

# Port Hueneme Water Agency

250 North Ventura Road • Port Hueneme, CA 93041 • (805) 986-6563

## PORT HUENEME WATER AGENCY BOARD OF DIRECTORS ADJOURNED REGULAR MEETING

APRIL 13, 2016

4:00 PM

PORT HUENEME CITY HALL - CITY COUNCIL CHAMBER  
250 NORTH VENTURA ROAD  
PORT HUENEME, CA 93041

### AGENDA

1. **CALL TO ORDER, ROLL CALL**
2. **AGENDA:** *(Amend / Approve)*
3. **BUSINESS ITEMS:**
  - A. **APPROVAL OF MINUTES**  
Action: It is recommended the Board approve the Minutes of the March 9, 2016 Adjourned Regular Meeting.
  - B. **CASH DISBURSEMENTS RATIFICATION**  
Action: It is recommended the Board ratify the cash disbursements listing for the period February 27, 2016 through April 7, 2016.
  - C. **BRACKISH WATER RECLAMATION DEMONSTRATION FACILITY - OPERATIONAL PERFORMANCE**  
Action: It is recommended the Board receive and file this report.
  - D. **WATER SUPPLY STRATEGY REPORT FROM WATER CONSULTANCY INC.**  
Action: It is recommended the Board receive and file this report.
  - E. **THIRD STAGE REVERSE OSMOSIS PROJECT UPDATE**  
Action: It is recommended the Board receive and file this report.
  - F. **PHWA FIVE-YEAR OPERATIONAL AUDIT**  
Action: It is recommended the Board receive and file this report.

**4. BOARD MEMBER REPORTS AND COMMENTS**

**A. REQUEST OF MEMBER MOORE: DEVELOP A PHWA WATER SUPPLY BUSINESS AND FINANCIAL PLAN**

Action: Member Moore recommends the Board discuss/develop a water supply business and financial plan for PHWA, and take such additional, related action that may be desirable.

**5. NEW BUSINESS TO BE AGENDIZED**

**6. CLOSED SESSION:**

With respect to every item of business to be discussed in Closed Session, pursuant to the California Government Code:

**A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
(Pursuant to Government Code Section 54956.8)**

Real Property: 5751 Perkins Road, Oxnard.

Agency Negotiators: John Baker, Interim Executive Director; Karl Berger, Deputy Agency Counsel; Chris Theisen, Public Works Director; Steve Hickox, Water Operations Manager; Lynn Takaichi, Consultant.

Negotiating Parties: City of Oxnard.

Under Negotiation: Lease Price and Terms of Payment.

**7. OPEN FORUM:** *(Anyone wishing to speak to the Board on any matter NOT on the Agenda may do so at this time. Please approach the podium and give your name and city of residence clearly for the record.)*

**ADJOURNMENT:** Adjourn to the next Adjourned Regular Meeting to be held Monday, May 16, 2016 at 4:00 p.m. in the City Council Chamber.

Copies of staff reports or other written documentation relating to each item of business referred to in this Agenda are available for public inspection in the Office of the City Clerk and on the City's website at [www.cityofporthueneme.org](http://www.cityofporthueneme.org). Materials received after agenda packet distributions are made available to the public on the City's website and in the City Clerk's office at the same time they are provided to the Board. The public may address any item on the Agenda by submitting a speaker card to the Clerk prior to or during the time the matter is addressed by the Board. Speaker comments are limited to three minutes.

**IN COMPLIANCE WITH THE AMERICANS WITH DISABILITIES ACT, IF YOU NEED SPECIAL ASSISTANCE TO PARTICIPATE IN THIS MEETING, CONTACT THE OFFICE OF THE CITY CLERK AT 986-6503 OR THE CALIFORNIA RELAY SERVICE. NOTICE 48 HOURS PRIOR TO THE MEETING WILL ENABLE THE CITY TO MAKE REASONABLE ARRANGEMENTS TO ALLOW PARTICIPATION IN THIS MEETING.**

**PORT HUENEME WATER AGENCY BOARD  
ADJOURNED REGULAR MEETING**

**MARCH 9, 2016**

**MINUTES**

Chair Estomo called the meeting to order at 4:00 p.m. in the City Council Chamber at Port Hueneme City Hall, 250 North Ventura Road, Port Hueneme, California. The Deputy Agency Clerk called the roll:

PRESENT: Board Members Douglas A. Breeze, Keith Moore, Jonathan Sharkey; Ex-Officio Member Robert Nordahl; Vice Chair Sylvia Muñoz Schnopp; Chair Jim Estomo.

