of the Malaga County Water District hereby approves the Second Amendment to the Franchise Agreement a correct copy is attached hereto as Attachment 1 to this Resolution pertaining to the method in which the annual CPI rate increase is calculated and authorizes the President of the Board of Directors signing of that Amendment on behalf of the District.

* * * * *

Passed and adopted by the Board of Directors of the Malaga County Water District at their meeting held on this 24th day of July 2018, by the following vote:

AYES:

NOES:

ABSENT:

Charles Garabedian, Jr., President
Malaga County Water District

ATTEST:

James D. Anderson, General Manager-
Secretary of the Board of Directors
Malaga County Water District

item 5.c.2.

Second Amendment to the Solid Waste and Recycling Franchise Agreement
Between the
Malaga County Water District
And
Industrial Waste and Salvage
For Solid Waste Collection,
Green Waste Collection,
Recycling Services
Effective August 1,2016

WHEREAS, Malaga County Water District, (“District”) and Orange Avenue Disposal Company, a California Corporation, dba Industrial Waste and Salvage (the “Contractor”) or (the “Parties”) entered into a Franchise Agreement for solid waste collection, green waste collection, and recycling services on or about the 23rd day of August, 2016 with an effective date of August 1, 2016, (the “Agreement”); and

WHEREAS, Section 13.5 of the Agreement allows the Agreement to modified or amended of the Agreement provided that the Amendment is in writing and signed by the Parties; and

WHEREAS, the Franchise Agreement contains a provision at section 7.3 for an annual rate increase, effective August 1 of each year, based on the California consumer price index (“CPI”) change as measured year over year based on the published June CPI; and

WHEREAS, in January 2018, the United States Bureau of Labor Statistics made certain changes to the way the CPI is calculated resulting in a change of reporting dates of the California CPI by the California Department of Industrial Relations; and

WHEREAS, as a result of the changed reporting dates, the California CPI for June each year will not be available until mid-August of each year; therefore section 7.3 of the Franchise Agreement needs to be amended to reflect that the annual CPI adjustment will be based on the published April CPI year over year which will be published in mid-June each year and a corresponding change in the method the 2018 rate year CPI adjustment to account for the change in index months; and

WHEREAS, the Parties desires to amend section 7.3 of the Franchise Agreement as set forth below.

NOW, THEREFORE, THE PARTIES AGREE as follows:

1. That the foregoing recitals are true and correct and are incorporated by this reference herein as though fully set forth at this point.

2. The Agreement be amended by amending Section 7.3 of the Agreement as follows:

“7.3 Annual Rate Adjustment

An annual rate adjustment will be made each year starting on the 1st anniversary of the agreement and shall be conducted strictly in accordance with the following formula. For each succeeding year, beginning with the Rate Year beginning August 1, 2017, the rates set forth in the Service Rates shall be calculated by multiplying the prior year's rate by one (1) plus one hundred percent (100%) of the percentage change in the “California Consumer Price all urban consumers (1982-1984 =100) as published by the California Office of Policy, Research, and Legislation” (or some other mutually agreed-upon index, if phased out), between the index value published the previous June and the corresponding index published twelve (12) months earlier. Due to a change in the reporting dates in 2018, the CPI adjustment for the rate year beginning August 1, 2018, the CPI will be based on the change in index value from June 2017 (262.286) to April 2018 (271.21) resulting in a 3.4% CPI rate adjustment. Subsequent rate years CPI rate adjustment will be based on the year to year change of the April published index value.

