MINUTES OF THE BOARD OF DIRECTORS  
MESA WATER DISTRICT  
Thursday, November 2, 2017  
1350 Gisler Avenue, Costa Mesa, CA 92626  
9:00 a.m. Adjourned Regular Board Meeting

CALL TO ORER  
The meeting of the Board of Directors was called to order on November 2, 2017 at 9:03 a.m. by President Atkinson at the Mesa Water Reliability Facility, located at 1350 Gisler Avenue, Costa Mesa, California.

PLEDGE OF ALLEGIANCE  
Director Fisler led the Pledge of Allegiance.

Directors Present  
Jim Atkinson, President  
Fred R. Bockmiller, P.E., Vice President  
Marice H. DePasquale, Director  
Shawn Dewane, Director  
James R. Fisler, Director

Directors Absent  
None

Staff Present  
Paul E. Shoenberger, P.E., General Manager  
Phil Lauri, P.E., Assistant General Manager/District Treasurer  
Denise Garcia, Administrative Services Manager/District Secretary  
Marwan Khalifa, CPA, MBA, Chief Financial Officer  
Stacie Sheek, Customer Services Manager  
Stacy Taylor, External Affairs Manager  
Syndie Ly, Human Resources Manager  
Tracy Manning, Water Operations Manager  
Kurt Lind, Business Administrator  
Rob Anslow, Attorney, Bowie, Arneson & Wiles

Others Present  
Dan Ellison, Senior Professional Associate, HDR, Inc.  
Luke Money, Reporter, Daily Pilot

PUBLIC COMMENTS  
President Atkinson asked for public comments on non-agendized items.

There were no comments from the public and President Atkinson proceeded with the meeting.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA  
General Manager Shoenberger stated there were no items to be added, withdrawn, or reordered on the agenda.
ACTION ITEMS:

1. WATER RATE STUDY REPORT REVIEW:

GM Shoenberger provided a review of the topic and offered information on the rate adjustment drivers:
- 12% Conservation Cost
- 4% Increased General and Administrative Expenses
- 84% Increased Replenishment Assessment

GM Shoenberger responded to questions from the Board and they thanked him for the presentation.

Discussion ensued amongst the Board regarding the details of the November 9, 2017 Public Hearing.

MOTION

Motion by Director Dewane, second by President Atkinson, to confirm the Proposed Rates information as presented. Motion passed 4-1, with Vice President Bockmiller voting no.

2. PIPELINE REPLACEMENT/REHABILITATION STUDY:

Assistant General Manager Phil Lauri provided a review of the topic and introduced HDR, Inc. Senior Professional Associate Dan Ellison who proceeded with a presentation that highlighted the following:
- How Rehabilitation Compares with Open-Trench
- The Benefits of Rehab Projects
- What is “Structural Rehab”?  
- Cured-in-Place Pipe (CIPP)
- Findings and Recommendations

Mr. Ellison responded to questions from the Board and they thanked him for the presentation.

MOTION

Motion by Director Dewane, second by Vice President Bockmiller, to:

a. Consider the use of CIPP (or pipe bursting) in the following cases:
   1. Where open-trench construction is particularly difficult (i.e., very busy or utility-choked streets)
   2. Where projects are large (>20,000 – 25,000 feet) so that the economics are more attractive
   3. Where the use of bypass pipelines can be avoided (where no services exist)

b. For routine water main replacement, Mesa Water should defer adopting CIPP for several more years, until this method is better developed, the costs are lower, and life expectancies are more certain.
c. If CIPP lining is adopted, Mesa Water should consider extracting samples of lined pipe for tear-resistance and other tests to confirm that the lining is truly Class IV (fully structural).

Motion passed 5-0.

RECESS

President Atkinson declared a recess at 10:05 a.m.

The Board meeting reconvened at 10:15 a.m.

3. REGIONAL WATER ISSUES:

AGM Lauri reviewed the topic noting that Mesa Water actively participates in water issues on both a regional and state wide basis. Mr. Lauri highlighted two major elements of local water policy issues:
- Green Acres Project (GAP)
- In-Lieu Water Program

AGM Lauri responded to questions from the Board and they thanked him for the information.

No action was taken.

4. BASIN STORAGE:

AGM Lauri reviewed the topic noting that the groundwater basin, managed by the Orange County Water District (OCWD), is one of the largest natural reservoirs in California. OCWD is dictated by the California Water Code, which gives rights only to Basin producers who geographically overlie the Basin boundaries to extract water from the Basin. The outside use of the Basin needs careful policy consideration and further cost analysis to determine the impact to Basin producers.

AGM Lauri responded to questions from the Board and they thanked him for the presentation.

MOTION

Motion by Director Dewane, second by Vice President Bockmiller, to direct staff, under the authorization of the General Manager, to evaluate the outside use of the Basin and procure a cost analysis to determine the impact to Basin producers. Motion passed 5-0.