ABSENT: None.

STAFF PRESENT: Karl Berger, Deputy Agency Counsel; Alvin Burrell, Interim Finance Director; Chris Theisen, Public Works Director; Karen Koditek, Administrative Specialist (serving as Deputy Agency Clerk).

**AGENDA:**

The Board had previously received copies of the Agenda. Chair Estomo announced that the Closed Session would be moved to the end of the meeting.

Member Breeze, seconded by Vice Chair Schnopp, moved to approve the Agenda as amended. Motion carried unanimously.

**PRESENTATION:**

- A. OCEAN DESALINATION  
Action: Presentation by Susan Mulligan, Calleguas Municipal Water District General Manager.

Ms. Mulligan gave a presentation. Discussion ensued among the Board, staff, and Ms. Mulligan.

**BUSINESS ITEMS:**

- A. APPROVAL OF MINUTES  
Action: It is recommended the Board approve the Minutes of the February 10, 2016 Adjourned Regular Meeting.

Member Sharkey, seconded by Vice Chair Schnopp, moved to approve the Minutes as presented. Motion carried 5-0.

B. CASH DISBURSEMENTS RATIFICATION

Action: It is recommended the Board ratify the cash disbursements listing for the period January 29, 2016 through February 26, 2016.

Member Sharkey, seconded by Vice Chair Schnopp, moved to approve staff's recommendation as presented. Motion carried 5-0.

C. BRACKISH WATER RECLAMATION DEMONSTRATION FACILITY - OPERATIONAL PERFORMANCE

Action: It is recommended the Board receive and file this report.

The Public Works Director gave a report. Discussion ensued among the Board and staff. The report was received and filed.

D. WATER DEMAND REDUCTION UPDATE

Action: It is recommended the Board receive and file this report.

The Public Works Director gave a report. Discussion ensued among the Board and staff.

Member Sharkey, seconded by Member Breeze, moved to receive and file the report as presented. Motion carried 5-0.

E. WATER SUPPLY STRATEGY REPORT FROM WATER CONSULTANCY INC.

Action: It is recommended the Board receive and file this report.

Lynn Takaichi, Principal of Water Consultancy Inc., gave a report.

Member Sharkey, seconded by Vice Chair Schnopp, moved to receive and file the report as presented. Motion carried 5-0.

**BOARD MEMBER REPORTS AND COMMENTS:**

A. DISCUSSION: NBVC DESALINATION FACILITY TOUR

Action: It is recommended the Board discuss its desire to tour the NBVC desalination plant and the logistical considerations for arranging such a tour.

Ex-Officio Member Nordahl gave a report. Discussion ensued among the Board, staff, and Bill Varnava, Manager of the NBVC Seawater Test Facility. It was decided that multiple tours would be conducted with less than a quorum of Board Members present at each, to avoid any Brown Act issues.

- B. REQUEST OF VICE CHAIR SCHNOPP: DISCUSSION OF THE FREQUENCY AND SCHEDULING OF PHWA BOARD MEETINGS  
Action: Vice Chair Schnopp recommends the Board discuss and take possible action on the PHWA Board meeting schedule.

Vice Chair Schnopp gave a report. Discussion ensued among the Board, staff, and Jared Bouchard, CIBCSD General Manager.

Vice Chair Schnopp, seconded by Member Sharkey, moved to move the meetings back to the third Mondays of the month, starting at 4:00 p.m., and directed staff to publish the agenda a week prior to allow CIBCSD the opportunity to discuss the PHWA agenda at their meetings. Motion carried 3-2 by the following roll call vote:

AYES: Members Breeze, Sharkey; Vice Chair Schnopp.

NOES: Member Moore, Chair Estomo.

ABSTAINING: None.

ABSENT: None.

**NEW BUSINESS TO BE AGENDIZED:**

Member Breeze requested a follow up from the Interim Executive Director regarding additional legal counsel for PHWA. Chair Estomo added to the request a clarification of who was interviewed and what the final list is.

The Board clarified that the third-Monday meetings will begin in May.

Member Breeze also requested an update on the status of the plant expansion with the third-stage reverse osmosis project, pertaining to scheduling, problems, etc.

**OPEN FORUM:**

No comments were made.

