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Satisfying our Community's
Water Needs

**MINUTES OF THE BOARD OF DIRECTORS
MESA WATER DISTRICT
Thursday, May 3, 2018
1965 Placentia Avenue, Costa Mesa, CA 92627
6:00 p.m. Adjourned Regular Board Meeting**

CALL TO ORDER

The meeting of the Board of Directors was called to order on May 3, 2018 at 6:00 p.m. by President Atkinson at the District Office Boardroom, located at 1965 Placentia Avenue, Costa Mesa, California.

PLEDGE OF ALLEGIANCE

Vice President Bockmiller 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
Denise Garcia, Administrative Services Manager/
District Secretary
Marwan Khalifa, CPA, MBA, Chief Financial Officer/
District Treasurer
Stacie Sheek, Customer Services Manager
Stacy Taylor, External Affairs Manager
Tracy Manning, Water Operations Manager
Rob Anslow, Partner, Atkinson, Andelson, Loya, Ruud & Romo

Others Present

Chris Palmer, Public Affairs Field Coordinator, California
Special Districts Association (CSDA)
Kristeen Farlow, Vice President Conference Chair, California
Association of Public Information Officials (CAPIO) *(arrived at
6:10 p.m.)*
Sanjay Gaur, Vice President, Raftelis
Stacey Kaszton Jones, President, and Founder, La Voz
Marketing

**SPECIAL DISTRICT LEADERSHIP FOUNDATION PRESENTATION OF MESA WATER
DISTRICT'S REACCREDITATION AS A DISTRICT OF DISTINCTION**

External Affairs Manager Taylor introduced CSDA Public Affairs Field Coordinator Chris Palmer who presented Mesa Water with their re-accreditation as a District of Distinction. He offered there are approximately 3,000 Special Districts in California, and this Distinction places Mesa Water in the top 2% of Special Districts in the state.

The Board thanked Mr. Palmer for the presentation and award.

Photographs were taken.

CALIFORNIA ASSOCIATION OF PUBLIC INFORMATION OFFICIALS PRESENTATION

The topic was deferred to later on the agenda.

PUBLIC COMMENTS

President Atkinson asked for public comments on items not on the agenda.

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

ITEMS TO BE ADDED, WITHDRAWN, OR REORDERED ON THE AGENDA

General Manager Shoenberger recommended reordering the agenda to take Item 15 after the Consent Calendar and to pull Item 20. There were no objections.

CONSENT CALENDAR ITEMS:

1. Approve minutes of regular Board meeting of April 12, 2018.
2. Approve minutes of special Board meeting of April 17, 2018.
3. Approve minutes of special Board meeting of April 19, 2018.
4. Approve minutes of special Board meeting of April 23, 2018.
5. Approve minutes of special Board meeting of April 24, 2018.
6. Approve attendance considerations (additions, changes, deletions).
7. Board Schedule:
 - Conferences, Seminars, and Meetings
 - Board Calendar
 - Upcoming Community Outreach Events
8. Approve the update to Mesa Water's Standard Specifications and Standard Drawings.
9. Authorize President Jim Atkinson to cast Mesa Water District's electronic ballots in the Orange County Local Agency Formation Commission Special District Seats Election in support of Douglass S. Davert for Regular Special District Member and James R. Fisler for Alternate Special District Member.
10. Receive the Quarterly Training Report for January 1, 2018 – March 31, 2018.

President Atkinson asked for comments from the public. There were no comments.

MOTION

Motion by Vice President Bockmiller, second by Director Fisler, to approve Items 1 - 10 of the Consent Calendar. Motion passed 5-0.

CALIFORNIA ASSOCIATION OF PUBLIC INFORMATION OFFICIALS PRESENTATION

Ms. Taylor introduced CAPIO's Vice President Conference Chair Kristeen Farlow who presented Mesa Water with the 2018 CAPIO EPIC award for Launch Event – New Water Vending Machine. Ms. Farlow offered the CAPIO EPIC Awards recognize the most creative and effective

efforts in the areas of communication and marketing campaigns, newsletter production, photography, special events, writing, web site development and video production.

