



*Dedicated to
Satisfying our Community's
Water Needs*

**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Thursday, June 8, 2017
1965 Placentia Avenue, Costa Mesa, CA 92627
6:00 p.m. Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on June 8, 2017 at 6:07 p.m. by President Temianka at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was held at the beginning of the *Mesa Consolidated Water District Improvement Corporation* meeting conducted prior to the regular Board meeting.

Directors Present

Ethan Temianka, President
Jim Atkinson, Vice President
Fred R. Bockmiller, P.E., Director
Shawn Dewane, Director
James R. Fisler, Director

Directors Absent

None

Staff Present

Paul E. Shoenberger, P.E., General Manager
Coleen L. Monteleone, Assistant General Manager/
District Secretary
Denise Garcia, Administrative Services Manager/
Assistant District Secretary
Stacie Sheek, Customer Services Manager
Stacy Taylor, External Affairs Manager
Shannon Widor, Public Affairs Manager
Tracy Manning, Water Operations Manager
Kurt Lind, Business Administrator
Rob Anslow, Attorney, Bowie, Arneson, Wiles & Giannone

Others Present

Kimberly Hernandez, Estancia High School Student &
MWDOC Poster Contest Winner
Christy Foster, Managing Principal, Director, BSI EHS
Services & Solutions (BSI)
Jessica Penhall, Senior Consultant, Manager, BSI
Mitch Barker, Executive Vice President, Public Agency
Retirement Services (PARS)
Christina Parker, Member of the Public

PRESENTATION TO MWDOC "WATER AWARENESS" POSTER CONTEST WINNER

President Temianka introduced Public Affairs Manager Widor who summarized the annual water awareness poster contest sponsored by Municipal Water District of Orange County (MWDOC).

This year's contest theme was "Finding Water"; there were more than 1,000 entries countywide with 162 entries from Mesa Water's service area. 1700 votes were cast and one of the top 40 winners was Kimberly Hernandez from Estancia High School.

The Board thanked Mr. Widor and Ms. Hernandez for their participation.

Photographs were taken.

PUBLIC COMMENTS

President Temianka asked for public comments on non-agendized items. There were no comments.

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

General Manager Shoenberger offered an item regarding a Closed Session topic arose after the agenda was posted and action is required prior to the next Board meeting.

President Temianka asked for public comments. There were no comments.

MOTION

Motion by Director Bockmiller, second by Vice President Atkinson, to add Item 20.1 to the agenda as the matter arose after the agenda was posted and action is required prior to the next Board meeting:

Closed Session Conference with Legal Counsel - Existing Litigation
Pursuant to California Government Code Sections 54956.9 (d) (1) and 54954.5 (c)
Case: Costa Mesa Sanitary District v. Mesa Water District
Case No. 30-2017-00923819-CU-PT-CJC

Motion passed 5-0.

CONSENT CALENDAR ITEMS:

Director Bockmiller pulled Item 13. There were no objections.

1. Approve minutes of special Board meeting of May 15, 2017
2. Approve minutes of special Board meeting of May 16, 2017.
3. Approve minutes of adjourned regular Board meeting of May 18, 2017.
4. Approve minutes of special Board meeting of May 25, 2017.
5. Approve the Fiscal Year 2018 attendance at Conferences, Seminars, Meetings, and Events.
6. Board Schedule:
 - Conferences, Seminars, and Meetings
 - Board Calendar
 - Upcoming Community Outreach Events
7. Award a contract in the amount of \$24,360 to Vista Del Verde Landscaping for landscape maintenance services; and authorize execution of the contract.

8. Award a contract for a period of five years with two one-year renewable options with an average annual amount of \$79,063 to Separation Processes, Inc. to provide performance support of the Mesa Water Reliability Facility; and authorize execution of the contract.
9. Renew the Environmental Health and Safety Support Services contract for one year for \$174,000 with the British Standards Institution Group; and authorize execution of the contract.
10. Award a contract for a period of five years with two one-year renewable options with an average annual amount of \$92,775 to Prime Systems Industrial Automation, Inc. to provide maintenance and support of the Supervisory Control and Data Acquisition System; and authorize execution of the contract.
11. Approve a professional services contract with Raftelis Financial Consultants, Inc. for \$45,192 plus \$8,293 for potential optional services for a not-to-exceed amount of \$53,485 to provide a potable and recycled water rate study for the purpose of establishing water rate schedules for five years; and authorize execution of the contract.
12. Approve support of the Independent Special Districts of Orange County Proposed Amended and Restated Bylaws; and authorize President Ethan Temianka to cast the District's vote on the official ballot.
13. Approve a proclamation honoring Coleen L. Monteleone for her more than 32 years of dedicated and committed service to Mesa Water District.