**CLOSED SESSION:**

The Deputy Agency Counsel made the following announcement:

With respect to every item of business to be discussed in Closed Session, pursuant to the California Government Code:

- A. CONFERENCE WITH REAL PROPERTY NEGOTIATORS  
(Pursuant to Government Code Section 54956.8)

Real Property: 5751 Perkins Road, Oxnard.

Agency Negotiators: John Baker, Interim Executive Director; Karl Berger, Deputy Agency Counsel; Chris Theisen, Public Works Director; Steve Hickox, Water Superintendent; Lynn Takaichi, Consultant.

Negotiating Parties: City of Oxnard

Under Negotiation: Lease Price and Terms of Payment.

The Board recessed to Closed Session at 5:16 p.m. The Board reconvened following the Closed Session. The Deputy Agency Counsel announced that no reportable action was taken.

**ADJOURNMENT:**

Chair Estomo, without objection, adjourned the meeting at 5:46 p.m. to the next Adjourned Regular Meeting to be held Wednesday, April 13, 2016 at 4:00 p.m. in the City Council Chamber.

Respectfully submitted,

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John Baker  
Interim Agency Clerk

APPROVED:

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CHAIR ESTOMO

**PORT HUENEME WATER AGENCY**  
**CASH DISBURSEMENTS**  
***For the period February 27, 2016 through April 7, 2016***

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April 13, 2016

Presented are the cash disbursements issued by the Finance Dept. for the period February 27, 2016 through April 7, 2016. Shown are cash disbursements by date of occurrence and type of payment.

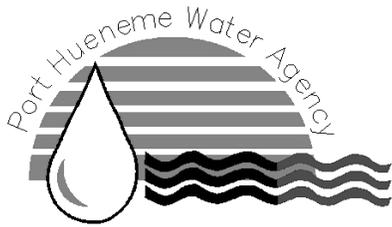
<b>Date</b>	<b>Type of Payment</b>	<b>Attachment</b>	<b>Amount</b>
<b>February 27, 2016 - April 7, 2016</b>			
	A/P Checks 5292-5300	A	\$546,070.45
<b>Total</b>			<b>\$546,070.45</b>

**3B**

## Transactions for 2/27/2016 - 4/7/2016

Date: 4/7/2016

Vendor Name	Description	Check Date	Number	Amount
CITY OF OXNARD	PASS THRU FEES DEC'15	3/4/2016	5292	37,997.05
CITY OF OXNARD	PASS THRU FEES NOV'15	3/4/2016	5292	56,118.21
HENSLEY, MARK	SERVICES THRU 1/31/16	3/10/2016	5293	1,521.20
HENSLEY, MARK	SERVICES THRU 12/31/15	3/10/2016	5293	134.70
HENSLEY, MARK	SERVICES THRU 2/29/16	3/10/2016	5293	1,320.60
KEH & ASSOCIATES, INC	JAN'16 SERVICES	3/10/2016	5294	8,167.72
PORT HUENEME, CITY OF	SEP'15-FEB-16 CAP COSTS	3/10/2016	5295	21,868.99
WATER CONSULTANCY, INC	SERVICES THRU 2/29/16	3/10/2016	5296	1,560.00
PORT HUENEME, CITY OF	DEC'15 OPERATION CHARGES	3/18/2016	5297	72,643.23
PORT HUENEME, CITY OF	FEB'16 CAP COSTS NBVC PM	3/18/2016	5297	4,393.65
PORT HUENEME, CITY OF	JAN'16 OPERATION CHARGES	3/18/2016	5297	36,370.60
PORT HUENEME, CITY OF	NOV'15 OPERATION CHARGES	3/18/2016	5297	30,573.80
PORT HUENEME, CITY OF	OCT'15 OPERATION CHARGES	3/18/2016	5297	58,374.32
UNITED WATER CONSERVATION DISTRICT	020-0090 HUE0001	3/18/2016	5298	61,457.90
UNITED WATER CONSERVATION DISTRICT	020-0110 CBC0001	3/18/2016	5298	230.74
UNITED WATER CONSERVATION DISTRICT	020-0125 PHW0002	3/18/2016	5298	107,015.38
CITY OF OXNARD	145/6194 UTIL BILL	4/1/2016	5299	44,912.36
HENSLEY, MARK	MAR'16 SERVICES	4/7/2016	5300	1,410.00
				<b>\$546,070.45</b>



# Port Hueneme Water Agency

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## AGENCY AGENDA STAFF REPORT

**TO:** PHWA Board

**FROM:** Chris Theisen, Public Works Director

**SUBJECT:** BRACKISH WATER RECLAMATION DEMONSTRATION FACILITY - OPERATIONAL REPORT

**DATE:** April 13, 2016

### **RECOMMENDATION:**

It is recommended the Board receive and file this report.