RECESS

President Atkinson declared a recess at 10:55 a.m.

The Board meeting reconvened at 11:05 a.m.
5. MESA WATER RELIABILITY FACILITY STORAGE:

AGM Lauri provided an update on the storage capacity at the Mesa Water Reliability Facility located at 1350 Gisler Avenue.

MOTION

Motion by Vice President Bockmiller, second by Director Dewane, to bring this item, with potential solutions, to a future Engineering and Operations Committee meeting. Motion passed 5-0.

6. LEGISLATIVE PLATFORMS:

External Affairs Manager Taylor provided a list of proposed 2018 Legislative Platforms.

Discussion ensued amongst the Board. Ms. Taylor responded to questions and the Board thanked her for the information.

MOTION

Motion by Director Dewane, second by President Atkinson, to approve the 2018 Legislative Platforms. Motion passed 5-0.

7. RESOLUTION NO. 1503 – READOPTING AND UPDATING POLICY CONCERNING CLAIMS AGAINST MESA WATER DISTRICT PURSUANT TO THE GOVERNMENT CLAIMS ACT AND SUPERSEDING RESOLUTION NO. 1478:

Chief Financial Officer Khalifa provided a review of the proposed resolution.

MOTION

Motion by Vice President Bockmiller, second by Director Dewane, to adopt Resolution No. 1503 Readopting and Updating Policy Concerning Claims Against Mesa Water District Pursuant to the Government Claims Act and Superseding Resolution No. 1478. Motion passed 5-0 by the following roll call vote:

AYES: DIRECTORS DePasquale, Dewane, Fisler, Bockmiller, Atkinson
NOES: DIRECTORS None
ABSENT: DIRECTORS None
ABSTAIN: DIRECTORS None

REPORTS:

8. REPORT OF THE GENERAL MANAGER:

9. DIRECTORS’ REPORTS AND COMMENTS:

INFORMATION ITEMS:

10. OTHER:
RECESS

President Atkinson declared a recess at 11:50 a.m.

The Board meeting reconvened at 12:20 p.m.

ACTION ITEMS:

President Atkinson announced the Board was going into Closed Session at 12:20 p.m.

11. CLOSED SESSION:

CONFERENCES WITH REAL PROPERTY NEGOTIATOR:

Pursuant to Government Code Sections 54956.8:
Property: 3120 S. Croddy Way, Santa Ana (APN: 415-024-17)
District Negotiator: General Manager
Negotiating Party: Maverick Technologies, LLC
Under Negotiation: Price and/or terms of lease rights

Pursuant to Government Code Section 54956.8:
Property: 1310 South Coast Drive, Costa Mesa (APN: 140-041-49)
District Negotiator: General Manager
Negotiating Party: AAA Automobile Club of Southern California
Under Negotiation: Price and/or terms concerning property rights

CONFERENCE WITH LABOR NEGOTIATOR PURSUANT TO GOVERNMENT CODE 54957.6:
District Negotiator: General Manager
Employee Organization: Represented and Non-Represented Employees

PURSUANT TO GOVERNMENT CODE SECTION 54957(b):
PUBLIC EMPLOYEE PERFORMANCE EVALUATION
Title: General Manager

RETURN TO OPEN SESSION.

The Board returned to Open Session at 1:35 p.m.

Attorney Anslow announced that the Board met in four separate Closed Sessions:

The first Closed Session was a conference with GM Shoenberger, AGM Lauri, District Secretary Garcia and Legal Counsel pursuant to Government Code Section 54956.8. The Board authorized an extension of the monthly lease for Mesa Water District property located at 3120 Croddy Way, Santa Ana, upon terms set out in a written lease with Maverick Technologies, LLC, which is on file with the District Secretary. Approved by motion of the Board on a 5-0 vote.

The second Closed Session was a conference with GM Shoenberger, AGM Lauri, District Secretary Garcia and Legal Counsel pursuant to Government Code Section 54956.8 as
identified in the agenda. The Board received information from its Real Property Negotiator, the General Manager. There was no further announcement.

The third Closed Session was a conference with GM Shoenberger, District Secretary Garcia, Human Resources Manager Ly and Legal Counsel pursuant to Government Code Section 54957.6. The Board received information on Labor Negotiations and gave direction to the District Negotiator, the General Manager. There was no further announcement.

The fourth Closed Session was a conference with GM Shoenberger pursuant to Government Code Section 54957(b). The Board received information. There was no further announcement.

12. **ANNUAL PERFORMANCE EVALUATION FOR GENERAL MANAGER:**

No action was taken on this item.

President Atkinson adjourned the meeting at 1:40 p.m. to a Regular Board Meeting scheduled for Thursday, November 9, 2017 at 6:00 p.m.

Approved:

\[signature\]

Jim Atkinson, President

\[signature\]

Denise Garcia, District Secretary

Recording Secretary: Sharon D. Brimer