President Temianka asked for public comments. There were no comments.

MOTION

Motion by Director Bockmiller, second by Vice President Atkinson, to approve Items 1 – 12 of the Consent Calendar. Motion passed 5-0.

Item 13 - Approve a proclamation honoring Coleen L. Monteleone for her more than 32 years of dedicated and committed service to Mesa Water District.

Director Bockmiller read the proclamation into the record:

*Proclamation
A Day of Celebration to Honor Coleen L. Monteleone*

Whereas, Ms. Monteleone began her career on February 25, 1985 in the Financial Services Department. For over three decades, she flourished and advanced and, in 1996, she was promoted to Administrative Services Manager overseeing support for the Board of Directors and General Manager. In 2015, her distinguished career culminated in being chosen as the District's Assistant General Manager.

Whereas, During her career she managed various departments including Administrative Services, Customer Services, Financial Services, Human Resources and Public Affairs and directed various business activities including conservation, information technology and records management.

Whereas, On more than one occasion, Ms. Monteleone was named Interim General Manager by the Board of Directors to oversee the District. On July 10, 2007 she was presented with Resolution No. 1349, which recognized her leadership and loyalty and acknowledged that she set a standard of excellence in communication with the Board while successfully building employee trust and morale under challenging circumstances.

Whereas, Ms. Monteleone was awarded Mesa Water's Distinctive Service award in 1996 and the Karl Kemp Silver Lining award in 2016. She received the inaugural Career Achievement award in 2012 from the California Special Districts Association.

Whereas, Ms. Monteleone has been a consistent, strong and steadfast force at Mesa Water where she has made invaluable, lasting and positive contributions to guiding staff, leading the District through several organizational transitions, and playing a pivotal role in growing Mesa Water's success to be the industry leader it is today.

Now Therefore, Be It Proclaimed that the Board of Directors of Mesa Water District hereby recognizes and honors Ms. Monteleone for her more than 32 years of dedicated and committed service to the District and wishes her the best as she begins her retirement.

President Temianka asked for public comments. There were no comments.

Each Director offered comments regarding Ms. Monteleone's service and her contributions to the District.

MOTION

Motion by Director Bockmiller, second by Vice President Atkinson, to approve Item 13 of the Consent Calendar. Motion passed 5-0.

PRESENTATION AND DISCUSSION ITEMS:

14. 2017 ENVIRONMENTAL, HEALTH AND SAFETY PROGRAM AUDIT:

GM Shoenberger introduced the topic explaining that this item is the presentation of the annual safety audit. He thanked Water Operations Manager Manning and the Operations Department for their part in the audit, and Business Administrator Lind for his role as the project manager of the audit. Mr. Shoenberger also acknowledged BSI Senior Consultant and Manager Jessica Penhall.

BSI Managing Principal, Director Christy Foster was introduced and proceeded with a presentation that highlighted the following:

- The Road to Excellence
- 2017 Significant Improvements
- Experience Modification Rate (EMR)
- 2017 Areas That Require Improvement
- Next Steps

Ms. Foster responded to questions from the Board and the Board thanked her for the presentation.

ACTION ITEMS:

15. PENSION RATE STABILIZATION FUND:

GM Shoenberger introduced the topic offering that the District is eligible to participate in the pre-funding of its pension and Other Post-Employment Benefits (OPEB) obligations through Section 115 of the Internal Revenue Code and a tax-exempt trust under the relevant statutory provisions of the State of California. It is the plan of the District to manage the pre-funding of its pension and OPEB obligations in a single trust, thereby gaining administrative and cost efficiencies. Establishing a Pension Rate Stabilization Trust will allow the District to set aside funds for future CalPERS costs.

PARS Executive Vice President Mitch Barker responded to questions from the Board.

President Temianka asked for public comments. There were no comments.