### **BACKGROUND/ANALYSIS:**

This report presents an update on the operational status of the Brackish Water Reclamation Demonstration Facility (BWRDF) from February 19, 2016 to March 28, 2016.

During this operational reporting period, the overall PHWA demand averaged 2.6 MGD with UWCD supplying 90 percent and CMWD supplying 10 percent. There were no interruptions of service, and the water quality delivered to each of the PHWA customers continues to meet all State and Federal regulatory standards.

The Silt Density Index (sampled twice a day) averaged 4.4 and the BWRDF was in by-pass mode during the report period. Operations staff will continue to monitor United Water Conservation District's (United) water quality to determine when this source is permissible for membrane treatment. While in by-pass mode, a blend of United water with Calleguas water will be dictated by system demand periods and source water availability to maximize our take of United water supply.

Mr. Richard White of Bi-Water Inc. recommended that PHWA might want to do a test of the United water supply without the injection of Aqua-Mag, which is added as a sequestering agent for iron and manganese. The theory was that the

**BRACKISH WATER RECLAMATION DEMONSTRATION FACILITY-  
OPERATIONAL REPORT**

**April 13, 2016**

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Aqua-Mag may be contributing to the high SDI's seen at the Brackish Water Reclamation Demonstration Facility.

On February 25, 2016 the City's Water Operations Manager contacted United, State Water Resources Control Board, and the City of Oxnard and inquired if any of them had objections for temporarily stopping the Aqua-Mag. Since no-one had any objections, on March 3, 2016, PHWA commenced with a 30 day test period to see if any improvement in the SDI's could be achieved. Unfortunately, no improvement in the SDI's were identified and the Aqua-Mag injection was resumed. The BWRDF continues to be operated in by-pass mode.

**SUMMARY OF OPERATING COMMITTEE MEETING**

On March 2, 2016 the Operating Committee met to discuss United water quality and the temporary suspension of Aqua-Mag injection, future groundwater credit transfers and the PHWA Five Year Operation Audit. The next Operating Committee Meeting is April 6, 2016.

**NEXT PHWA BOARD MEETING**

The next PHWA Board meeting is scheduled for May 16, 2016 at 4:00 p.m.

**FISCAL IMPACT:**

The action, if taken as recommended, will not have a fiscal impact.

April 2, 2016

## Memorandum

To: Mr. Chris Theisen, Director of Public Works  
City of Port Hueneme

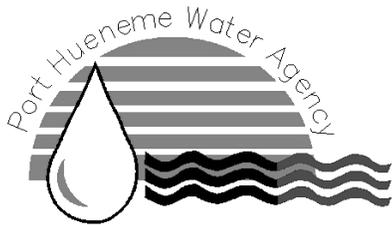
From: Lynn M. Takaichi

Subject: Status Report No. 7  
PHWA Water Supply Strategy Implementation  
WC-023

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This memorandum summarized activities performed from January 4, 2016 to present. This status report is organized by the tasks listed in the Task Order.

1. Attend Meetings with Other Utilities
  - Meeting with OH Pipeline Users scheduled for April 5.
2. Attend Meetings with Regulatory Agencies
  - None
3. Attend Meetings with PHWA Board and Committees
  - Attended PHWA Board meeting (3/9)
  - Prepared status report
4. Assist PHWA with Negotiation Assistance to Modify Existing Agreements
  - Reviewed alternative rate structure for OH Pipeline Agreement
5. Continue to refine PHWA Water Supply Strategy
  - Reviewed Feasibility Study for Fe & Mn Removal
6. Assist PHWA with Developing a Long Term Water Supply Strategy
  - No activity



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## AGENCY AGENDA STAFF REPORT

**TO:** PHWA Board

**FROM:** Chris Theisen, Public Works Director

**SUBJECT:** THIRD STAGE REVERSE OSMOSIS PROJECT UPDATE

**DATE:** April 13, 2016

### **RECOMMENDATION:**

It is recommended the Board receive and file this report.

