



City of Arts & Innovation

City Council Memorandum

TO: HONORABLE MAYOR AND CITY COUNCIL DATE: JANUARY 4, 2022
FROM: PUBLIC UTILITIES DEPARTMENT WARDS: ALL
**SUBJECT: SHAREHOLDER PROXY AUTHORITY AND ASSIGNMENT OF SHARES FOR
MUTUAL WATER COMPANIES**

ISSUE:

Consider approval to delegate shareholder proxy authority and assignment of shares as detailed in this report.

RECOMMENDATIONS:

That the City Council:

1. Confirm the shareholder proxy authority for voting representatives and alternates detailed in Exhibit "A" in the report;
2. Authorize the assignment of shares for each mutual water company owned by the City to the specified Board of Public Utilities members, City Council members, Utilities General Manager, and staff members as listed in Exhibit "A";
3. Rescind any and all prior assigned shares owned by the City to the mutual water companies listed; and
4. Delegate authority to any designated representative or alternate to vote the City's shares as the City's proxy at all meetings of the respective mutual water companies from the date of this action until amended, consistent with the City's adopted policies and strategic plan.

BOARD RECOMMENDATION:

On November 8, 2021, the Board of Public Utilities unanimously recommended that the City Council approve the voting representatives and alternates of shares for Mutual Water Companies.

DISCUSSION:

Submitted for City Council consideration is the approval of the following representatives and alternates to represent the City at Shareholders Meetings of the mutual water companies listed and delegation of authority to these individuals to vote the City's shares as the City's proxy at all meetings of the respective mutual water companies.

<u>MUTUAL WATER COMPANY</u>	<u>VOTING REPRESENTATIVE</u>	<u>ALTERNATE</u>
Gage Canal Company	Todd M. Corbin	Michael Plinski
Jurupa Ditch Water Company	Todd M. Corbin	Michael Plinski
Riverside Highland Water Co.	Oscar Khoury	Michael Plinski
Trujillo Water Company	David Crohn	Nancy Melendez
Meeks & Daley Water Company	Todd M. Corbin	Michael Plinski

The proxy authority would extend to matters that routinely come before the shareholders for consideration consistent with each company's articles of incorporation and bylaws, as well as voting for representation on the boards of directors for each company. Attached is a list of Annual Shareholder meeting dates and number of shares owned by the City in the various companies. The vote can be made by the shareholder or by proxy. Said proxy to be in writing.

The Gage Canal was constructed in 1885 by Matthew Gage for the purpose of delivering water from the San Bernardino area into Riverside. The City pursued a friendly condemnation of Gage Canal Company water rights and infrastructure assets in 1965. The Gage Canal Company still operates the canal water delivery system for shareholders which includes the City of Riverside as well as other irrigation and agricultural shareholders. The operations of the canal is governed by an Operating Agreement. Gage Canal Company is governed by an 11-member board of directors of which the City has filled 3 seats since the condemnation. The Jurupa Ditch Water Company provides irrigation water to the Rubidoux area and dates back to 1869. The City has a water delivery obligation to the ditch which in turn serves it to shareholders. City representatives regularly attend shareholder meetings. Incorporated in 1898, the Riverside Highland Water Company provides water services to the Grand Terrace and Highgrove area. City representation occurs at the annual shareholder meeting. The Trujillo Water Company historically provided irrigation services to Spanish Town and surrounding areas and obtained a water delivery obligation in 1879 which the City maintains. The Company is governed by an 11-member board of directors and the City has historically filled 9 seats traditionally filled by the 9 members of the Board of Public Utilities. Meeks and Daley Water Company incorporated in 1885 and historically developed water from the San Bernardino area and brought the water into Riverside and parts of Corona and the Temescal Valley. The Company is represented by a 5-member board of directors, of which the City has historically filled 2 seats.

The assignment of shares is a necessary requirement for any member of the Board of Public Utilities to serve on the Gage Canal Company Board of Directors.

STRATEGIC PLAN ALIGNMENT:

Representing the City's interest and participating in local mutual water company meetings supports the City Council Strategic Plan 2025 Priorities and Goals for:

High Performing Government:

Goal 5.3. Enhance communication and collaboration with community members to improve transparency, build public trust, and encourage shared decision making.

Goal 5.5. Foster a culture of safety, well-being, resilience and sustainability across the City Organization.

Infrastructure, Mobility & Connectivity:

Goal 6.2. Maintain, protect and improve assets and infrastructure within the City's built environment to ensure and enhance reliability, resiliency, sustainability, and facilitate connectivity.

Representing the City's interest and participating in local mutual water company meetings align with the City Council's Strategic Plan 2025 Cross-Cutting Thread themes:

1. **Community Trust** – Discussions related to pending policy issues, planning efforts, and actions to be taken by local mutual water companies allows RPU customers to provide input to the RPU Board and to RPU's voting representative and ensures community trust.
2. **Equity** – RPU's representatives understand the need for equitable distribution of services and their participation in local mutual water company meetings ensures those values are represented and communicated.
3. **Fiscal Responsibility** – Determining the value of projects and programs being proposed by local mutual water companies allows RPU representatives to vote in a financially responsible manner.
4. **Innovation** – Collaborating with other neighboring water companies and others throughout the watershed allows for creative and regional solutions. Ensuring reliable and clean water supplies are available for future generations is the goal of water providers.
5. **Sustainability & Resiliency** – RPU's representatives understand the direction from City Council and will encourage and promote projects that are implemented in a sustainable manner.

FISCAL IMPACT:

There is no fiscal impact associated with this report.

Prepared by: Todd M. Corbin, Utilities General Manager
Certified as to
availability of funds: Edward Enriquez, Chief Financial Officer/Treasurer
Approved by: Al Zelinka, FAICP, City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachments:

1. Exhibit "A": 2022 Mutual Water Company Assignment of Shares
2. November 8, 2021 Board of Public Utilities Draft Minutes