

COOPERATIVE AGREEMENT

This Cooperative Agreement ("Agreement") is made and entered into this _____ day of 9/19/2024 2024, by and between the MESA WATER DISTRICT ("DISTRICT"), a California water district formed pursuant to Section 34000 et seq. of the California Water Code ("MESA WATER"), and the CITY OF HUNTINGTON BEACH ("CITY"), a municipal corporation in the State of California. MESA WATER and CITY shall sometimes be referred to separately as a "PARTY" and collectively as the "PARTIES".

RECITALS

- A. WHEREAS, on January 16, 2024, and April 16, 2024, CITY staff conducted a Study Session and Proposition 218 Public Hearing, respectively, related to water infrastructure needs and the need for a rate adjustment. During the presentations, staff emphasized that six of the CITY's nine wells are near 50 years old and at the end of their useful design life. In the event of a well failure, it would take approximately 3 years to design and build a new well at a cost of approximately \$6 million. Furthermore, staff estimates the well failure would also result in \$2.3 million in additional import water costs annually until the new well was fully complete and placed into operation; and
- B. WHEREAS, on March 19, 2024, MESA WATER's Board of Directors discussed the potential for an interagency water transfer between the PARTIES. After the discussion, MESA WATER's Board approved funding a study and authorized up to 50% of \$150,000 to further investigate providing the CITY with groundwater; and
- C. WHEREAS, on April 1, 2024, MESA WATER completed the construction of two new potable (drinking) water wells, Croddy Well No. 14, and Chandler Well No. 12. Both which are now MESA WATER's largest producing wells, each pumping approximately 4,000 gallons per minute, and adding more than 50% to their community's water supply; and
- D. WHEREAS, two of the CITY's wells are currently out of service, and one additional well may be impacted soon because of a new Per- and polyfluoroalkyl substances (PFAS) final National Primary Drinking Water Regulation (NPDWR) set by the United States Environmental Protection Agency (EPA); and
- E. WHEREAS, the CITY desires to secure an alternative, cost-efficient water supply in the event of a well failure by partnering with MESA WATER via an Interagency Water Transfer Agreement;

NOW, THEREFORE, in consideration of the Agreement contained hereinbelow, the PARTIES agree as follows:

AGREEMENT

1. **Scope of Work**

The PARTIES agree to conduct a feasibility study to determine if MESA WATER can reliably serve water to the CITY. The scope of work for the feasibility study will include, but not be limited to, the following:

A. **Project Initiation and Planning**

- Define project goals and objectives.
- Identify key stakeholders and establish communication protocols.
- Develop a detailed project plan, including timelines and milestones.

B. **Data Collection and Analysis**

- Gather and review existing data on water supply, demand, and infrastructure from both MESA WATER and the CITY.
- Conduct field assessments and site visits to understand the current conditions and capacities of MESA WATER's water facilities and the CITY's water distribution system.

C. **Water Demand and Supply Analysis**

- Analyze current and projected water demand in the CITY.
- Assess the available water supply from MESA WATER's wells and other sources.
- Evaluate the reliability and sustainability of MESA WATER's water supply to meet the CITY's needs.

D. **Infrastructure Assessment**

- Examine the capacity and condition of MESA WATER's water production and distribution infrastructure.
- Identify any necessary upgrades or modifications to MESA WATER's system to support the additional demand from the CITY.
- Assess the compatibility of interconnection points between MESA WATER and the CITY's water systems.

E. **Regulatory and Environmental Considerations**

- Identify and evaluate regulatory requirements and compliance issues.
- Assess potential environmental impacts and necessary mitigation measures.
- Review any relevant permits and approvals required for the interagency water transfer, including, but not limited to, the Orange County Water District.

F. **Cost Analysis**

- Estimate the costs associated with any required infrastructure upgrades or modifications.

- Calculate the operational and maintenance costs for the increased water supply.
- Develop a financial model to project costs and benefits over the long term.

G. Risk Assessment

- Identify potential risks and uncertainties associated with the water transfer.
- Develop risk mitigation strategies and contingency plans.

H. Feasibility Evaluation

- Integrate findings from the demand, supply, infrastructure, regulatory, environmental, and cost analyses.
- Evaluate the technical, economic, and operational feasibility of the proposed water transfer.
- Provide recommendations on the viability of the project and potential next steps.

I. Reporting and Presentation

- Prepare a comprehensive final report summarizing the study's findings, analyses, and recommendations.
- Present the findings to the key stakeholders, including the Boards of MESA WATER and the CITY.
- Address any questions and incorporate feedback into the final report.

J. Project Management and Coordination

- Regularly update both MESA WATER and the CITY on the progress of the study.
- Coordinate meetings and communications between all parties involved.
- Ensure that the project stays on schedule and within budget.

2. Cost Sharing

The total cost of the feasibility study is estimated to be \$150,000. The PARTIES agree to share the cost equally, with each PARTY contributing \$75,000.