The Board thanked Ms. Farlow for the presentation and award.

Photographs were taken.

PRESENTATION AND DISCUSSION ITEMS:

Item 15 - WATER COST COMPARISON STUDY:

GM Shoenberger reviewed the topic and introduced Chief Financial Officer Khalifa. Mr. Khalifa introduced, Raftelis Vice President Sanjay Gaur who proceeded with a presentation that highlighted the following:

- Average Monthly Water Charges Comparison by Counties
- Sample Water Rates
- Using Water Rates to Measure Operational Efficiency
- Sources of Income Comparison
- Share of Total Sales in Revenues
- Comparisons for Total Expenditures Per Capita
- Population and Total Expenditures Per Capita
- The Value of Water and Water Conservation
- Comparison of Revenue Sources
- Comparisons of Revenue from Commodity Rates

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

ACTION ITEMS:

11. PROPOSED FISCAL YEAR 2019 BUDGET:

GM Shoenberger introduced CFO Khalifa who proceeded with a presentation which highlighted the following:

- Pension Stabilization Trust
- Budget Assumptions
- FY 2019 Proposed Budget
- Designated Funds/Payments
- Debt Service Coverage Ratio/ Payments
- Cash on Hand/ Days Cash Ratio
- Actual/Budgeted Water Production
- Water Supply Needs (Historical and Projected)
- Operating Expenses by Department as a Percentage
- Capital Replacement & Refurbishment
- Community Outreach, District Memberships, and Board Conferences & Seminars
- FY2019 Budget Summary

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

President Atkinson offered no public was present.

MOTION

Motion by Vice President Bockmiller, second by Director Dewane, to approve the proposed Fiscal Year 2019 Budget. Motion passed 5-0.

12. STRATEGIC PLAN:

GM Shoenberger reviewed the topic, highlighting changes that were incorporated from the Board Workshop.

President Atkinson offered no public was present.

MOTION

Motion by Director Dewane, second by Director DePasquale, to approve the 2018 Strategic Plan. Motion passed 5-0.

13. POLICY POSITIONS:

GM Shoenberger reviewed the topic, highlighting changes that were incorporated from the Board Workshop.

President Atkinson offered no public was present.

MOTION

Motion by Director Dewane, second by President Atkinson, to approve the updated Policy Positions for Mesa Water District. Motion passed 5-0.

14. 2018 WATER BONDS:

External Affairs Manager Taylor provided a review of the topic and responded to questions from the Board.

President Atkinson offered no public was present.

Motion by President Atkinson, second by Director Fisler, to adopt Resolution No. XXXX Supporting the 2018 Water Bonds: Proposition 68 and the State Water Supply Infrastructure, Water Conveyance, Ecosystem and Watershed Protection and Restoration, and Drinking Water Protection Act of 2018.

SUBSTITUTE MOTION

Motion by Director DePasquale, second by Director Dewane, to take no action on this item. Motion passed 5-0.

PRESENTATION AND DISCUSSION ITEMS:

15. WATER COST COMPARISON STUDY:

This item was taken earlier in the agenda.

REPORTS:

16. REPORT OF THE GENERAL MANAGER:

- April Key Indicators Report
- Other (no enclosure)

17. DIRECTORS' REPORTS AND COMMENTS:

INFORMATION ITEMS:

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

19. OTHER (NO ENCLOSURE)

CLOSED SESSION:


20. 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

This item was pulled from the agenda.

President Atkinson adjourned the meeting at 8:07 p.m. to a regular Board Meeting scheduled for Thursday, June 14, 2018, at 6:00 p.m. in recognition of Director DePasquale's birthday.

Approved:



Jim Atkinson, President



Denise Garcia, District Secretary

Sharon D. Brimer, Recording Secretary