In no event shall Contractor be entitled to a CPI rate increase which exceeds ten percent (10%). If the CPI exceeds ten percent (10%) inflation for a given annual period, Contractor may request a commensurate rate adjustment if and only if Contractor submits cost information demonstrating that its variable costs subject to CPI adjustment have increased more than ten percent (10%). The District may consider such a request based on the information submitted by Contractor or, at its option, may require an audit of financial data relevant to Contractor's request. If the District elects to have an audit performed, the auditor shall be selected by mutual agreement of the parties, and the Contractor shall pay the cost of the audit. If the audit confirms that Contractor's CPI-variable costs have increased ten percent (10%) or more, District shall consider a greater rate adjustment commensurate with the actual increase in such costs, up to but not to exceed the CPI inflation rate, and provided the rate increase may be implemented consistent with applicable law. If the audit reveals that such costs have increased less than ten percent (10%), District shall consider granting a rate adjustment commensurate only with the actual increase in CPI-variable costs. Conversely, if CPI deflation exceeds ten percent (10%) for a given annual period, Contractor may demonstrate to District that its variable costs have deflated less than ten percent (10%), in which case the rate adjustment, if approved, shall be commensurate with the actual deflation in that portion of the Contractor's costs. In the event that Contractor is granted a CPI rate increase that exceeds ten percent (10%), then said rate increase maybe subject to and not effective until the District complies with the requirements of Article 13D of the California Constitution more commonly referred to as Proposition 218. If Contractor requests a CPI rate increase in excess of ten percent (10%), then Contractor will pay the District's costs including, but not limited to, the preparation and mailing of Proposition 218 Notices.”

3. Effective Date.

The Effective Date of this Second Amendment to the Agreement shall be July 24, 2018.

4. Counterparts.

This Second Amendment to the Agreement may be executed in counterparts, each of which shall be considered an original.

5. Authority.

Authority to Execute. The signatories to this Amendment No. 1 represent that they have the proper Authority to execute this Agreement on behalf of the Party they represent.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment to the Solid Waste and Recycling Franchise Agreement between the Malaga County Water District and Industrial Waste and Salvage for Solid Waste Collection, Green Waste Collection, and Recycling Services.

DISTRICT:

MALAGA COUNTY WATER DISTRICT

CONTRACTOR:

ORANGE AVENUE DISPOSAL
DBA: INDUSTRIAL WASTE AND
SALVAGE

By _____
Charles Garabedian, Jr. President
Board of Directors of the
Malaga County Water District

By _____
(Name and Title)

APPROVED AS TO FORM:

Neal E. Costanzo, Legal Counsel



Engineering
Surveying
Planning
Environmental
GIS
Construction Services
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FAX TRANSMITTAL

To: Malaga County Water District
CC: File
From: Michael Taylor
Subject: Agenda Items for July 24, 2018
Date: July 20, 2018

Fax: 485-7319

Fax:

No. of pages: 2
(including this page)

Original to follow by mail: NO

ENGINEER'S REPORT ITEMS:**Water Meter Project:**

Bids for the Water Meter Project were received on June 28, 2018. A Canvass of Bids and copy of the Bidder Proposal of the apparent low bidder were submitted to the District and to the State for review. The State DFA has notified the District that an award to Vulcan Construction is approved in the amount of \$ 1,310,435. The State, however, has not completed the Final Budget Adjustment for the project and will not be able to process reimbursement requests until the Final Budget Adjustment is completed.

It is recommended that the District award the Water Meter Project to Vulcan Construction in the amount of \$ 1,310,435. It is noted that the District will be required to fund the initial several months of work with District funds while the State completes the Final Budget Adjustment and then processes reimbursement requests.

In order to obtain financing through the Clean Water and Safe Drinking Water State Revolving Funds (CWSRF and SDWSRF), a Debt Management Policy must be adopted by the District, in compliance with SB 1029. Generally, the policy requires the following elements:

1. The purpose for which the debt proceeds may be used.
2. The types of debt that may be issued.
3. The relationship of the debt to, and integration with, the issuer's capital improvement program or budget, if applicable.
4. Policy goals related to the issuer's planning goals and objectives.

Should you not receive all the pages, please call us as soon as possible at (559) 449-2700.

CONFIDENTIALITY NOTE

This and any accompanying pages contain information which is confidential and privileged. The information is intended for the use of the individual or entity named above. If you are not the intended recipient, then be aware that any disclosure, copying, distribution or use of the accompanying document (or the information contained in it) is prohibited. If you have received this facsimile transmission in error, please notify our office immediately so that we can arrange for retrieval at no cost to you.

5. The internal control procedures that the issuer has implemented, or will implement, to ensure that the proceeds of the debt issuance will be directed to the intended use.

It is recommended that the District consider the Resolution Adopting an SB 1029 Compliant Debt Management Policy.