### **BACKGROUND/ANALYSIS:**

At the PHWA Board meeting of March 9, 2016, staff was requested to include this report on this month's agenda to update the Board regarding the Third Stage Reverse Osmosis Project (the Project). The Project is a likely skid-mounted system(s) which would treat the brine effluent of the current Brackish Water Reclamation Demonstration Facility (the Plant) and extract additional potable water.

The PHWA Board approved an agreement with KEH Associates, Inc. for professional services associated with the Project at its August 12, 2015 meeting. The fee that was authorized at that time was \$77,000 out the total agreement amount of \$338,963. The portion of the scope of services that was covered by this fee was essentially preliminary design, grant research, preparation of a Preliminary Design Report, and a presentation to the PHWA Board.

KEH attended the January 13, 2016 PHWA Board meeting and presented the results of their initial scope of services to the Board, including a summary of the Preliminary Design Report. Perhaps the most salient information presented to the Board at this meeting was the following:

- Generation of 242 acre-feet of water per year
- Capital cost of approximately \$850,000
- Payback period of three to four years, depending on grant funding
- 14 months duration from design authorization to startup

**3E**

# **BRACKISH WATER RECLAMATION DEMONSTRATION FACILITY- OPERATIONAL REPORT**

**April 13, 2016**

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The PHWA Board did not take any action on the project at the January 13, 2016 meeting. In order to progress the Project, the Board would need to authorize the expenditure of the remaining fee so KEH could begin the final design of the project. However, there are several issues predicating this authorization.

One issue that could affect the Board's decision regarding moving forward with the Project is the status of the site of the Plant on Perkins Road. PHWA staff and Counsel are currently negotiating with representatives of the City of Oxnard to enter into a lease agreement with the City of Oxnard. If the PHWA Board should be able to gain enough confidence that the Plant will be able to remain at the site longer than the payback period following the Project completion, it may choose to move forward with the Project.

Another issue that could affect the Board's decision regarding moving forward with the Project is the status of the iron and manganese treatment that is being contemplated by the United Water Conservation District (United) at the El Rio Wellfield, which is the source of water for the Oxnard-Hueneme pipeline. As the Board Directors know, the PHWA plant has been unable to treat the United water at the Plant since United began pumping more from deeper aquifer wells. This is because the PHWA's consultant has advised staff to not use the Plant at this time due to the high Silt Density Index that is currently manifesting at the site of the PHWA plant. It is believed that the iron and manganese treatment at the El Rio site would allow PHWA to once again begin treating the groundwater at the Plant.

Staff is currently reviewing a draft technical memorandum by United regarding the feasibility of treating iron and manganese at the El Rio Wellfield. Based on their research, they are already moving toward a pilot test using currently budgeted funds, and the results should be available in the summer or fall of 2016. Should the results prove favorable, the PHWA Board, along with the other signatories of the Water Supply Agreement, would be asked for support for progressing the project to the design and construction phases. It is likely that the duration of these two processes would be at least 18 months.

On the other hand, an abundance of precipitation over an extended period of time could possibly remedy some of the reasons that United is pumping from deeper wells, and this could possibly change the water quality enough that PHWA could once again begin to treat United water at the Plant.

## Implications for the Third Stage Reverse Osmosis Project

The PHWA Board should probably not initiate the next phase of the Project at this time. More time is required to allow the PHWA to secure a more certain idea

**BRACKISH WATER RECLAMATION DEMONSTRATION FACILITY-  
OPERATIONAL REPORT**

**April 13, 2016**

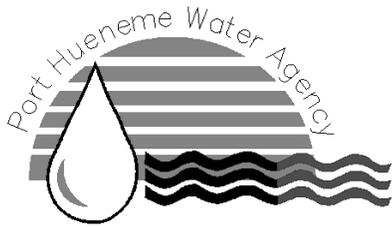
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of its future at the Perkins Road site to know if the payback period would be realized. In addition, until the quality of the water reaching the PHWA site changes either due to treatment by United for iron and manganese or because of drought relief, the ability to garner the estimated savings from the Project are completely uncertain.

Staff does not recommend that the Board authorize the next steps in the Third Stage Reverse Osmosis Project until more clarity and/or certainty on some of the unknown circumstances is achieved.

**FISCAL IMPACT:**

The action, if taken as recommended, will not have a fiscal impact.



