



SHAREHOLDER PROXY AUTHORITY, ASSIGNMENT OF SHARES, AND REPRESENTATION FOR MUTUAL WATER COMPANIES

Riverside Public Utilities

City Council
December 2, 2025

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1

BACKGROUND

1. The City owns shares in various Mutual Water Companies that provide the City with its water rights, water production facilities, conveyance assets, and obligation to shareholders
 - a. Gage Canal Company
 - b. Meeks and Daley Water Company
 - c. Riverside Highland Water Company
 - d. Trujillo Water Company
 - e. Jurupa Ditch Water Company



2

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2

MUTUAL WATER COMPANY REPRESENTATION

1. The City follows a three-step representation selection process:
 - a. Designation of proxy authority
 - Authorized to cast the City's votes at annual shareholders meetings
 - b. Selection of the mutual water company Board representatives
 - City representatives are selected from a City Council approved nomination list
 - c. Assignment of Stock Certificate
 - Some mutual water companies require shares of stock to be issued in each representative's name for the term of service



3

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3

PROXY AUTHORITY

1. The City Council designates a proxy to serve as the City's authorized voting representative.
 - a. Empowered to nominate and cast votes from City Council approved eligibility list
 - b. The proxy is typically a staff member familiar with the Bylaws and Procedures of each Mutual Water Company
 - c. The recommended Proxy and Alternates are listed in "Table 1" by staff position in the report



4

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4

MUTUAL WATER COMPANY BOARD SELECTION

1. City Council and RPU Board members are listed for nomination eligibility
2. City staff members are listed on the nomination list based on the water system area of responsibility and operational knowledge
3. The RPU General Manager consults with the City Manager to solicit interest from eligible City Council and RPU Board members and staff members
4. The nomination list creates flexibility and transparency to ensure adequate City representation.



5

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5

ASSIGNMENT OF SHARES

1. Certain mutual water companies require individually assigned shares
 - a. Gage Canal Company
 - b. Meeks and Daley Water Company
 - c. Trujillo Water Company
2. Individually assigned shares are returned when the term is completed or terminated



6

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6

RECOMMENDATIONS

That the City Council:

1. Confirm the shareholder proxy authority for individuals and their alternates holding the positions listed in Table 1, in the report;
2. Delegate authority to any designated individual holding the positions or their alternates listed in Table 1 to vote the City's shares as the City's proxy at all meetings for the respective mutual water companies;
3. Confirm the Mutual Water Company Board nomination eligibility list in Attachment A;
4. Authorize the City Manager's Office and the Public Utilities General Manager to solicit interest from the Mutual Water Company nominee list in Attachment A and direct the City's proxy to vote such;



7

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7

RECOMMENDATIONS CONT.

5. Authorize the assignment and recalling of shares and authorize the Mayor to execute any documents necessary to effectuate the shareholder proxy authority, as necessary for each Council, Board, or City staff representative serving on the mutual water companies listed in Attachment A; consistent with the City's adopted policies and strategic plan.

RPU BOARD RECOMMENDATION:

On February 10, 2025, the Board of Public Utilities, voted unanimously to recommend that the City Council approve the Shareholder Proxy Authority, Assignment of Shares, and Representation for Mutual Water Companies.



8

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8