3. Lead Agency

MESA WATER will take the lead on the feasibility study, overseeing the selection of consultants, coordination of the study, and overall project management. However, the CITY shall have equal rights in the selection of consultants and shall actively participate in the study. Both PARTIES will collaboratively develop the study's scope, review interim findings, and make joint decisions to ensure the study meets the objectives of both MESA WATER and the CITY.

4. Duration

The feasibility study is expected to take 3-4 months to complete from the date of commencement.

5. Payment Terms

Each PARTY will be invoiced for their share of the study costs by MESA WATER and shall make payment within 30 days of receiving the invoice.

6. Reporting and Communication

MESA WATER will provide regular updates to the CITY on the progress of the study and will furnish a final report upon completion.

7. Effective Date and Termination

This Agreement shall become effective on the date it is executed by both PARTIES and shall terminate upon the completion of the feasibility study and full payment by both PARTIES. Both PARTIES may terminate this agreement at any time by giving the other party written notice thereof. Upon termination, each party will pay for the portion of the work completed prior to termination.

8. Miscellaneous

This Agreement constitutes the entire agreement between the PARTIES regarding the subject matter hereof and supersedes all prior negotiations, representations, or agreements, either written or oral. Any amendments or modifications to this Agreement must be in writing and signed by both PARTIES. If any provision of this Agreement is found to be invalid or unenforceable, the remaining provisions shall continue in full force and effect.

Notices. Any notice, request, demand, consent or approval, or other communication required or permitted hereunder by law, shall be validly given and made only if in writing and delivered in person to an officer or duly authorized representative of the party, or deposited in the United States mail, first class postage prepaid, and addressed to the party for whom intended as follows:

To Mesa Water®: Mesa Water District
 Attention: Andrew D. Wiesner, P.E.
 1965 Placentia Avenue
 Costa Mesa, CA 92627

City of Huntington Beach: City of Huntington Beach
 Attention: Alvin Papa, P.E.
 2000 Main Street
 Huntington Beach, CA 92648

Certificate Of Completion

Envelope Id: FEAAD6E1B33B460DB1FA63C5B6FBA8B5 Status: Completed
Subject: Complete with Docusign: Mesa Water and City of Huntington Beach Cooperative Agreement.pdf
Source Envelope:
Document Pages: 5 Signatures: 1 Envelope Originator: Greg Pentoney
Certificate Pages: 5 Initials: 0 gregp@mesawater.org
AutoNav: Enabled IP Address: 135.84.126.20
Envelopeld Stamping: Enabled
Time Zone: (UTC-08:00) Pacific Time (US & Canada)

Record Tracking

Status: Original Holder: Greg Pentoney Location: DocuSign
9/19/2024 3:22:40 PM gregp@mesawater.org

Signer Events

Paul E. Shoenberger
pauls@mesawater.org
General Manager
Security Level: Email, Account Authentication (None)

Signature

Signed by: Paul E. Shoenberger
72268B30865B434...
Signature Adoption: Pre-selected Style
Using IP Address: 108.147.175.62
Signed using mobile

Timestamp

Sent: 9/19/2024 3:24:49 PM
Viewed: 9/19/2024 3:36:17 PM
Signed: 9/19/2024 3:36:38 PM

Electronic Record and Signature Disclosure:
Accepted: 9/19/2024 3:36:16 PM
ID: 1b3e4ffd-005c-4f6f-8d58-aa31a633a245

In Person Signer Events Signature Timestamp

Editor Delivery Events Status Timestamp

Agent Delivery Events Status Timestamp

Intermediary Delivery Events Status Timestamp

Certified Delivery Events Status Timestamp

Carbon Copy Events Status Timestamp

Andrew Wiesner
andreww@mesawater.org
District Engineer
Security Level: Email, Account Authentication (None)

COPIED

Sent: 9/19/2024 3:36:39 PM
Viewed: 9/19/2024 3:37:26 PM

Electronic Record and Signature Disclosure:
Not Offered via DocuSign

Mark Pelka
markp@mesawater.org
Security Level: Email, Account Authentication (None)

COPIED

Sent: 9/19/2024 3:36:40 PM

Electronic Record and Signature Disclosure:
Accepted: 10/20/2021 5:20:43 PM
ID: 2f93d61c-2b45-4407-ab49-9b0789578565

Carbon Copy Events	Status	Timestamp
Wendy Kovacevic wendyd@mesawater.org Records Management Specialist Mesa Water District Security Level: Email, Account Authentication (None) Electronic Record and Signature Disclosure: Not Offered via DocuSign	<div style="border: 2px solid blue; padding: 5px; display: inline-block; color: blue; font-weight: bold; font-size: 1.2em;">COPIED</div>	Sent: 9/19/2024 3:36:41 PM

Witness Events	Signature	Timestamp
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Notary Events	Signature	Timestamp
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Envelope Summary Events	Status	Timestamps
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Envelope Sent	Hashed/Encrypted	9/19/2024 3:24:49 PM
Certified Delivered	Security Checked	9/19/2024 3:36:17 PM
Signing Complete	Security Checked	9/19/2024 3:36:38 PM
Completed	Security Checked	9/19/2024 3:36:41 PM