# Port Hueneme Water Agency

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## AGENCY AGENDA STAFF REPORT

**TO:** PHWA Board  
**FROM:** Chris Theisen, Public Works Director  
**SUBJECT:** PHWA FIVE-YEAR OPERATIONAL AUDIT  
**DATE:** April 13, 2016

### **RECOMMENDATION:**

It is recommended the Board receive and file this report.

### **BACKGROUND/ANALYSIS:**

Under the Agreement for Formation of a Joint Powers Agency (Agreement), Section 16, dated July 20, 1999, the PHWA is required to conduct an operational audit of the Brackish Water Reclamation Demonstration Facility (Plant) every five years for the term of the Agreement. The primary purpose of this provision is to verify that the City of Port Hueneme, as the operator of the PHWA Plant and facilities, is generally providing sufficient oversight and maintenance to maximize the useful life of the facilities. The previous operational audit was prepared on September 27, 2010.

Staff issued a Request for Proposals, and Milner-Villa Consulting (MVC) was selected at the consultant. MVC submitted the 2015 Operational Audit for the Port Hueneme Water Agency's Brackish Water Reclamation Demonstration Facility as per the agreement dated October 14, 2015.

The 2015 audit was conducted on December 8 and 10, 2015 by Mr. Brad Milner of MVC and Mr. Robert Eranio of Roberts Associated Water, a sub-consultant. While conducting the audit, Mr. Milner and Mr. Eranio met with Mr. Steve Hickox, Water Operations Manager, and Mr. Theo Provencio, Lead Operator.

In general, the PHWA managers and operators are following O&M procedures consistent with the American Water Works Association guidelines, the California DDW requirements, California Occupational Health and Safety Administration

## **PHWA FIVE-YEAR OPERATIONAL AUDIT**

**April 13, 2016**

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regulations, and other recommended operational practices. However, there are a few deficiencies that were observed during the audit, which staff needs to address.

MVC recommended that PHWA should consider the following:  
(*Staff comments on each of the audit recommendations follow in italics.*)

### **Finalize the Operations Plan Update**

*The Water Operations Manager will update the plan by June 30, 2015*

### **Consolidate and streamline the Plant O&M manuals**

*The manuals on site cover all processes, product information, and maintenance. PHWA will condense some of the manuals and purge items that are no longer relevant. For example, reference to the Electrical Dialysis Reversal (EDR) system or other equipment that is no longer on site will be changed. These items have no impact on the operation of the facility.*

### **Include an entry in the daily log to document what failed, why, and who corrected the alarm**

*Staff has been directed to include this relevant information.*

### **Reduce or eliminate 288 open work orders**

*Outdated work orders have been purged, and staff has been directed to keep on top of outstanding (open) work orders.*

### **Clean external chemical storage area**

*This is completed by the plant operator weekly. However, a long term mitigation to the bird droppings is being sought with a wildlife management company.*

### **Perform autopsy of the reverse osmosis (RO) and nanofiltration (NF) membranes during future replacement projects**

*This process will be completed as needed or recommended by membrane manufacture/consultant. PHWA is well aware of the membranes age and operational performance.*

### **Replace the panel bolt heads with non-rusting bolt heads**

*Staff has been directed to perform corrective measures.*

### **Repaint the west wall doors**

*Staff has submitted a work order for painting.*

### **Clean and or add new coat of paint for the meeting room**

*Staff has submitted a work order for painting.*

**PHWA FIVE-YEAR OPERATIONAL AUDIT**

**April 13, 2016**

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**Clean or replacement of stainless steel in the restroom**

*Staff has been directed to perform corrective measures.*

**Remove rust and paint and or replace rusting equipment supports**

*Staff has been directed to perform corrective measures.*

**Plan and conduct an annual emergency response exercise in 2016**

*An emergency response exercise will be scheduled.*

**Revise the positions/grades of operations personnel**

*Staff will initiate this process through the City's Human Resources Office.*

**Hire a senior journey level operator (Grade 4 preferred) with membrane plant experience to be the Plant supervisor and oversee operation and maintenance.**

*Staff will initiate this process through the City's Human Resources Office.*

Overall the system is operating fine. The items listed above are all small in nature to the operation of the facility. None of these items are/will impact the operation or lesson our ability to maintain water quality or its beneficial use for our customers.

Should any of the PHWA Board Directors desire to review a complete copy of the audit, this can be arranged by contacting Mr. Steven Hickox, Water Operations Manager.

**FISCAL IMPACT:**

There is no fiscal impact with the recommended action.