



RIVERSIDE PUBLIC UTILITIES

Board Memorandum

BOARD OF PUBLIC UTILITIES

DATE: NOVEMBER 27, 2023

SUBJECT: SHAREHOLDER PROXY AUTHORITY AND ASSIGNMENT OF SHARES FOR MUTUAL WATER COMPANIES

ISSUE:

Consider recommendation to City Council to delegate shareholder proxy authority and assignment of shares as outlined in this report.

RECOMMENDATIONS:

That the Board of Public Utilities recommend that the City Council:

1. Confirm the shareholder proxy authority for voting representatives and alternates outlined 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;
3. Rescind any prior assigned shares owned by the City to the mutual water companies listed for individuals not identified in the Attachment; 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.

DISCUSSION:

Submitted for the Board of Public Utilities' consideration and recommendation to the City Council is the affirmation of the following City voting representation and alternates for Shareholders' Meetings of the mutual water companies in which the City owns stock, and the 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	David A. Garcia	Todd M. Corbin
Jurupa Ditch Water Company	David A. Garcia	Todd M. Corbin
Riverside Highland Water Co.	David A. Garcia	Todd M. Corbin
Trujillo Water Company	Nancy Melendez	Gildardo Ocegüera
Meeks & Daley Water Company	David A. Garcia/Blake Yamamoto	Todd M. Corbin

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.

STRATEGIC PLAN ALIGNMENT:

Representing the City's interest and participating in local mutual water company meetings aligns with **Strategic Priority 5 – High Performing Government** and **Strategic Priority 6 – Infrastructure, Mobility & Connectivity**, and the following goals:

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.

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.

This action aligns with EACH of the five Cross-Cutting Threads as follows:

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 action.

Prepared by: David A. Garcia, Utilities Assistant General Manager/Water
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Certified as to
availability of funds: Kristie Thomas, Finance Director/Assistant Chief Financial Officer
Approved by: Rafael Guzman, Assistant City Manager
Approved as to form: Phaedra A. Norton, City Attorney

Attachment: Annual Shareholder Meeting Dates