Payment Events	Status	Timestamps
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Electronic Record and Signature Disclosure
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ELECTRONIC RECORD AND SIGNATURE DISCLOSURE

From time to time, Mesa Water District (we, us or Company) may be required by law to provide to you certain written notices or disclosures. Described below are the terms and conditions for providing to you such notices and disclosures electronically through the DocuSign system. Please read the information below carefully and thoroughly, and if you can access this information electronically to your satisfaction and agree to this Electronic Record and Signature Disclosure (ERSD), please confirm your agreement by selecting the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

Getting paper copies

At any time, you may request from us a paper copy of any record provided or made available electronically to you by us. You will have the ability to download and print documents we send to you through the DocuSign system during and immediately after the signing session and, if you elect to create a DocuSign account, you may access the documents for a limited period of time (usually 30 days) after such documents are first sent to you. After such time, if you wish for us to send you paper copies of any such documents from our office to you, you will be charged a \$0.00 per-page fee. You may request delivery of such paper copies from us by following the procedure described below.

Withdrawing your consent

If you decide to receive notices and disclosures from us electronically, you may at any time change your mind and tell us that thereafter you want to receive required notices and disclosures only in paper format. How you must inform us of your decision to receive future notices and disclosure in paper format and withdraw your consent to receive notices and disclosures electronically is described below.

Consequences of changing your mind

If you elect to receive required notices and disclosures only in paper format, it will slow the speed at which we can complete certain steps in transactions with you and delivering services to you because we will need first to send the required notices or disclosures to you in paper format, and then wait until we receive back from you your acknowledgment of your receipt of such paper notices or disclosures. Further, you will no longer be able to use the DocuSign system to receive required notices and consents electronically from us or to sign electronically documents from us.

All notices and disclosures will be sent to you electronically

Unless you tell us otherwise in accordance with the procedures described herein, we will provide electronically to you through the DocuSign system all required notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you during the course of our relationship with you. To reduce the chance of you inadvertently not receiving any notice or disclosure, we prefer to provide all of the required notices and disclosures to you by the same method and to the same address that you have given us. Thus, you can receive all the disclosures and notices electronically or in paper format through the paper mail delivery system. If you do not agree with this process, please let us know as described below. Please also see the paragraph immediately above that describes the consequences of your electing not to receive delivery of the notices and disclosures electronically from us.

How to contact Mesa Water District:

You may contact us to let us know of your changes as to how we may contact you electronically, to request paper copies of certain information from us, and to withdraw your prior consent to receive notices and disclosures electronically as follows:

To contact us by email send messages to: marwank@mesawater.org

To advise Mesa Water District of your new email address

To let us know of a change in your email address where we should send notices and disclosures electronically to you, you must send an email message to us at marwank@mesawater.org and in the body of such request you must state: your previous email address, your new email address. We do not require any other information from you to change your email address.

If you created a DocuSign account, you may update it with your new email address through your account preferences.

To request paper copies from Mesa Water District

To request delivery from us of paper copies of the notices and disclosures previously provided by us to you electronically, you must send us an email to marwank@mesawater.org and in the body of such request you must state your email address, full name, mailing address, and telephone number. We will bill you for any fees at that time, if any.

To withdraw your consent with Mesa Water District

To inform us that you no longer wish to receive future notices and disclosures in electronic format you may:

- i. decline to sign a document from within your signing session, and on the subsequent page, select the check-box indicating you wish to withdraw your consent, or you may;
- ii. send us an email to marwank@mesawater.org and in the body of such request you must state your email, full name, mailing address, and telephone number. We do not need any other information from you to withdraw consent.. The consequences of your withdrawing consent for online documents will be that transactions may take a longer time to process..

Required hardware and software

The minimum system requirements for using the DocuSign system may change over time. The current system requirements are found here: <https://support.docusign.com/guides/signer-guide-signing-system-requirements>.

Acknowledging your access and consent to receive and sign documents electronically

To confirm to us that you can access this information electronically, which will be similar to other electronic notices and disclosures that we will provide to you, please confirm that you have read this ERSD, and (i) that you are able to print on paper or electronically save this ERSD for your future reference and access; or (ii) that you are able to email this ERSD to an email address where you will be able to print on paper or save it for your future reference and access. Further, if you consent to receiving notices and disclosures exclusively in electronic format as described herein, then select the check-box next to 'I agree to use electronic records and signatures' before clicking 'CONTINUE' within the DocuSign system.

By selecting the check-box next to 'I agree to use electronic records and signatures', you confirm that:

- You can access and read this Electronic Record and Signature Disclosure; and
- You can print on paper this Electronic Record and Signature Disclosure, or save or send this Electronic Record and Disclosure to a location where you can print it, for future reference and access; and
- Until or unless you notify Mesa Water District as described above, you consent to receive exclusively through electronic means all notices, disclosures, authorizations, acknowledgements, and other documents that are required to be provided or made available to you by Mesa Water District during the course of your relationship with Mesa Water District.