MOTION

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

- a. Adopt Resolution No. 1499 – Adoption of the Public Agencies Post-Employment Benefits Trust Administered by Public Agency Retirement Services (PARS);
- b. Appoint the District Treasurer as Mesa Water’s Plan Administrator;
- c. Authorize the Plan Administrator to execute an Agreement for Administrative Services and other documents necessary to implement and administer the Public Agencies Post-Employment Benefits Trust (Program); and
- d. Authorize the Plan Administrator to move assets currently in the Public Agencies Post-Retirement Health Care Plan Trust to the Other Post-Employment Benefits (OPEB) Account established in the name of the Mesa Water District under the Public Agencies Post-Employment Benefits Trust.

Motion passed 5-0, by the following roll call vote:

AYES:	DIRECTORS	Bockmiller, Dewane, Fidler, Atkinson, Temianka
NOES:	DIRECTORS	None
ABSENT:	DIRECTORS	None
ABSTAIN:	DIRECTORS	None

16. RESOLUTION NO. 1500 - ESTABLISHING A REVISED SCHEDULE OF POSITIONS AND SALARY RATE RANGES:

President Temianka introduced Assistant General Manager Monteleone who introduced the topic.

President Temianka asked for public comments. There were no comments.

MOTION

Motion by Director Dewane, second by Vice President Atkinson, to Adopt Resolution No. 1500 – Establishing a Revised Schedule of Positions and Salary Rate Ranges. Motion passed 5-0, by the following roll call vote:

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

17. RESOLUTION NO. 1501 - ESTABLISHING A POLICY FOR THE SELECTION PROCESS FOR THE APPOINTMENTS OF GENERAL LEGAL COUNSEL AND INDEPENDENT AUDITOR:

President Temianka introduced AGM Monteleone who provided information regarding a proposed amendment to the resolution.

President Temianka asked for public comments. There were no comments.

MOTION

Motion by Director Dewane, second by Director Fisler, to Adopt Resolution No. 1501 – Establishing a Policy for the Selection Process for the Appointments of General Legal Counsel and Independent Auditor as amended, Superseding Resolution No. 1307. Motion passed 5-0, by the following roll call vote:

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

18. APPOINTMENTS OF DISTRICT SECRETARY AND DISTRICT TREASURER:

President Temianka introduced AGM Monteleone who provided information regarding the topic. In response to a question from Director Dewane, she noted that the stipend for District Secretary and District Treasurer was last changed in December 2012. Discussion ensued amongst the Board.

President Temianka asked for public comments. There were no comments.

MOTION

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

- a. Appoint Denise Garcia as District Secretary, effective June 26, 2017;
- b. Appoint Wendy Duncan as Assistant District Secretary, effective June 26, 2017;
- c. Appoint Phil Lauri as District Treasurer, effective July 1, 2017;
- d. Confirm the delegation of the same authority to the District Secretary and District Treasurer, as previously authorized and approved by the Board of Directors and as authorized by the California Water Code; and
- e. Award the stipend for the District Secretary and District Treasurer in the amount of \$350 per month each, effective July 1, 2017.

Motion passed 5-0.

REPORTS:

19. REPORT OF THE GENERAL MANAGER:

- May Key Indicators Report
- Other (no enclosure)

20. DIRECTORS' REPORTS AND COMMENTS:

RECESS

President Temianka declared a recess at 7:36 p.m.

The meeting reconvened at 7:42 p.m.

20.1 CLOSED SESSION:

President Temianka announced the Board was going into Closed Session at 7:43 p.m.

CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION:

Pursuant to California Government Code Sections 54956.9 (d) (1) and 54954.5 (c)
Case: Costa Mesa Sanitary District v. Mesa Water District
Case No. 30-2017-00923819-CU-PT-CJC

The Board returned to Open Session at 8:01 p.m.

Attorney Anslow announced the Board conducted one Closed Session with the General Manager, Assistant General Manager Monteleone, and Legal Counsel pursuant to California Government Code Sections 54956.9 (d) (1) and 54954.5 (c). The Board received information and there was no other announcement.

INFORMATION ITEMS:

21. DIRECTORS' REPORTS (AB 1234) PER CA GOVERNMENT CODE SECTION 53232.3 (D)

22. OTHER (NO ENCLOSURE)

President Temianka adjourned the meeting at 8:02 p.m. to a Regular Board Meeting scheduled for Thursday, July 13, 2017 at 6:00 p.m.

Approved:



Ethan Temianka, President



Coleen L. Monteleone, District Secretary

Recording Secretary: Sharon D. Brimer